

Annual Report of
Subsidiary Companies of
Sundaram-Clayton Limited
for the year 2014-2015

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TVS MOTOR COMPANY LIMITED

Board of Directors	VENU SRINIVASAN <i>Chairman & Managing Director</i> SUDARSHAN VENU <i>Joint Managing Director</i> H. LAKSHMANAN T. KANNAN C. R. DUA Dr. LAKSHMI VENU R. RAMAKRISHNAN PRINCE ASIRVATHAM HEMANT KRISHAN SINGH	Share Transfer Agent Sundaram-Clayton Limited, "Jayalakshmi Estates", 1 st Floor, No.29 (Old No.8), Haddows Road, Chennai - 600 006 Tamil Nadu, India. Tel : 044 - 2828 4959; 2827 2233 Fax : 044 - 2825 7121 Email: investorscomplaintssta@scl.co.in raman@scl.co.in
Audit Committee	T. KANNAN <i>Chairman</i> C.R. DUA R. RAMAKRISHNAN PRINCE ASIRVATHAM	Bankers STATE BANK OF INDIA Corporate Accounts Group Branch, Chennai. STATE BANK OF MYSORE Corporate Accounts Branch, Bengaluru.
Stakeholders' Relationship Committee	R. RAMAKRISHNAN <i>Chairman</i> VENU SRINIVASAN SUDARSHAN VENU	Registered Office "Jayalakshmi Estates", No. 29 (Old No.8), Haddows Road, Chennai - 600 006, Tamil Nadu, India. Tel : 044 - 2827 2233; Fax : 044 - 2825 7121 CIN No. L35921TN1992PLC022845 E-mail: contactus@tvsmotor.com Website: www.tvsmotor.com
Nomination and Remuneration Committee	T. KANNAN <i>Chairman</i> C.R. DUA H. LAKSHMANAN	Plants Locations <ol style="list-style-type: none">1. Post Box No. 4, Harita, Hosur - 635 109, Tamil Nadu, India. Tel : 04344 - 276780; Fax : 04344 - 2760162. Post Box No. 1, Byathahalli Village, Kadakola Post, Mysore - 571 311, Karnataka, India. Tel : 0821 - 2596242; Fax : 0821 - 2596550 / 25965513. Bhatian Village, Nalagarh Post & Taluk Solan District - 174 101, Himachal Pradesh, India. Tel : 01795 - 220494; Fax : 01795 - 220496
Corporate Social Responsibility Committee	VENU SRINIVASAN <i>Chairman</i> PRINCE ASIRVATHAM H. LAKSHMANAN	Subsidiary Companies Sundaram Auto Components Limited, Chennai TVS Housing Limited, Chennai TVS Motor Company (Europe) B.V., Amsterdam TVS Motor (Singapore) Pte. Limited, Singapore PT. TVS Motor Company Indonesia, Jakarta Sundaram Business Development Consulting (Shanghai) Co. Ltd., Shanghai
President & CEO	K.N. RADHAKRISHNAN	
Chief Financial Officer	S.G. MURALI	
Company Secretary	K.S. SRINIVASAN	
Auditors	V. SANKAR AIYAR & Co., Chartered Accountants, 2-C, Court Chambers, 35 New Marine Lines, Mumbai - 400 020.	
Cost Auditor	A.N. RAMAN Cost Accountant, No. 10 P, Muthukumaraswami Salai, Off. Baby Nagar 1 st Main Road, Velachery, Chennai - 600 042.	
Shares listed with	BSE Ltd., Mumbai. National Stock Exchange of India Ltd., Mumbai.	

TVS MOTOR COMPANY LIMITED

Directors' report to the Shareholders

The directors have pleasure in presenting the twenty-third annual report and the audited accounts for the year ended 31st March, 2015.

1. COMPANY PERFORMANCE

The Company achieved higher than the industry growth in 2014-15, registering sales of 24.1 lakh two wheelers, growing by 20.9% over last year. Sale of Motorcycles increased by 21% and scooters by 47.7%. Moped sales grew at a modest 3.6%. Three-wheeler sales of the Company increased by 35% in 2014-15. Sales of spare parts grew by 19.7%. This performance was achieved despite a challenging year characterized by slow economic activity, successive crop failures and severe competitive intensity.

TVS Jupiter, StaR City+, Scooty Zest and Apache won several national and international awards clearly signaling a very strong customer acceptance and strong portfolio.

Total revenue of the Company including other income increased from Rs.7,996.15 Cr in the previous year to Rs.10,130.83 Cr in the current year. Profit before tax (PBT) for the year 2014-15 increased significantly to Rs.456.16 Cr from Rs. 352.54 Cr in the previous year. Similarly Profit After Tax increased from Rs.261.63 Cr achieved in the previous year after considering the exceptional items to Rs.347.83 Cr in 2014-15.

2. FINANCIAL HIGHLIGHTS

Details	Year ended 31-03-2015	Year ended 31-03-2014
SALES		
Quantitative	(Numbers in lakhs)	
Motorcycles	9.51	7.86
Mopeds	7.59	7.33
Scooters	7.00	4.74
Three Wheelers	1.08	0.80
Total vehicles sold	25.18	20.73
Financials		
	(Rupees in crores)	
Motorcycles	3815.09	3061.41
Mopeds	1553.20	1470.23
Scooters	2433.07	1609.77
Spares & Accessories and Raw Materials	1095.27	947.34
Three Wheelers	1023.51	768.95
Other Operating Income	178.08	108.24
Other Income	32.61	30.21
Sales (Net of Excise duty) & other income	10130.83	7996.15

(Rupees in crores)

EBITDA	668.91	536.04
Finance Charges & Interest (Gross)	27.42	25.40
Amortisation	32.00	23.64
Depreciation	153.33	131.65
Profit before tax before exceptional items	456.16	355.35
Exceptional items	–	(2.81)
Profit before tax after exceptional items	456.16	352.54
Provision for Tax	108.33	90.91
Profit for the year after tax	347.83	261.63
Balance in Statement of Profit and Loss	481.76	323.81
Profit available for appropriation	<u>829.59</u>	<u>585.44</u>
Appropriations:		
Dividend and Dividend Distribution Tax	107.51	77.52
Transfer to General Reserve	–	26.16
Surplus carried forward	<u>722.08</u>	<u>481.76</u>
	<u>829.59</u>	<u>585.44</u>

3. DIVIDEND

The board of directors of the Company (the board), at their meeting held on 3rd February, 2015, declared a first interim dividend of Re.0.75 per share (75%) for the year 2014-15 absorbing a sum of Rs.41.95 Cr including dividend distribution tax. The same was paid to the shareholders on 13th February 2015.

The board at its meeting held on 29th April, 2015 declared a second interim dividend of Rs.1.15 per share (115%) for the year 2014-15 absorbing a sum of Rs. 65.56 Cr including dividend distribution tax. The same will be paid to the shareholders on or after 9th May, 2015. Hence, the total amount of dividend including the second interim dividend payable, for the year ended 31st March, 2015 will aggregate to Rs.1.90 per share (190%) on 47,50,87,114 Equity Shares of Re.1/- each.

The board does not recommend any further dividend for the year under consideration.

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The two wheeler industry's growth appears to have converged to the long term trend after three years, growing 9% in 2014-15. While the first half of 2014-15 witnessed a growth of 18%, the second half grew by only 2%. Hence, the annual growth rate of 9% is not a fair reflection. Decline in growth in second half was more pronounced in rural markets. This is mainly due to a lag effect of lower agricultural output and impact of unseasonal rains.

Scooter as a category continued to gain share in total two wheeler industry. The category share of scooters increased

from 23% to 27% due to changing consumer preferences and strong urban demand. Scooters segment increased from 36.97 lakh numbers to 47.00 lakh numbers. The motorcycle segment remained flat at 4% (129.97 lakh numbers) in 2014-15 compared to 4% (124.64 lakh numbers) in 2013-14. The continued traction in urban demand however enabled the premium segment to increase by 19% (24.23 lakh numbers) in 2014-15 from 12% (20.30 lakh numbers) in 2013-14. This is in contrast to the lower growth witnessed in the commuting segment of 1% growth (105.35 lakh numbers) in 2014-15 and of 3% growth (104.15 lakh numbers) in 2013-14. Mopeds grew marginally by 5% in 2014-15 compared to a decline of 8% in 2013-14.

Industry sales of three wheelers (Domestic plus Export)

The petrol passenger three wheeler industry (3 plus 1 segment) increased by 23% during 2014-15 to 5.61 lakh units. Domestic sales increased by 51% due to new permits released by Maharashtra (from 1.04 lakh units in 2013-14 to 1.57 lakh units in 2014-15). Exports increased by 15% (from 3.51 lakh units in 2013-14 to 4.04 lakh units in 2014-15).

BUSINESS OUTLOOK AND OVERVIEW

Revival in economic activity appears to be marginal and slow paced. With a nominal growth in crop prices, unseasonal rains, stagnating rural wages and declined rabi output, weakness in rural economy appears to persist. Increasing probability of El-nino effect can result in poor spatial and seasonal distribution of rainfall affecting kharif production. Consequently the growth in two wheeler industry in 2015-16 is expected to be flat at 9% as in 2014-15.

New Product Launches and Initiatives

The superior quality of our products is well reflected in the recently concluded JD Power study. The study ranks the Company as a distinct number 1 with its products having the lowest number of defects compared to competition. TVS Wego has least problems in scooter industry, followed by Scooty Pep+ and Jupiter. In Economy Segment motorcycles, TVS Sport & Star City+ are at 2nd & 3rd positions, respectively, while in Premium Segment, Apache RTR 160 & 180 are at 2nd & 3rd positions. In APEAL (Automotive Performance, Execution and Layout) Survey, measuring how gratifying a new two-wheeler is to own and ride based on owner evaluations, TVS Sport and TVS Apache 180 rank highest in their respective categories.

During the year 2014-15, the following new products and variants were launched.



TVS Star City+:

TVS Star City+ was launched in May 2014 with new 110cc eco thrust engine, best-in-class mileage and many class-leading features. With an apt tagline of Style Ka Naya

Star, TVS Star City+ is Star of Style, Performance, Features and Comfort. The bike derives its urban look from a muscular tank, sporty head lamp, premium 3D logo and stylish side air scoops. The stunning designer styling of TVS Star City+ is complemented by array of features such as multi-function digital display with service reminder and econometer. TVS Star City+ won best motorcycle of the year award (Upto 110cc category) at NDTV Car and Bike Awards 2015 and Bike India Awards 2015. The launch advertising campaign for Star City+ won Global Marketing Excellence Award, by World Marketing Congress.

TVS Sport:



India with its signature blue colour entered as defending Champions.

TVS Sport that stands for style and mileage was introduced in a new colour called Team Blue in February 2015. The occasion was to create a buzz around the start of ICC 2015 Cricket World Cup where Team

TVS Scooty Zest 110:



To partner the new-age Indian women who live their life to the fullest, Scooty Zest 110 was launched in August 2014. Powered by 110cc CVT-i engine with best-in-class mileage of 62 kmpl, Scooty Zest 110 gives the best feminine definition to any two wheeler offering. Its best-in-class pickup, best-in-class underseat storage, first-time ever backlit speedometer and several unique features make it the best mix of style, power, comfort, convenience and safety. Widely appreciated by leading auto reviewers and users, Scooty Zest 110 won four scooter of the year awards this year viz. Autocar Scooter of the year, Overdrive Scooter of the year, Zigwheels Scooter of the year and Motorbeam Scooter of the year.

TVS Wego 110:



India's only dual usage scooter that has been built keeping both men and women in mind. Wego has been the most feature rich scooter in its category and with the launch of the refresh it has widened that gap.

It houses a fully digital speedometer, body balance technology, all metal body, a powerful CVT-i engine which gives the best-in-class mileage and host of other features which serve as a delight to both men and women. It is an epitome of a clever integration of style, performance, power, convenience, comfort and safety.

TVS Jupiter:



Launched in September 2013 with next-gen 110cc CVT-i Engine, best-in-class mileage and many class-leading features, TVS Jupiter took riding comfort of scooters to the next level. It has become the no. 3 scooter brand in India in just 9 months and has crossed 5,00,000 customers, the fastest ever in the scooter segment.

With accolades pouring in, TVS Jupiter has become the most awarded scooter ever. To celebrate Jupiter being Scooter-of-the-Year, a "Special Edition" Jupiter was launched in December 2014. To be sold in only a limited number, the special edition Jupiter got a new 'Stallion Brown' colour with beige inner panels, a special edition dome sticker and a 'Dura Cool' seat.

Two wheeler operations:

Domestic

Category shift from motorcycles to scooters continued in 2014-15, with more male buyers entering the category. The shift in the scooter consumer preferences towards bigger scooters which resulted in drop of TVS Scooty sales was addressed by TVS Jupiter. Also the launch of new 110cc Scooty Zest helped growth in the girls' student segment. Sale of scooters increased by 48.9%.

The newly launched StaR City+ along with product improvements in Apache provided an impetus to motorcycles sales which grew at 15.6% during the year.

The Company has strong distribution network of authorised dealers across India and continuously seeks to increase its reach.

Exports

The Company's two wheeler exports grew by 33.7% in 2014-15 with increasing demand, market-specific product actions and improvement in distribution network in some major export markets.

Three wheeler operations:

Sale of three wheelers grew by 35%. Domestic performance was boosted by the TVS King diesel version. Exports performance was propelled by demand in African countries.

Opportunities and Threats

Even though Indian economy is experiencing a slow growth phase, the long term prospects for two wheeler industry continue to be attractive.

A slew of new launches that has been planned in 2015-16 will further strengthen the presence of the Company in two wheeler industry.

RISKS AND CONCERNS

Continued investment in infrastructure, economic reforms and well distributed monsoons are essential for sustained

growth in consumer demand. Currency devaluation in key two wheeler export markets remains a concern. Moreover, currency availability in key export markets can exert further pressure. The continued momentum in scooters and motorcycles and success of planned launches are vital to achieve business objectives. If the two wheeler industry growth remains at a low level, higher competitive intensity can lead to pressure on margins. The Company will initiate various cost reduction measures to mitigate this risk.

RISK MANAGEMENT POLICY

The Board has established a Risk Management Policy which formalizes the Company's approach to overview and manage material business risks. The policy is implemented through top down and bottom up approach identifying, assessing, monitoring and managing key risks across the Company's business units.

Risks and effectiveness of their management, are internally reviewed and reported regularly to the Board. The management has reported to the board that the Company's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects.

The board is satisfied that there are adequate systems and procedures in place to identify, assess, monitor and manage risks. The Audit Committee also reviews reports by members of the management team and recommends suitable action. Risk mitigation policy has been approved by the board.

OPERATIONS REVIEW

Total Quality Management (TQM)

TVS Way framework has been identified as a key enabler towards sustaining and improving the rigour in TQM process. Efforts are put in to consolidate the learning and training programs in various areas of management processes.

During 2014-15, the Company has further added 60 people as certified problem solvers through Green belt and Black belt programs, which initiative has helped the Company in completing many critical projects on time. Workmen contribution to suggestion schemes and Quality Control Circles projects has yielded significant results in the continuously rotating standardize-do-check-act (SDCA) cycle which has helped to retain good practices towards achieving Quality, Cost, Delivery (QCD) targets. More than 70,000 suggestions were implemented and 1,200 projects were completed during the last year.

Cost Management

Total cost management is a continuous journey and the Company has been instituting various cost control measures across the organization. The Company will continue to pursue process innovation, value engineering and alternate sourcing to reduce material costs during this year.

Research and Development

The Company is the most awarded two wheeler manufacturer for the year. This is testimony to a strong Research and

TVS MOTOR COMPANY LIMITED

Development (R&D) team that works continuously towards creating exciting new products for our customers.

The R&D team, aided by modern Computer Aided Design/Computer Aided Engineering resources and state-of-art engine and vehicle design facilities, is constantly in pursuit of honing and sustaining its competence to develop cutting edge technology. With a customer centric approach, the team focuses on the development of innovative features and fuel-efficient, environment friendly technologies.

The Company also collaborates with leading research establishments and educational institutions to explore and develop breakthrough opportunities. The R&D team has so far published 92 technical papers in national and international conferences.

TVS Racing, an R&D entity, over the years has provided valuable data and design inputs towards the development of reliable motorcycle models with excellent vehicle dynamics and handling. With a very good success rate of over 90% wins in national racing events, TVS racing became the first Indian manufacturer to participate and complete the world's longest and toughest "Dakar Rally 2015".

Information Technology

The Company has been using ERP to integrate its various business processes within the Company and with its business partners. The Company continued to implement several projects in the supply chain to improve its efficiency and transparency. A comprehensive retail management solution was deployed across all dealerships to monitor and manage the distribution network. Digital manufacturing execution system has been introduced to improve automation, process control and traceability.

During the year, the Company has enhanced its business analytical capability by introducing In-memory Computing.

Several enhancements have been effected in the digital framework for measuring customer satisfaction, while related actions to improve customer satisfaction have been implemented.

As part of continuous improvement and to enhance information security, periodic audits are conducted by experts and necessary control measures are taken. During the year, the Company enhanced the scope of ISO 27001:2005 certification to all manufacturing units and sales offices.

Business continuity plan for major business and design applications have been implemented and tested.

INTERNAL CONTROL AND THEIR ADEQUACY

The Company has a proper and adequate internal control system to 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 and statutory obligations are adhered to.

INTERNAL FINANCIAL CONTROL

The Company has an established internal financial control framework including internal controls over financial reporting, operating controls and anti-fraud framework. The framework is reviewed regularly by the management and tested by internal audit team and presented to the audit committee. Based on the periodical testing, the framework is strengthened, from time to time, to ensure adequacy and effectiveness of Internal Financial Controls.

Occupational Health & Safety (OHS)

The Company has won the "First prize" in State Safety Award for longest accident free period from the Government of Tamil Nadu and Commendation award from National Safety Council, Tamil Nadu Chapter for implementing best practices in safety. The Company has also successfully completed surveillance audit in recertification process for continual improvement in Occupational Health Safety system through implementation of OHSAS18001:2007 standard. To motivate and sustain safety culture, the Company has implemented plant safety rating system and all the Company's plants are currently in "Silver" category.

HUMAN RESOURCE DEVELOPMENT (HRD)

Manpower planning & Resourcing, Employee engagement, Performance & Compensation management, Competency based development, Career & Succession planning and Organisation building are the six constituents of the HRD framework. Each of these constituents have a structured approach, guidelines, policies and standard operating procedures which are reviewed and updated periodically to deliver consistent results.

Through a systematic talent review process, leadership development for identified talents through exposure to globally acclaimed programs, challenging project assignments and job rotations are taken up on a regular basis.

The Company continues to maintain its record of good industrial relations without any interruption in work. As on 31st March, 2015, the Company had 5,048 employees on its rolls.

CAUTIONARY STATEMENT

Statements in the management discussion and analysis report describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax laws and other statutes and incidental factors.

5. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Act 2013, with respect to Directors' Responsibility Statement, it is hereby stated -

- i. that in the preparation of annual accounts for the financial year ended 31st March, 2015, the applicable Accounting Standards had been followed and that there were no material departures;
- ii. that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review;
- iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the directors had prepared the accounts for the financial year ended 31st March, 2015 on a "going concern basis";
- v. that 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
- vi. 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.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR activities have already been textured into the Company's value system through Srinivasan Services Trust (SST), established by the group companies in 1996 with the vision of building self-reliant rural community.

SST, the CSR arm of the Company, was established in 1996. Over 19 years of service, SST has played a pivotal role in changing lives of people in many villages in rural India by creating self-reliant communities that are models of sustainable development.

The Company is eligible to spend on their ongoing projects / programs, falling within the CSR activities specified under the Act 2013, as mandated by the Ministry of Corporate Affairs for carrying out the CSR activities.

The CSR Committee formulated and recommended a CSR policy in terms of Section 135 of the Act 2013 along with a list of projects / programmes to be undertaken for CSR spending in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Based on the recommendations of the CSR Committee, the board has approved the projects / programs carried out as

CSR activities by the following non-profitable organizations having a track record of more than the prescribed years in undertaking similar programmes / projects, constituting more than 2% of average net profits, for the immediate past three financial years, towards CSR spending for the current financial year 2014-2015.

S.No.	Name of the Trust	Amount spent (Rs in Lakhs)
1	Srinivasan Services Trust	515.00
2	Sri Sathya Sai Loka Seva Trust	125.00
	Total	640.00

Presently, SST is working in 2,501 villages spread across Tamil Nadu, Karnataka, Maharashtra, Himachal Pradesh and Andhra Pradesh. Its major focus areas are: Economic development, Health care, Quality education, Environment and Infrastructure.

Of the 2,501 villages, 1,573 villages (11,69,104 population and 2,51,234 families) have been funded by the Company over the years.

Achievements in 1,573 villages are:

Economic development:

- 1,44,800 families living in these villages have a monthly income of above Rs.15,000/-. They have financial security.
- 1244 farmers groups have been formed with 22,109 members.
- 1,01,834 farmers owning 1,17,089 hectares have increased the yields higher than the state average of the crops by 15%.
- 1,03,000 families earn more than Rs 3,500/- per month through livestock.

Women empowerment:

- Formed 5,091 Self Help Groups. These groups have 79,373 women as members.
- Of the 79,373 members, 71,774 members are in income generation activities. They earn a minimum additional income of Rs. 2500/- per month.

Health care:

- 23,009 children in the age group below 5 are not malnourished.
- 1,21,288 women are not anaemic any more.
- 75,749 additional households have access to toilet facilities (from 71,851 to 1,47,600)
- The morbidity percentage reduced from 17% to 5%.
- Enrolment in anganwadis increased from 86% to 100% and attendance is 99%.
- 691 anganwadis have met all the Integrated Child Development Services Scheme (ICDS) standards.
- 88% involvement of mother volunteers in the functioning of anganwadis. They volunteer their time to ensure proper functioning.

Quality education:

- 100% enrolment of children in schools. There are no drop outs in the schools.
- Number of percentage of slow learners reduced in schools from 27% to 14 %
- Out of 747 schools, 503 schools are now model schools.
- 50,354 illiterate women out of 65,042 have been made literates.

Environment and Infrastructure:

- 1,39,280 households dispose solid waste through individual and common compost pits. 83 tons of vermi compost generated per month from wastes.
- Sewage water from 1,41,186 households disposed through soak pits, kitchen gardens and drain.
- Safe drinking water is available to 704 villages.

Community takes care of their development needs. 2,484 social leaders are active in this effort.

As required under Section 135 of the Act 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual report on CSR containing the particulars of the projects / programmes approved and recommended by CSR Committee and approved by the board for the financial year 2014-15 are given by way of Annexure IV attached to this Report.

7. FINANCIAL PERFORMANCE & POSITION OF SUBSIDIARIES & ASSOCIATE COMPANIES

The following companies and bodies corporate are the subsidiaries/associates of the Company:

Subsidiaries

- Sundaram Auto Components Limited, Chennai;
- TVS Housing Limited, Chennai;
- PT. TVS Motor Company Indonesia, Jakarta;
- TVS Motor Company (Europe) B.V., Amsterdam;
- TVS Motor (Singapore) Pte. Limited, Singapore; and
- Sundaram Business Development Consulting (Shanghai) Company Limited, Shanghai.

Associates

- Emerald Haven Realty Limited, Chennai; and
- Green Infra Wind Energy Theni Limited, New Delhi.

Sundaram Auto Components Limited (SACL)

During the year, SACL, a wholly owned subsidiary of the Company, achieved a turnover of Rs.415 Cr in Plastics component business. SACL earned a profit after tax of Rs.25.32 Cr during the year 2014-15.

SACL was awarded the best supplier "System Rating" by Visteon CCS for the year 2014-15. During the year, SACL secured new businesses for manufacture of exterior painted parts and assemblies, safety critical air bag cover parts,

interior assemblies and Heating, Ventilating and Air-Conditioning (HVAC) parts.

During the year, SACL productionized 140 new parts for various customers.

SACL on 28th January, 2015, declared an interim dividend of Rs.3.50 per share (35%) for the year 2014-15 absorbing a sum of Rs.485.10 lakhs including dividend distribution tax.

SACL on 23rd April, 2015 recommended a final dividend of Rs.2.50 per share (25%) for the year 2014-15, for approval of shareholders, absorbing a sum of Rs.346.49 lakhs including dividend distribution tax.

Hence, the total amount of dividend including the final dividend recommended, for the year ended 31st March, 2015 will aggregate to Rs.6 per share (60%) on 1,15,50,000 equity shares of Rs.10/- each absorbing a sum of Rs.831.59 lakhs including dividend distribution tax.

TVS Housing Limited (TVSH) / Emerald Haven Realty Limited (EHRL)

During the year, TVSH has successfully completed phase 1 of the projects at its Nedungundram land at Chennai.

EHRL is the developer of the Nedungundram project of TVSH.

Construction of apartments have been completed and will be handed over to the buyers by June 2015. In Phase 2 of the Nedungundram project, villas are being developed and will be completed by June 2016.

PT.TVS Motor Company Indonesia (PT TVS)

During the year, motorcycle industry in Indonesia declined by 3%. The decline was more pronounced in the last quarter of the financial year when the industry plunged by 17% due to weak consumer sentiments arising out of poor commodity prices and the credit squeeze on hire purchase. The scooter category grew by 6% triggered by new product launches to end the year with a share of 70%. The sports motorcycle category and bebek category declined by 10% and 25% respectively.

PT TVS introduced two variants of 125cc sports motorcycle designed for specific customer segment during the later part of the year. During 2014-15, PT TVS sold 23,300 vehicles as against 19,200 vehicles sold during 2013-14, thereby registering a growth of 21%. While the domestic sales remained flat, exports grew by 40%. PT TVS continued its focus on exports and exported more than 14,000 units to ASEAN, Middle East and African countries.

During 2014-15, the loss at EBITDA level was marginally lower at USD 8 Mn compared to loss of USD 9 Mn recorded during 2013-14. During 2015-16, PT TVS plans to launch a new 200cc sports motorcycle and a new variant of its 110cc Dazz scooter with fuel injection system.

During the year under review, the Company has made an additional investment of USD 4 Mn in 4,00,000 ordinary shares of USD 10 each (Rs.24.92 Cr) in PT TVS.

TVS Motor Company (Europe) B.V & TVS Motor (Singapore) Pte. Ltd

The Company had earlier incorporated both these entities with a view to serve as special purpose vehicles for making and protecting the investments made in overseas operations of PT TVS.

Considering the change in the evaluation, the Company has now initiated steps to voluntarily wind up TVSM Europe, subject to such regulatory approvals / consents as may be required, both under Indian / Foreign laws. The other overseas entity viz TVS Motor Singapore Pte. Ltd will continue to hold the investment in PT TVS.

During the year under review, the Company has made an additional investment of Rs. 2.01 Cr in the ordinary shares of TVS Motor Singapore Pte. Ltd and the shares were allotted in April 2015.

Sundaram Business Development Consulting (Shanghai) Company Limited (SBDC)

SBDC was initially established to explore options of sourcing, local assembly of two wheeler etc in China. After a complete review of the proposed activities through SBDC, it was advised that local manufacturing operations may not be required in China. Hence, the board has decided to retain the "Representative office" in China but to close down the operations of SBDC.

Green Infra Wind Energy Theni Ltd (GIWETL)

SACL had earlier invested Rs.3 Crores (30,00,000 shares of Rs.10 each) representing 21.58 % out of a total share capital of Rs.13.9 crores of GIWETL and in terms of the provisions of AS 18, GIWETL became an associate of the Company.

This investment by SACL was made purely to comply with the legal requirement to be eligible as captive consumer to draw low cost green energy units produced.

GIWETL has an installed capacity of 7.5 MW out of which 6 MW is committed to SACL. During the year under review, GIWETL reported a PBT of Rs.1.16 Cr and pro rata share of profit is considered for consolidation.

Financial position of all subsidiaries and associate companies are provided as an Annexure to consolidated financial statements.

8. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company are prepared in accordance with the provisions of Section 129 of the Act 2013 read with the Companies (Accounts) Rules, 2014 and under the Listing Agreement with the Stock Exchanges along with a separate statement containing the salient features of the financial performance of subsidiaries / associates.

The audited financial statements in respect of each of its subsidiary companies will be made available to the shareholders, on receipt of a request from any shareholder them, and it has also been placed on the website of the Company. This will also be available for inspection by the shareholders at the registered office during the business hours.

9. DIRECTORS & KEY MANAGERIAL PERSONNEL

Independent Directors (IDs)

During the year, M/s T Kannan, C R Dua, R Ramakrishnan, Prince Asirvatham and Hemant Krishan Singh, were appointed as IDs for the first term of five consecutive years from the conclusion of the twenty-second Annual General Meeting and to receive remuneration by way of fees, reimbursement of expenses for participation in the meetings of the board and / or committees and profit related commission in terms of applicable provisions of the Act 2013 within the overall limit approved by the shareholders vide their resolution passed 14th July, 2014 at the annual general meeting as determined by the board from time to time.

On appointment, each ID has acknowledged the terms of appointment as set out in their letter of appointment. The appointment letter covers, *inter alia*, the terms of appointment, duties, remuneration and expenses, rights of access to information, other directorships, dealing in Company's shares, disclosure of Director's interests, insurance and indemnity. The IDs are provided with copies of the Company's policies and charters of various committees of the board.

All IDs have declared that they met all the criteria of independence as provided under Section 149(6) of the Act 2013 and Clause 49 of the Listing Agreement.

The detailed terms of appointment of IDs are disclosed on the Company's website with following link <http://www.tvsmotor.com/pdf/Terms-of-Appointment-Independent-Directors.pdf>.

Separate meeting of Independent Directors:

The IDs were fully kept informed of the Company's activities in all its spheres.

During the year under review, a separate meeting of IDs was held on 25th March, 2015 and the IDs reviewed the performance of:

- (i) non-IDs viz., M/s. Venu Srinivasan, Chairman and Managing Director Sudarshan Venu, Joint Managing Director, H Lakshmanan, and Dr Lakshmi Venu, directors; and
- (ii) the board as a whole.

They reviewed the performance of Chairman after taking into account the views of Executive and Non-Executive Directors.

They also assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board that are necessary for the Board to effectively and reasonably perform their duties.

All the IDs were present at the meeting.

Woman director

In terms of Section 149 of the Act 2013 read with the Companies (Appointment and Qualification of Directors,

Rules, 2014 and Clause 49 of the Listing Agreement, the Company is required to have a woman director on its board.

Dr Lakshmi Venu was appointed as additional, non-executive and non-independent director of the Company in terms of Section 161 read with Section 149 of the Act 2013, at the board meeting held on 10th September, 2014. She will vacate office in terms of Section 161 of the Act 2013 at the AGM and, being eligible, seeks herself for re-appointment at the ensuing AGM.

The board, based on the recommendation of nomination and remuneration committee, has recommended her appointment as non-executive and non independent director, liable to retire by rotation, in accordance with the articles of association of the Company (AoA), at the AGM, for approval by the shareholders.

A notice has been received from the holding company viz., Sundaram-Clayton Limited, as per the provisions of Section 160 of the Act 2013, along with a requisite deposit amount signifying its intention to propose the candidature of Dr Lakshmi Venu for appointment as director at the AGM.

Non-executive and non-independent directors (NE-Non IDs)

In terms of the provisions of sub-section (6) read with explanation to Section 152 of the Act 2013 two-thirds of the total number of directors i.e., excluding IDs, are liable to retire by rotation and out of which, one-third are liable to retire by rotation at every annual general meeting.

Mr Sudarshan Venu, JMD, who is liable to retire by rotation, at the AGM, and being eligible, offers himself for re-appointment.

Executive directors

Joint Managing Director (JMD)

During the year, the board, at its meeting held on 10th September, 2014, based on the recommendation of the NRC, appointed Mr Sudarshan Venu, who was actively involved in all spheres of the management of the Company and handling wider responsibilities for exploring new business opportunities - both in India and abroad - as JMD from the position of the whole-time director, subject to the approval of the shareholders at the AGM.

The other terms and conditions of his appointment and remuneration, as earlier approved by the board as well as by the shareholders of the Company on 18th March, 2013 through postal ballot and on 14th July, 2014 at the twenty-second annual general meeting of the Company, would remain unchanged.

Both the NRC and the board observed that the proposed appointment of Mr Sudarshan Venu as JMD also satisfies the requirements of the provisions of sub-section (3) of Section 196 of the Act 2013 and also part I of Schedule V of the Act 2013, dealing with the eligibility for appointment of managing directors.

Mr Sudarshan Venu as JMD of both the holding company, namely Sundaram-Clayton Limited (SCL) and the Company, would be entitled to draw remuneration from one or both the companies, provided that the total remuneration drawn from both the companies does not exceed the higher maximum limit admissible from any one of the Companies.

Chairman and Managing Director (CMD)

During the year, the board, at its meeting held on 3rd February, 2015 re-appointed Mr Venu Srinivasan as chairman and managing director of the Company (CMD), effective 24th April 2015 to hold the office for a period of five years on such terms and conditions, subject to the approval of the shareholders at the AGM.

Mr Venu Srinivasan was conferred an Honorary Doctorate of Management degree by Purdue University, USA in May 2014. The honour was conferred on him in recognition of his contributions in the field of management.

Further, in December 2014, Mayor of Busan Metropolitan City, Republic of Korea, His Excellency Suh Byung-soo conferred on him the Honorary Consul General of the Republic of Korea in Chennai. This award is one of the highest of its kind being awarded to a foreign national by the Korean. He is also the first Indian industrialist to be granted this honorary citizenship, in recognition of his valuable contribution in promoting Korea-India bilateral relations.

The board, based on the recommendation of NRC, has appointed and recommended his reappointment and the terms of remuneration as CMD, in accordance with the articles of association of the Company (AoA), at the AGM. Mr Venu Srinivasan as CMD of both the holding company namely Sundaram-Clayton Limited (SCL) and the Company would be entitled to draw remuneration from one or both the companies, provided that the total remuneration drawn from both the companies does not exceed the higher maximum limit admissible from any one of the Companies.

The brief resume of the directors proposed to be appointed and reappointed and other relevant information have been furnished in the Notice convening the annual general meeting of the Company. Appropriate resolutions for their appointment / re-appointment are being placed for approval of the shareholders at the AGM.

The directors, therefore, recommend their appointment / re-appointment as directors of the Company.

Key Managerial Personnel (KMPs):

At the board meeting held on 29th April, 2014, Mr Venu Srinivasan, CMD, Mr Sudarshan Venu, now JMD, Mr K N Radhakrishnan, President & Chief Executive Officer, Mr S G Murali Chief Financial Officer and Mr K S Srinivasan Company Secretary were designated as 'Key Managerial Personnel' of the Company in terms of Section 203 of the Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Nomination and Remuneration Policy

The Nomination and Remuneration Committee of Directors (NRC) reviews the composition of the board, to ensure that there is an appropriate mix of abilities, experience and diversity to serve the interests of all shareholders and the Company.

During the year, in accordance with the requirements under Section 178 of the Act 2013 and Clause 49 of Listing Agreement, the NRC formulated a Nomination and Remuneration Policy to govern the terms of nomination / appointment and remuneration of (i) Directors, (ii) Key Managerial Personnel (KMPs) and (iii) Senior Management Personnel (SMPs) of the Company. The same was approved by the board at its meeting held on 23rd September, 2014. The NRC also reviews succession planning of both SMPs and board. The Company's approach in recent years is to have a greater component of performance linked remuneration for SMPs.

The process of appointing a director / KMPs / SMPs is, that when a vacancy arises, or is expected, the NRC will identify, ascertain the integrity, qualification, appropriate expertise and experience, having regard to the skills that the candidate will bring to the board / company, and the balance of skills added to that of which the existing members hold.

The NRC will review the profile of persons and the most suitable person is either recommended for appointment by the board or is recommended to shareholders for their election. The NRC has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

NRC will ensure that any person(s) who is / are appointed or continues in the employment of the Company as its executive chairman, managing director, whole-time director shall comply with the conditions as laid out under Part I of Schedule V to the Act 2013.

NRC will ensure that any appointment of a person as an independent Director of the Company will be made in accordance with the provisions of Section 149 read with Schedule IV of the Act 2013 along with any other applicable provisions and Clause 49 of the Listing Agreement.

Criteria for performance evaluation, disclosures on the remuneration of directors, criteria of making payments to non-executive directors have been disclosed as part of Corporate Governance Report attached herewith.

Evaluation of the board, committees and directors

In terms of Section 134 of the Act 2013 and the Corporate Governance requirements as prescribed under Clause 49 of the Listing Agreement, the board reviewed and evaluated its own performance from the perspectives of Company Performance, Strategy and Implementation, Risk Management, Corporate ethics, based on the evaluation criteria laid down by the NRC.

The board discussed and assessed its own composition, size, mix of skills and experience, its meeting sequence,

effectiveness of discussion, decision making, follow up action, quality of information and the performance and reporting by the Committees viz., Audit Committee, Nomination and Remuneration Committee (NRC), Stakeholders Relationship Committee (SRC) and Corporate Social Responsibility Committee (CSR).

The board upon evaluation concluded that it is well balanced in terms of diversity of experience encompassing all the activities of the Company. We endeavour to have a diverse board representing a range of experience at policy-making levels in business and technology, and in areas that are relevant to the Company's global activities.

The performance of individual directors including all Independent directors assessed against a range of criteria such as contribution to the development of business strategy and performance of the Company, understanding the major risks affecting the Company, clear direction to the management and contribution to the board cohesion. The performance evaluation has been done by the entire board of directors, except the director concerned being evaluated. The board noted that all directors have understood the opportunities and risks to the Company's strategy and are supportive of the direction articulated by the management team towards consistent improvement.

The board also noted that corporate responsibility, ethics and compliance are taken seriously, and there is a good balance between the core values of the Company and the interests of stakeholders. The board satisfied with the Company's performance in all fronts viz., new product development, operations, sales and marketing, finance management, international business, employee relations and compliance with statutory / regulatory requirements and finally concluded that the board operates effectively and is closely aligned to the culture of the business.

The performance of each committee was evaluated by the board after seeking inputs from its members on the basis of the criteria such as matters assessed against terms of reference, time spent by the committees in considering matters, quality of information received, work of each committee, overall effectiveness and decision making and compliance with the corporate governance requirements and concluded that all the committees continued to function effectively, with full participation by all its members and the members of executive management of the Company.

The board reviewed each committee's terms of reference to ensure that the Company's existing practices remain appropriate. Recommendations from each committee are considered and approved by the board prior to implementation.

Number of board meetings held

The number of board meetings held during the financial year 2014-15 is provided as part of Corporate Governance

Report prepared in terms of Clause 49 of the Listing Agreement.

10.AUDITORS

Statutory Auditors

The Company at its twenty second AGM held on 14th July 2014 appointed M/s V Sankar Aiyar & Co., Chartered Accountants, Mumbai, having Firm Registration No. 109208W allotted by The Institute of Chartered Accountants of India, as statutory auditors of the Company to hold office, for four consecutive years from the conclusion of the said AGM, subject to ratification at every AGM. The Auditors' Report for the financial year 2014-15 does not contain any qualification, reservation or adverse remark and the same is attached with the annual report.

The Company has obtained necessary certificate under Section 141 of the Act 2013 from them conveying their eligibility for being statutory auditors of the Company for the year 2015-16.

Cost Auditors

The board, subject to the approval of the Central Government, has re-appointed Mr A N Raman, Cost Accountant holding Certificate of practice No. 5359 allotted by The Institute of Cost Accountants of India, as a Cost Auditor for conducting Cost Audit for the financial year 2015-16, in terms of the Companies (Cost Records and Audit) Amendment Rules, 2014.

The Company has also received necessary certificate under Section 141 of the Act 2013 from him conveying his eligibility. A sum of Rs.5 lakhs has been fixed by the board as remuneration in addition to reimbursement of service tax, travelling and out-of-pocket expenses payable to him and is also required to be ratified by the members, at the ensuing AGM as per Section 148(3) of the Act 2013. The Company does not require to carry out Cost Audit for the year 2014-15 and thereby filing of Cost Audit Report does not arise.

As required under the Cost (Cost Accounting Records) Rules, 2011, the Company has filed the Cost Audit Report for the year 2013-14 in XBRL format along with cost compliance Report.

Secretarial Auditors

As required under Section 204 of the Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company is required to appoint a Secretarial Auditor for auditing secretarial and related records of the Company.

Accordingly, M/s S Krishnamurthy & Co., Company Secretaries, Chennai, was appointed as Secretarial Auditors

for carrying out the secretarial audit for the financial year 2015-16.

As required by Section 204 of the Act, 2013, the Secretarial Audit Report for the year 2014-15, given by M/s S Krishnamurthy & Co., Company Secretaries, Chennai for auditing the secretarial and related records is attached to this report. The Secretarial Audit Report does not contain any qualification, reservation or other remarks.

11.CORPORATE GOVERNANCE

The Company has been practicing the principles of good corporate governance over the years and lays strong emphasis on transparency, accountability and integrity.

A separate section on Corporate Governance and a certificate from the statutory auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement(s) with the Stock Exchange(s) form part of this Annual Report.

The chairman and managing director and the executive vice president - finance of the Company have certified to the board on financial statements and other matters in accordance with the Clause 49 (IX) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March 2015.

12.POLICY ON VIGIL MECHANISM

The Board at its meeting held on 23rd September 2014, adopted a Policy on Vigil Mechanism in accordance with the provisions of the Act 2013 and as per the revised Clause 49 of the Listing Agreement, which provides a formal mechanism for all directors, employees and other stakeholders of the Company, to report to the management their genuine concerns or grievances about unethical behaviour, actual or suspected fraud and any violation of the Company's Code of Business Conduct or Ethics policy.

The Policy also provides a direct access to the Chairperson of the Audit Committee to make protective disclosures to the management about grievances or violation of the Company's Code of Business Conduct and Ethics.

The Policy is disclosed on the Company's website with the following link <http://www.tvsmotor.com/pdf/Whistle-Blower-Policy.pdf>.

13.PUBLIC DEPOSITS

The Company has not accepted any deposit from the public within the meaning of Chapter V of the Act 2013, for the year ended 31st March 2015.

14.DISCLOSURES

Information on conservation of energy, technology absorption, foreign exchange, etc

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure I to this report, in terms of the requirements of Section 134(3)(m) of the Act 2013 read with the Companies (Accounts) Rules 2014;

Annual Return

Extract of Annual Return in the prescribed form is given as Annexure II to this report, in terms of the requirement of Section 134(3)(a) of Act 2013 read with the Companies (Accounts) Rules, 2014.

Employees' remuneration

Details of employees receiving the remuneration in excess of the limits prescribed under Section 197 of the Act 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as a statement and given in Annexure III. In terms of first proviso to Section 136(1) of the Act 2013 the Annual Report, excluding the aforesaid annexure is being sent to the shareholders of the Company. The annexure is available for inspection at the Registered Office of the Company during business hours and any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

Comparative analysis of remuneration paid

A comparative analysis of remuneration paid to Directors and employees with the Company's performance is given as Annexure V to this report.

Details of related party transactions

Details of material related party transactions under Section 188 of the Act 2013 read with the Companies (Meetings of

Board and its Powers) Rules, 2014, are given in Annexure VI to this report in the prescribed form.

Details of loans / guarantees / investments made

The details of loans and guarantees under Section 186 of the Act 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, for the financial year 2014-2015 are given as Annexure VII to this report. On loans granted to the employees, the Company has charged interest as per its remuneration policy, in compliance with Section 186 of the Act 2013.

Please refer note No. IX to Notes on accounts for the financial year 2014-15, for details of investments made by the Company.

Other laws

During the year under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

15.ACKNOWLEDGEMENT

The directors gratefully acknowledge the continued support and co-operation received from the holding company i.e. Sundaram-Clayton Limited, Chennai. The directors thank the bankers, investing institutions, customers, dealers, vendors and sub-contractors for their valuable support and assistance.

The directors wish to place on record their appreciation of the very good work done by all the employees of the Company during the year under review.

The directors also thank the investors for their continued faith in the Company.

For and on behalf of the Board

Bengaluru
29th April 2015

VENU SRINIVASAN
Chairman

**Annexure - I to Directors' Report to the shareholders
Information pursuant to Section 134(3)(m) of the Companies Act, 2013**

A. CONSERVATION OF ENERGY

1. Measures taken in the year 2014-15

- i. Optimal utilization of plant and equipment;
- ii. Refrigerant technology/solar for hot water application; and
- iii. Implementation of other planned energy efficient projects.

The above measures have resulted in an annual saving of approximately Rs.3.50 Cr.

2. Proposed measures during the year 2015-16

- i. Optimal utilization of plant and equipment;
- ii. Hybrid solar heat pump for engine pre-heating in Captive Power Plant;
- iii. Paint plant process water heating through solar / heat pump;
- iv. Alternate source of fuel to reduce fuel consumption & cost from High Speed Diesel (HSD) to Liquefied Natural Gas (LNG) / Compressed Natural Gas (CNG);
- v. Installation of roof top solar power plant of 1.2MW capacity; and
- vi. Implementation of other planned energy efficient projects.

The above measures are expected to yield in an annual saving of Rs.4.35 Cr (approx.).

3. Steps taken for utilizing alternate sources of energy

During the year 2014-15, the Company has utilized the power generated through wind energy to an extent of 1.08 crores kWh. The Company is planning to continue the utilization of wind energy during the year 2015-16 to an extent of 1.20 Cr kWh.

Towards continual commitment of utilizing renewable energy, the Company has planned to commission 1.2 MW roof-top solar plant in 2015-16, to generate 16 lakh kWh of energy per annum.

4. Capital investment in energy conservation equipment

During the year 2014-15, the Company has invested Rs.1.50 Cr towards optimization of compressors, power factor improvement and replacement of conventional lights into LED / induction lighting, as "Energy Efficient" measures.

The Company is planning to invest around Rs.3.25 Cr in energy saving equipment in 2015-16 viz., wind energy equipment, alternate heating source, solar power equipment and other energy efficient systems.

- ii. Designed, developed and launched new 110cc scooter with innovative features, improved fuel economy, ride and handling.
- iii. Concept design and development of engines for meeting Euro 3 emission norms completed.
- iv. Developed Gen5 technology for hybrid scooter with reduced emission, improved fuel economy and enhanced drivability.
- v. Design and development work on high performance motorcycle is completed.
- vi. Designed, developed and launched a new 125cc semi-trail motorcycle for export market.

Future plan of action

- i. Development of new technologies for reduction of emission and reduction of CO₂ to meet future emission norms.
- ii. Development of new technologies and new features to achieve customer satisfaction.
- iii. Development of technologies including alternate materials, weight reduction, cost reduction and improvement of fuel economy.
- iv. Development of skills and techniques to improve fit and finish quality of products.
- v. Development of new technologies to reduce noise, vibration and harshness of the products.

Data relating to imported technology

Technology imported during the last three years reckoned from the beginning of the financial year - NIL

Expenditure on R&D Rs.195.84 Cr.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Export activities

During the year, export of Two wheelers is 3.23 lakh units and of Three wheelers is 0.90 lakh units. The Company expanded its presence to 58 countries.

The Company continued export of components and sub-assemblies to its subsidiary in Indonesia.

2. Total foreign exchange earned and used (actual)

(Rs. in Cr)

Foreign exchange used	1,288.94
Foreign exchange earned	2,272.18

B. TECHNOLOGY ABSORPTION FOR 2014-15

Specific areas in which R&D is carried out by the Company

- i. Designed, developed and launched new 110cc class 4stroke motorcycle with best in class engine smoothness, improved ergonomics and enhanced fuel economy.

For and on behalf of the Board

Bengaluru
29th April 2015

VENU SRINIVASAN
Chairman

Annexure - II

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March 2015

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN	:	L35921TN1992PLC022845
ii)	Registration Date	:	10.06.1992
iii)	Name of the Company	:	TVS Motor Company Limited
iv)	Category / Sub-Category of the Company	:	Public Company / Listed by Shares
v)	Address of the Registered office and contact details	:	"Jayalakshmi Estates", No.29, Haddows Road, Chennai - 600 006 Tel.: 044 - 2827 2233; Fax : 044 - 2825 7121
vi)	Whether listed company Yes / No	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Sundaram - Clayton Limited "Jayalakshmi Estates", 1st Floor, No.29 (Old No.8), Haddows Road, Chennai - 600 006 Tel. : 044 - 2830 7700; 2827 2233 Fax : 044 - 2825 7121

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main products / services	NIC code of the product / service	% to total turnover of the Company
1	Motorcycles, Scooters, Mopeds	30911	77.0%
2	Three Wheelers	30912	10.1%
3	Parts & Accessories	30913	10.8%

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	Sundaram - Clayton Limited "Jayalakshmi Estates", No.29, Haddows Road, Chennai - 600 006	L35999TN1962PLC004792	Holding Company	57.40% in the Company	2(46)
2	Sundaram Auto Components Limited "Jayalakshmi Estates", No.29, Haddows Road, Chennai - 600 006	U29249TN1992PLC051417	Subsidiary	100%	2(87)
3	TVS Housing Limited "Jayalakshmi Estates", No.29, Haddows Road, Chennai - 600 006	U70101TN2010PLC075027	Subsidiary	100%	2(87)

TVS MOTOR COMPANY LIMITED

Sl. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
4	PT. TVS Motor Company Indonesia Wirausala Building, 3rd Floor, Jl. HR. Rasuna Said, Kav. C5 Kuningan, Jakarta	NA	Subsidiary	37.05% by the Company; 24.75% by TVSM Europe; and 38.20% by TVSM Singapore	2(87)
5	TVS Motor Company (Europe) B.V. Claude, Debussylaan 24 1082 MD, Amsterdam	NA	Subsidiary	100%	2(87)
6	TVS Motor (Singapore) Pte. Limited 17, Phillip Street, # 05-01, Grand Building, Singapore - 048 695	NA	Subsidiary	100%	2(87)
7	Sundaram Business Development Consulting (Shanghai) Company Limited RM10P 10, 2299 YAN AN Road (West), Shanghai Mart, Shanghai - 200 336	NA	Subsidiary	100%	2(87)
8	Emerald Haven Realty Limited "Jayalakshmi Estates", No.29, Haddows Road, Chennai - 600 006	U45200TN2010PLC075953	Associate	49%	2(6)
9	Green Infra Wind Energy Theni Limited 1, 2nd Floor, Tower No. 2, NBCC Plaza, Sector V, Pushp Vihar, Saket New Delhi - 110 017	U40109DL2011PLC275063	Associate	22%	2(6)

TVS MOTOR COMPANY LIMITED

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 31 st March 2014)				No. of Shares held at the end of the year (as on 31 st March 2015)				change in shareholding during the year
	Demat	Physical	Total	of total shares	Demat	Physical	Total	of total shares	
A. Promoters									
Indian									
- Bodies Corp.	27,26,82,786	-	27,26,82,786	57.40	27,26,82,786	-	27,26,82,786	57.40	-
Total Shareholding of Promoter (A)	27,26,82,786	-	27,26,82,786	57.40	27,26,82,786	-	27,26,82,786	57.40	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	5,41,85,457	10,712	5,41,96,169	11.40	4,11,29,050	6,570	4,11,35,620	8.65	(2.75)
b) Banks / FI	72,834	66,216	1,39,050	0.03	12,14,447	70,216	12,84,663	0.27	0.24
c) Insurance Companies	2,58,01,405	-	2,58,01,405	5.43	1,51,73,315	-	1,51,73,315	3.19	(2.24)
d) FIs	2,51,52,478	11,000	2,51,63,478	5.30	6,75,33,664	11,000	6,75,44,664	14.22	8.92
Sub-Total (B)(1)	10,52,12,174	87,928	10,53,00,102	22.16	12,50,50,476	87,786	12,51,38,262	26.33	4.17
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2,59,01,733	70,848	2,59,72,581	5.46	1,91,46,080	69,848	1,92,15,928	4.05	(1.41)
ii) Overseas	-	136	136	-	-	136	136	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4,71,90,020	78,16,921	5,50,06,941	11.58	4,19,69,810	72,51,800	4,92,21,610	10.36	(1.22)
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	91,22,613	-	91,22,613	1.92	41,96,909	-	41,96,909	0.88	(1.04)
c) Directors and relatives	47,84,766	5000	47,89,766	1.01	28,46,966	5,000	28,51,966	0.60	(0.41)
c) Others	21,83,609	28580	22,12,189	0.47	17,50,937	28,580	17,79,517	0.38	(0.09)
Sub-total (B)(2):	8,91,82,741	79,21,485	9,71,04,226	20.44	6,99,10,702	73,55,364	7,72,66,066	16.27	(4.17)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	19,43,94,915	80,09,413	20,24,04,328	42.60	19,49,61,178	74,43,150	20,24,04,328	42.60	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	46,70,77,701	80,09,413	47,50,87,114	100.00	46,76,43,964	74,43,150	47,50,87,114	100.00	-

TVS MOTOR COMPANY LIMITED

ii) Shareholding of Promoters

Name of the Promoter	Opening Balance (% of the total share capital)	Date of Dealing	Purchase or Sales	No. of shares	% of total shares of the Company	Cumulative		Closing Balance	
						No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Sundaram - Clayton Limited	27,26,82,786 (57.40)	-	-	-	-	-	-	27,26,82,786	57.40

iii) There is no change in Promoters' Shareholding during the year 2014-15.

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Opening Balance	Date of increase or decrease (Benpos date)	Reasons for increase or decrease	No. of shares	% of total shares of the Company	Cumulative		Closing Balance	
					No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
RELIANCE CAPITAL TRUSTEE CO. LTD.								
41,225,070	01-04-2014	Opening Balance						
	11-04-2014	Sale	77,739	0.02	41,147,331	8.66		
	25-04-2014	Sale	492,584	0.10	40,654,747	8.56		
	25-04-2014	Purchase	32,000	0.01	40,686,747	8.56		
	02-05-2014	Sale	1,511,995	0.32	39,174,752	8.25		
	05-05-2014	Sale	11,400	0.00	39,163,352	8.24		
	16-05-2014	Sale	1,158,949	0.24	38,004,403	8.00		
	23-05-2014	Sale	15,000	0.00	37,989,403	8.00		
	30-05-2014	Sale	393,759	0.08	37,595,644	7.91		
	06-06-2014	Purchase	100,000	0.02	37,695,644	7.93		
	06-06-2014	Sale	30,000	0.01	37,665,644	7.93		
	20-06-2014	Purchase	169,238	0.04	37,834,882	7.96		
	30-06-2014	Sale	1,563,297	0.33	36,271,585	7.63		
	04-07-2014	Sale	956,703	0.20	35,314,882	7.43		
	11-07-2014	Purchase	450,000	0.09	35,764,882	7.53		
	18-07-2014	Purchase	38,376	0.01	35,803,258	7.54		
	25-07-2014	Sale	130,841	0.03	35,672,417	7.51		
	01-08-2014	Purchase	962,465	0.20	36,634,882	7.71		
	08-08-2014	Sale	2,020,000	0.43	34,614,882	7.29		
	15-08-2014	Sale	450,000	0.09	34,164,882	7.19		
	29-08-2014	Purchase	222,067	0.05	34,386,949	7.24		
	05-09-2014	Sale	996,004	0.21	33,390,945	7.03		
	12-09-2014	Sale	929,187	0.20	32,461,758	6.83		
	19-09-2014	Sale	1,296,068	0.27	31,165,690	6.56		
	30-09-2014	Sale	911,011	0.19	30,254,679	6.37		
	03-10-2014	Sale	12,280	0.00	30,242,399	6.37		
	10-10-2014	Purchase	114,890	0.02	30,357,289	6.39		
	17-10-2014	Purchase	180,000	0.04	30,537,289	6.43		
	24-10-2014	Sale	541,474	0.11	29,995,815	6.31		
	31-10-2014	Sale	736,278	0.15	29,259,537	6.16		
	07-11-2014	Sale	366,865	0.08	28,892,672	6.08		
	14-11-2014	Sale	270,075	0.06	28,622,597	6.02		
	21-11-2014	Purchase	514,801	0.11	29,137,398	6.13		
	28-11-2014	Purchase	720,000	0.15	29,857,398	6.28		
	05-12-2014	Sale	514,835	0.11	29,342,563	6.18		
	12-12-2014	Sale	655,156	0.14	28,687,407	6.04		
	31-12-2014	Sale	450,000	0.09	28,237,407	5.94		
	09-01-2015	Sale	692,805	0.15	27,544,602	5.80		
	16-01-2015	Sale	133,782	0.03	27,410,820	5.77		
	06-02-2015	Purchase	7,125	0.00	27,417,945	5.77		

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Opening Balance	Date of increase or decrease (Benpos date)	Reasons for increase or decrease	No. of shares	% of total shares of the Company	Cumulative		Closing Balance	
					No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	13-02-2015	Sale	100,000	0.02	27,317,945	5.75		
	27-02-2015	Purchase	720,000	0.15	28,037,945	5.90		
	27-02-2015	Sale	250,000	0.05	27,787,945	5.85		
	06-03-2015	Purchase	450,000	0.09	28,237,945	5.94		
	13-03-2015	Purchase	360,000	0.08	28,597,945	6.02		
	13-03-2015	Sale	100,000	0.02	28,497,945	6.00		
	20-03-2015	Purchase	360,000	0.08	28,857,945	6.07		
	31-03-2015	Purchase	810,000	0.17	29,667,945	6.24		
	31-03-2015	Closing Balance					29,667,945	6.24
HSBC BANK (MAURITIUS) LIMITED A/C JWALAMUKHI INVESTMENT HOLDINGS								
NIL	01-04-2014	Opening Balance						
	08-08-2014	Purchase	1,565,000	0.33	1,565,000	0.33		
	15-08-2014	Purchase	4,439,519	0.93	6,004,519	1.26		
	22-08-2014	Purchase	2,260,000	0.48	8,264,519	1.74		
	24-10-2014	Purchase	3,098,975	0.65	11,363,494	2.39		
	31-10-2014	Purchase	3,001,025	0.63	14,364,519	3.02		
	31-03-2015	Closing Balance					14,364,519	3.02
TVS MOTOR HARITA EMPLOYEES WELFARE FOUNDATION PRIVATE LIMITED								
9,433,000	-	-	-	-	-	-	9,433,000	1.99
FRANKLIN TEMPLETON INVESTMENT FUNDS								
NIL	01-04-2014	Opening Balance						
	30-01-2015	Purchase	825,341	0.17	825,341	0.17		
	06-02-2015	Purchase	1,521,519	0.32	2,346,860	0.49		
	09-02-2015	Purchase	78,100	0.02	2,424,960	0.51		
	13-02-2015	Purchase	1,052,900	0.22	3,477,860	0.73		
	20-02-2015	Purchase	522,140	0.11	4,000,000	0.84		
	27-02-2015	Purchase	1,165,000	0.25	5,165,000	1.09		
	31-03-2015	Purchase	1,199,703	0.25	6,364,703	1.34		
	31-03-2015	Closing Balance					6,364,703	1.34
LIFE INSURANCE CORPORATION OF INDIA								
18,440,769	01-04-2014	Opening Balance						
	04-04-2014	Sale	1,014,658	0.21	17,426,111	3.67		
	11-04-2014	Sale	487,816	0.10	16,938,295	3.57		
	18-04-2014	Sale	228,964	0.05	16,709,331	3.52		
	25-04-2014	Sale	21,100	0.00	16,688,231	3.51		
	06-06-2014	Sale	1,213,386	0.26	15,474,845	3.26		
	09-06-2014	Sale	322,478	0.07	15,152,367	3.19		
	13-06-2014	Sale	564,807	0.12	14,587,560	3.07		
	20-06-2014	Sale	1,112,553	0.23	13,475,007	2.84		
	30-06-2014	Sale	1,234,529	0.26	12,240,478	2.58		
	25-07-2014	Sale	500,000	0.11	11,740,478	2.47		
	08-08-2014	Sale	1,100,000	0.23	10,640,478	2.24		
	15-08-2014	Sale	1,655,886	0.35	8,984,592	1.89		
	22-08-2014	Sale	547,471	0.12	8,437,121	1.78		
	07-11-2014	Sale	685,416	0.14	7,751,705	1.63		
	14-11-2014	Sale	1,173,760	0.25	6,577,945	1.38		
	21-11-2014	Sale	250,000	0.05	6,327,945	1.33		
	31-03-2015	Closing Balance					6,327,945	1.33
TREE LINE ASIA MASTER FUND (SINGAPORE) PTE LTD								
6,000,000	-	-	-	-	-	-	6,000,000	1.26

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Opening Balance	Date of increase or decrease (Benpos date)	Reasons for increase or decrease	No. of shares	% of total shares of the Company	Cumulative		Closing Balance	
					No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
FRANKLIN TEMPLETON MUTUAL FUND								
1,300,000	01-04-2014	Opening Balance						
	04-04-2014	Sale	400,000	0.08	900,000	0.19		
	23-05-2014	Sale	300,000	0.06	600,000	0.13		
	30-05-2014	Sale	100,000	0.02	500,000	0.11		
	19-12-2014	Purchase	804,557	0.17	1,304,557	0.27		
	31-12-2014	Purchase	670,483	0.14	1,975,040	0.42		
	02-01-2015	Purchase	974,172	0.21	2,949,212	0.62		
	09-01-2015	Purchase	225,224	0.05	3,174,436	0.67		
	30-01-2015	Purchase	250,000	0.05	3,424,436	0.72		
	06-02-2015	Purchase	384,500	0.08	3,808,936	0.80		
	09-02-2015	Purchase	165,500	0.03	3,974,436	0.84		
	13-02-2015	Purchase	80,544	0.02	4,054,980	0.85		
	27-02-2015	Purchase	794,456	0.17	4,849,436	1.02		
	06-03-2015	Purchase	100,000	0.02	4,949,436	1.04		
	13-03-2015	Purchase	75,000	0.02	5,024,436	1.06		
	20-03-2015	Purchase	155,997	0.03	5,180,433	1.09		
	31-03-2015	Purchase	608,013	0.13	5,788,446	1.22		
	31-03-2015	Closing Balance					5,788,446	1.22
GOLDMAN SACHS (SINGAPORE) PTE								
352,459	01-04-2014	Opening Balance						
	02-05-2014	Purchase	66,000	0.01	418,459	0.09		
	16-05-2014	Sale	120,000	0.03	298,459	0.06		
	30-05-2014	Purchase	92,247	0.02	390,706	0.08		
	06-06-2014	Purchase	260,837	0.05	651,543	0.14		
	13-06-2014	Purchase	360,647	0.08	1,012,190	0.21		
	20-06-2014	Sale	56,737	0.01	955,453	0.20		
	30-06-2014	Purchase	51,391	0.01	1,006,844	0.21		
	04-07-2014	Purchase	40,260	0.01	1,047,104	0.22		
	11-07-2014	Purchase	16,330	0.00	1,063,434	0.22		
	14-07-2014	Purchase	233,439	0.05	1,296,873	0.27		
	18-07-2014	Purchase	8,803	0.00	1,305,676	0.27		
	25-07-2014	Sale	8,847	0.00	1,296,829	0.27		
	01-08-2014	Purchase	8,094	0.00	1,304,923	0.27		
	08-08-2014	Purchase	155,593	0.03	1,460,516	0.31		
	15-08-2014	Purchase	44,790	0.01	1,505,306	0.32		
	22-08-2014	Purchase	50,776	0.01	1,556,082	0.33		
	05-09-2014	Sale	397,440	0.08	1,158,642	0.24		
	12-09-2014	Sale	62,245	0.01	1,096,397	0.23		
	19-09-2014	Sale	6,795	0.00	1,089,602	0.23		
	30-09-2014	Purchase	289,642	0.06	1,379,244	0.29		
	03-10-2014	Purchase	30,635	0.01	1,409,879	0.30		
	10-10-2014	Purchase	72,727	0.02	1,482,606	0.31		
	17-10-2014	Sale	193,209	0.04	1,289,397	0.27		
	24-10-2014	Sale	103,150	0.02	1,186,247	0.25		
	31-10-2014	Purchase	37,947	0.01	1,224,194	0.26		
	07-11-2014	Purchase	53,421	0.01	1,277,615	0.27		
	14-11-2014	Sale	79,861	0.02	1,197,754	0.25		
	21-11-2014	Sale	117,748	0.02	1,080,006	0.23		
	28-11-2014	Sale	15,326	0.00	1,064,680	0.22		
	05-12-2014	Purchase	315,173	0.07	1,379,853	0.29		
	12-12-2014	Purchase	86,005	0.02	1,465,858	0.31		

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Opening Balance	Date of increase or decrease (Benpos date)	Reasons for increase or decrease	No. of shares	% of total shares of the Company	Cumulative		Closing Balance	
					No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	19-12-2014	Sale	22,134	0.00	1,443,724	0.30		
	31-12-2014	Sale	298,279	0.06	1,145,445	0.24		
	02-01-2015	Sale	13,605	0.00	1,131,840	0.24		
	09-01-2015	Purchase	1,640,049	0.35	2,771,889	0.58		
	16-01-2015	Purchase	1,967,664	0.41	4,739,553	1.00		
	23-01-2015	Purchase	258,383	0.05	4,997,936	1.05		
	30-01-2015	Purchase	49,846	0.01	5,047,782	1.06		
	06-02-2015	Sale	252,649	0.05	4,795,133	1.01		
	09-02-2015	Purchase	1,102	0.00	4,796,235	1.01		
	13-02-2015	Purchase	78,519	0.02	4,874,754	1.03		
	20-02-2015	Sale	70,541	0.01	4,804,213	1.01		
	27-02-2015	Sale	16,263	0.00	4,787,950	1.01		
	06-03-2015	Purchase	133,642	0.03	4,921,592	1.04		
	13-03-2015	Purchase	64,035	0.01	4,985,627	1.05		
	20-03-2015	Purchase	49,085	0.01	5,034,712	1.06		
	31-03-2015	Sale	12,389	0.00	5,022,323	1.06		
	31-03-2015	Closing Balance					5,022,323	1.06
GOVERNMENT PENSION FUND GLOBAL								
NIL	01-04-2014	Opening Balance						
	21-11-2014	Purchase	3,794,800	0.80	3,794,800	0.80		
	31-03-2015						3,794,800	0.80
ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD								
5,120,655	01-04-2014	Opening Balance						
	04-04-2014	Sale	835200	0.18	4,285,455	0.90		
	02-05-2014	Purchase	104640	0.02	4,390,095	0.92		
	16-05-2014	Sale	41445	0.01	4,348,650	0.92		
	30-05-2014	Sale	755000	0.16	3,593,650	0.76		
	15-08-2014	Sale	18554	0.00	3,575,096	0.75		
	28-11-2014	Sale	290775	0.06	3,284,321	0.69		
	31-03-2015	Sale	127650	0.03	3,156,671	0.66		
	31-03-2015	Closing Balance					3,156,671	0.66

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v) Shareholding of Directors and Key Managerial Personnel:

Name of the Director / KMP	Opening Balance (% of the total share capital)	Date of Dealing	Purchase or Sale	No. of shares	% of total shares of the Company	Cumulative		Closing Balance	
						No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Directors									
Venu Srinivasan	40,69,726 (0.86)	18.02.2015	Sale	6,62,000	0.14	34,07,726	0.72		
		19.02.2015	Sale	30,404	0.01	33,77,322	0.71		
		20.02.2015	Sale	8,07,596	0.17	25,69,726	0.54	25,69,726	0.54
Sudarshan Venu	Nil	-	-	-	-	-	-	Nil	-
Dr Lakshmi Venu	Nil	-	-	-	-	-	-	Nil	-
H Lakshmanan	56,870 (0.012)	-	-	-	-	-	-	56,870	0.012
T Kannan	5,000 (0.001)	-	-	-	-	-	-	5,000	0.001
C R Dua	Nil	-	-	-	-	-	-	Nil	-
Prince Asirvatham	10,000 (0.002)	14.05.2014	Sale	9,000	0.002	1,000	-	1,000	-
R Ramakrishnan	1,08,000 (0.023)	-	-	-	-	-	-	1,08,000	0.023
Hemant Krishan Singh	Nil	-	-	-	-	-	-	-	-
KMPs									
K N Radhakrishnan	1,000	02.12.2014	Purchase	2,000				3,000	-
S G Murali	Nil	-	-	-	-	-	-	Nil	-
K S Srinivasan	Nil	-	-	-	-	-	-	Nil	-

V. INDEBTEDNESS

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

(Rs. in Cr)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	257.66	269.95	527.61
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	1.00	0.01	1.01
Total (i + ii + iii)	258.66	269.96	528.62
Change in Indebtedness during the financial year			
- Addition	86.40	357.29	443.69
- Reduction	-	-	-
Net Change	86.40	357.29	443.69
Indebtedness at the end of the financial year			
i) Principal Amount	343.33	627.14	970.47
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	1.73	0.11	1.84
Total (i + ii + iii)	345.06	627.25	972.31

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. in lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr Venu Srinivasan CMD	Mr Sudarshan Venu JMD	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	–	88.96	88.96
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	1.00	0.94	1.94
	(c) Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961	–	5.00	5.00
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission - as % of profit - others, specify	913.80	456.90	1370.70
5.	Others, please specify	–	–	–
	Total (A)	914.80	551.80	1466.60
	Ceiling as per the Act	2284.51	2284.51	4569.02

B. Remuneration to other Directors: (Rs. in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		TK	CRD	PA	RK	KSB	HKS	
	Independent Directors							
	Fee for attending board / committee meetings	2.20	2.60	2.40	2.40	0.20	1.20	11.00
	Commission	15.00	15.00	15.00	10.73	3.42	12.00	71.15
	Others, please specify	–	–	–	–	–	–	–
	Total (1)	17.20	17.60	17.40	13.13	3.62	13.20	82.15
		Name of Directors						
		HL	Dr LV					
	Other Non -Executive Directors							
	Fee for attending board / committee meetings	2.60	0.20					2.80
	Commission	–	–					–
	Others, please specify	–	–					–
	Total (2)	2.60	0.20					2.80
	Total (B)=(1+2)							84.95
	Total Managerial Remuneration (A) + (B)							1551.55
	Overall Ceiling as per the Act							5025.92

TK - Mr T Kannan; CRD - Mr C R Dua; PA - Mr Prince Asirvatham; RK - Mr R Ramakrishnan; KSB - Mr K S Bajpai; HKS - Mr Hemant Krishan Singh; HL - Mr H Lakshmanan; and Dr LV - Dr Lakshmi Venu

C. Remuneration to Key Managerial Personnel other than MD/ Manager / WTD

(Rs. in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr K N Radhakrishnan CEO	Mr S G Murali CFO	Mr K S Srinivasan CS	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	351.50	170.35	15.98	537.83
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	1.92	-	0.34	2.26
	(c) Profits in lieu of salary under Section 17(3) of the Income-Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	353.42	170.35	16.32	540.09

CEO : Chief Executive Officer; CFO - Chief Financial Officer; CS - Company Secretary

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A

Annexure - IV

Particulars of Corporate Social Responsibility activities carried out by the Company in terms of Section 135 of the Act, 2013

1. A brief outline of the Company's CSR policy:

This policy encompasses the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for the transformation and sustainable development of the rural communities at large.

2. Overview of projects or programs proposed to be undertaken:

Focus areas relate to economic development, quality education, empowerment of women, health care, conservation of environment and the creation, maintenance of infrastructure, art, culture and protection of places of public and historical importance.

3. Web-link to the CSR policy and projects or programs - <http://www.tvs-motor.com/pdf/CSR-Policy-Feb-2015.pdf>.

4. Composition of the CSR Committee:

#	Name of the Director (M/s.)	Designation	Status
1.	Venu Srinivasan	Chairman and Managing Director	Chairman
2.	H Lakshmanan	Non Independent Director	Member
3.	Prince Asirvatham	Independent Director	Member

5. Average net profit of the Company for last three financial years

Rs. 314.65 Cr

6. Prescribed CSR Expenditure

(2% of the amount as in item 5 above) Rs. 6.30 Cr

7. Details of CSR spends during the financial year:

(a) Total amount spent for the financial year

Rs. 6.40 Cr

(b) Amount unspent, if any

Not Applicable

(c) Manner in which the amount spent during the financial year is detailed below.

S. No.	Name of the Implementing Agency	Srinivasan Services Trust Jayalakshmi Estates No. 29, Haddows Road, Chennai - 600 006.	Sri Sathya Sai Loka Seva Trust Sathya Sai Grama, P.O., Muddenhalli - 562 101. Chickballapur District, Karnataka, India
1	CSR Project or activity identified - Reference to Item No. in Schedule VII	(i) Eradicating hunger, poverty, promoting preventive healthcare and sanitation and making available safe drinking water; (ii) Promotion of Education, including special education and employment enhancing vocation skills especially among children, women and livelihood enhancement projects;	i) Promoting Education

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S. No.	Name of the Implementing Agency	Srinivasan Services Trust	Sri Sathya Sai Loka Seva Trust
		(iii) Promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward groups; (iv) ensuring environment sustainability, ecological balance, animal welfare, agroforestry, conservation of natural resources and maintain quality of soil, air and water; (v) rural development projects	
2	Sector in which the Project is covered	Economic Development, Education, Environment, Health and Infrastructure	Nurturing children with value-based education and free education to all students
3	Areas in which Projects / Programmes undertaken	<ul style="list-style-type: none"> Hosur, Padavedu, Thirukkurungudi and Navatirupati Mysore and Chamrajnagar Himachal Pradesh 	Muddenahalli
4	Local Area / Others:		
	State & district	<ul style="list-style-type: none"> Tamil Nadu : Krishnagiri, Tiruvannamalai, Tirunelveli and Thoothukudi districts Karnataka: Mysore, Chickballapur Chamrajnagar districts Himachal Pradesh: Solan district 	Karnataka, Chickballapur

S. No.	Name of the Implementing Agency	Srinivasan Services Trust	Sri Sathya Sai Loka Seva Trust
	Amount of outlay (budget) project or program-wise:	Rs. 5.15 Cr	Project Name: Sri Sathya Sai Annapurna Kitchen Block in the Muddenahalli Campus Budget: Rs. 4.00 Cr
5	Amount spent on the projects or programmes:		
	Sub-heads:		
	Direct expenses On projects / programs:	Rs. 5.15 Cr	Rs.3.31 Cr (including contribution of the Company of Rs.1.25 Cr)
	Overheads:		
6	Cumulative expenditure upto the reporting period:	Rs. 5.15 Cr	Rs.3.31 Cr (including contribution of the Company of Rs.1.25 Cr)

7. In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

- Not applicable

8. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

To discharge the duties cast under provisions of the Act 2013, members of the CSR Committee visit places where implementing agencies are doing the services.

For and on behalf of the Board

VENU SRINIVASAN

Bengaluru
29th April 2015

Chairman and Managing Director and
Chairman of CSR Committee

Annexure - V

COMPARATIVE ANALYSIS OF REMUNERATION PAID TO DIRECTORS AND EMPLOYEES WITH THE COMPANY'S PERFORMANCE

Disclosures

	Name of the Director (M/s.)	Designation	Ratio to Median Remuneration	% increase in remuneration
1	Venu Srinivasan	CMD	1:170	25.17
	Sudarshan Venu	JMD	1:103	104.14
	H Lakshmanan	NENID	NA	NA
	Dr Lakshmi Venu	NENID	NA	NA
	T Kannan	NEID	1:3	NIL
	C R Dua	NEID	1:3	NIL
	Prince Asirvatham	NEID	1:3	NIL
	R Ramakrishnan	NEID	1:3	NIL
	Hemant Krishan Singh	NEID	1:2	NIL
	K N Radhakrishnan	Pres & CEO	NA	62.54
	S G Murali	CFO	NA	29.34
	K S Srinivasan	CS	NA	21.34

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2	The percentage increase in the median remuneration of employees in the financial year		6.75%			
3	The number of permanent employees on the rolls of the Company		5048			
4	The explanation on the relationship between average increase in remuneration and company performance		Company Sales Growth	26%		
			Average increase in remuneration	19%		
5	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company		% increase in remuneration	Company Performance (Sales in %)		
	Mr Venu Srinivasan, CMD		25.17	26		
	Mr Sudarshan Venu, JMD		104.14			
	Mr K N Radhakrishnan, Pres & CEO		62.54			
	Mr S G Murali, CFO		29.34			
	Mr K S Srinivasan, CS		21.34			
	Total remuneration of the Key Managerial Personnel		47.17			
6	Variations in the market capitalisation of the Company, price earnings ratio and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	Details as on 31 st March	2013-14	2014-15	Increase	
		No. of Shares	475087114	475087114	-	
		Share Price (in Rs.)	BSE	97.4	263.75	171 %
			NSE	97.1	263.85	172 %
		EPS	5.51	7.32	33 %	
		PE Ratio (based on audited results)	18	36	100 %	
		Company's Market Cap	4627 Cr approx. (based on BSE price)	12530 Cr approx (based on BSE price)	171 %	
The Company has not made any public offer till date, since its incorporation. Its shares were listed on Stock Exchanges due to a scheme of amalgamation of the erstwhile listed company, namely TVS Suzuki Limited sanctioned by the Hon'ble High Court of Madras vide its order dated 10 th December 1999.						
7	a. Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2014-15		14.07 %			
	b. Average percentile increase in the managerial remuneration in the financial year 2014-15 There are no exceptional circumstances for increase in the managerial remuneration.		46.50%			
8	The key parameters for any variable component of remuneration availed by the directors		Every year, the board fixes the Commission payable to CMD and JMD within the statutory limit as approved by the members. There is no variable component of remuneration payable to Independent directors.			
9	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and		Not Applicable			
10	Affirmation that the remuneration is as per the remuneration policy of the Company.		Remuneration paid during the year 2014-15 is as per the Remuneration Policy of the Company			

CMD - Chairman and Managing Director

JMD - Joint Managing Director

CS - Company Secretary

Pres & CEO - President & Chief Executive Officer

CFO - Chief Financial Officer

NEID - Non Executive Independent Director

NENID - Non Executive Non Independent Director

TVS MOTOR COMPANY LIMITED

Annexure - VI

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 arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

2. Details of material contracts, arrangements or transactions at arm's length basis:

(a)	Name of the related party	Sundaram Auto Components Limited
(b)	Nature of relationship	Wholly owned subsidiary
(c)	Duration of the contracts / arrangements/ transactions	2014-15
(d)	Date (s) of approval by the Board, if any:	29 th April 2014 and 3 rd February 2015

Nature of contracts / arrangements / transactions	Goods / Services	Salient terms of the contracts or arrangements or transactions	Amount of contract or arrangement (Rs. in Cr)
Sale	Two wheelers and Three wheelers	Based on dealer price	1764.67
Purchase	Plastic Components and Dies & Moulds	Mark-up on cost of raw materials and conversion cost	305.81
Rendering of Services	Share of cost of salary, training expenses, rent, sharing of common expenses	At Cost	0.40

Annexure - VII

DETAILS OF LOANS AND GUARANTEES UNDER SECTION 186 OF THE ACT 2013 FOR THE FINANCIAL YEAR 2014-2015

S. No.	Name of the body corporate	Nature of relationship	Purpose of loan / acquisition / guarantee / security	Rate of interest	Amount of loan / security / guarantee (Rs. in Cr)	% to Free Reserves	Purpose for which the loan / guarantee utilised by the recipient
1	TVS Motor Singapore Pte Ltd	Wholly owned subsidiary	Inter Corporate loan	8%	50.14	3.16	For business purpose
2	PT TVS Motor Company Indonesia	Wholly owned subsidiary	Guarantee	–	150.00	9.44	For availing credit facilities
3	TVS Credit Services Limited	–	Guarantee	–	41.66	2.62	

Report on Corporate Governance

1. Company's philosophy on code of governance

As a TVS Group company, the Company has a strong legacy of fair, transparent and ethical governance practices. The Company's philosophy on corporate governance is founded on the fundamental ideologies viz., Trust, Value and Service of the group.

The Company believes in ensuring corporate fairness, transparency, professionalism, accountability and propriety in total functioning of the Company, which are pre-requisites for attaining sustainable growth in this competitive corporate world. Obeying the law, both in letter and in spirit, is the foundation on which the Company's ethical standards are built. The Company would constantly endeavour to improve on these aspects.

The Company's corporate governance philosophy has been further strengthened by adopting a Code of Business Conduct and Ethics and Code of Conduct for Prevention of Insider Trading for board of directors (the board) and for senior management personnel.

2. Board of directors

The board of directors (the board) which consists of eminent persons with considerable professional expertise and experience, provides leadership and guidance to the management, thereby enhancing stakeholders' value.

2.1 Composition and category of directors:

As on 31st March, 2015, the total strength of the board is nine in numbers. Since the Company has an executive chairman, viz., Mr Venu Srinivasan who is the chairman and managing director, the board is required, in terms of Clause 49 of the Listing Agreement, to have fifty per cent of its directors as independent directors and at least one woman director.

Accordingly, the board has five non-executive independent directors (NE-ID) viz., M/s. T Kannan, C R Dua, R Ramakrishnan, Prince Asirvatham and H K Singh and two non-executive non-independent directors (NE-NI), viz., M/s. H Lakshmanan and Dr Lakshmi Venu. Mr Sudarshan Venu, joint managing director is the executive and non-independent director. Thus, the composition of the Company's board is in conformity with Clause 49 of the Listing Agreement.

All the existing NE-IDs have been appointed by the shareholders at the last annual general meeting held on 14th July, 2014 for a term of five years and none of them serves as NE-IDs in more than seven listed companies.

2.2 Board meetings:

The Company, in consultation with the directors, prepares and circulates a tentative annual calendar for meetings of the committees / board in order to assist the directors for planning their schedules well in advance to participate in the meetings, without fail.

The Companies Act, 2013, (the Act 2013) read with the relevant rules made thereunder, now facilitates the participation of a director in the board / committee meetings through video conferencing or other audio visual means. Accordingly, the option to participate in the meetings through video conferencing was made available to the directors, except in respect of restricted items which are not permitted to be transacted through video conferencing.

The Company regularly places, before the board for its review, all the information as required under Annexure X to Clause 49 of the Listing Agreement, such as annual operating plans, capex budget and its quarterly updates, quarterly results, minutes of meetings of audit committee and of all other committees of the board, quarterly details of foreign exchange exposures, risk management and mitigation measures, report on compliance of all laws applicable to the Company, 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 back ground materials, wherever necessary, are circulated well in advance to the committees / board, to enable them for making value addition as well as exercising their business judgment, in the committee / board meetings.

Presentations are also being made by the business heads on the Company's operations, marketing strategy, IT strategy, HR initiatives, in committee / board meetings.

During the year 2014-2015, the board met six times on 29th April, 2014, 24th July, 2014, 10th September, 2014, 23rd September, 2014, 14th November, 2014 and 3rd February, 2015 and the gap between two meetings did not exceed one hundred and twenty days. Besides, the NE-IDs held a separate meeting for the purpose required as per the applicable provisions of the Act 2013 and Clause 49 of the Listing Agreement.

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2.3 Attendance and other directorships:

The details of attendance of the directors at the board meetings during the year and at the last annual general meeting held on 14th July, 2014 and also the number of other directorships and committee memberships / chairmanships as on 31st March, 2015 are as follows:

Name of the Director (M/s)	Category	Attendance particulars		Number of other directorships, committee memberships / chairmanships		
		Board Meetings	Last Annual General Meeting	Other directorships*	Committee memberships**	Committee chairmanships
Venu Srinivasan	CMD	6	Yes	12	4	–
H Lakshmanan	NE-NI	6	Yes	15	6	3
T Kannan	NE-ID	5	Yes	8	4	2
C R Dua	NE-ID	6	No	19	4	1
K S Bajpai [@]	NE-ID	1	No	–	–	–
R Ramakrishnan ^{\$}	NE-ID	5	Yes	17	5	3
Prince Asirvatham	NE-ID	6	Yes	1	1	–
H K Singh	NE-ID	6	No	1	–	–
Sudarshan Venu	JMD	5	Yes	1	1	–
Dr Lakshmi Venu ^{&}	NE-NI	1	N.A	5	2	–

CMD : Chairman & Managing Director
 NE-NI : Non-Executive - Non-Independent
 NE-ID: Non-Executive - Independent
 JMD : Joint Managing Director

* includes private companies and companies incorporated outside India.
 ** includes committees where the director holds the position of chairman.
[@] Ceased to be a director of the Company effective 14th July, 2014
^{\$} Became an Independent director of the Company effective 14th July, 2014
[&] Appointed as an additional non executive and non independent director effective 10th September, 2014

None of the directors on the board is a member of more than ten committees or chairman of more than five committees across all the companies in which they are directors. Chairmanships / memberships of committees include only audit and stakeholders relationship committees as covered under Clause 49 of the Listing Agreement, as per the disclosures made by the directors.

2.4 Access to information and updation to directors:

The board reviews all the information provided periodically for discussion and consideration at its meetings in terms of Clause 49 of the Listing Agreement. Functional heads are present whenever necessary and apprise all the directors about the developments. They also make presentations to the board and audit committee of directors.

Apart from this, the observations on the audit carried out by the internal auditors and the compliance report on payment of statutory liabilities submitted by the statutory auditors of the Company are placed and discussed with functional heads, by the audit committee / board. The board also reviews the declarations made by the chairman and managing director and the company secretary regarding compliance of all applicable laws on a quarterly basis.

Decisions taken at the meetings of the board / committees are communicated to the functional

heads. Action taken reports on decisions of previous meetings are placed at every succeeding meeting of the board / committees for reporting the compliance.

2.5 Familiarization program

A familiarization program is made available to directors covering such topics as the board's role, board composition and conduct, and the risks and responsibilities of the Company directors, to ensure that they are fully informed on current governance issues. The program also includes briefings on the culture, values and business model of the Company, the roles and responsibilities of senior executives and the Company's financial, strategic, operational and risk management position. The same is available on the Company's website with the following link : <http://www.tvsmotor.com/pdf/TVSM-ID-Familiarisation-Prog.pdf>.

2.6 Code of Business Conduct and Ethics for members of the board and senior management personnel:

The Company has in place the Code of Business Conduct and Ethics for member of the board and senior management personnel (the Code).

The board, at its meeting held on 23rd September, 2014, amended the Code to include the duties of directors, particularly Independent Directors of the Company, as required under Clause 49 of the Listing Agreement.

The Code has been communicated to directors and the senior management personnel. The Code has also been displayed on the Company's website with the following link <http://www.tvsmotor.com/pdf/Code-of-Business-Conduct-and-Ethics.pdf>.

All the members of the board and senior management personnel have confirmed compliance with the Code for the year ended 31st March, 2015. The annual report contains a declaration to this effect signed by the chairman and managing director and the company secretary as the compliance officer for the Code.

2.7 Appointment / Re-appointment of directors:

In terms of Clause 49(VIII)(E) of the Listing Agreement with the Stock Exchanges, 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 their relationships, if any, with other directors are provided in the notice convening the twenty-third AGM of the Company.

2.8 Committees of the board:

The board has, in order to make a focused attention on business and for better governance and accountability, constituted the following mandatory committees, viz., Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. The terms of reference of these Committees are determined by the board and their performance reviewed. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs board about the summary of discussions held in the Committee Meetings. The minutes of the Committee Meetings are placed before the subsequent board meetings.

3. Audit Committee

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosure and transparency, integrity and quality of financial reporting.

The board at its meeting held on 29th April, 2014 conferred certain additional terms of reference in writing as required under Section 177 of the Act 2013 and in terms of revised Clause 49 of the Listing Agreement.

3.1 Brief description of terms of reference:

The Audit Committee is entrusted with the responsibility to supervise the Company's internal control and financial reporting process and *inter alia* performs the following functions:

- a. Overviewing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending the appointment, remuneration and terms of appointment of auditors of the Company and approving the payment to statutory auditors for any other services rendered by the statutory auditors;
- c. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Act 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Qualifications, if any, in the audit report,
- d. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- e. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- f. Approving or subsequently modifying any transactions of the Company with related parties;
- g. Scrutinizing the inter-corporate loans and investments;

- h. Reviewing valuation of undertakings or assets of the Company, wherever it is necessary;
- i. Evaluating internal financial controls and risk management systems;
- j. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
- k. 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;
- l. Discussing with internal auditors of any significant findings and follow up thereon;
- m. 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;
- n. Discussing 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;
- o. Reviewing the functioning of the Whistle Blower mechanism;
- p. Approving the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications and experience; and
- q. In addition, reviewing of such other functions as envisaged under Section 177 of the Act 2013 and Clause 49 of the Listing Agreement.

The matters reviewed and recommended in the meetings of the Audit Committee were apprised to the board by the Chairman of the Audit Committee, for its approval. All the recommendations were accepted by the board.

3.2 Composition, names of members and the chairman:

As at 31st March, 2015, the audit committee consists of the following non-executive independent directors:

M/s T Kannan, C R Dua, R Ramakrishnan and Prince Asirvatham.

Mr T Kannan is the chairman of the audit committee. Mr K S Srinivasan, company secretary acts as the secretary of the Audit Committee.

Chairman of the audit committee was present at the last AGM held on 14th July, 2014.

The composition of the audit committee is in accordance with the requirements of Clause 49 of the Listing Agreement read with Section 177 of the Act 2013.

3.3 The particulars of meetings and attendance by the members of the audit committee, during the year under review, are given in the table below:

Date of the Meeting	Members present (M/s)
08.04.2014	T Kannan, C R Dua, Prince Asirvatham and R Ramakrishnan
28.04.2014	T Kannan, C R Dua, Prince Asirvatham and R Ramakrishnan
23.07.2014	C R Dua, Prince Asirvatham and R Ramakrishnan
13.11.2014	T Kannan, C R Dua, Prince Asirvatham and R Ramakrishnan
03.02.2015	C R Dua and Prince Asirvatham

4. Subsidiary companies

4.1. The Company's wholly owned subsidiary, Sundaram Auto Components Limited is covered within the definition of "material non-listed Indian subsidiary" (SACL) in terms of Clause 49(V) of the Listing Agreement.

The board of directors of the said subsidiary company consists of one independent director representing the Company viz., Mr R Ramakrishnan in terms of Clause 49 (V) of the Listing Agreement.

The audit committee of directors of the Company reviews the financial statements and in particular the investments made by the said unlisted subsidiary.

The minutes of the board meetings of the said unlisted subsidiary are periodically placed before the board. The board is periodically informed about all significant transactions and arrangements entered into by the unlisted subsidiary.

4.2. Material Subsidiaries Policy

The board, at its meeting held on 23rd September, 2014 has formulated a Policy for determining 'material' subsidiaries. A subsidiary is to be considered as "a material subsidiary", if the investment in the subsidiary by the Company exceeds 20% of its "consolidated network" or if the subsidiary has generated 20% of the "consolidated income" of the Company during the previous financial year.

Based on the above criterion, SACL, an unlisted Indian subsidiary company and PT. TVS Motor Company Indonesia, an unlisted overseas subsidiary are the 'material subsidiaries' covered under the said Policy as at 31st March, 2015.

Copy of the said policy is available in the Company's website with the following link <http://www.tvsmotor.com/pdf/Material-Subsidiary-Policy.pdf>.

5. Disclosures

5.1 Related party transactions:

All transactions entered into with related parties, as defined under the Act 2013 and Clause 49 of the Listing Agreement during the financial year 2014-2015 were in the ordinary course of business and at an arm's length pricing basis and do not attract the provisions of Section 188 of the Act 2013 and the rules made thereunder.

There were no materially significant transactions with the related parties, during the year, which were in conflict with the interests of the Company and that require an approval of the Company in terms of revised Clause 49 of the Listing Agreement.

The transactions with the related parties, namely its promoters, its holding, subsidiary and associate companies etc., of routine nature have been reported elsewhere in the annual report, as per Accounting Standard 18 (AS 18) issued by Companies (Accounting Standards) Rules, 2006 / The Institute of Chartered Accountants of India.

Details of material related party transactions are enclosed as Annexure VI to the Directors' Report for the year ended 31st March, 2015.

Related Party Transactions Policy

The board at its meeting held on 23rd September 2014 has formulated a policy on related party transactions. The audit committee reviews and approves transactions (RPTs) between the Company and related parties, as defined under the Listing Agreement, to ensure that the terms of such RPTs would reasonably be expected of transactions negotiated or at arm's length basis. The audit committee meets prior to each scheduled board meeting to review all RPTs of the Company on a quarterly basis.

Copy of the said policy is available on the Company's website with the following link <http://www.tvsmotor.com/pdf/Related-Party-Transaction-Policy.pdf>.

5.2 Disclosure of accounting treatment:

The Company follows the Accounting Standards issued by the Institute of Chartered Accountants of India and Company (Accounting Standards) Rules, 2006.

The Central Government has issued a notification on 29th December, 2011 amending the existing AS11 relating to 'The effects of changes in foreign

exchange rates' and the same extended upto 31st March, 2020. By this amendment, companies are permitted to add / deduct from the carrying cost of depreciable assets, exchange differences arising out of exchange rate fluctuations with corresponding adjustments in general reserves and provision for depreciation. In order to give effect to the aforesaid amendment, companies are required to exercise their option in this regard. The option once exercised is irrevocable.

This has been effected in the computation of the results of the Company. Exchange difference with regard to External Commercial Borrowing other than relating to acquisition of capital assets are added to or deducted from Foreign Currency Monetary Item Translation Difference Account.

Depreciation on tangible fixed assets is charged over the estimated useful life as evaluated by a Chartered Engineer, on straight line method, in accordance with Part A of Schedule II to the Act 2013. In respect of tangible fixed assets lying as on 1.4.2014, depreciation is charged over the remaining useful life as evaluated by the Chartered Engineer. Where the useful life as on 1.4.2014 is nil, the net residual value has been adjusted against the opening reserves.

5.3 Risk Management:

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

The Company has constituted a Risk Mitigation Committee including the Chief Executive Officer and the Chief Financial Officer of the Company. The Committee meets periodically to review the risk management and mitigation plans. The Company's policy on Risk Management has been discussed in detail in the directors' report.

5.4 Instances of non-compliances, if any:

There was no instance of non-compliance by the Company, penalty and stricture 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 last three years.

5.5 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 personal interest that could result in a conflict with the interest of the Company at large.

5.6 CEO and CFO Certification:

The chairman and managing director (CEO) and executive vice president - finance (CFO) of the Company have certified to the board on financial and other matters in accordance with Clause 49(IX) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March 2015.

5.7 Compliance with mandatory / non-mandatory requirements:

The Company has complied with all applicable mandatory requirements in terms of Clause 49 of the Listing Agreement. 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.

5.8 Code of Conduct for Prevention of Insider Trading:

In compliance with the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations 1992, the Company has a comprehensive Code of conduct for prevention of insider trading and the same is being strictly adhered to by the directors, senior management personnel and other persons covered by this Code. The Code expressly lays down the guidelines and the procedures to be followed and disclosures to be made, while dealing with the shares of the Company and cautioning them on the consequences of non-compliances thereof.

The Company regularly follows closure of trading window prior to the publication of price sensitive information. The Company has been advising the directors, senior management personnel and other persons covered by the Code not to trade in Company's securities during the closure of trading window period.

The Company has also formulated a Code of Practices and Procedures for fair disclosure of 'Unpublished Price Sensitive Information (UPSI) and a Code of Conduct to regulate, monitor and report trading by insiders in accordance with the requirements of the new SEBI (Prohibition of Insider Trading) Regulations 2015, to be effective from 15th May, 2015.

5.9 Management discussion and analysis report.

All the above report / policy forms part of the directors' report.

6. Nomination and Remuneration Committee

During the year, the board constituted a Nomination and Remuneration Committee of directors (NRC) in terms of Section 178 of the Act 2013 and Clause 49 of the Listing Agreement.

6.1 Composition of the Committee:

As at 31st March, 2015, the NRC consists of the following members, with majority of non-executive Independent directors:

Names of the directors (M/s)	Status
T Kannan C R Dua	Non-Executive and Independent Director
H Lakshmanan	Non-Executive and Non-Independent Director

Mr T Kannan is the Chairman of the NRC.

Mr K S Srinivasan, company secretary acts as the secretary of the Committee.

Chairman of the committee was present at the last annual general meeting held on 14th July, 2014.

6.2 The broad terms of reference of the NRC are as under:

- Guiding the board for laying down the terms and conditions in relation to appointment and removal of director(s), Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) of the Company.
- Evaluating the performance of the director(s) and providing necessary report to the board for its further evaluation and consideration.
- Recommending to the board on remuneration payable to the director(s), KMP and SMP of the Company based on (i) the Company's structure and financial performance and (ii) remuneration trends and practices that prevail in peer companies across automobile industry.
- Retaining, motivating and promoting talent among the employees and ensuring long term sustainability of talented SMP by creation of competitive advantage through a structured talent review.
- Devising a policy on diversity in the board.
- Develop a succession plan for the board and SMP.

6.3 The role / scope of the NRC is as follows:

- To make recommendations to the board with respect to incentive compensation plans for executive director(s) and remuneration of non-executive director(s).
- To identify persons who are qualified to become director(s), KMP and SMP of the Company.
- To recommend to the board for appointment / removal of director(s), KMP and SMP of the Company.

- To formulate criteria for determining qualification, positive attributes and independence of a director
- To recommend to the board a policy for remuneration of director(s), KMP and SMP of the Company.

6.4 Evaluation Criteria

The NRC laid down the evaluation criteria for evaluating the performance of every director, committees of the board and the board as a whole and also the performance of key managerial personnel (KMP) and senior management personnel (SMP).

The performance evaluation of the board as a whole was assessed based on the criteria, like its composition, size, mix of skills and experience, its meeting sequence, effectiveness of discussion, decision making, follow up action, quality of information, governance issues and the performance and reporting by various committees set up by the board.

The performance evaluation of individual director was carried out based on his commitment to the role and fiduciary responsibilities as a board member, attendance and active participation, strategic and lateral thinking, contribution and recommendations given professionally, heading / acting as member of various sub-committees etc.

The performance of SMPs was measured against their achievement of the business plans approved by the board during and at the completion of the financial year and their annual 'at-risk' remuneration which reflects their business plan achievements. An evaluation of performance has been undertaken based on the criteria for all the SMPs for 2014-2015 and this has been in accordance with the above process. The NRC has the overall responsibility for evaluating and approving the compensation plans, policies and programmes applicable to the SMPs. The NRC also delegated its authority to the CMD, wherever appropriate, for this purpose.

6.5 Remuneration Policy

NRC formulate policies to ensure that-

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate director(s) of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to director(s), Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) of the Company involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Executive director(s)

NRC will determine the remuneration payable to the executive director(s) and recommend to the board for its approval. The board's approval shall be subject to the prior approval or post approval ratification of the shareholders of the Company and / or Central Government, if required under applicable law. The remuneration payable to the executive chairman, managing director and whole-time director of the Company shall be in accordance with the applicable percentage(s) / slab(s) / condition(s) as set out in (i) the articles of association of the Company and (ii) the Act 2013 and any rules made thereunder, which may be in force, from time to time.

Where the Company is required to avail any insurance on behalf of its executive Director(s) for indemnifying them against any liability(ies), the same shall be availed by the board and premium payable on such insurance shall not be treated as part of the remuneration payable by the Company to any such personnel. However, in the event that such executive director is proved guilty resulting in an insurance claim against the Company, any premium paid on such insurance shall be treated as part of the remuneration of the executive director(s), responsible for such claim.

Non- Executive / Independent Director(s)

The non - executive /independent director(s) will receive remuneration by way of fees for attending meetings of board or any committee in which Director(s) is member, provided that, the amount of such sitting fees shall not exceed (i) INR 1,00,000 (Indian Rupees One lakh) per meeting of the board or any committee in which the Director(s) is member or (ii) such other amount as may be prescribed by the Central Government from time to time.

Remuneration to KMPs and SMPs of the Company:

NRC will recommend to the board and the board will approve the remuneration payable to (i) KMP, who is / are not an executive director(s), and (ii) SMP of the Company. The break-up of the remuneration payable to KMP and SMP of the Company including the perquisites such as employer's contribution to provident fund, pension scheme, medical expenses, club fees and like will also be approved by the board on the recommendations received from the NRC.

Profit Related Commission

Executive Director(s)

In addition to fixed remuneration, the executive director(s) shall be entitled to receive commission linked to the profits of the Company for each financial year subject to the limits prescribed under the provisions of the Act 2013.

Non - Executive / Independent Director(s)

In addition to the sitting fees, the non - executive / independent director(s) shall be entitled to commission from the Company subject to the monetary limit approved by shareholders of the Company and aggregate commission amount would not exceed the limit of 1% (one percent) of the profits of the Company computed in accordance with applicable provisions of the Act 2013 and approval by the shareholders of the Company.

Other KMPs and Senior Management Personnel

In addition to fixed remuneration, to motivate other KMP viz., who is / are not an executive director(s) and SMP of the Company to pursue a long term growth and success for and of the Company, the NRC shall recommend the board the amounts that may be distributed amongst other KMP and SMP of the Company as performance based remuneration, on such interval as the NRC may think fit.

Equity based remuneration

Subject to the provisions of the Act 2013, all director(s), KMP and SMP of the Company shall be entitled to avail any stock options including stock appreciation rights or such other benefits if issued by the Company, except for:

- (i) an employee, who is promoter(s) or relative(s) of the promoter(s);
- (ii) any director(s) holding more than 10% (ten percent) equity shares of the Company, either directly or indirectly.

The equity based remuneration to executive chairman, managing Directors and whole-time Director(s) of the Company shall be subject to limits prescribed under the Act 2013 or any rules framed thereunder and any other applicable law including securities laws in India.

An independent director shall not be entitled to take part in any stock option plan issued by the board for the employees of the Company.

6.6 The particulars of meetings and attendance by the members of the Committee, during the year under review, are given in the table below:

Date of the Meeting	Members present (M/s)
29.04.2014	T Kannan, C R Dua and H Lakshmanan
10.09.2014	T Kannan and H Lakshmanan
03.02.2015	C R Dua and H Lakshmanan

6.7 Remuneration to directors:

Executive directors:

The remuneration payable to the chairman and managing director (CMD) and Joint Managing Director (JMD) is fixed by the board within the limits approved by the shareholders in terms of the relevant provisions of the Act 2013.

Particulars of remuneration paid to executive directors during the financial year 2014-2015: (Rs. in lakhs)

Name of the Directors	Salary	Commis- sion	Perqui- sites	Contribution to PF and other funds	Total
Mr Venu Srinivasan Chairman and Managing Director	-	913.80	1.00	-	914.80
Mr Sudarshan Venu, Joint Managing Director	86.34	456.90	0.40	8.16	551.80

There is no separate provision for payment of severance fees. The notice period is mutually agreed between these directors and the board. The tenure of office of executive directors is for five years from their respective dates of appointment.

The above remuneration to CMD and JMD are notwithstanding their holding positions of CMD and JMD, respectively, in the holding Company, viz., Sundaram-Clayton Limited (SCL) and drawing remuneration, as approved by its shareholders, from time to time, provided that the total remuneration drawn by them as CMD and JMD from the Company and as CMD and JMD from SCL does not exceed the higher maximum limit admissible, from any one of these companies.

The directors are paid commission within the permission limits approved by the members and determined by the board every year depending upon the performance of the Company.

The terms of their appointment were elaborately dealt with in the directors' report.

Non-executive directors:

Sitting fees

Rs. 20,000/- each is paid to the Non-executive directors for every meeting of the board and / or committee thereof attended by them, which is within the limits, prescribed under the Act 2013.

Commission

The Company benefits from the expertise, advise and inputs provided by the IDs. The IDs devote their valuable time in deliberating on strategic and critical issues in the course of the board / committee meetings of the Company and give their valuable

advice, suggestions and guidance to the management of the Company, from time to time. and hence IDs are being paid the following remuneration:

As approved by the shareholders at the AGM of the Company held on 12th September, 2012, Non-executive and Independent Directors are being paid commission, not exceeding 1% of the net profits of the Company, subject to a maximum, as determined by the board, for each such director for every financial year for a period of five years commencing from 1st April, 2013.

A commission of Rs.15 lakhs per annum is payable to each such IDs, who serve as members of the audit committee as well and Rs.12 lakhs per annum to other IDs. The amount of commission for every financial year will be decided by the board, as approved by the shareholders at the annual general meeting held on 14th July, 2014, subject to the limit of 1% of net profits of the Company, as calculated pursuant to Section 198 of the Act 2013.

At the AGM held on 14th July 2014, all the IDs were appointed to hold office for a first term of five consecutive years from the conclusion of that annual general meeting and to receive remuneration by way of fees, reimbursement of expenses for participation in the meetings of the board and / or committees and also profit related commission in terms of Section 197 of the Act 2013.

Presently, the Company does not have a scheme for grant of stock options either to the directors or employees of the Company.

6.8 Particulars of sitting fees / commission paid to the non-executive and independent / non-independent directors during the financial year 2014-2015 are as follows:

(Rs. in lakhs)

Name of the Director (M/s.)	Sitting fees	Commission	Total
H Lakshmanan	2.60	–	2.60
T Kannan	2.20	15.00	17.20
C R Dua	2.60	15.00	17.60
K S Bajpai	0.20	3.42	3.62
R Ramakrishnan	2.40	10.73	13.13
Prince Asirvatham	2.40	15.00	17.40
H K Singh	1.20	12.00	13.20
Dr Lakshmi Venu	0.20	–	0.20
Total	13.80	71.15	84.95

6.9 Details of shareholdings of non-executive directors in the Company as on 31st March 2015:

S.No	Name of the Director (M/s)	No. of Equity shares held
1.	T Kannan	5,000
2.	H Lakshmanan	56,870
3.	R Ramakrishnan	1,08,000
4.	C R Dua	–
5.	Prince Asirvatham	1,000
6.	Hemant Krishan Singh	–
7.	Dr Lakshmi Venu	–

7. Stakeholders' Relationship Committee

7.1 The Stakeholders' Relationship Committee of directors (SRC) consists of three members viz., M/s Venu Srinivasan and Sudarshan Venu, executive and non-independent directors and R Ramakrishnan, non-executive and independent director. Mr R Ramakrishnan is the chairman of the committee.

7.2 As required by Securities and Exchange Board of India (SEBI), Mr K S Srinivasan, company secretary is the compliance officer of the SRC. For any clarification / complaint, the shareholders may contact Mr K S Srinivasan, company secretary.

7.3 The particulars of meetings and attendance by the members of the SRC, during the year under review, are given in the table below:

Date of the Meeting	Members present (M/s)
29.04.2014	R Ramakrishnan, Venu Srinivasan
24.07.2014	and Sudarshan Venu
14.11.2014	
03.02.2015	Venu Srinivasan and Sudarshan Venu

7.4 The SRC oversees and reviews all the matters connected with share transfers, issue of duplicate share certificates and other issues pertaining to shares. The SRC also looks into redressal of investors' grievances pertaining to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. The Company, in order to expedite the process of share transfers, has delegated the power of share transfers to an officer of the Share Transfer Agent (STA). The Company, as a matter of policy, disposes of investors' complaints within a span of seven days.

7.5 Complaints received and redressed during the year 2014-2015:

S.No	Nature of complaints	No. of complaints
1.	Non-receipt of share certificates, including bonus share certificates	7
2.	Non-receipt of dividend warrants	12
3.	Non-receipt of annual reports	5
	TOTAL	24

7.6 All the queries and complaints received during the financial year ended 31st March, 2015, were duly redressed and no queries are pending at the year end.

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

7.7 Reconciliation of Share Capital Audit:

A qualified Practising Company Secretary carries out a Reconciliation of Share Capital (RSC) Audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital and places the report for perusal of the board.

The RSC audit report confirms that the total issued and listed capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

8. General body meeting

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

Year	Location	Date	Time
2011-12	The Music Academy, New No.168, (Old No.306), T.T.K. Road, Royapettah, Chennai 600 014	12.09.2012	10.00 AM
2012-13		19.07.2013	10.00 AM
2013-14		14.07.2014	10.00 AM

8.2 Special resolutions passed in the previous three annual general meetings:

During the last three years, namely 2011-12 to 2013-14 approvals of the shareholders were obtained by passing special resolutions as follows:

Year	Subject matter of special resolution	Date of AGM
2011-12	i) Appointment of Mr Sudarshan Venu, a relative of Chairman, to hold office or place of profit as vice president of the Company effective 1 st December 2011	12.09.2012

Year	Subject matter of special resolution	Date of AGM
	ii) Payment of commission to independent directors of the Company for a further period of five years from 1 st April 2013	
2012-13	Nil	19.07.2013
2013-14	i) Appointment of M/s T Kannan, C R Dua, Prince Asirvatham, R Ramakrishnan and Hemant Krishnan Singh, as Independent directors of the Company for the first term of five years each; and ii) Approving the variation in certain perquisites payable to Mr Sudarshan Venu, whole-time director of the Company.	14.07.2014

8.3 None of the subjects placed before the shareholders in the last / ensuing AGM required / requires approval by a Postal Ballot. However, in terms of Clause 35B of the Listing Agreement and Section 108 read with the Companies (Management and Administration) Rules, 2014, the Company provided to the members facility to exercise their right to vote through Remote e-Voting and through poll at the meeting for all the items at the annual general meeting held on 14th July, 2014.

8.4 Postal Ballot:

The board sought the consent of shareholders of the Company by way of special resolutions through Postal Ballot as per the Notice issued to the shareholders on 24th July, 2014, for

Resin. No.	Subject
(i)	borrowing limits upto Rs.1,500 Cr, in terms of Sections 180(1)(c) and 180(2) of the Act, 2013; and
(ii)	creating a mortgage and/or charge in respect of all or any of the Company's movable / immovable properties, in terms of Section 180(1)(a) of the Act, 2013.

These special resolutions were passed by the shareholders with more than the requisite majority.

The results of the Postal Ballot are given below.

Particulars	Resolution No. (i)		Resolution No. (ii)	
	No. of shares	% of votes	No. of shares	% of votes
Votes cast for the resolution	37,19,33,736	99.99	37,18,99,711	99.99
Votes cast against the resolution	38,003	0.01	48,701	0.01

8.5 Declaration of result of Postal Ballot:

The procedures prescribed under Section 110 of the Act 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and

Clause 35B of the Listing Agreement were duly followed for conducting the postal ballot process both physical and e-Voting, during the year to approve the resolutions mentioned above.

Mr K Sriram, Practising Company Secretary (C.P No. 2215), Chennai was appointed by the board as scrutinizer for conducting the postal ballot process both physical and e-Voting, in a fair and transparent manner.

An advertisement about dispatch of postal ballot papers were published in the newspapers, namely Business Line (in English) and Dinamani (in vernacular daily) on 5th August, 2014. The results of postal ballot voting were displayed on the Notice Board at the registered office of the Company on 6th September, 2014 and the same were also placed on the official website of the Company and disseminated to the Stock Exchanges for publication.

9. Means of communication to shareholders

The board believes that effective communication of information is an essential component of corporate governance. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, media releases, the Company's website and specific communications to Stock Exchanges, where the Company's shares are listed.

9.1 Quarterly results:

The unaudited quarterly financial results of the Company were published in English and regional newspapers. These are not sent individually to the shareholders.

9.2 Newspapers wherein results are normally published:

The results are normally published in English Newspapers viz. The Hindu, Business Line, The Times of India, Economic Times, Business Standard, The New Indian Express and Regional Newspaper viz., Dinamani.

9.3 Website:

The Company has in place a website addressed as www.tvsmotor.com. This website contains the basic information about the Company, e.g. details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company, who are responsible for assisting and handling investor grievances, such other details as may be required under Clause 54 of the Listing Agreement. The Company ensures that the contents of this website are periodically updated. In addition, the Company makes use of this website for

publishing official news release and presentations, if any, made to institutional investors / analysts.

The Company has designated the following e-mail IDs, namely investorscomplaintssta@scl.co.in / kss@scl.co.in for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.

10. General shareholder information

10.1 Annual General Meeting:

Date and time	: Wednesday, 29 th July, 2015 at 10.00 AM
Venue	: The Music Academy, New No.168 (Old No.306), T.T.K. Road, Royapettah, Chennai - 600 014.

10.2 Financial year : 1st April to 31st March

Financial calendar : 2015-2016 (Tentative)

Financial reporting : Financial calendar
for the quarter ending

30th June, 2015 : between 15th July and
14th August, 2015

30th September, 2015 : between 15th October and
14th November, 2015

31st December, 2015 : between 15th January and
14th February, 2016

31st March, 2016 : between 15th April and
30th May, 2016

10.3 Dates of Book Closure : 28th July, 2015 to 29th July, 2015 (2 days)

10.4 Particulars of dividend payment:

The board, at its meeting held on 3rd February, 2015, declared a first interim dividend of Re.0.75 per share (75%) for the year 2014-15 absorbing a sum of Rs.41.95 Cr including dividend distribution tax. The same was paid to the shareholders on 13th February, 2015.

The board, at its meeting held on 29th April, 2015 declared a second interim dividend of Rs.1.15 per share (115%) for the year 2014-15 absorbing a sum of Rs.65.56 Cr including dividend distribution tax. The same will be paid to the shareholders on or after 9th May, 2015. Hence, the total amount of dividend including the second interim dividend payable, for the year ended 31st March, 2015 will aggregate to Rs.1.90 per share (190%) on 47,50,87,114 equity shares of Re.1/- each.

TVS MOTOR COMPANY LIMITED

10.5 Listing on Stock Exchanges:

Name of the Stock Exchange	Stock Code / Symbol
BSE Limited (BSE)	532343
National Stock Exchange of India Limited (NSE)	TVSMOTOR
ISIN allotted by Depositories (Company ID Number)	INE 494B01023

(Note: Annual listing fees and custodial charges for the year 2015-2016 were duly paid to the above Stock Exchanges and Depositories)

During the year the Company has voluntarily delisted its Equity Shares from the Madras Stock Exchange Limited (MSE) in terms of Regulation 6 of SEBI (Delisting of equity shares) Guidelines 2009 without giving any exit opportunity to the shareholders, as the Company's Equity Shares continue to remain listed in BSE and NSE having the nationwide terminals.

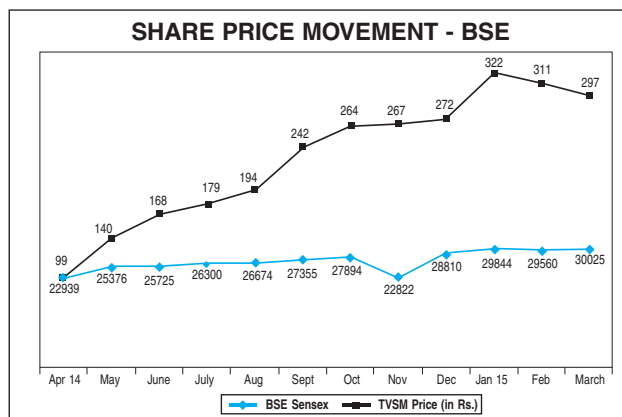
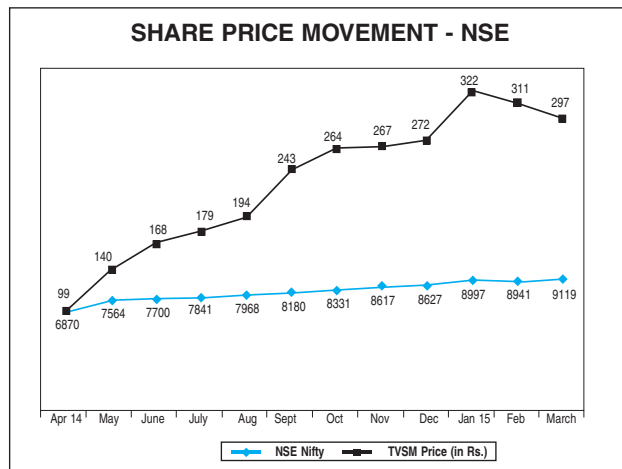
MSE approved the delisting of the Company's shares from their exchange with effect from 15th October 2014 vide letter no. MSE/LD/PSK/731/309/14 dated 15th October 2014.

10.6 Market Price Data:

(in Rs.)

Month	NSE (Monthly)		BSE (Monthly)	
	High price	Low price	High price	Low price
April 2014	99.35	86.05	99.20	84.00
May 2014	139.90	96.25	139.80	95.90
June 2014	168.25	124.20	168.25	124.00
July 2014	179.20	141.10	179.00	141.15
August 2014	193.60	145.00	193.50	145.05
September 2014	242.50	187.20	242.00	186.40
October 2014	263.55	217.50	263.70	217.70
November 2014	266.70	215.00	266.55	215.75
December 2014	272.30	224.20	272.35	224.00
January 2015	322.25	264.15	322.30	264.00
February 2015	310.95	261.00	310.80	261.20
March 2015	297.40	251.40	297.00	251.85

10.7 Share price performance in comparison to broad based indices - BSE Sensex and NSE Nifty:



10.8 Share Transfer Agents and share transfer system:

- Sundaram-Clayton Limited (SCL), the holding company, which has been registered with SEBI as share transfer agents in Category II, was appointed as the share transfer agent of the Company (STA) with a view to rendering prompt and efficient service to the investors with effect from 1st October, 2004.. The shareholders were also advised about this appointment of STA to handle share registry work pertaining to both physical and electronic segments of the Company.
- All matters connected with the share transfer, dividends and other matters are being handled by the STA located at the address mentioned elsewhere in this report.
- Shares lodged for transfers are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects.

- d. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Grievances received from the investors and other miscellaneous correspondences relating to change of address, mandates, etc., are processed by the STA within 7 days.
- e. 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 Clause 47(c) of the Listing Agreement with Stock Exchanges.
- f. 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.
- g. The Company, as required under Clause 47 (f) of the Listing Agreement, has designated the following e-mail IDs, namely investorscomplaintssta@scl.co.in / kss@scl.co.in for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.
- h. Shareholders are, therefore, requested to correspond with the STA for transfer / transmission of shares, change of address and queries pertaining to their shareholding, dividend, etc., at their address given in this report.

10.9 Distribution of shareholding as on 31st March 2015:

Shareholding (Range)	No. of shares	%	No. of members	%
Upto 5000	3,70,44,810	7.80	1,13,567	98.72
5001 - 10000	63,01,680	1.33	854	0.74
10001 - 20000	42,39,904	0.89	289	0.25
20001 - 50000	45,57,338	0.96	149	0.13
50001 - 100000	39,35,780	0.83	56	0.05
100001 & above	41,90,07,602	88.19	128	0.11
Total	47,50,87,114	100.00	1,15,043	100.00

10.10 Dematerialization of shares and liquidity:

The promoter holding consisting of 27,26,82,786 equity shares of Re.1/- each has been fully dematerialized. Out of 20,24,04,328 equity shares of Re.1/- each held by persons other than promoters, 19,49,61,178 shares have been dematerialized as on 31st March, 2015 accounting for 96.32%.

10.11 Shareholding pattern of the Company as on 31st March 2015

Category of Shareholder	No. of members	No. of shares held	%
Promoter & Promoter Group			
Bodies Corporate (A)	1	27,26,82,786	57.40
Public Shareholding			
Mutual Funds	21	4,11,35,620	8.65
Financial Institutions / Banks	19	12,84,663	0.27
Insurance Companies	10	1,51,73,315	3.19
Foreign Institutional Investors	105	6,75,44,664	14.22
Total Institutions (B)	155	12,51,38,262	26.33
Bodies Corporate	914	1,92,15,928	4.05
Individuals holding nominal capital upto Rs. 1 lakh	112298	4,92,21,610	10.36
Individuals holding nominal capital in excess of Rs. 1 lakh	11	41,96,909	0.88
NRI Repatriable	1245	12,11,287	0.25
NRI Non- Repatriable	407	5,66,946	0.13
Overseas Body Corporate	1	136	-
Foreign Nationals	2	1,284	-
Directors & Relatives	9	28,51,966	0.60
Total Non-Institutions (C)	114887	7,72,66,066	16.27
Total Public Shareholding (B+C)	115042	20,24,04,328	42.60
Grand Total (A+B+C)	115043	47,50,87,114	100.00

10.12 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.

10.13 Plant Locations:

Hosur : Post Box No. 4, Harita
 Hosur - 635 109, Tamil Nadu
 Tel : 04344-276780
 Fax : 04344-276016
 Email : kn.radhakrishnan@tvs motor.com
 sg.murali@tvs motor.com

Mysore : Post Box No.1
 Byathahalli Village, Kadakola Post
 Mysore - 571 311, Karnataka
 Tel : 0821 - 2596242
 Fax : 0821 - 2596550 / 2596551
 Email : kn.radhakrishnan@tvs motor.com

Himachal : Bhatian Village, Nalagarh Post & Taluk
Pradesh Solan District - 174 101, Himachal Pradesh
Tel : 01795 - 220494
Fax : 01795 - 220496
Email : kn.radhakrishnan@tvsmotor.com

10.14 Address for investor correspondence:

- (i) For transfer / dematerialization of shares, payment of dividend on shares and any other query relating to the shares of the Company : Sundaram-Clayton Limited Share Transfer Agent Unit: TVS Motor Company Limited "Jayalakshmi Estates", I Floor, No. 29, Haddows Road, Chennai - 600 006.
- (ii) For non-receipt of annual report : Email: raman@scl.co.in sclshares@gmail.com
- (iii) For investors' grievance & general correspondence : Email : kss@scl.co.in investorscomplaintssta@scl.co.in

11. Non-mandatory disclosures

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

11.1 The Board:

As the Company has an executive chairman, disclosure under this head is not mandatory.

11.2 Shareholder rights:

The half-yearly results of the Company are published in newspapers as soon as they are approved by the board and are also uploaded on the Company's website namely www.tvsmotor.com. The results are not sent to the shareholders individually.

11.3 Audit qualifications:

The statutory financial statements of the Company are unqualified.

11.4 Separate posts of Chairman and CEO

Considering the nature of the business of the Company both the positions are held by the same individual in compliance with Section 203 of the Act 2013 read with the articles of association of the Company.

11.5 Reporting to Internal Auditor

All the internal audit reports are directly presented to the audit committee of the Company by the Internal Auditor.

12. Request to shareholders

Shareholders are requested to follow the general safeguards / procedures as detailed hereunder in order to serve them efficiently and avoid risks while dealing in securities of the Company.

Demat of Shares:

Shareholders are requested to convert their physical holding to demat/ electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.

Registration of Electronic Clearing Service (ECS) mandate:

SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories for payment of dividend through ECS to investors wherever ECS and bank details are available. The Company will not entertain any direct request from members holding shares in electronic mode for deletion of / change in such bank details. Members who wish to change such bank account details are therefore requested to advise their DPs about such change, with complete details of bank account.

ECS helps in quick remittance of dividend without possible loss/delay in postal transit. Shareholders, who have not earlier availed this facility, are requested to register their ECS details with the STA or their respective DPs.

Transfer of shares in physical mode:

Shareholders should fill up complete and correct particulars in the transfer deed for expeditious transfer of shares. Wherever applicable, registration number of power of attorney should also be quoted in the transfer deed at the appropriate place.

Shareholders, whose signatures have undergone any change over a period of time, are requested to lodge their new specimen signature to the STA duly attested by a bank.

In terms of SEBI's circular no. MRD/DoP/Cir-05/1009 dated 20th May, 2009, it has become mandatory for transferees to furnish a copy of Permanent Account Number (PAN) for registration of transfer of shares to be held in physical mode.

In case of loss / misplacement of share certificates, Shareholders should immediately lodge a FIR / Complaint with the police and inform the Company / STA with original or certified copy of FIR / acknowledged copy of complaint for marking stop transfer of shares.

Consolidation of Multiple Folios:

Shareholders, who have multiple folios in identical names, are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.

Registration of Nominations:

Section 72 of the Act 2013 read with the Companies (Share capital and Debentures) Rules, 2014, provides facility for making nominations by shareholders in respect

of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the Will, etc.

It would therefore be in the best interest of the shareholders holding shares in physical form registered as a sole holder to make such nominations. Shareholders, who have not availed nomination facility, are requested to avail the same by submitting the nomination in Form SH-13. This form will be made available on request. Investors holding shares in demat form are advised to contact their DPs for making nominations.

Updation of address:

Shareholders are requested to update their addresses registered with the Company, directly through the STA, to receive all communications promptly.

Shareholders, holding shares in electronic form, are requested to deal only with their DPs in respect of change of address and furnishing bank account number, etc.

SMS Alerts:

Shareholders are requested to note that NSDL and CDSL have announced the launch of SMS alert facility for demat account holders, whereby shareholders will receive alerts for debits / credits (transfers) to their demat accounts a day after the transaction. No charge will be levied by NSDL / CDSL on DPs providing this facility to investors. This facility will be available to investors who request for the same and provide their mobile numbers to the DPs. Further information is available on the website of NSDL and CDSL namely www.nsdl.co.in and www.cdslindia.com, respectively.

Timely encashment of dividends:

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

As required by SEBI, the shareholders are requested to furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorized persons.

Shareholders, who have not encashed their dividend warrants, in respect of dividends declared for the year ended 31st March, 2008 and for any financial year thereafter may contact the Company and surrender their warrants for payment.

Shareholders are requested to note that the dividends, not claimed for a period of seven years from the date they first became due for payment, shall be transferred to IEPF

in terms of Section 205C of the Companies Act, 1956. Accordingly a sum of Rs.2.43 lakhs, being unclaimed dividend, was transferred to IEPF during the year.

Information in respect of unclaimed dividends due for remittance into IEPF is given below:

PARTICULARS OF UNCLAIMED DIVIDEND OF THE COMPANY

Financial Year	Date of declaration	Date of transfer to special account	Due date for transfer to IEPF
2007-2008 Final	14.08.2008	13.09.2008	13.09.2015
2008-2009 Interim	26.06.2009	26.07.2009	26.07.2016
2009-2010 1 st Interim	20.01.2010	19.02.2010	19.02.2017
2009-2010 2 nd Interim	21.07.2010	20.08.2010	20.08.2017
2010-2011 1 st Interim	20.01.2011	19.02.2011	19.02.2018
2010-2011 2 nd Interim	29.07.2011	28.08.2011	28.08.2018
2011-2012 1 st Interim	14.03.2012	13.04.2012	13.04.2019
2011-2012 2 nd Interim	24.05.2012	23.06.2012	23.06.2019
2012-2013 1 st Interim	01.02.2013	03.03.2013	03.03.2020
2012-2013 2 nd Interim	30.04.2013	30.05.2013	30.05.2020
2013-2014 1 st Interim	25.10.2013	24.11.2013	24.11.2020
2013-2014 2 nd Interim	29.04.2014	29.05.2014	29.05.2021
2014-2015 1 st Interim	03.02.2015	05.03.2015	05.03.2022

UNCLAIMED SHARE CERTIFICATES

In terms of the provisions of Clause 5A(II) of the Listing Agreement, the unclaimed share certificates are required to be dematerialized and transferred to "Unclaimed Suspense Account". As required under this clause of the Listing Agreement, the Company sent reminder letters to the shareholders, whose share certificates were returned undelivered or unclaimed. After complying with the requirements under the Listing Agreement, the Company has opened an "Unclaimed Suspense Account" and details are as follows:

Details	No. of shareholders	No. of shares
No. of Shares transferred to Unclaimed suspense account during the year	1 030	10,12,155
No. of Shares transferred to the shareholders on request during the year	9	19,500
No of shares in the Unclaimed suspense account as on 31 st March 2015	1,021	9,92,655

The voting rights on such shares shall remain frozen till the rightful owner claims the shares.

GREEN INITIATIVE IN CORPORATE GOVERNANCE
Rule 11 of the Companies (Accounts) Rules, 2014, permits circulation of annual report through electronic

TVS MOTOR COMPANY LIMITED

means to such of the shareholders whose e-mail addresses are registered with NSDL or CDSL or the shareholders who have registered their e-mail IDs with the Company to receive the documents in electronic form and physical copies to those shareholders whose e-mail IDs have not been registered either with the Company or with the depositories.

To support this green initiative of the Government, shareholders are requested to register their e-mail addresses, with the DPs, in case shares are held in dematerialized form and with the STA, in case the shares are held in physical form and also intimate changes, if any, in their registered e-mail addresses to the Company / DPs, from time to time.

Declaration pursuant to Clause 49 of the Listing Agreement regarding adherence to the Code of Business Conduct and Ethics

To
The Shareholders of TVS Motor Company Limited,
Chennai

On the basis of the written declarations received from members of the board and senior management personnel in terms of the relevant provisions of Clause 49 of the Listing Agreement, we hereby certify that both the members of the board and the senior management personnel of the Company have affirmed compliance with the respective provisions of the Code of

Business Conduct and Ethics of the Company as laid down by the board for the year ended 31st March, 2015.

VENU SRINIVASAN
Chairman & Managing Director

K S SRINIVASAN
Company Secretary

Place : Bengaluru
Date : 29th April 2015

Auditors' certificate on compliance of the provisions of the Code of Corporate Governance in the listing agreement

To

The shareholders of TVS Motor Company Limited,
Chennai

We have examined the compliance of conditions of Corporate Governance by TVS Motor Company Limited, Chennai - 600 006 for the year ended 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of Company's management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance, as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance 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.

For V. Sankar Aiyar & Co
Chartered Accountants
Firm Regn. No.: 109208 W

Place : Bengaluru
Date : 29th April 2015

S. VENKATRAMAN
Partner
Membership Number: 34319

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

[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 Motor Company Limited,
[CIN: L35921TN1992PLC022845]
No.29, Haddows Road,
Chennai-600006

We have conducted a secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s. TVS MOTOR COMPANY LIMITED (hereinafter called "the Company"). The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of M/s. TVS MOTOR COMPANY LIMITED'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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015, 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. The members are requested to read this report along with our letter dated 29th April, 2015 annexed to this report as Annexure – A.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. TVS MOTOR COMPANY LIMITED (the Company) for the financial year ended on 31st March 2015 according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations 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) Regulations, 1992; and
- c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- d) 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; and
- e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and

vi) The Listing Agreements entered into by the Company with:

- a) BSE Limited;
- b) National Stock Exchange of India Limited; and
- c) Madras Stock Exchange Limited (upto the delisting on 15th October, 2014).

2. We are informed that, for the financial year ended on 31st March, 2015:

a) The Company was not required to maintain books, papers, minute books, forms and returns filed or other records according to the provisions of:

- i) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

b) There are no laws specifically applicable to the company the books, papers, minute books, forms and returns of which were required to be examined by us for the purpose of this report.

3. We have not examined compliance with the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India as they become applicable only from 1st July, 2015.

4. During the period under review, to the best of our knowledge and belief and according to the information

and explanations given to us, the Company has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned under paragraph 1 above, to the extent applicable.

5. We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also has a woman director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. However, agenda and detailed notes on agenda are sent less than seven days before the meeting. A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
- c) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

d) During the audit period:

- i) The members have passed special resolutions under Section 180 of the Act empowering the Board of Directors to do the following:
 - Borrow moneys provided that the amounts borrowed and outstanding at any point of time does not exceed Rs.1500 crores, apart from temporary loans from the Company's bankers in the ordinary course of business; and
 - Create charge/ mortgage or otherwise encumber the whole or substantially the whole of any undertaking or any movable/ immovable property of the company.
- ii) The Board of Directors of the Company at its meeting held on 29th April 2014 has declared second interim dividend of Re.0.75 per share for the year ended 31st March 2014 and at its meeting held on 3rd February 2015 declared an interim dividend of Re.0.75 per share for the year 2014-15.
- iii) The Company has voluntarily delisted its equity shares from the Madras Stock Exchange Limited with effect from 15th October, 2014.

For S Krishnamurthy & Co
Company Secretaries
K. SRIRAM

Partner

Date : 29th April 2015
Place: Chennai

Membership No: F6312
Certificate of Practice No: 2215

Annexure – A to Secretarial Audit Report dated 29th April 2015

To,

The Members,
TVS Motor Company Limited,
[CIN: L35921TN1992PLC022845]
No.29, Haddows Road,
Chennai – 600006

Our Secretarial Audit Report dated 29th April 2015 is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to make a report based on the secretarial records produced for our audit.
2. We 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. We believe that the processes and practices we followed provide a reasonable basis for our report.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit.
4. We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
5. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. This Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S Krishnamurthy & Co
Company Secretaries
K. SRIRAM

Partner

Date : 29th April 2015
Place: Chennai

Membership No: F6312
Certificate of Practice No: 2215

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2015

To the members of TVS Motor Company Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of TVS Motor Company Limited, Chennai ('the Company'), which comprises the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
3. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

4. Our responsibility is to express an opinion on these Standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend

on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the 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 31st March 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
9. 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 purpose of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) on the basis of written representations received from the directors as on 31 March 2015, and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2015, from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) With respect to other matters to be included in the Auditor's 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 explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 12(a) to the financial statements.
- ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 2 to the financial statements.
- iii. there have been no delays in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
- For V. Sankar Aiyar & Co
Chartered Accountants
Firm Regn. No.: 109208W
- S. VENKATRAMAN
Partner
Membership No.: 34319
- Place: Bengaluru
Date : 29th April 2015
-

Annexure referred to in our report of even date on the accounts for the year ended 31st March 2015

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physically verifying all the fixed assets at its plants/ offices in a phased manner over a period of 2 years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies as compared to book records were noticed on such verification.
- (ii) (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Companies Act 2013, the recovery of principal and interest thereon, wherever stipulated, is regular.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items are of special nature and suitable alternative sources are not available for obtaining comparable quotation, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause (v) of the para 3 of the Order are not applicable to the Company.
- (vi) The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013 read with the Companies (cost records and audit) Rules 2014, for any of the products manufactured / services rendered by the Company.
- (vii) (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues payable including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess and other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company, the dues of sales tax / income-tax / customs duty / wealth tax / service tax / excise duty / value added

TVS MOTOR COMPANY LIMITED

tax/ cess which have not been deposited on account of any dispute are as follows:

Name of the Statute/ (Nature of dues)	Period of dues	Amount (Rs. in Cr)	Forum where dispute is pending
Central Excise Act, 1944 (Cenvat/Excise Duty)	1986-2015	42.96	Central Excise and Service Tax Appellate Tribunal, Chennai
	2005-2014	2.08	Assistant/Deputy/ Commissioner of Central Excise, Hosur and Mysore
	2008-2010	0.07	Hon'ble High Court of Karnataka
	2005-2014	10.11	Hon'ble Supreme Court
Finance Act, 1994 (Service Tax)	1999-2014	4.63	Assistant/Deputy/ Commissioner of Central Excise, Hosur and Mysore
	2005-2006	0.22	Central Excise and Service Tax Appellate Tribunal, Chennai/Bangalore
Customs Act, 1962 (Customs Duty)	2011-2012	0.09	Assistant/Deputy/ Commissioner of Central Excise, Hosur and Mysore
	1999-2001	1.87	Hon'ble High Court of Judicature at Madras
Sales Tax / VAT Laws (Sales Tax)	1998-2014	0.90	Department Authorities
	1998-2013	0.37	Tribunals
	2006-2012	0.05	Hon'ble High Court of Orissa
Income Tax Act, 1961 (Income Tax and Interest thereon)	2009-2010	87.31	Commissioner of Income Tax (Appeals)

(c) According to the information and explanations given to us, the amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the

Companies Act 1956 and rules made thereunder have been transferred by the Company to the fund within time.

- (viii) The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) On the basis of verification of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Financial Institutions/Banks. The Company has not raised any monies against issue of debentures.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- (xi) In our opinion, the term loans availed by the Company have been applied for the purpose for which they were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the Management, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For V. Sankar Aiyar & Co
Chartered Accountants
Firm Regn. No.: 109208W

Place: Bengaluru
Date : 29th April 2015

S. VENKATRAMAN
Partner
Membership No.: 34319

TVS MOTOR COMPANY LIMITED

Balance Sheet as at 31st March 2015

Rupees in crores

	Note number	As at 31-03-2015	As at 31-03-2014
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	I	47.51	47.51
(b) Reserves and surplus	II	1,597.85	1,367.77
2 Non-current liabilities			
(a) Long-term borrowings	III	518.98	442.41
(b) Deferred tax liabilities (Net)		152.75	124.68
(c) Long-term provisions	IV	43.73	53.17
3 Current liabilities			
(a) Short-term borrowings	V	399.76	33.47
(b) Trade payables		1,263.82	998.09
(c) Other current liabilities	VI	474.77	429.64
(d) Short-term provisions	VII	105.03	67.96
Total		<u>4,604.20</u>	<u>3,564.70</u>
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	VIII	1,294.93	1,105.94
(ii) Intangible assets	VIII	34.70	19.77
(iii) Capital work-in-progress	VIII	89.36	48.08
(b) Non-current investments	IX	1,012.46	895.92
(c) Long-term loans and advances	X	143.73	86.27
2 Current assets			
(a) Inventories	XI	819.68	548.15
(b) Trade receivables	XII	503.86	334.12
(c) Cash and bank balances	XIII	5.39	82.57
(d) Short-term loans and advances	XIV	632.78	364.31
(e) Other current assets	XV	67.31	79.57
Total		<u>4,604.20</u>	<u>3,564.70</u>

Significant accounting policies, notes on accounts and additional disclosures

XXIII

VENU SRINIVASAN
Chairman & Managing Director

SUDARSHAN VENU
Joint Managing Director

H. LAKSHMANAN
Director

As per our report annexed
For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Regn. No.: 109208W

S.G. MURALI
Chief Financial Officer

K.S. SRINIVASAN
Company Secretary

S. VENKATRAMAN
Partner
Membership No.: 34319

Place : Bengaluru
Date : April 29, 2015

Statement of Profit and Loss for the year ended 31st March 2015

Rupees in crores

	Note number	Year ended 31-03-2015	Year ended 31-03-2014
I Revenue from operations	XVI	10,813.86	8,664.16
Less: Excise duty and Service tax		715.64	698.22
		<u>10,098.22</u>	<u>7,965.94</u>
II Other income	XVII	32.61	30.21
III Total Revenue (I + II)		<u>10,130.83</u>	<u>7,996.15</u>
IV Expenses:			
Cost of materials consumed	XVIII	7,162.32	5,418.82
Purchases of stock-in-trade	XVIII	226.88	244.35
Changes in inventories of finished goods, work-in-process and stock-in-trade	XVIII	(92.07)	9.65
Employee benefits expense	XIX	585.42	476.11
Finance costs	XX	27.42	25.40
Depreciation and amortization expense		153.33	131.65
Other expenses	XXI	1,611.37	1,334.82
Total expenses		<u>9,674.67</u>	<u>7,640.80</u>
V Profit before exceptional and extraordinary items and tax (III-IV)		456.16	355.35
VI Exceptional items [Gain / (Loss)]	XXII	–	(2.81)
VII Profit before extraordinary items and tax (V+VI)		456.16	352.54
VIII Extraordinary items [Income / (Loss)]		–	–
IX Profit before tax (VII+VIII)		456.16	352.54
X Tax expense:			
(a) Current tax		96.63	83.30
(b) MAT credit entitlement		(23.66)	(4.73)
(c) Tax relating to earlier years		7.29	(19.23)
(d) Deferred tax		28.07	31.57
XI Profit for the year (IX-X)		<u>347.83</u>	<u>261.63</u>
XII Earnings Per equity Share (EPS) - Refer note no.XXIII (7) (Face value Re.1/-each)			
(a) Basic and Diluted EPS before extraordinary items (in Rs.)		7.32	5.51
(b) Basic and Diluted EPS after extraordinary items (in Rs.)		7.32	5.51
Significant accounting policies, notes on accounts and additional disclosures	XXIII		

VENU SRINIVASAN
Chairman & Managing Director

SUDARSHAN VENU
Joint Managing Director

H. LAKSHMANAN
Director

As per our report annexed
For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Regn. No.: 109208W

S.G. MURALI
Chief Financial Officer

K.S. SRINIVASAN
Company Secretary

S. VENKATRAMAN
Partner

Membership No.: 34319

Place : Bengaluru
Date : April 29, 2015

Cash Flow Statement

Rupees in crores

	Year ended 31-03-2015	Year ended 31-03-2014
A. Cash flow from operating activities		
Net profit before extraordinary items and tax	456.16	352.54
Add: Depreciation and amortisation for the year	153.33	131.65
Loss on sale of fixed assets	–	0.12
Profit on sale of fixed assets	(0.18)	–
Net (profit) / loss on sale of investments	(0.22)	(32.61)
Provision for diminution in value of investments	–	33.09
Dividend income	(7.29)	(3.17)
Interest income	(22.94)	(22.54)
Interest expenditure	28.47	22.95
Provision for pension, leave salary and warranty	3.26	7.94
	<u>154.43</u>	<u>137.43</u>
Operating profit before working capital changes	610.59	489.97
Adjustments for:		
Trade receivables	(169.74)	(17.27)
Inventories	(271.53)	(38.49)
Other current assets	12.26	(26.64)
Short term loans and advances	(263.51)	(60.12)
Trade payables	265.73	190.33
Other current liabilities (excluding current maturity of long term loans)	41.71	115.44
Short term provisions	–	(1.93)
	<u>(385.08)</u>	<u>161.32</u>
Cash generated from operations (before extraordinary items)	225.51	651.29
Direct taxes paid	(140.67)	(127.50)
Net cash from operating activities (A)	<u>84.84</u>	<u>523.79</u>
B. Cash flow from investing activities		
Purchase of fixed assets	(366.87)	(248.52)
Sale of fixed assets	2.98	2.52
Capital work-in-progress	(41.28)	(11.99)
Purchase of investments	(131.54)	(288.69)
Share application money paid	(2.01)	–
Sale of investments	15.22	261.13
Interest received	22.94	22.54
Dividends received	7.29	3.17
	<u>(493.27)</u>	<u>(259.84)</u>
Net cash from / (used in) investing activities (B)	<u>(493.27)</u>	<u>(259.84)</u>

TVS MOTOR COMPANY LIMITED

Cash Flow Statement – (continued)

		Rupees in crores	
		Year ended 31-03-2015	Year ended 31-03-2014
C. Cash flow from financing activities			
Borrowings:			
Term loan availed / (repaid)	72.12	(88.63)	
Soft loan from a state owned corporation	4.45	–	
Short term borrowings availed / (repaid)	366.29	(18.25)	
Other bank balances	(0.43)	0.45	
Interest paid	(28.47)	(22.95)	
Dividend and dividend tax paid	(83.14)	(69.00)	
		<u>330.82</u>	<u>(198.38)</u>
Net cash / (used in) financing activities	(C)	<u>330.82</u>	<u>(198.38)</u>
<hr/>			
Total	(A)+(B)+(C)	<u>(77.61)</u>	<u>65.57</u>
Cash and cash equivalents at the beginning of the year		80.46	14.89
Cash and cash equivalents at the end of the year		2.85	80.46
		<u>(77.61)</u>	<u>65.57</u>
D. Net increase / (decrease) in cash and cash equivalents			

VENU SRINIVASAN
Chairman & Managing Director

SUDARSHAN VENU
Joint Managing Director

H. LAKSHMANAN
Director

As per our report annexed
For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Regn. No.: 109208W

S.G. MURALI
Chief Financial Officer

K.S. SRINIVASAN
Company Secretary

S. VENKATRAMAN
Partner

Place : Bengaluru
Date : April 29, 2015

Membership No.: 34319

Notes on accounts

	As at 31-03-2015		As at 31-03-2014	
	Number	Rupees in crores	Number	Rupees in crores
I SHARE CAPITAL				
(a) Authorised, issued, subscribed and fully paid up				
Authorised:				
Equity shares of Re.1/- each	50,00,00,000	50.00	50,00,00,000	50.00
Issued, subscribed and fully paid up:				
Equity shares of Re.1/- each	47,50,87,114	47.51	47,50,87,114	47.51
Out of the above:				
Equity shares allotted as fully paid up by way of bonus shares in the five years immediately preceding the date of Balance Sheet:				
(i) Number of shares - 23,75,43,557				
(ii) Year of allotment - Year ended 31 st March 2011				
	47,50,87,114	47.51	47,50,87,114	47.51
(b) Reconciliation of equity shares outstanding at the beginning and at the end of the year				
Shares outstanding at the beginning of the year	47,50,87,114	47.51	47,50,87,114	47.51
Shares issued during the year	—	—	—	—
Shares outstanding at the end of the year	47,50,87,114	47.51	47,50,87,114	47.51

(c) (i) Rights and preferences attached to equity share:

Every shareholder is entitled to such rights as to attend and vote at the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the assets of the Company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 2013.

(ii) There are no restrictions attached to equity shares.

(d) Shares held by holding / ultimate holding / subsidiaries / associates of holding company at the end of the year

Name of shareholder	Class of share	As at 31-03-2015		As at 31-03-2014	
		No. of shares held	% of holding	No. of shares held	% of holding
Sundaram-Clayton Limited, Chennai (Holding Company)	Equity	27,26,82,786	57.40	27,26,82,786	57.40

(e) Shareholders holding more than five percent at the end of the year (other than I (d))

Name of shareholder	Class of share	As at 31-03-2015 No. of shares held	As at 31-03-2014 No. of shares held
Reliance Capital Trustee Company Limited, Mumbai	Equity	2,96,67,945	4,12,25,070

TVS MOTOR COMPANY LIMITED

Notes on accounts – (continued)

II RESERVES AND SURPLUS	Rupees in crores	
	As at 31-03-2015	As at 31-03-2014
(a) Capital reserves		
(i) On shares forfeited (Rs.55,200/-)	–	–
(ii) On surplus arising out of amalgamation	6.43	6.43
(iii) Government grant	0.30	0.30
Closing balance	<u>6.73</u>	<u>6.73</u>
(b) General reserve		
Opening balance	872.76	846.60
Less: Residual value of assets, whose useful life exhausted	6.82	–
	<u>865.94</u>	<u>846.60</u>
Add : Transfer from the Statement of Profit and Loss	–	26.16
Closing balance	<u>865.94</u>	<u>872.76</u>
(c) Hedging reserve		
Opening balance	6.52	0.02
Add: Created during the year	3.10	6.52
	<u>9.62</u>	<u>6.54</u>
Less: Utilised during the year	6.52	0.02
Closing balance	<u>3.10</u>	<u>6.52</u>
(d) Surplus i.e., balance in Statement of Profit and Loss		
Opening Balance	481.76	323.81
Add: Net profit for the current year	347.83	261.63
	<u>829.59</u>	<u>585.44</u>
Less: First interim dividend paid	35.63	30.88
Second interim dividend payable	54.64	35.63
Dividend tax	17.24	11.01
Transfer to general reserve	–	26.16
	<u>107.51</u>	<u>103.68</u>
Closing balance	<u>722.08</u>	<u>481.76</u>
Total (a) + (b) + (c) + (d)	<u>1,597.85</u>	<u>1,367.77</u>
III LONG-TERM BORROWINGS		
(A) Secured		
Term loans		
(a) From banks	73.00	56.75
(b) From other parties		
Soft loan from a state owned corporation viz., State Industries Promotion Corporation of Tamil Nadu Ltd. (SIPCOT)	157.08	152.63
	<u>230.08</u>	<u>209.38</u>
(B) Unsecured		
From other parties		
(a) Sales tax deferral loan from Karnataka Government	226.70	233.03
(b) Non-banking financial company (NBFC)	62.20	–
	<u>288.90</u>	<u>233.03</u>
(A) + (B)	<u>518.98</u>	<u>442.41</u>

Notes on accounts – (continued)

III LONG-TERM BORROWINGS – (continued)

Repayment terms of long-term loans

Rupees in crores

Total of loans repayable	*Current maturity i.e. loans repayable in 2014-15	Balance long-term loans as at 31-03-2014	Description	Frequency	No. of instalments due	Maturity	Total of loans repayable	* Current maturity i.e. loans repayable in 2015-16	Balance long-term loans as at 31-03-2015
102.15	45.40	56.75	Secured: Term Loan from Bank	Quarterly	5	Apr 2016	56.75	45.40	11.35
–	–	–	Term Loan - FCNRB Loan	End of Tenure	1	Jul 2016	61.65	–	61.65
152.63	–	152.63	State owned corporation	Yearly	4	2022-27	157.08	–	157.08
–	–	–	Unsecured: Term Loan from NBFC	End of Tenure	1	Aug 2016	62.20	–	62.20
50.63	6.33	44.30	Sales Tax Deferral Phase-1	Yearly	7	2020-21	44.30	6.33	37.97
188.73	–	188.73	Phase-2	Yearly	12	2027-28	188.73	–	188.73
494.14	51.73	442.41	Total				570.71	51.73	518.98

* Grouped under "Other current liabilities".

Details of securities created:

- (i) Term loans from Banks - First and exclusive charge on specific plant and equipment.
- (ii) FCNRB Loan from Banks - Charge on specific plant and equipment (being created).
- (iii) Soft loan - State owned corporation viz., SIPCOT

First charge on the specific plant and equipment and also secured by equitable mortgage created by way of deposit of title deeds of land.

Amount payable in each instalments:

Description	Currency	Amount
Term Loan - from Bank	INR	11.35 crores per quarter
Term Loan - FCNRB Loan	INR	61.65 crores at the end of tenure
Term Loan from NBFC	INR	62.20 crores at the end of tenure
Sales tax deferral Phase-1	INR	6.33 crores per annum
Sales tax deferral Phase-2	INR	15.73 crores per annum
State owned corporation	INR	10.00, 67.23, 75.40 and 4.45 crores (four instalments between 2022 and 2027)

Rupees in crores

As at 31-03-2015 As at 31-03-2014

IV LONG-TERM PROVISIONS

Employee benefits

(a) Pension	31.91	43.21
(b) Leave salary	11.82	9.96
	<u>43.73</u>	<u>53.17</u>

TVS MOTOR COMPANY LIMITED

Notes on accounts – (continued)

	Rupees in crores	
	As at 31-03-2015	As at 31-03-2014
V SHORT-TERM BORROWINGS		
Repayable on demand from banks		
Secured	67.85	2.88
Unsecured	128.62	0.64
Short term loans from banks (Unsecured)	203.29	29.95
	<u>399.76</u>	<u>33.47</u>
Details of securities created for loans repayable on demand:		
First charge by way of hypothecation and / or pledge of current assets viz., stocks of raw materials, semi finished and finished goods, stores and spares not relating to plant and machinery, bills receivable, book debts and all other movable assets located in all plants.		
VI OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt		
(i) Term loans from banks	45.40	45.40
(ii) Sales tax deferral loan from Karnataka Government	6.33	6.33
(b) Unclaimed dividends (Not due for transfer to Investor Education and Protection Fund)	2.46	2.03
(c) Interest accrued but not due on secured loans	1.73	1.00
(d) Others		
(i) Statutory dues	8.73	12.09
(ii) Employee related	26.49	23.50
(iii) For expenses	283.32	237.06
(iv) Trade deposits received	20.17	20.02
(v) Advance received from customers	63.45	76.37
(vi) Money held under trust	8.11	5.02
(vii) Payables against capital goods	8.58	0.82
	<u>474.77</u>	<u>429.64</u>
VII SHORT-TERM PROVISIONS		
(a) Pension	14.78	4.94
(b) Employee benefits - Leave Salary	1.74	1.35
(c) Warranty	22.95	20.48
(d) Second interim dividend payable	54.64	35.63
(e) Dividend tax	10.92	5.56
	<u>105.03</u>	<u>67.96</u>

TVS MOTOR COMPANY LIMITED

Notes on accounts – (continued)

VIII NON-CURRENT ASSETS - FIXED ASSETS

Rupees in crores

Description	Tangible							Intangible				Total (tangible and intangible)			
	Land		Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Total as at		Software	Design Development and knowhow	Total as at		As at	
	Free hold	Lease hold						31/03/2015	31/03/2014			31/03/2015	31/03/2014	31/03/2015	31/03/2014
Cost of assets															
As at 01-04-2014	92.91	10.94	329.81	1,903.51	15.50	61.51	12.44	2,426.62	2,225.65	26.59	19.11	45.70	22.28	2,472.32	2,247.93
Additions	38.58	0.01	55.56	227.13	13.30	9.05	1.70	345.33	225.10	3.16	18.38	21.54	23.42	366.87	248.52
Sub-total	131.49	10.95	385.37	2,130.64	28.80	70.56	14.14	2,771.95	2,450.75	29.75	37.49	67.24	45.70	2,839.19	2,496.45
Sales / deletion	0.30	0.45	0.15	14.82	0.01	1.42	0.26	17.41	24.13	-	-	-	-	17.41	24.13
Total	131.19	10.50	385.22	2,115.82	28.79	69.14	13.88	2,754.54	2,426.62	29.75	37.49	67.24	45.70	2,821.78	2,472.32
Depreciation / Amortisation															
Upto 31-03-2014	-	0.62	90.72	1,169.51	7.67	44.74	7.42	1,320.68	1,218.80	22.74	3.19	25.93	17.65	1,346.61	1,236.45
For the year	-	0.09	13.12	118.79	4.37	8.52	1.83	146.72	123.37	3.55	3.06	6.61	8.28	153.33	131.65
Transfer to reserve	-	-	3.08	3.74	-	-	-	6.82	-	-	-	-	-	6.82	-
Sub-total	-	0.71	106.92	1,292.04	12.04	53.26	9.25	1,474.22	1,342.17	26.29	6.25	32.54	25.93	1,506.76	1,368.10
Withdrawn on assets sold / deleted	-	-	0.11	12.88	0.01	1.35	0.26	14.61	21.49	-	-	-	-	14.61	21.49
Total	-	0.71	106.81	1,279.16	12.03	51.91	8.99	1,459.61	1,320.68	26.29	6.25	32.54	25.93	1,492.15	1,346.61
Written down value															
As at 31-03-2015	131.19	9.79	278.41	836.66	16.76	17.23	4.89	1,294.93		3.46	31.24	34.70		1,329.63	
As at 31-03-2014	92.91	10.32	239.09	734.00	7.83	16.77	5.02		1,105.94	3.85	15.92	-	19.77		1,125.71

CAPITAL WORK-IN-PROGRESS (AT COST)

(a) Building														0.76	0.62
(b) Plant & equipment														88.60	47.46
Total														89.36	48.08

- a) Title deed in respect of land near Ahmedabad in Gujarat at a cost of Rs.0.01 crore is yet to be received from the registering authority.
b) Cost of buildings includes Rs.22.89 crores (Last year Rs.18.97 crores) pertaining to buildings constructed on leasehold lands.
c) Refer Note No. XXIII(1)(f) and XXIII(21)

Rupees in crores
As at 31-03-2015 As at 31-03-2014

IX NON-CURRENT INVESTMENTS

Trade Investments

(a) Investments in equity instruments	657.20	435.96
Less: Provision for diminution in the value of investments	124.72	124.72
	532.48	311.24
(b) Investments in preference shares	457.71	554.03
(A)	990.19	865.27

Other Investments

(a) Investments in bonds	-	15.00
(b) Employees pension related investments	22.27	15.65
(B)	22.27	30.65
(A) + (B)	1,012.46	895.92

Notes on accounts – (continued)

IX NON-CURRENT INVESTMENTS – (continued)

Sl. No.	Name of the body corporate	Subsidiary/ Associate	No. of shares/ units		Face Value	Curren- cy	Partly paid/ fully paid	Extent of holding (%)		Rupees in crores		
			As at 31-03-2015	As at 31-03-2014				As at 31-03-2015	As at 31-03-2014	As at 31-03-2015	As at 31-03-2014	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
A. TRADE INVESTMENTS												
(a)	Investment in Equity Instruments:											
	Quoted:											
(i)	Suprajit Engineering Limited, Bengaluru		28,92,000	28,92,000	1.00	INR	Fully paid			0.08	0.08	
(ii)	Ucal Fuel Systems Limited, Chennai		91,760	91,760	10.00	INR	Fully paid			0.25	0.25	
	Unquoted:											
(iii)	Sundaram Auto Components Limited, Chennai	Subsidiary	1,15,50,000	1,15,50,000	10.00	INR	Fully paid	100	100	60.90	60.90	
(iv)	TVS Motor Company (Europe) B.V., Amsterdam	Subsidiary	2,25,301	2,25,301	100.00	EUR	Fully paid	100	100	126.52	126.52	
(v)	TVS Motor (Singapore) Pte. Limited, Singapore	Subsidiary	6,43,64,301	6,43,64,301	1.00	SGD	Fully paid	100	100	201.20	201.20	
(vi)	PT.TVS Motor Company Indonesia, Jakarta	Subsidiary	42,97,000	–	97,400.00	IDR	Fully paid	37	–	221.24	–	
(vii)	TVS Housing Limited, Chennai	Subsidiary	50,000	50,000	10.00	INR	Fully paid	100	100	0.05	0.05	
(viii)	Sundaram Business Development Consulting (Shanghai) Co. Ltd., Shanghai	Subsidiary	2,220	2,220	100.00	USD	Fully paid	100	100	1.25	1.25	
(ix)	Emerald Haven Realty Limited, Chennai (formerly known as Green Earth Homes Limited)	Associate	4,00,00,000	4,00,00,000	10.00	INR	Fully paid	48.8	48.8	40.00	40.00	
(x)	Green Infra BTV Limited, New Delhi (formerly known as TVS Energy Limited)		32,50,000	32,50,000	10.00	INR	Fully paid	4	4	3.25	3.25	
(xi)	TVS Lanka (Private) Limited, Colombo		50,00,000	50,00,000	10.00	LKR	Fully paid			2.08	2.08	
(xii)	TVS Motor Services Limited, Chennai		3,80,000	3,80,000	10.00	INR	Fully paid			0.38	0.38	
	Total									657.20	435.96	
	Less: Provision for diminution in the value of investments in TVS Motor Company (Europe) B.V., Amsterdam										124.72	124.72
	Total (a)									532.48	311.24	
(b)	Investments in Preference Shares - Unquoted:											
(i)	PT.TVS Motor Company Indonesia, Jakarta*	Subsidiary	–	38,97,000	97,400.00	IDR	Fully paid	–	100	–	196.32	
(ii)	TVS Motor Services Limited, Chennai		44,60,10,000	34,60,10,000	10.00	INR	Fully paid			446.01	346.01	
(iii)	Pinnacle Engines Inc., USA (face value 0.01 cent)		24,09,638	24,09,638	0.0001	USD	Fully paid			11.70	11.70	
	Total (b)									457.71	554.03	
	Total (a)+(b)									990.19	865.27	
	* Converted into equity shares											
B. OTHER INVESTMENTS - Unquoted :												
(a)	Investments in Bonds:											
(i)	Power Finance Corporation Limited, New Delhi		–	150	10,00,000	INR	Fully paid			–	15.00	
	Total (a)									–	15.00	
(b)	Other non-current investments:											
(i)	ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai					INR	Fully paid			8.79	9.23	
(ii)	Life Insurance Corporation Pension Policy, Mumbai					INR	Fully paid			13.48	6.42	
(iii)	National Savings Certificates (Rs.37,100/- deposited with Sales Tax authorities)					INR	Fully paid			–	–	
	Total (b)									22.27	15.65	
	Total (a)+(b)									22.27	30.65	

Investment summary

Rupees in crores

Particulars	As at 31-03-2015		As at 31-03-2014	
	Cost	Market value	Cost	Market value
Quoted investments	0.33	38.54	0.33	20.21
Unquoted investments	1012.13		895.59	

Note: All investments are carried at cost, net of provisions for diminution in the value as mentioned above.

TVS MOTOR COMPANY LIMITED

Notes on accounts – (continued)

	Rupees in crores	
	As at 31-03-2015	As at 31-03-2014
X LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
(a) Capital advances	10.56	6.35
(b) Deposits made	18.57	14.47
(c) Loans to related parties *	50.14	48.07
(d) Share application money paid (pending allotment)	2.01	–
(e) Advance payment of Income Tax less provisions	<u>62.45</u>	<u>17.38</u>
	<u>143.73</u>	<u>86.27</u>
* Refer Note no. XXIII 6(c)(ii) on Loans and advances receivable from related parties		
XI INVENTORIES (at cost or net realisable value whichever is less)		
(a) Raw materials and components*	295.58	194.46
(b) Goods-in-transit - Raw materials and components	88.92	41.94
(c) Work-in-process*	48.71	32.78
(d) Finished goods*	234.02	161.79
(e) Stock-in-trade*	32.88	28.97
(f) Stores and spares*	33.67	27.90
(g) Dies, moulds and tools*	<u>85.90</u>	<u>60.31</u>
	<u>819.68</u>	<u>548.15</u>
Note: Work-in-process comprises of:		
Vehicles pending testing	1.04	0.52
Semi finished vehicles and sub-assemblies thereto	<u>47.67</u>	<u>32.26</u>
* (as certified by Management)	<u>48.71</u>	<u>32.78</u>
XII TRADE RECEIVABLES		
(a) Unsecured debts outstanding for a period exceeding six months		
(i) Considered good	0.28	35.94
(ii) Considered doubtful	<u>4.38</u>	<u>3.67</u>
	4.66	39.61
Less: Provision for doubtful debts	<u>4.38</u>	<u>3.67</u>
	0.28	35.94
(b) Other unsecured debts (considered good)	<u>503.58</u>	<u>298.18</u>
	<u>503.86</u>	<u>334.12</u>
XIII CASH AND BANK BALANCES		
(a) Cash and cash equivalents		
(i) Balances with banks in current accounts	2.15	29.00
(ii) Balances with banks in fixed deposits (Less than 3 months maturity)	0.02	50.00
(iii) Cheques/drafts on hand	0.03	1.15
(iv) Cash on hand	0.65	0.31
(b) Other bank balances		
(i) Earmarked balances with banks (for unpaid dividend)	2.46	2.03
(ii) Balances with banks (with more than 12 months maturity)	<u>0.08</u>	<u>0.08</u>
	<u>5.39</u>	<u>82.57</u>
XIV SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good		
(a) Inter corporate deposits made	3.00	7.31
(b) Employee related	10.91	10.08
(c) Rent advance	3.52	3.48
(d) VAT receivable and dues from Government	205.91	123.71
(e) Balance with excise	283.34	114.89
(f) Prepaid expense	9.53	17.46
(g) Vendor advance	48.43	24.81
(h) Advance payment of Income Tax less provisions	<u>68.14</u>	<u>62.57</u>
	<u>632.78</u>	<u>364.31</u>

TVS MOTOR COMPANY LIMITED

Notes on accounts – (continued)

	Rupees in crores	
	As at/ Year ended 31-03-2015	As at/ Year ended 31-03-2014
XV OTHER CURRENT ASSETS		
(a) Interest accrued on deposits/investments	–	1.40
(b) Claims receivable	0.94	1.18
(c) Export Incentive receivable	62.31	69.49
(d) Hedge asset and Deferred forward contract premium	4.06	7.50
	<u>67.31</u>	<u>79.57</u>
XVI REVENUE FROM OPERATIONS		
(a) Sale of products	10,561.71	8,458.61
(b) Sale of raw materials	58.61	81.66
(c) Sale of services	11.89	12.40
(d) Other operating revenues*	181.65	111.49
	<u>10,813.86</u>	<u>8,664.16</u>
Less: Excise duty and service tax	715.64	698.22
	<u>10,098.22</u>	<u>7,965.94</u>
* Other operating revenues include foreign exchange gain of Rs.21.39 crores (last year loss of Rs.2.06 crores grouped under other expenses) relatable to export and import operations of the Company and Rs.12.95 crores (last year - Rs.4.09 crores), insurance claim received towards fire accident.		
XVII OTHER INCOME		
(a) Interest income	21.54	21.88
(b) Dividend		
(i) From subsidiaries	6.93	2.89
(ii) From others	0.36	0.28
(c) Gain on sale of investments	0.22	2.32
(d) Profit on sale of fixed assets	0.18	–
(e) Other non-operating income	3.38	2.84
	<u>32.61</u>	<u>30.21</u>
XVIII MATERIAL COST		
Cost of Materials consumed:		
Opening stock of raw materials and components	194.46	189.00
Add: Purchases	<u>7,263.44</u>	<u>5,424.28</u>
	7,457.90	5,613.28
Less: Closing stock of raw materials and components	<u>295.58</u>	<u>194.46</u>
Consumption of raw materials and components	<u>7,162.32</u>	<u>5,418.82</u>
Purchases of stock-in-trade:		
Spare parts	106.63	112.55
Engine oil	54.78	44.88
Raw materials	52.02	73.44
Finished goods	13.45	13.48
	<u>226.88</u>	<u>244.35</u>
Changes in inventories of finished goods, work-in-process and stock-in-trade:		
Opening stock:		
Work-in-process	32.78	39.00
Stock-in-trade	28.97	26.62
Finished goods	161.79	167.57
	<u>223.54</u>	<u>233.19</u>
	(A)	
Closing stock:		
Work-in-process	48.71	32.78
Stock-in-trade	32.88	28.97
Finished goods	234.02	161.79
	<u>315.61</u>	<u>223.54</u>
	(B)	
	(A)-(B)	<u>9.65</u>

Refer note no.XXIII (15) for broad heads of raw materials consumed.

TVS MOTOR COMPANY LIMITED

Notes on accounts – (continued)

	Rupees in crores	
	Year ended 31-03-2015	Year ended 31-03-2014
XIX EMPLOYEE BENEFITS EXPENSE		
(a) Salaries and wages	505.07	403.17
(b) Contribution to provident and other funds	26.87	32.30
(c) Welfare expenses	53.48	40.64
	<u>585.42</u>	<u>476.11</u>
XX FINANCE COSTS		
(a) Interest expense	29.20	22.20
(b) Others - Exchange fluctuation	(1.78)	3.20
	<u>27.42</u>	<u>25.40</u>
XXI OTHER EXPENSES		
(a) Consumption of stores, spares and tools*	59.33	46.25
(b) Power and fuel*	91.29	79.81
(c) Rent*	13.25	12.28
(d) Repairs - buildings	10.34	9.52
(e) Repairs - plant and equipment	44.33	37.92
(f) Insurance	3.04	2.62
(g) Rates and taxes (excluding taxes on income)	5.09	3.54
(h) Audit fees	0.48	0.35
(i) Packing and freight charges*	410.94	304.02
(j) Advertisement and publicity*	256.55	278.68
(k) Other marketing expenses*	304.83	259.42
(l) Loss on sale of fixed assets	–	0.12
(m) Foreign exchange loss	–	2.06
(n) Miscellaneous expenses* (under this head there is no expenditure which is in excess of 1% of revenue from operations or Rs.1 lakh, whichever is higher)	411.90	298.23
	<u>1,611.37</u>	<u>1,334.82</u>
* Net of recoveries		
XXII EXCEPTIONAL ITEMS - GAIN / (LOSS)		
(a) Provision for diminution in value of investments	–	(33.09)
(b) Profit on sale of investment	–	30.28
	<u>–</u>	<u>(2.81)</u>

XXIII Significant accounting policies, notes on accounts and additional disclosures

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles and Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014.

(b) Use of estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period.

(c) Revenue recognition

The Company recognises revenue from the sale of products net of trade discounts, when the products are delivered to the dealer / customer or when delivered to the carrier, when risks and rewards of ownership pass to the dealer / customer. Export incentives are accounted on accrual basis.

Sales include income from services. Sale of products and services is presented gross of excise duty and service tax where applicable, and excludes other indirect taxes.

Dividend from investments is recognised when the right to receive the payment is established. Interest income is recognised on time proportion basis, determined by the amount outstanding and the rate applicable.

(d) Fixed assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortization and impairment, if any.

Cost includes purchase price, taxes and duties, labour cost and directly attributable overhead expenditure incurred upto the date the asset is ready for its intended use. However, cost excludes Excise duty, VAT & Service tax, wherever credit of the duty or tax is availed of.

(e) Borrowing costs

Borrowing cost incurred for qualifying assets is capitalised upto the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset. Borrowing costs also include exchange differences relating to long term foreign currency borrowings attributable to the acquisition of depreciable asset w.e.f. April 1, 2007.

All other borrowing costs are recognised as an expense in the period for which they relate to.

(f) Depreciation and amortisation

(i) Depreciation on tangible fixed assets is charged over the estimated useful life (after considering double/triple shift) as evaluated by a Chartered Engineer, on straight line method, in accordance with Part A of Schedule II to the Companies Act 2013.

(ii) Keeping in mind the rigorous and periodic maintenance programme followed by the Company, the estimated useful life of the tangible fixed assets as assessed by the Chartered Engineer and followed by the Company is given below:

Description	Years
Factory building and other buildings	5 to 61
Material handling equipment	5
Plant and machinery	5 to 21
Electrical equipment	15
Furniture and fixtures	10
Computers and information systems	3 to 4
Mobile phone	2
Vehicles	6

(iii) Tools and dies - for two wheelers based on quantity of components manufactured and the life of tools and dies, subject to a maximum of 3 years. Tools and dies used for three wheeler operations are depreciated at 11.31 per cent.

(iv) On tangible fixed assets added / disposed of during the year, depreciation is charged on pro-rata basis from the date of addition/till the date of disposal.

(v) Depreciation in respect of tangible assets costing less than Rs.5,000/- is provided at 100%.

XXIII Significant accounting policies, notes on accounts and additional disclosures - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

(g) **Intangible assets**

Intangible assets in the form of Software acquired are recorded at their acquisition cost and are amortised over 2 years. Other intangible assets are recorded at their acquisition cost and are amortised over their useful life or 10 years, whichever is earlier.

(h) **Impairment**

At each Balance Sheet date, the Company ascertains whether there is any impairment of the fixed / intangible assets based on internal/external factors. An impairment loss is recognised, wherever the carrying amount of the assets exceeds its recoverable amount. Any such impairment loss is recognised by charging it to the Profit and Loss Statement.

(i) **Transactions in foreign currencies**

- (i) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- (ii) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.
- (iii) Non-monetary items denominated in foreign currency such as investments, fixed assets, etc., are valued at the exchange rate prevailing on the date of transaction.
- (iv) Exchange differences arising on settlement of transactions and translation of monetary items other than those covered by (v) below are recognised as income or expense in the year in which they arise.
- (v) Exchange differences relating to long term foreign currency monetary assets / liabilities are accounted for with effect from April 1, 2007 in the following manner:
 - Differences relating to borrowings attributable to the acquisition of the depreciable capital asset are added to / deducted from the cost of such capital assets.
 - Other differences are accumulated in Foreign Currency Monetary Item Translation Difference Account, to be amortized over the period till the date of maturity or March 31, 2020, whichever is earlier in accordance with the notification issued by the Ministry of Corporate Affairs on December 29, 2011.
- (vi) Exchange differences relating to forward exchange contracts entered into for hedging i.e for mitigating the foreign currency fluctuation risk on an underlying asset or liability other than those covered under (v) above are recognised in the Profit and Loss Statement. Premium or discount on forward contracts other than those covered in (v) above is amortised over the life of such contracts and is recognised as income or expense.

(j) **Hedge accounting**

With effect from 1st April 2008, the Company has adopted the principles of hedge accounting prescribed by Accounting Standard (AS30) - "Financial Instruments Recognition and Measurement". Accordingly, the company designates certain pre shipment credit limits (PCFC) as hedging instruments and uses foreign currency derivative contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions.

Recognition and Measurement

These derivative contracts are stated at fair value at each reporting date. Changes in the fair value of these contracts that are designated and effective as hedges of future cash flows are recognized directly in Hedging Reserve Account under Reserves and Surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Profit and Loss Statement. Amounts accumulated in Hedging Reserve Account are transferred to Profit and Loss Statement in the respective periods in which the forecasted transactions are consummated.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Hedging Reserve Account is retained there until the forecasted transaction is consummated.

(k) **Inventories**

Inventories are valued at the lower of cost and net realisable value.

Cost of raw materials and consumables are ascertained on a moving weighted average basis. Attributable costs are allocated to work-in-process, stock-in-trade and finished goods.

(l) **Investments**

Long term investments are stated at cost. The carrying amount is reduced to recognise a decline, other than temporary, in the value of the investment. Current investments are stated at lower of cost and market value.

XXIII Significant accounting policies, notes on accounts and additional disclosures - *(continued)*

1 SIGNIFICANT ACCOUNTING POLICIES - *(continued)*

(m) **Employee benefits**

(i) **Provident fund**

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions as specified under the law are made to the provident fund set up as irrevocable trust by the Company. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the Government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year in which it is incurred.

(ii) **Pension**

The Company has a pension plan which is a defined benefit plan, for its senior managers of the company. The liability for the pension benefits payable in future under the said plan, is provided for based on an independent actuarial valuation as at Balance Sheet date.

(iii) **Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contributions are based on actuarial valuation arrived at the end of each year and charged to Profit and Loss Statement.

(iv) **Leave encashment**

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation.

(n) **Taxes on income**

Tax expense comprises of current and deferred taxes.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax is net of credit for entitlement for Minimum Alternative Tax (MAT), which is recognised where there is a convincing evidence that the Company will pay normal Income tax during the specified period.

Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses, if any, are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to be applied in the period when asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

(o) **Government Grants**

Government grants are recognised on receipt. Grants identifiable to specific fixed assets are shown as a deduction from the gross value of the asset concerned in arriving at its book value. Where the government grants cannot be identified with any specific identifiable fixed assets, such amount is credited to capital reserve.

(p) **Provisions and contingent liabilities**

(i) **Provision**

A provision arising out of a present obligation, is recognised only when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

(ii) **Contingent liabilities**

Wherever there is a possible obligation that may, but probably will not require an outflow of resources, the same is disclosed by way of contingent liability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

XXIII Significant accounting policies, notes on accounts and additional disclosures - (continued)

2 Derivative transactions:

The company uses forward exchange contracts and certain foreign currency packing credit loans to hedge its exposure in foreign currency.

Derivative instruments outstanding as at 31.3.2015:

S. No.	Particulars	Currency	Amount		Buy /Sell	Amount	
			Foreign currency in millions			Rupees in crores	
			31-03-2015	31-03-2014		31-03-2015	31-03-2014
a)	Forward exchange contracts (net)	US\$ / INR	125.00	83.50	Sell	781.25	500.29
		Euro / INR	–	2.40	Buy	–	19.84
b)	Foreign currency exposures not covered by derivative instruments - receivable / payable (net)	US\$ / INR	10.47	4.33	Sell	65.41	25.96
		Euro / INR	0.28	0.03	Sell	1.90	0.21
		JPY / INR	62.48	39.14	Sell	3.26	2.27
		SGD / INR	0.01	–	Sell	0.04	–
		GBP & CHF / INR	–	–	Sell	0.24	0.08

The Company has a process whereby periodically all long term contracts are assessed. At the year end, the Company has reviewed the long term contracts including derivative contracts and there are no material foreseeable losses on such contracts.

Rupees in crores	
As at/ Year ended 31-03-2015	As at/ Year ended 31-03-2014

3 Diminution in the value of investment:

The Company directly holds 42,97,000 nos. of Equity Shares (Class A shares) of USD 10/- each [Last year 38,97,000 nos. of Preference shares (Class B shares)] in PT TVS Motor Company Indonesia (PT TVS), (a wholly owned subsidiary). Besides, the Company holds in PT TVS, through its wholly owned subsidiaries viz., TVS Motor Company (Europe) B.V. Amsterdam and TVS Motor (Singapore) Pte. Limited, Singapore, 73,00,000 nos. of Equity Shares (Class A shares) of USD 10/- each. The aggregate cost of both, the Company's direct and indirect investments in PT TVS is detailed below:

Cost of investment in equity shares (net of provision for diminution in value)	424.24	203.00
Cost of investment in preference shares	–	196.32
Total cost of investments	424.24	399.32

In view of the accumulated losses of PT TVS, the Company, based on the future estimated cash flows of PT TVS, evaluated its investment in the subsidiaries for the purpose of determination of potential diminution in the value of its investment. Based on such evaluation, the Company is of the opinion that no diminution in the value of investment is required for the year ended 31.3.2015.

XXIII Significant accounting policies, notes on accounts and additional disclosures – (continued)

4 (a) Defined benefit plans / leave salary as per actuarial valuation:

Rupees in crores

	Gratuity	Pension	Leave salary
(a) Expenses recognised in the Statement of Profit and Loss			
(i) Current service cost	3.40	2.37	3.15
(ii) Interest cost	4.20	3.55	0.83
(iii) Expected return on plan assets	–	–	–
(iv) Net actuarial loss / (gain) recognised in the year	(6.25)	0.09	0.24
Total	1.35	6.01	4.22
(b) Change in defined benefit obligation during the year ended 31-03-2015			
(i) Present value of obligation as at the beginning of the year (01-04-2014)	52.48	48.15	11.32
(ii) Interest cost	4.20	3.55	0.83
(iii) Current service cost	3.40	2.37	3.15
(iv) Benefits paid	(3.50)	(7.47)	(1.98)
(v) Actuarial loss on obligation	(6.25)	0.09	0.24
(vi) Present value of obligation as at the end of the year (31-03-2015)	50.33	46.69	13.56
(c) Change in fair value of plan assets during the year ended 31-03-2015			
(i) Fair value of plan assets at the beginning of the year (01-04-2014)	56.33	–	–
(ii) Expected return on plan assets	5.01	–	–
(iii) Contributions made during the year	(0.37)	–	–
(iv) Benefits paid	(3.50)	–	–
(v) Actuarial gain on plan assets	–	–	–
(vi) Fair value of plan assets as at the end of the year (31-03-2015)	57.47	–	–
(d) Balance Sheet movements			
(i) Value of benefit obligations / (net assets) at the beginning of the year (01-04-2014)	52.48	48.15	11.32
(ii) Contributions made during the year	1.35	6.01	4.22
(iii) Expenses	(3.50)	(7.47)	(1.98)
(iv) Benefits paid	–	–	–
(v) Value of benefit	50.33	46.69	13.56
Note: The net asset in respect of gratuity plan is not recognised as it is lying in irrevocable trust fund approved by Income tax authorities.			
(e) Actuarial assumptions			
(i) Discount rate used	8.00%	8.00%	8.00%
(ii) Expected return on plan assets	NA	NA	NA
Estimates of future salary increases considered in actuarial valuation takes into account the inflation, seniority, promotions and other relevant factors.			

XXIII Significant accounting policies, notes on accounts and additional disclosures – (continued)

4 (b) Defined contribution plans:

The Company's contribution to defined contribution plan i.e., provident fund of Rs. 10.51 crores (last year Rs.10.76 crores) has been recognised in the Statement of Profit and Loss.

5 The Company operates in only one segment viz., automotive vehicles.

6 (a) Related parties and their relationship for the financial year 2014-15:

Holding company:

Sundaram-Clayton Limited, Chennai

Ultimate holding company:

T V Sundram Iyengar & Sons Private Limited, Madurai

Subsidiaries:

Sundaram Auto Components Limited, Chennai
 TVS Motor Company (Europe) B.V, Amsterdam
 TVS Motor (Singapore) Pte. Limited, Singapore
 PT. TVS Motor Company Indonesia, Jakarta
 TVS Housing Limited, Chennai
 Sundaram Business Development Consulting (Shanghai) Co. Ltd, Shanghai

Fellow subsidiaries:

Sundaram Investment Limited, Chennai
 TVS Electronics Limited, Chennai
 Uthiram Rubber Products Limited, Madurai
 Prime Property Holdings Limited, Chennai
 TVS-E Access (India) Limited, Chennai
 TVS Training and Services Limited, Chennai
 NCR Autocars Limited, New Delhi
 Southern Roadways Limited, Madurai
 Sundaram Industries Private Limited, Madurai
 Sundaram Engineering Products Services Limited, Chennai
 The Associated Auto Parts Limited, Mumbai
 TVS Interconnect Systems Limited, Madurai
 Lucas-TVS Limited, Chennai
 Sundaram Textiles Limited, Madurai
 TVS Automobile Solutions Limited, Madurai
 Sundaram Lanka Tyres Limited, Colombo
 NSM Holdings Limited, Madurai
 SNS Warranty Solutions Limited, Madurai
 NK Telecom Products Limited, Madurai
 NK Tele Systems Limited, Madurai
 Lucas Indian Service Limited, Chennai
 TVS Automotive Systems Limited, Chennai

Fellow subsidiaries: (continued)

Rajgarhia Automobile Solution Limited, Kolkata
 Pusam Rubber Products Limited, Madurai
 Sundaram-Clayton (USA) Limited, USA
 Essex Automobile Solutions Limited, Gujarat
 Gallant E-Access Private Limited, Delhi
 TVS Insurance Broking Limited (Previously known as Navratna Insurance Broking Limited), Coimbatore
 Focuz Automobile Services Limited, Ernakulam
 GS Automotive Service Equipments (Chennai) Private Limited, Madurai
 TVS Capital Funds Limited, Chennai
 Tumkur Property Holdings Limited, Chennai
 TVS-E Servicetec Limited, Chennai
 TVS All Car Services Private Limited (Previously known as SANRAV Automobile Solutions (Chennai) Private Limited), Madurai

Associate companies:

Emerald Haven Realty Limited, Chennai (Formerly known as Green Earth Homes Limited)
 Green Infra Wind Energy Theni Limited, New Delhi (Formerly known as TVS Wind Energy Limited)

Key Management Personnel:

Mr Venu Srinivasan,
 Chairman & Managing Director
 Mr Sudarshan Venu,
 Joint Managing Director

Relative(s) of the Key Management Personnel:

Dr. Lakshmi Venu, Director

Enterprise over which key management personnel and their relatives have significant influence:

Harita-NTI Limited, Chennai

TVS MOTOR COMPANY LIMITED

XXIII Significant accounting policies, notes on accounts and additional disclosures – (continued)

		Rupees in crores	
		As at/ Year ended 31-03-2015	As at/ Year ended 31-03-2014
6 (b)	Transactions with related parties:		
(i)	Purchase of goods		
	– ultimate holding company - T V Sundram Iyengar & Sons Private Limited, Madurai	0.40	0.46
	– holding company - Sundaram-Clayton Limited, Chennai	312.97	216.25
	– subsidiary companies		
	Sundaram Auto Components Limited, Chennai	305.81	189.97
	PT. TVS Motor Company Indonesia, Jakarta	0.88	0.24
	Green Infra BTV Limited, New Delhi (subsidiary upto 16.08.2013)	–	2.62
	– fellow subsidiaries		
	TVS Electronics Limited, Chennai	0.07	0.25
	Sundaram Industries Private Limited, Madurai	0.30	0.28
	Lucas-TVS Limited, Chennai	71.95	42.97
	Lucas Indian Service Limited, Chennai	2.28	1.16
	– enterprises over which key management personnel and his relatives have significant influence - Harita-NTI Limited, Chennai	0.73	0.59
(ii)	Sale of goods		
	– holding company - Sundaram-Clayton Limited, Chennai	–	0.01
	– subsidiary companies		
	Sundaram Auto Components Limited, Chennai	1,764.67	1,383.80
	PT. TVS Motor Company Indonesia, Jakarta	58.67	37.50
(iii)	Rendering of services (including interest and reimbursements received)		
	– holding company - Sundaram-Clayton Limited, Chennai	1.03	1.08
	– subsidiary companies		
	Sundaram Auto Components Limited, Chennai	0.40	0.44
	TVS Motor Company (Europe) B.V, Amsterdam	–	3.67
	TVS Motor (Singapore) Pte. Limited, Singapore	3.99	–
	PT. TVS Motor Company Indonesia, Jakarta	0.93	5.82
	– fellow subsidiary		
	Southern Roadways Limited, Madurai	0.01	0.01
(iv)	Availing of services (includes sub-contract charges paid)		
	– holding company - Sundaram-Clayton Limited, Chennai	54.76	37.66
	– subsidiary companies		
	Sundaram Business Development Consulting (Shanghai) Co. Ltd, Shanghai	–	1.11
	PT. TVS Motor Company Indonesia, Jakarta	–	0.47
	– fellow subsidiaries		
	TVS Electronics Limited, Chennai	0.89	0.71
	Southern Roadways Limited, Madurai	2.87	2.58
(v)	Investments made during the year		
	– subsidiary companies :		
	TVS Motor (Singapore) Pte. Limited, Singapore (Shares pending allotment)	2.01	–
	PT. TVS Motor Company Indonesia, Jakarta	24.92	49.82
	Sundaram Business Development Consulting (Shanghai) Co. Ltd, Shanghai	–	0.44
(vi)	Investments redeemed during the year		
	– erstwhile subsidiary company:		
	Green Infra BTV Limited, New Delhi (Formerly known as TVS Energy Limited - subsidiary upto 16.08.2013). The Company divested 7,35,00,000 shares of Rs 10/- each.	–	73.50

XXIII Significant accounting policies, notes on accounts and additional disclosures – (continued)

		Rupees in crores	
		As at/ Year ended 31-03-2015	As at/ Year ended 31-03-2014
6 (b)	Transactions with related parties - (continued)		
(vii)	Remuneration to key management personnel	14.67	10.03
(viii)	Dividend received from subsidiary company Sundaram Auto Components Limited	6.93	2.89
(ix)	Dividend paid to holding company - Sundaram-Clayton Limited	40.90	34.09
6 (c)	Balance with related parties:		
(i)	Trade receivables		
	– ultimate holding company T V Sundram Iyengar & Sons Private Limited, Madurai	0.02	–
	– subsidiary companies		
	Sundaram Auto Components Limited, Chennai	118.88	63.30
	PT. TVS Motor Company Indonesia, Jakarta	45.31	5.21
	– associate company Emerald Haven Realty Limited	–	0.10
(ii)	Loans and advances receivable		
	– subsidiary companies TVS Motor (Singapore) Pte. Limited, Singapore	50.14	48.07
(iii)	Trade payables		
	– ultimate holding company T V Sundram Iyengar & Sons Private Limited, Madurai	–	0.01
	– holding company Sundaram-Clayton Limited, Chennai	56.93	19.16
	– subsidiary companies Sundaram Auto Components Limited, Chennai	24.09	14.96
	– fellow subsidiaries		
	Lucas-TVS Limited, Chennai	10.89	5.96
	Lucas Indian Service Limited, Chennai	0.72	0.14
	Sundaram Industries Private Limited, Madurai	0.06	0.05
	Southern Roadways Limited, Madurai	0.29	–
	TVS Electronics Limited, Chennai	0.06	–
	– associate company Emerald Haven Realty Limited	1.59	–
	– enterprise over which key management personnel and his relatives have significant influence – Harita-NTI Limited, Chennai	0.07	0.05
(iv)	Obligation arising out of agreements facilitating credit to subsidiary company – PT. TVS Motor Company Indonesia, Jakarta	150.00	107.80

XXIII Significant accounting policies, notes on accounts and additional disclosures – (continued)

		Rupees in crores	
		As at/ Year ended 31-03-2015	As at/ Year ended 31-03-2014
7	Earnings per share:		
	Profit after tax before extraordinary items	347.83	261.63
	Profit after tax after extraordinary items	347.83	261.63
	Number of equity shares	475087114	475087114
	Face value of the share (in rupees)	1.00	1.00
	Weighted average number of equity shares	475087114	475087114
	Basic and diluted earnings per share before extra ordinary items (in rupees)	7.32	5.51
	Basic and diluted earnings per share after extraordinary items (in rupees)	7.32	5.51
8	Deferred tax:		
	(i) Deferred tax liability consists of:		
	– tax on depreciation	175.80	160.73
	– tax on amortisation of dies and moulds	12.52	10.26
	– tax on expenses admissible on payment basis under Income Tax Act, 1961	–	–
	(A)	<u>188.32</u>	<u>170.99</u>
	(ii) Deferred tax asset consists of:		
	– tax on provision in respect of expenditure which will be allowed under the Income Tax Act, 1961 only on payment basis and others	35.57	46.31
	(B)	<u>35.57</u>	<u>46.31</u>
	Deferred tax liability (net of deferred tax asset) (A) - (B)	<u>152.75</u>	<u>124.68</u>
9	Warranty provision (current):		
	Opening balance	20.48	17.72
	Add: Provision for the year (net)	<u>22.95</u>	<u>20.48</u>
		43.43	38.20
	Less: Payments / debits (net)	<u>20.48</u>	<u>17.72</u>
	Closing balance	<u>22.95</u>	<u>20.48</u>
10	Trade payables includes:		
	Amount due to Micro, Small and Medium Enterprises	35.07	39.44
	Disclosure under Micro, Small and Medium Enterprises Development Act, 2006.		
	(i) The principal amount and interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year:		
	(a) Principal (all are within agreed credit period and not due for payment)	35.07	39.44
	(b) Interest (as no amount is overdue)	Nil	Nil
	(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
	(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
	(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil

XXIII Significant accounting policies, notes on accounts and additional disclosures – (continued)

		Rupees in crores	
		As at/ Year ended 31-03-2015	As at/ Year ended 31-03-2014
	(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
11	Payment to auditors comprises:		
	(a) As statutory auditors	0.34	0.26
	(b) Taxation matters	0.08	0.04
	(c) Certification matters	0.01	–
	(d) Cost audit fees	0.05	0.05
		<u>0.48</u>	<u>0.35</u>
	Miscellaneous expenses include travel and stay expenses of auditors	0.17	0.22
		<u>0.65</u>	<u>0.57</u>
12	Contingent liabilities and commitments not provided for:		
	(a) Claims against the Company not acknowledged as debts:		
	(i) Excise	83.53	57.08
	(ii) Service tax	5.30	4.26
	(iii) Customs	1.96	1.93
	(iv) Sales tax	3.19	3.88
	(v) Income tax	17.25	10.31
	(vi) Others	3.50	3.50
	The future cashflows on the above items are determinable only on receipt of the decisions / judgments that are pending at various forums / authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.		
	(b) Guarantees:		
	On counter guarantee given to banks to facilitate credit to subsidiary company	56.25	53.92
	(c) Other money for which the Company is contingently liable:		
	(i) On letters of credit	139.03	166.81
	(ii) On bills discounted with banks	130.11	83.81
	(iii) On import of capital goods under Export Promotion Capital Goods Scheme	37.78	32.34
	(iv) On obligation arising out of agreements facilitating credit to a Company	41.66	41.66
	(v) On obligation arising out of guarantees given to financial institution to facilitate credit to subsidiary company	93.75	53.88
	(vi) On factoring arrangements	3.78	3.96
	(d) Commitments:		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	133.50	89.95
13	Expenditure incurred on Research and Development (claimed under Income Tax Act, 1961)		
	R&D Expenditure Eligible for Weighted Deduction - Claimed U/s 35(2AB)		
	a. Revenue Expenditure	117.03	95.61
	b. Capital Expenditure (Including WIP)	43.72	18.48
	R&D Expenditure Not Eligible for Weighted Deduction - Claimed U/s 35		
	a. Revenue Expenditure	26.33	17.66
	b. Capital Expenditure:		
	- Land & Building	–	–
	- Others	8.76	–
	Total	<u>195.84</u>	<u>131.75</u>

XXIII Significant accounting policies, notes on accounts and additional disclosures – (continued)

14 Disclosure made in terms of Clause 32 of the Listing Agreement with Stock Exchanges

Rupees in crores					
Sl. No.	Particulars	Name of the company		Amount outstanding as on 31-03-2015	Amount outstanding as on 31-03-2014
(a)	Loans and advances				
(i)	Loans and advances in the nature of loans made to subsidiary company	TVS Motor (Singapore) Pte. Limited, Singapore		50.14	48.07
		Maximum amount due at any time			
		During the year	50.14		
		During the previous year	48.07		

Notes:

- (a) The above loans are subject to repayment schedule as agreed between the Company and its loanee. The loans are repayable within seven years.
- (b) Investment by the loanee in the shares of the parent company and subsidiary company when the Company has made a loan or advance in the nature of loan - Nil.
- (c) The subsidiary companies listed above also fall under the category of company in which Directors of the Company are interested.

(b)	Investments by the Company				
(i)	In subsidiary companies	Sundaram Auto Components Limited, Chennai		60.90	60.90
		[1,15,50,000 (last year-1,15,50,000) Equity shares of Rs.10/- each fully paid up]			
		Maximum amount held at any time			
		During the year	60.90		
		During the previous year	60.90		
		TVS Motor Company (Europe) B.V., Amsterdam		1.80 *	1.80 *
		[2,25,301 (last year-2,25,301) Ordinary shares of Euro 100/- each fully paid up]			
		Maximum amount held at any time			
		During the year	1.80 *		
		During the previous year	34.89 *		
		* net of provision for diminution in value			
		TVS Motor (Singapore) Pte. Limited, Singapore		201.20	201.20
		[6,43,64,301 (last year 6,43,64,301) Ordinary shares of Singapore \$ 1/- each fully paid up]			
		Maximum amount held at any time			
		During the year	201.20		
		During the previous year	201.20		

XXIII Significant accounting policies, notes on accounts and additional disclosures – (continued)

14 Disclosure made in terms of Clause 32 of the Listing Agreement with Stock Exchanges – (continued)

Rupees in crores					
Sl. No.	Particulars	Name of the company		Amount outstanding as on 31-03-2015	Amount outstanding as on 31-03-2014
(b)	Investments by the Company - (continued)	Share application money paid to TVS Motor (Singapore) Pte. Limited, Singapore (pending allotment)		2.01	–
		TVS Housing Limited, Chennai [50,000 (last year - 50,000) Equity shares of Rs.10/- each fully paid up]		0.05	0.05
		Maximum amount held at any time			
		During the year	0.05		
		During the previous year	0.05		
		PT. TVS Motor Company Indonesia, Jakarta [42,97,000 Equity shares (Last year - 38,97,000 Preference shares) of Indonesian Rp.97,400/- each fully paid up]		221.24	196.32
		Maximum amount held at any time			
		During the year	221.24		
		During the previous year	196.32		
		Sundaram Business Development Consulting (Shanghai) Co. Ltd, Shanghai [2,220 (Last year - 2,220) Equity shares of USD 100/- each fully paid up]		1.25	1.25
		Maximum amount held at any time			
		During the year	1.25		
		During the previous year	1.25		
		Green Infra BTV Limited, New Delhi (Formerly known as TVS Energy Limited, Chennai) [32,50,000 (last year 32,50,000) Equity shares of Rs.10/- each fully paid up]		–	3.25
		Subsidiary upto 16.08.2013.			
		Maximum amount held at any time			
		During the year	–		
		During the previous year	76.75		

XXIII Significant accounting policies, notes on accounts and additional disclosures – (continued)

14 Disclosure made in terms of clause 32 of the Listing Agreement with Stock Exchanges – (continued)

Rupees in crores					
Sl. No.	Particulars	Name of the company		Amount outstanding as on 31-03-2015	Amount outstanding as on 31-03-2014
(b)	Investments by the Company - (continued)				
(ii)	In associate company	Emerald Haven Realty Limited, Chennai, (Formerly known as Green Earth Homes Limited) [4,00,00,000 (Last year - 4,00,00,000) Equity shares of Rs. 10/- each fully paid up] Maximum amount held at any time		40.00	40.00
		During the year	40.00		
		During the previous year	40.00		
(c)	Investments by the holding company	Sundaram-Clayton Limited, Chennai holds 27,26,82,786 (Last year 27,26,82,786) Equity shares of Re.1/- each fully paid up Maximum amount held at any time		13.63	13.63
		During the year	13.63		
		During the previous year	13.63		

Rupees in crores

	Year ended 31-03-2015	Year ended 31-03-2014
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15 Raw materials consumed:

(i) (a) Basic raw materials				
Steel sheets, coils, strips and bars		51.05		43.65
Steel tubes		0.01		0.01
Aluminium alloys and ingots		83.25		70.57
(b) Intermediates and components (which individually do not account for more than 10% of the total value of consumption)		7,028.01		5,304.59
		<u>7,162.32</u>		<u>5,418.82</u>
(ii) Consumption of raw materials and components	% of total consumption		% of total consumption	
(a) Imported	14.4	1,027.96	14.5	783.04
(b) Indigenous	85.6	6,134.36	85.5	4,635.78
	<u>100.0</u>	<u>7,162.32</u>	<u>100.0</u>	<u>5,418.82</u>

**XXIII Significant accounting policies, notes on accounts
and additional disclosures – (continued)**

	Rupees in crores	
	Year ended 31-03-2015	Year ended 31-03-2014
16 Earnings in foreign exchange:		
(a) Exports (on F.O.B. basis)	2,254.84	1,716.18
(b) Others:		
(i) Freight and insurance	56.70	41.30
(ii) Interest income	3.92	3.67
(iii) Dividend income	0.08	0.02
(iv) Technical knowhow	0.55	5.27
	<u>2,316.09</u>	<u>1,766.44</u>
17 Imports (CIF value):		
(a) Raw materials	72.66	48.66
(b) Components and spare parts	1,006.67	686.44
(c) Capital goods	63.63	27.07
18 Other expenditure in foreign currency:		
(a) Travel	24.31	17.68
(b) Subscriptions	0.24	0.39
(c) Welfare expenses - training	1.77	0.78
(d) Consultancy	22.35	30.15
(e) Advertisement and publicity	15.47	24.53
(f) Other marketing expenses	6.57	8.72
(g) Procurement / selling commission	34.23	18.53
(h) Research and development	39.33	25.64
(i) Warranty cost reimbursement	6.42	3.42
(j) Interest on foreign currency loan	0.17	0.98
(k) Overseas representative office expenses including salary	4.70	4.19
(l) Repairs & Maintenance	1.10	2.40
(m) Technical knowhow	2.16	18.37

XXIII Significant accounting policies, notes on accounts and additional disclosures – (continued)

	Rupees in crores	
	As at/ Year ended 31-03-2015	As at/ Year ended 31-03-2014
19 Sale by class of Goods		
(a) Motorcycles	3,815.09	3,061.41
(b) Mopeds	1,553.20	1,470.23
(c) Scooters	2,433.07	1,609.77
(d) Three wheelers	1,023.51	768.95
(e) Raw materials, spares and accessories, provision of technical know-how and plant & equipment	1,095.27	947.34
	<u>9,920.14</u>	<u>7,857.70</u>
20 Stock of finished goods		
(a) Motorcycles	93.93	98.37
(b) Mopeds	6.27	11.57
(c) Scooters	104.56	35.03
(d) Three wheelers	29.26	16.82
(e) Components which do not individually account for 10% or more of the total value of stock	32.88	28.97
	<u>266.90</u>	<u>190.76</u>

21 During the year ended 31st March 2015, in accordance with Part A of Schedule II to the Companies Act, 2013, the management, based on Chartered Engineer's technical evaluation, has reassessed the remaining useful life of tangible fixed assets with effect from 1st April 2014. As a result of the same, depreciation for the year is higher by Rs.6.02 crores. For tangible fixed assets that had completed useful life as at 1st April 2014, the carrying amount of Rs.6.82 crores has been adjusted to reserves.

22 Expenditure incurred on Corporate Social Responsibility (CSR) activities is Rs.6.40 crores.

23 Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

<p>venu srinivasan <i>Chairman & Managing Director</i></p>	<p>SUDARSHAN VENU <i>Joint Managing Director</i></p>	<p>H. LAKSHMANAN <i>Director</i></p>	<p>As per our report annexed For V. Sankar Aiyar & Co. <i>Chartered Accountants</i> Firm Regn. No.: 109208W</p>
	<p>S.G. MURALI <i>Chief Financial Officer</i></p>	<p>K.S. SRINIVASAN <i>Company Secretary</i></p>	<p>S. VENKATRAMAN <i>Partner</i> Membership No.: 34319</p>

Place : Bengaluru
Date : April 29, 2015

SUNDARAM AUTO COMPONENTS LIMITED

Board of Directors

H. LAKSHMANAN, Chairman
Dr. LAKSHMI VENU
R. RAMAKRISHNAN
C.N. PRASAD
S.G. MURALI
S. SANTHANAKRISHNAN

Audit Committee

H. LAKSHMANAN, Chairman
R. RAMAKRISHNAN
S. SANTHANAKRISHNAN

Nomination and Remuneration Committee

H. LAKSHMANAN
R. RAMAKRISHNAN
S. SANTHANAKRISHNAN

Corporate Social Responsibility Committee

H. LAKSHMANAN, Chairman
Dr. LAKSHMI VENU
R. RAMAKRISHNAN

Chief Financial Officer

S RANGARAJAN

Manager

PRADIP KUMAR SAHA

Company Secretary

K. DHARMARAJAN

Auditors

SUNDARAM & SRINIVASAN
Chartered Accountants,
New No. 4 (Old No. 23) Sir C.P. Ramaswamy Road,
Alwarpet, Chennai 600 018.

Bankers

STATE BANK OF INDIA
Industrial Finance Branch
Anna Salai, Chennai 600 002

Registered Office:

"Jayalakshmi Estates"
29, Haddows Road
Chennai 600 006
Tel.: 044 2827 2233
Fax : 044 2825 7121
E-mail: corpsec@scl.co.in
Web site: www.sundaramautocomponents.com
CIN : U29249TN1992PLC051417

Plants

- 1) Belagondapalli, Hosur 635 114.
- 2) Oragadam, Kancheepuram District 602 105.
- 3) Byathahalli Village, Kadakola Post, Mysore 571 311.
- 4) Bhatian Village, Solan District, Himachal Pradesh 174 101.

Directors' Report to the Shareholders of the Company

The directors are pleased to present the twenty-third annual report together with the audited statement of accounts for the year ended 31st March 2015.

Financial Highlights

Details	(Rs.in crores)	
	Year ended 31.03.2015	Year ended 31.03.2014
Sales and other income	2137.36	1877.07
Profit before interest, depreciation and tax	53.40	33.35
Interest	5.21	5.98
Depreciation	11.73	10.08
Profit / (Loss) before tax	36.46	17.29
Exceptional items	0.86	0.49
Profit / (Loss) before tax after exceptional items	37.32	17.78
Provision for taxation (including deferred tax)	12.00	7.11
Profit / (Loss) after tax	25.32	10.67
Add: Surplus brought forward	21.60	15.40
Profit available for appropriation	46.92	26.07
Appropriations:		
Interim Dividend Paid	4.04	2.89
Dividend Tax on Interim Dividend	0.81	0.51
Proposed Final Dividend	2.89	-
Dividend tax payable	0.58	-
Transfer to general reserve	-	1.07
Surplus carried forward	38.60	21.60

The Company earned a profit before tax (PBT) (before exceptional items) of Rs. 36.46 Cr as against Rs. 17.29 Cr in the previous year, registering a growth of 111%. Total revenue for the year stood at Rs. 2,137.36 Cr as against Rs. 1,877.07 Cr in the previous year.

The Company has secured new orders to be executed over a period of time from the current year. The Company has been nominated as a key supplier for safety critical parts for Autoliv and Takata.

Dividend

The board of directors, (the board), at their meeting held on 28th January 2015, declared an interim dividend of Rs.3.50 per share on 1,15,50,000 equity shares of Rs. 10/- each fully paid up, absorbing a sum of Rs.4.85 crores including dividend distribution tax. The same was paid on 29th January 2015.

The board, at its meeting held on 23rd April 2015 recommended a final dividend of Rs.2.50 per share (25%) for the year 2014-15, for approval of shareholders, absorbing a sum of Rs. 346.49 lakhs including dividend distribution tax.

Hence, the total amount of dividend including the final dividend recommended, for the year ended 31st March 2015 will aggregate to Rs.6 per share (60%) on 1,15,50,000 equity shares of Rs.10/- each absorbing a sum of Rs. 831.59 lakhs including dividend distribution tax.

Industry Performance

The two wheeler industry's growth appears to have converged to the long term trend after three years, growing 9% in 2014-15. While the first half of 2014-15 witnessed a growth of 18%, the second half grew by only 2%. Hence, the annual growth rate of 9% is not a fair reflection. Decline in growth in second half was more pronounced in rural markets. This is mainly due to a lag effect of lower agricultural output and impact of unseasonal rains.

Scooter as a category continued to gain share in total two wheeler industry. The category share of scooters increased from 23% to 27% due to changing consumer preferences and strong urban demand.

The passenger car industry saw a marginal growth of 4% on account of higher interest rates.

The heavy commercial vehicles registered a 17% growth owing to a lower base last year, lower diesel prices, increased infrastructure activity and resumption of mining activities during the end of the year.

Category	2013-14	2014-15	Growth
	Nos. in lakhs		%
Two wheelers	169	184	9
Passenger Vehicles	30.9	32.2	4
Medium and Heavy Commercial Vehicles (MHCVs)	2.24	2.6	17

Business outlook

The US economy is expected to show steady growth but EU market is projected to be sluggish. In Indian market, the GDP is expected to be at 6.5% and the inflation is expected to stabilize at 5% levels.

Two wheeler segment is expected to grow only by 7%-8% in 2015-16 as un-seasonal rain is expected to hit rural demand.

SUNDARAM AUTO COMPONENTS LIMITED

The growth in this segment will continue to be driven by urban demand in terms of scooters and high-end motorcycles. Commercial vehicle segment is expected to see a growth of 12-15% owing to lower interest rates and lower diesel prices. The passenger vehicle segment is expected to grow at 10% owing to lower base, easing of interest rates and new product launches. This will have a growth to the Company's overall sales during the year 2015-16.

Prizes / awards won

The Company was awarded the "Best supplier for system rating" by Visteon Climate Control Systems in recognition of its outstanding support given to the customer during the year.

FINANCIAL PERFORMANCE OF ASSOCIATE

Green Infra Wind Energy Theni Limited (Formerly TVS Wind Energy Limited)

The Company earlier invested Rs.3 Cr (30,00,000 equity shares of Rs.10 each) representing 21.58 % out of total share capital of Rs. 13.9 Cr of Green Infra Wind Energy Theni Limited and hence it has become an associate company by virtue of the provisions of Section 2(6) of the Companies Act, 2013 (the Act 2013).

This investment was made purely to comply with the legal requirement to be eligible as captive consumer to draw low cost green energy units produced. It has an installed capacity of 7.5 MW, out of which 6 MW is committed to the Company.

During the year under review, the associate company reported a PBT of Rs.1.16 Cr.

The annual audited accounts of the said associate company together with notes for the year ended 31st March 2015 has not been annexed and the same has not been consolidated with the Company's accounts.

However, the salient features of the financial statement of the Associate in Form AOC I, are annexed to the annual accounts of the Company, in terms of Section 129(3) read with Rule 5 of the Companies (Accounts) Rules, 2014.

In terms of The Companies (Accounts) Amendment Rules, 2014, notified on 14th October 2014, preparation of consolidated financial statements for the financial year 2014-15 are not mandatory for a company which does not have a subsidiary or subsidiaries but has one or more associate companies or joint ventures or both.

Risk Management

The Board has established a Risk Management Policy which formalizes Company's approach to the oversight and management of material business risks. The policy is implemented through a top down and bottom up approach for identifying, assessing, monitoring and managing key risks across the Company's business units.

Risks and effectiveness of management, are internally reviewed and reported regularly to the Board. Management has reported to the Board that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The Board is satisfied that there are adequate systems and procedures in place to identify, assess, monitor and manage risks. Company's Audit Committee reviews reports given by members of the management team and recommends suitable action. Risk mitigation policy has been approved by the board.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Act, 2013 with respect to Director's Responsibility Statement, it is hereby stated that:

- in the preparation of the annual accounts for the year ended 31st March 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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;
- the directors had taken proper and sufficient care for 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;
- the directors had prepared the accounts for the financial year ended 31st March 2015 on a going concern basis; and
- 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

Chairman

The board at its meeting held on 28th January 2015 re-appointed Mr H Lakshmanan as chairman of the board, for a further period of three years effective 19th April 2015 and he shall not be subject to retirement by rotation during his term as Chairman.

Independent Directors (IDs)

During the year, in terms of Section 149 read with Section 178 of the Act 2013 and based on the recommendation of the nomination and remuneration committee of directors -

- Mr R Ramakrishnan was appointed as an ID of the Company, for a period of five years, at the extra-ordinary general meeting held on 30th September 2014; and
- Mr S Santhanakrishnan was also appointed as an ID of the Company for a period of three years, at the extra-ordinary general meeting held on 19th February 2015.

As required under sub-section 6 of Section 149 of the Act 2013, the Company received necessary declarations from IDs that they meet the criteria of independence as provided therein.

On appointment, each ID has acknowledged the terms of appointment as set out in their letter of appointment. The appointment letter covers, *inter alia*, the terms of appointment, duties, remuneration and expenses, rights of access to information, other directorships, dealing in Company's shares, disclosure of Director's interests, insurance and indemnity. The IDs are provided with copies of the Company's policies and charters of various committees of the board.

The detailed terms of appointment of IDs is disclosed on the Company's website in the following link <http://www.sundaramautocomponents.com>.

Separate meeting of Independent Directors

The IDs were fully kept informed of the Company's activities in all its spheres.

During the year under review, a separate meeting of IDs was held on 27th March 2015 and the IDs reviewed the performance of:

- non-IDs viz., M/s. H Lakshmanan, Chairman, C N Prasad, S G Murali and Dr Lakshmi Venu, directors; and
- the board as a whole.

They reviewed the performance of Chairman after taking into account, the views of other Directors.

They also assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the IDs were present at the Meeting.

Woman Director

During the year, Dr Lakshmi Venu was appointed as additional, non-executive and non-independent director of the Company, in terms of Section 161 read with Section 149 of the Act 2013, by the board, at its meeting held on 28th January 2015, to hold office upto the date of ensuing annual general meeting of the Company (AGM).

She will vacate office in terms of Section 161 of the Act 2013 at the AGM and, being eligible, offers herself for re-appointment at the AGM.

The board, based on the recommendation of NRC, has recommended her appointment as non-executive and non independent director, liable to retire by rotation, in accordance with the articles of association of the Company (AoA), at the AGM.

A notice has been received from the holding company viz., TVS Motor Company Limited, as per the provisions of Section 160 of the Act 2013, along with a requisite deposit amount signifying its intention to propose the candidature of Dr Lakshmi Venu for appointment as director at the AGM.

Directors liable to retire by rotation

In terms of the AoA and the applicable provisions of the Act 2013, Mr C N Prasad, non-executive and non-independent director, who is liable to retire at the AGM and, being eligible, offers himself for re-appointment.

The board, based on the recommendation of NRC has recommended his appointment as director, liable to retire by rotation, in accordance with the AoA, at the AGM.

The board considers that the number of directors at any time and the composition of the board is critical for the success of the Company. It is acknowledged that these aspects could vary from time to time depending on the circumstances of the Company.

Policy on Directors Appointment and Remuneration of Directors, Key Managerial Personnel

In accordance with Section 178 of the Act, 2013 the Nomination and Remuneration Committee has formulated a Nomination & Remuneration Policy (NRC Policy) to ensure that executive directors and other employees are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a director.

Remuneration Policy

Directors:

NRC will recommend the remuneration for executive and non-executive directors. This will be then approved by the board and shareholders. Prior approval of shareholders will be obtained, whenever required, in case of remuneration to non-executive directors.

The non-executive independent and non-independent directors - who have been appointed are presently serving the boards of the holding companies.

The non-executive independent directors are appointed to the board of the Company in terms of regulatory requirements.

All the directors do not draw any remuneration other than sitting fees for attending the meeting of the Board and its Committees.

Key Managerial Personnel:

The remuneration of employees largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company's policy, subject to prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience / merits and performance of each employee.

The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry.

The annual variable pay of senior executives is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year.

SUNDARAM AUTO COMPONENTS LIMITED

Criteria for Board Membership

Directors:

The Company will generally consider (i) their relevant experience in Finance/ Law/ Management/ Sales/ Marketing/ Administration/ Research/ Corporate Governance/ Technical Operations or the other disciplines related to company's business, (ii) having the highest personal and professional ethics, integrity and values and (iii) their willingness to devote sufficient time and energy in carrying out their duties and responsibilities.

Independent Directors:

Independent Director is a director who has no direct or indirect pecuniary relationship with the Company and or any of its officers. They should meet all criteria specified in Section 149(7) of the Act, 2013 and rules made thereunder.

Number of board meetings held

During the year under review, the board met five times on 23rd April 2014, 23rd July 2014, 23rd September 2014, 29th October 2014 and 28th January 2015 and the gap between two meetings did not exceed one hundred and twenty days.

Key Managerial Personnel (KMPs)

During the year under review, the Company, in compliance with the provisions of Section 203 of the Act 2013, appointed Mr S Rangarajan as Chief Financial Officer of the Company, as per the terms approved by the board.

The other two KMPs are Mr Pradip Kumar Saha, manager and Mr K Dharmarajan, company secretary. Hence, the Company is fully in compliant with the provisions of Section 203 of the Act 2013.

Corporate Governance

Audit Committee:

In terms of Section 177 of the Act, 2013, the Audit Committee is required to consist of minimum of three members, with majority of independent directors.

The board, in order to comply with the provisions of the Act before 1st April 2015, reconstituted the audit committee with the majority of independent directors i.e., by co-opting Mr R Ramakrishnan and Mr S Santhanakrishnan, Independent Directors (IDs) as members. The present committee consists of Mr H Lakshmanan, non-executive and non-independent director and Mr R Ramakrishnan and Mr S Santhanakrishnan, Independent Directors (IDs) as members.

Thus, the composition of the audit committee is in accordance with the requirements of the Act and the Committee meets periodically to discuss and review such matters as required under the applicable provisions of the Act, 2013.

Nomination and Remuneration Committee:

In terms of Section 178 of the Act, 2013, the Nomination and Remuneration Committee is required to consist of minimum of three members, of which not less than one-half shall be independent directors.

The board, in order to comply with the provisions of the Act 2013 before 1st April 2015, reconstituted this committee with not less than half of its members consisting of independent directors i.e., by co-opting Mr R Ramakrishnan and Mr S Santhanakrishnan, Independent Directors (ID) as its members.

During the year, in accordance with the requirements under Section 178 of the Act, the Committee formulated a Nomination and Remuneration Policy to govern the terms of nomination / appointment and remuneration of (i) directors; and (ii) key managerial personnel of the Company.

Remuneration criteria to Directors:

All the directors are non-executive directors. They have not received any remuneration from the Company except sitting fees for attending the meetings of the board and committees thereof.

Corporate Social Responsibility Committee (CSR):

During the year, the board of directors constituted a Corporate Social Responsibility Committee (CSR Committee) with three directors viz., Mr H Lakshmanan, Mr C N Prasad and Mr S G Murali on 23rd April 2014.

Subsequently, the CSR Committee was re-constituted in line with the provisions of Section 135 of the Act 2013 with Mr H Lakshmanan, Dr Lakshmi Venu, non-independent directors and Mr R Ramakrishnan, ID, as its members of the Committee.

The Committee formulated and recommended a Corporate Social Responsibility policy in terms of Section 135 of the Act along with a list of projects / programmes to be undertaken for CSR spending in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Accordingly, the annual report on CSR containing all the prescribed projects / programmes approved and recommended by CSR Committee and approved by the board and implemented for the year under review are given by way of note attached (Annexure IV) to this Report.

Deposits

The Company has not accepted any deposits from the public within the meaning of Chapter V of the Act 2013 for the year ended 31st March 2015.

Auditors

Statutory Auditors:

The Company, in terms of Section 139 (1) and (2) of the Act, 2013 is required to appoint a statutory auditor for a term of five consecutive years i.e., till the conclusion of sixth annual general meeting and

ratify their appointment, during the period, in every annual general meeting, till the sixth such meeting by way of passing of an ordinary resolution.

However, the period, for which any firm has held office as auditor prior to the commencement of the new Act will be taken into account for calculating the period of five consecutive years, as per the fourth proviso to Section 139(2) of the Act read with Rule 6(3) of the Companies (Audit and Auditors) Rules, 2014,

In view of these requirements, M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, who have been the statutory auditors of the Company for a period of more than 10 years, were appointed as statutory auditors of the Company for the transitional period of three consecutive years at the annual general meeting held on 11th July 2014, subject to the approval and ratification by the shareholders at annual general meetings during the transitional period.

It is, therefore, proposed to recommend the ratification of re-appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, as statutory auditors for the second year from the conclusion of this AGM till the conclusion of the next AGM.

The Company has obtained necessary certificate under Section 141 of the Act 2013 conveying their eligibility for being statutory auditors of the Company.

The audit committee and board reviewed their eligibility criteria, as laid down under Section 141 of the Act 2013.

Secretarial Auditor

As required under Section 204 of the Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (the Act 2013), the Company is required to appoint a Secretarial Auditor for auditing the secretarial and related records of the Company.

Hence, M/s. S Krishnamurthy & Co, Practising Company Secretaries, Chennai have been appointed as Secretarial Auditor for carrying out the secretarial audit for the financial year 2015-16 for attaching their report with the Board's report to the shareholders.

The Secretarial report given in terms of Section 204 of the Act 2013 by M/s. S Krishnamurthy & Co, Practising Company Secretaries, Chennai in the prescribed form is annexed to this Report as required under sub-section (3) of Section 134 of the Act 2013.

Both the Statutory Auditors Report and Secretarial Audit Report are free from any qualification, reservation or adverse remark or disclaimer, and hence do not warrant any explanation or comments by the board.

Statutory Statements

Information on conservation of energy, technology absorption, foreign exchange etc:

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure I to this report, in terms of the requirements of Section 134(3)(m) of the Act 2013 read with the Companies (Accounts) Rules 2014.

Annual Return:

Extract of Annual Return in the prescribed form is given as Annexure II to this report.

Employee's remuneration:

No employee receives the remuneration in excess of the limits prescribed under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence the question of attaching a statement containing the details of such employees does not arise.

Related Party Transactions:

Particulars of contracts / arrangements with related parties referred to in sub-section (1) of Section 188 of the Act, 2013 are given in Annexure III to this report in the prescribed form.

Details of loans / guarantees / investments made:

The details of loans and guarantees under Section 186 of the Act 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, for the financial year 2014-2015 are given as Annexure V to this report.

However, please refer note no. 12 to Notes on accounts for the financial year 2014-15, for details of investments made by the Company in earlier years.

Other laws

During the year under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

Acknowledgement

The directors gratefully acknowledge the continued support and co-operation received from the holding company, namely TVS Motor Company Limited, Chennai.

The directors thank the suppliers, customers and bankers for their continued support and assistance.

The directors wish to place on record their appreciation of the excellent work done by all the employees of the Company.

For and on behalf of the Board

Place : Chennai

Date : 23rd April 2015

H Lakshmanan

Chairman

SUNDARAM AUTO COMPONENTS LIMITED

Annexure - I to Directors' Report to the shareholders information pursuant to Section 134(3)(1) of the Companies Act, 2013

A. CONSERVATION OF ENERGY

1.1 Measures taken in the year 2014-15:

- Improved the productivity in paint shop thereby reducing working hours
- Refurbishment of identified high power consuming machines
- Commissioned the energy efficient methods in all electric machines for new capacity additions

The above measures have resulted in an annual saving of Rs.72 Lakhs

1.2 Proposed measures for the year 2015-16:

- Improvement in jig density to reduce energy consumption in paint shop;
- Conducting energy audit for taking corrective measures

The above measures are expected to result in an annual saving of approximately Rs.100 Lakhs

2. Steps taken for utilizing alternate sources of energy during the year 2015-16

During the year 2014-15, the company has utilized the power generated through wind energy to an extent of 11,570 kWh. The Company is planning to continue the utilization of the wind energy for the year 2015-16 to an extent of 12,000 kWh. The Company as a primary initiative for the year 2015-16 is taking up the project of installing the solar panels as a power source for factory and office lightings.

3. Capital investment- Energy conservation Equipments

The Company during the year 2014-15 has invested in "Energy Efficient All Electric Injection Moulding Machines and Auxiliaries". The total investment in this project or expansion is Rs.15 Cr. These new machines are expected to reduce the power consumption up to 25% from the existing level of power consumed by similar machines. The Company will continue to invest in similar energy machines while undertaking any future expansion projects.

B. TECHNOLOGY ABSORPTION

Not Applicable

C. FOREIGN EXCHANGE ACTUAL EARNINGS AND OUTGO.

Total foreign exchange earnings and out go : (Rs. In Crore)

(a) Earnings	-
(b) Outgo	54.13

For and on behalf of the Board

Place : Chennai
Date : 23rd April 2014

H Lakshmanan
Chairman

Annexure - II

Form No. MGT-9 EXTRACT OF ANNUAL RETURN as on the financial year ended 31st March 2015

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	: U29249TN1992PLC051417
ii) Registration Date	: 10.06.1992
iii) Name of the Company	: Sundaram Auto Components Limited
iv) Category / Sub-Category of the Company	: Public Limited Company
v) Address of the Registered office and contact details	: "Jayalakshmi Estates", No.29, Haddows Road, Chennai - 600 006
vi) Whether listed company	Yes / No : No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	: NA

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
1	Plastic Moulded components	2520	19%
2	Two Wheelers	3410	81%

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 - Companies Act, 2013
1.	TVS Motor Company Limited	L35921TN1992PLC022845	Holding Company	100%	2(87)
2.	Green Infra Wind Energy Theni Limited	U40109DL2011PLC275063	Associate Company	21.58%	2(6)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

- (i) Category-wise Share Holding: Not Applicable
(ii) Shareholding of Promoters

Name of the Shareholders (M/s.)	No. of shares	% of Shareholding
TVS Motor Company Limited (Holding Company) and its six nominees	1,15,50,000	100.00
TOTAL	1,15,50,000	100.00

- (iii) Change in Promoters' Shareholding: Nil
(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): N.A
(v) Shareholding of Directors and Key Managerial Personnel: Nil

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	42.30	0.90	43.30
ii) Interest due but not paid	0.28	NIL	0.28
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	42.68	0.90	43.58
Change in Indebtedness during the financial year			
• Addition	NIL	NIL	NIL
• Reduction	23.61	0.17	23.78
Net Change	23.61	0.17	23.78
Indebtedness at the end of the financial year			
i) Principal Amount	18.79	0.73	19.52
ii) Interest due but not paid	0.20	-	0.20
iii) Interest accrued but not due	-	-	-
Total (i + ii + iii)	18.99	0.73	19.72

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Manager:

Sl. No.	Particulars of Remuneration	Remuneration paid to Mr Pradip Kumar Saha, Manager (Rs. in lakhs)
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961	45.42 - -
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission - as % of profit - others, specify	Nil Nil
5.	Others, please specify (Provident Fund and Gratuity)	1.67
	Total (A)	47.09
	Ceiling as per the Act	5% of the Net Profits of the Company or Rs. 50 Lakhs per annum which ever is lower.

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B. Remuneration to other directors:

All the directors of the Company are non-executive directors. The directors of the Company do not draw any remuneration from the Company other than the sitting fees for attending the meetings of the board and committees thereof.

Sitting fees of Rs.2,500/- are paid to the non-executive directors for every meeting of the board and / or committee thereof attended by them, which is within the limits prescribed under the Act.

Particulars of sitting fees paid to the directors during the financial year 2014-15:

(Amount in Rs.)

Sl. No.	Name of the Directors (M/s.)	Board	Committees & Others	Total
1.	H Lakshmanan	12,500	15,000	27,500
2.	C N Prasad	10,000	12,500	22,500
3.	S G Murali	12,500	15,000	27,500
4.	R Ramakrishnan	2,500	2,500	5,000
5.	S Santhanakrishnan	-	2,500	2,500
6.	Dr Lakshmi Venu	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A

Annexure - III

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 arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

NIL

2. Details of material contract, arrangement or transaction at arm's length basis:

(a)	Name of the related party	TVS Motor Company Limited
(b)	Nature of relationship	Holding Company
(c)	Duration of the contracts/ arrangements / transactions	2014-15
(d)	Date (s) of approval by the Board, if any:	23 rd April 2014 and 28 th January 2015

Nature of contracts / arrangements / transactions	Goods / Services	Salient terms of the contracts or arrangements or transactions	Amount of contract or arrangement (Rs. in Cr.)
Purchase	Two wheelers and Three wheelers	Based on dealer price	1,727.05
Sale	Plastic Components and Dies & Moulds	Mark-up on cost of raw materials and conversion cost	262.05
Availing of Services	Share of cost of salary, training expenses, rent, sharing of common expenses	At Cost	0.38

Annexure - IV

Particulars of Corporate Social Responsibility activities carried out by the Company in terms of Section 135 of the Act, 2013

1. A brief outline of the Company's CSR policy:

This policy encompasses the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for the transformation and sustainable development of the rural communities at large.

2. Overview of projects or programs proposed to be undertaken:

Focus areas relate to economic development, quality education, empowerment of women, health care, conservation of environment and the creation, maintenance of infrastructure, art, culture and protection of places of public and historical importance.

3. Web-link to the CSR policy and projects or programs -

<http://www.sundaramautocomponents.com/SACL%20CSR%20Policy.pdf>

4. Composition of the CSR Committee.

Sl. No.	Name of the Directors (M/s.)	Designation	Status
1.	Mr H Lakshmanan	Non-Independent director	Chairman
2.	Dr Lakshmi Venu	Non-Independent director	Member
3.	Mr R Ramakrishnan	Independent director	Member

5. Average net profit of the Company for last three financial years Rs. 11.21 Cr

6. Prescribed CSR Expenditure (2% of the amount as in item 5 above) Rs. 0.22 Cr

7. Details of CSR spent during the financial year

(a) Total amount to be spent for the financial year Rs. 0.22 Cr

(b) Amount unspent, if any Not Applicable

(c) Manner in which the amount spent during the financial year is detailed below.

Sl. No.	Name of the Implementing Agency	Srinivasan Services Trust Jayalakshmi Estates, No. 29, Haddows Road, Chennai - 600 006, Tamil Nadu Phone No: 044-2827 2233 Mail ID: sst@scl.co.in	Sri Sathya Sai Loka Seva Trust Sathya Sai Grama, P.O. Muddenahalli -562101 Chickballapur District, Karnataka, India. Phone No: 08156-293666 Mail ID: sslst.muddenahalli@gmail.com
1	CSR Project or activity identified - Reference to Item No. to Schedule VII	<p>i) Eradicating hunger, poverty, promoting preventive healthcare and sanitation and making available safe drinking water;</p> <p>ii) Promotion of Education, including special education and employment enhancing vocation skills especially among children, women and livelihood enhancement projects;</p> <p>iii) Promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward groups;</p> <p>(iv)ensuring environment sustainability, ecological balance, animal welfare, agroforestry, conservation of natural resources and maintain quality of soil, air and water;</p> <p>(v) rural development projects</p>	i) Promoting Education

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Sl. No.	Name of the Implementing Agency	Srinivasan Services Trust Jayalakshmi Estates,	Sri Sathya Sai Loka Seva Trust Sathya Sai Grama, P.O.
2	Sector in which the Project is covered	Economic Development, Education, Environment, Health and Infrastructure	Nurturing Children with value-based education and free education to all students
3	Areas in which Projects / Programmes undertaken:	<ul style="list-style-type: none"> Hosur, Padavedu, Thirukkurugundi and Navatirupati Mysore and Chamrajnagar Himachal Pradesh 	Muddenahalli
4	Local Area / Others: State & district :	<ul style="list-style-type: none"> Tamil Nadu : Krishnagiri, Tiruvannamalai, Tirunelveli and Thoothukudi districts Karnataka: Mysore and Chamrajnagar districts Himachal Pradesh: Solan district 	Karnataka, Chickballapur
	Amount outlay (budget) project or program-wise:	Rs. 7 Lakhs	Project Name: Sri Sathya Sai Annapurna Kitchen Block in the Muddenahalli Campus Budget: Rs. 400 Lakhs
5	Amount spent on the projects or programs: Sub-heads: Direct expenses on projects / programs: Overheads:	Rs. 7 Lakhs	Rs.331.17 Lakhs (including contribution of Sundaram Auto Components Limited- of Rs.15 Lakhs)
6	Cumulative expenditure upto the reporting period:	Rs. 7 Lakhs	Rs.331.17 Lakhs (including contribution of Sundaram Auto Components Limited- of Rs.15 Lakhs)

8. In case the company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not applicable

9. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

To discharge the duties cast under provisions of the Act, members of the CSR Committee visit places where SST is doing service.

For and on behalf of the Board

Place : Chennai
Date : 23rd April 2015

H Lakshmanan
Chairman and Chairman of CSR Committee

Annexure - V

Details of Loans and Guarantees under Section 186 of the Act 2013 for the financial year 2014-2015

S. No.	Name body corporate	Nature relationship	Purpose of loan / acquisition / guarantee / security	Rate of interest	Amount of loan / security / guarantee (Rs. in Cr)	% to Free Reserves	Purpose for which the loan / guarantee utilised by the recipient
1	Harita Seating Systems Limited	-	Inter Corporate loan	11.5%	2	3.96	For business purpose

Form No. MR-3

Secretarial Audit Report for the financial year ended 31st March 2015

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

To,

The Members,

Sundaram Auto Components Limited, [CIN:U29249TN1992PLC051417]
Jayalakshmi Estates, No. 29(B), Haddows Road, Chennai-600006

We have conducted a secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s. SUNDARAM AUTO COMPONENTS LIMITED (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of M/s. SUNDARAM AUTO COMPONENTS LIMITED'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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2015, 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. The members are requested to read this report along with our letter dated 23rd April 2015 annexed to this report as Annexure - A.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. SUNDARAM AUTO COMPONENTS LIMITED (the Company) for the financial year ended on 31st March 2015 according to the applicable provisions of the Companies Act, 2013 (the Act) and the rules made thereunder.

2. We are informed that, for the financial year ended on 31st March 2015:

- The Company was not required to maintain books, papers, minute books, forms and returns filed or other records according to the provisions of:
 - The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
 - The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
 - Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
 - Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act).

(b) There are no laws specifically applicable to the company the books, papers, minute books, forms and returns of which were required to be examined by us for the purpose of this report.

3. We have not examined compliance with the Secretarial Standards issued by The Institute of Company Secretaries of India as they are yet to be notified.

4. Since the Company is not a listed entity, we have not examined compliance with listing agreements.

5. During the period under review the Company has complied with the provisions of the Act, to the extent applicable.

6. We further report that:

(a) The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The Company has no Executive Director but instead has a whole-time key managerial personnel in the position of "Manager" in terms of Section 203(1)(i) of the Act. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

(b) Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. However, agenda and detailed notes on agenda are sent less than seven days before the meeting. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through. We are informed that there were no dissenting members' views that were required to be captured and recorded as part of the minutes.

(c) There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

(d) During the audit period the members have passed special resolutions under Section 180 of the Act empowering the Board of Directors to do the following:

- Borrow moneys provided that the amounts borrowed and outstanding at any point of time does not exceed Rs.100 crores, apart from temporary loans from company's bankers in the ordinary course of business; and
- Create charge/ mortgage or otherwise encumber the whole or substantially the whole of any undertaking or any movable/ immovable property of the Company.

For S. Krishnamurthy & Co
Company Secretaries

K. Sriram,
Partner

Date : 23rd April 2015
Place : Chennai

Membership No.F6312
Certificate of Practice No: 2215

SUNDARAM AUTO COMPONENTS LIMITED

Annexure - A to Secretarial Audit Report dated 23rd April 2015

To,

The Members,
Sundaram Auto Components Limited, [CIN:U29249TN1992PLC051417]
Jayalakshmi Estates, No. 29(8), Haddows Road, Chennai-600006

Our Secretarial Audit Report dated 23rd April 2015 is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to make a report based on the secretarial records produced for our audit
2. We 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. We believe that the processes and practices we followed provide a reasonable basis for our report.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company as it is taken care in the statutory audit.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.
5. While forming an opinion on compliance and issuing the secretarial audit report, we have also taken into consideration the compliance related action taken by the Company after 31st March 2015 but before issue of the report.

6. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
7. We have considered actions carried out by the Company based on independent legal / professional opinion as being in compliance with law, wherever there was scope for multiple interpretations, especially since the financial year ended 31st March 2015 was the first full financial year in which the Companies Act, 2013 has become operational.
8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S. Krishnamurthy & Co
Company Secretaries

K. Sriram,
Partner

Date : 23rd April 2015
Place : Chennai

Membership No.F6312
Certificate of Practice No: 2215

Independent Auditors' Report to the members of Sundaram Auto Components Limited, Chennai for the year ended 31st March 2015

To the Members of
Sundaram Auto Components Limited
Jayalakshmi Estates,
No.29 Haddows Road, Chennai - 600006.

Report on the Financial Statements

We have audited the accompanying financial statements of SUNDARAM AUTO COMPONENTS LIMITED, Chennai - 600006 ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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;

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- (1) Note 26(1)(f) Accounting for depreciation:-

The Companies Act, 2013, stipulates systematic allocation of the depreciable amount of an asset over its useful life. The Act also prescribes that a maximum of 5% of the cost can be retained as residual value and the balance 95% to be amortised over the useful life of the asset. However, the Company has chosen to reduce the residual value from the depreciation to be provided for in the terminal year, thereby claiming higher depreciation in the earlier years.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, we give in Annexure, a statement on the matters specified in paragraph 3 and 4 of the Order.
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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid financial statements comply with the 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 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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 on its financial position in its financial statements - Refer note no. 26(5) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
 - iii. During the year, there was no requirement on the part of the Company to transfer any amount to Investor Education and Protection Fund.

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn No. 004207S

M BALASUBRAMANIAM
Partner
Membership No.F7945

Place : Chennai
Date : 23rd April 2015

Annexure referred to in our report of even date on the accounts for the year ended 31st March 2015

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 (b) Fixed assets are verified physically by the management in accordance with a regular programme at reasonable intervals. In our opinion the interval is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of such verification is adequate. It was represented to us that inventories with third parties are also verified from time to time.
 (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
 (c) In our opinion, the company has maintained proper records of inventory. The discrepancies between the physical stocks and the books were not material and have been properly dealt with in the books of account.
- (iii) (a) During the year, the company has granted unsecured loan of Rs. Two crore to a company covered in the register maintained under Section 189 of the Companies Act, 2013.
 (b) The company recovered the said sum in full along with interest.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no continuing failure has been noticed in the internal control system.
- (v) The company has not accepted deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013, during the year.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government under Section 148(1) of the Companies Act, 2013 for maintenance of cost records and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the records provided to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Cess and other statutory dues with the appropriate authorities.
 (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Cess were in arrears, as at 31st March 2015 for a period of more than six months from the date they became payable.

(c) According to information and explanations given to us, the following are the details of the disputed dues, that were not deposited with the concerned authorities:

Name of the statute	Nature of dues	Amount (Rs. In crore)	Forum Where the dispute is pending
Central Excise Act, 1944	Cenvat / Excise Duties	0.11	High Court of Judicature at Madras
		0.10	Central Excise and Service Tax Appellate Tribunal
		0.02	Commissioner (Appeals), Chennai
		0.11	Assistant Commissioner
Finance Act, 1994	Service Tax	0.18	Central Excise and Service Tax Appellate Tribunal
		0.08	Assistant Commissioner, Hosur
Income Tax Act, 1961	Income Tax	1.20	Commissioner of Income Tax (Appeals), Chennai
		0.0049	Income Tax Appellate Tribunal, Chennai
Tamilnadu Value Added Tax, 2006	Tax / VAT credit	0.84	Joint Commissioner of Commercial Tax, Sales

- (d) During the year the company is not required to transfer any amount to Investor Education and Protection Fund.
- (viii) The Company neither has accumulated losses as at the end of the financial year nor has incurred cash losses during the financial year and in the immediately preceding financial year.
- (ix) Based on our verification and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to its bank.
- (x) The Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xi) The Company has not availed any fresh term loan during the year. The loans availed in earlier years were applied for the purpose(s) for which they were availed.
- (xii) Based on the audit procedures adopted and information and explanations given to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit.

For SUNDARAM & SRINIVASAN
Chartered Accountants
 Firm Regn No. 004207S

M BALASUBRAMANIAM
Partner
 Membership No.F7945

Place : Chennai
 Date : 23rd April 2015

SUNDARAM AUTO COMPONENTS LIMITED

Balance Sheet as at 31st March 2015

	Note Number	As at 31.03.2015	Rupees in crores As at 31.03.2014
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	11.55	11.55
(b) Reserves and surplus	2	99.61	82.83
		111.16	94.38
2 Non-current liabilities			
(a) Long-term borrowings	3	9.00	17.00
(b) Deferred tax liabilities (Net)		7.47	8.63
(c) Other Long Term Liabilities	4	24.83	24.83
(d) Long-term provisions	5	0.96	1.64
		42.26	52.10
3 Current liabilities			
(a) Short-term borrowings	6	2.52	18.30
(b) Trade payables		163.20	100.93
(c) Other current liabilities	7	62.16	34.06
(d) Short-term provisions	8	3.54	4.32
		231.42	157.61
TOTAL		384.84	304.09
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	98.65	107.29
(ii) Intangible assets	10	0.12	0.15
(iii) Capital work-in-progress	11	3.55	0.13
(b) Non-current investments	12	28.87	27.84
(c) Long term loans and advances	13	5.96	0.13
(d) Other Non Current Assets	14	4.28	5.27
		141.43	140.81
2 Current assets			
(a) Inventories	15	140.85	65.43
(b) Trade receivables	16	79.18	89.89
(c) Cash and cash equivalents	17	2.79	0.66
(d) Short-term loans and advances	18	16.07	5.10
(e) Other Current Assets	19	4.52	2.20
		243.41	163.28
TOTAL		384.84	304.09
Accounting Standards, additional disclosures and Notes on accounts	26		

Statement of Profit and Loss for the year ended 31st March 2015

	Note Number	Year ended 31.03.2015	Rupees in crores Year ended 31.03.2014
I. Revenue from operations	20	2,188.32	1,918.98
Less: Excise duty		52.54	43.68
		2,135.78	1,875.30
II. Other income	21	1.58	1.77
III. Total Revenue (I + II)		2,137.36	1,877.07
IV. Expenses:			
Cost of materials consumed	22	268.98	184.80
Purchase of Stock-in-Trade		1,727.05	1,542.25
Changes in inventories of finished goods work-in-process and Stock-in-Trade		(41.46)	12.45
Employee benefits	23	41.13	32.79
Finance costs	24	5.21	5.98
Depreciation and amortization expense		11.73	10.08
Other expenses	25	88.26	71.43
Total expenses		2,100.90	1,859.78
V. Profit before exceptional and extraordinary items and tax (III-IV)		36.46	17.29
VI. Exceptional items		0.86	0.49
VII. Profit before extraordinary items and tax (V - VI)		37.32	17.78
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII + VIII)		37.32	17.78
X. Tax expense:			
(1) Current tax		14.13	6.41
(2) Deferred tax		(1.11)	0.66
(3) Tax relating to earlier years		(1.02)	0.04
XI. Profit / (Loss) for the period (IX - X)		25.32	10.67
XII. Earnings per equity share:			
Basic & Diluted - Refer Note No.26 (1) (0) under AS 20 in Rs.		21.92	9.24
Accounting Standards, additional disclosures and Notes on accounts	26		

As per our report annexed
 H LAKSHMANAN Chairman
 C N PRASAD Director
 For SUNDARAM & SRINIVASAN Chartered Accountants
 Firm Registration No: 004207S
 S RANGARAJAN Chief Financial Officer
 PRADIP KUMAR SAHA Manager
 M BALASUBRAMANIAM Partner
 Chennai 23-04-2015
 K DHARMARAJAN Company Secretary
 Membership No. F 7945

As per our report annexed
 H LAKSHMANAN Chairman
 C N PRASAD Director
 For SUNDARAM & SRINIVASAN Chartered Accountants
 Firm Registration No: 004207S
 S RANGARAJAN Chief Financial Officer
 PRADIP KUMAR SAHA Manager
 M BALASUBRAMANIAM Partner
 Chennai 23-04-2015
 K DHARMARAJAN Company Secretary
 Membership No. F 7945

SUNDARAM AUTO COMPONENTS LIMITED

Notes on accounts

Particulars	As at		Rupees in crores		
	31 March 2015	31 March 2014	As at 31 March 2015	As at 31 March 2014	
1 SHARE CAPITAL					
(a) Details of Authorised, issued and subscribed share capital					
	Number	Amount	Number	Amount	
Authorised					
Equity shares of Rs.10/- each	<u>1,20,00,000</u>	<u>12.00</u>	<u>1,20,00,000</u>	<u>12.00</u>	
Issued, Subscribed & Paid up					
Equity shares of Rs.10/- each	<u>1,15,50,000</u>	<u>11.55</u>	<u>1,15,50,000</u>	<u>11.55</u>	
Total	<u>1,15,50,000</u>	<u>11.55</u>	<u>1,15,50,000</u>	<u>11.55</u>	
(b) Statement showing reconciliation of equity shares outstanding on 1 st April 2014 and 31 st March, 2015					
Shares outstanding at the beginning of the year	<u>1,15,50,000</u>	<u>11.55</u>	<u>1,15,50,000</u>	<u>11.55</u>	
Shares issued during the year	-	-	-	-	
Shares outstanding at the end of the year	<u>1,15,50,000</u>	<u>11.55</u>	<u>1,15,50,000</u>	<u>11.55</u>	
(c) Rights and preferences attached to equity share:					
(i) Shareholders are entitled to such right as to attend meetings of the shareholders, to receive dividends distributed and also have a right in residual interest in the assets of the Company. Every shareholder is also entitled to right of inspection of documents as provided.					
(ii) There are no restrictions attached to equity shares.					
(d) Statement showing details of shares held by holding company at the end of 31 st March 2015					
	Class of Share	As at 31 March 2015		As at 31 March 2014	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
TVS Motor Company Limited, Chennai and by its six nominees	Equity	1,15,50,000	100%	1,15,50,000	100%

Particulars	As at		Rupees in crores	
	31 March 2015	31 March 2014	As at 31 March 2015	As at 31 March 2014
2 RESERVES AND SURPLUS				
a. Capital Reserves				
On acquisition of Business (Rs.4,075)	-	-	-	-
Closing Balance	-	-	-	-
b. Securities premium reserve				
Opening Balance	<u>49.35</u>	<u>49.35</u>	<u>49.35</u>	<u>49.35</u>
Premium on issue of shares	-	-	-	-
Closing Balance	<u>49.35</u>	<u>49.35</u>	<u>49.35</u>	<u>49.35</u>
c. General reserve				
Opening Balance	<u>12.03</u>	<u>10.96</u>	<u>12.03</u>	<u>10.96</u>
Add: Transfer from statement of Profit and Loss	-	1.07	-	1.07
Less: Additional depreciation consequent to adoption of revised useful life of depreciable asset as per Schedule II of the Companies Act, 2013	<u>(0.15)</u>	-	<u>(0.15)</u>	-
Add: Deferred tax impact on above	<u>0.05</u>	-	<u>0.05</u>	-
Closing Balance	<u>11.93</u>	<u>12.03</u>	<u>11.93</u>	<u>12.03</u>
d. Other Reserves - Hedging reserve				
Opening Balance	<u>(0.15)</u>	<u>0.01</u>	<u>(0.15)</u>	<u>0.01</u>
Add: Created during the year	<u>(0.27)</u>	<u>(0.15)</u>	<u>(0.27)</u>	<u>(0.15)</u>
Less: Utilised during the year	<u>0.15</u>	<u>(0.01)</u>	<u>0.15</u>	<u>(0.01)</u>
Closing Balance	<u>(0.27)</u>	<u>(0.15)</u>	<u>(0.27)</u>	<u>(0.15)</u>

Notes on accounts - (continued)

Particulars	As at		Rupees in crores	
	31.03. 2015	31.03. 2014	As at 31.03. 2015	As at 31.03. 2014
e. Surplus - i.e. balance in the Statement of Profit and Loss				
Opening balance	<u>21.60</u>	<u>15.40</u>	<u>21.60</u>	<u>15.40</u>
Add: Net Profit for the year	<u>25.32</u>	<u>10.67</u>	<u>25.32</u>	<u>10.67</u>
Less: Interim Dividend Paid	<u>(4.04)</u>	<u>(2.89)</u>	<u>(4.04)</u>	<u>(2.89)</u>
Dividend tax paid on interim dividend	<u>(0.81)</u>	<u>(0.49)</u>	<u>(0.81)</u>	<u>(0.49)</u>
Dividend payable	<u>(2.89)</u>	-	<u>(2.89)</u>	-
Dividend tax payable	<u>(0.58)</u>	-	<u>(0.58)</u>	-
Surcharge on dividend tax for FY 2012-13	-	<u>(0.02)</u>	-	<u>(0.02)</u>
Transfer to General reserve	-	<u>(1.07)</u>	-	<u>(1.07)</u>
Closing Balance	<u>38.60</u>	<u>21.60</u>	<u>38.60</u>	<u>21.60</u>
Total	<u>99.61</u>	<u>82.83</u>	<u>99.61</u>	<u>82.83</u>
3 LONG TERM BORROWINGS				
Secured				
Term Loan From Bank				
Secured by first charge on the entire fixed assets of the Company including Equitable Mortgage on lease hold rights of the land. Repayable over 16 quarterly instalments starting from June, 2013 and ending in March, 2017.	<u>9.00</u>	<u>17.00</u>	<u>9.00</u>	<u>17.00</u>
Total	<u>9.00</u>	<u>17.00</u>	<u>9.00</u>	<u>17.00</u>
4 OTHER LONG TERM LIABILITIES				
Other payables				
Consideration payable for purchase of investment in property	<u>24.83</u>	<u>24.83</u>	<u>24.83</u>	<u>24.83</u>
Total	<u>24.83</u>	<u>24.83</u>	<u>24.83</u>	<u>24.83</u>
5 LONG TERM PROVISIONS				
For Employee benefits:				
(i) Pension Fund	<u>0.56</u>	<u>1.34</u>	<u>0.56</u>	<u>1.34</u>
(ii) Leave Salary	<u>0.40</u>	<u>0.30</u>	<u>0.40</u>	<u>0.30</u>
Total	<u>0.96</u>	<u>1.64</u>	<u>0.96</u>	<u>1.64</u>
6 SHORT TERM BORROWINGS				
Secured - From Banks				
Cash Credit Facility secured by hypothecation of entire current assets, viz. inventories and receivables, both present and future	<u>1.79</u>	<u>17.40</u>	<u>1.79</u>	<u>17.40</u>
Unsecured - From Banks				
Loans Repayable on Demand	<u>0.73</u>	<u>0.90</u>	<u>0.73</u>	<u>0.90</u>
Total	<u>2.52</u>	<u>18.30</u>	<u>2.52</u>	<u>18.30</u>
7 OTHER CURRENT LIABILITIES				
(a) Current maturities of long-term borrowing				
- Term Loan from Banks	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>
(b) Interest accrued and due	<u>0.20</u>	<u>0.28</u>	<u>0.20</u>	<u>0.28</u>
(c) Other payables:				
(i) Statutory Dues				
- Tax Deducted at Source	<u>0.30</u>	<u>0.30</u>	<u>0.30</u>	<u>0.30</u>
- Income Tax	<u>0.05</u>	<u>0.05</u>	<u>0.05</u>	<u>0.05</u>
- Sales Tax	<u>15.77</u>	<u>12.98</u>	<u>15.77</u>	<u>12.98</u>
(ii) Others				
- Employee Related	<u>2.72</u>	<u>2.37</u>	<u>2.72</u>	<u>2.37</u>
- For expenses	<u>3.42</u>	<u>2.60</u>	<u>3.42</u>	<u>2.60</u>
- Advance received from customers	<u>31.43</u>	<u>7.33</u>	<u>31.43</u>	<u>7.33</u>
(d) Payable under Hedge Instrument	<u>0.27</u>	<u>0.15</u>	<u>0.27</u>	<u>0.15</u>
Total	<u>62.16</u>	<u>34.06</u>	<u>62.16</u>	<u>34.06</u>
8 SHORT TERM PROVISIONS				
(i) Employee Benefit - Leave Salary	<u>0.02</u>	<u>0.15</u>	<u>0.02</u>	<u>0.15</u>
(ii) Employee Benefit - Pension	<u>0.05</u>	<u>0.05</u>	<u>0.05</u>	<u>0.05</u>
Others				
(i) Interim dividend payable	<u>2.89</u>	<u>2.89</u>	<u>2.89</u>	<u>2.89</u>
(ii) Dividend Tax Payable	<u>0.58</u>	<u>0.49</u>	<u>0.58</u>	<u>0.49</u>
(iii) Provision for Income tax (net of advance tax)	-	<u>0.74</u>	-	<u>0.74</u>
Total	<u>3.54</u>	<u>4.32</u>	<u>3.54</u>	<u>4.32</u>

SUNDARAM AUTO COMPONENTS LIMITED

Notes on accounts - (continued)

9 NON CURRENT ASSETS - FIXED ASSETS - TANGIBLE ASSET

Rupees in crores

Description	Land		Buildings	Plant & Equipment	Furniture & fixtures	Office Equipment	Computers	Vehicles	Total	
	Free hold	Lease hold							As at 31-03-2015	As at 31-03-2014
Cost of Assets										
As at 01-04-2014	8.39	9.88	39.89	103.10	2.23	0.84	2.24	0.48	167.05	158.20
Additions	-	-	0.17	13.33	0.51	0.18	0.27	0.01	14.47	10.25
Total	8.39	9.88	40.06	116.43	2.74	1.02	2.51	0.49	181.52	168.45
Less: Impairment / Deletion	4.52	-	6.26	0.87	0.74	-	0.16	-	12.55	1.40
Total	3.87	9.88	33.80	115.56	2.00	1.02	2.35	0.49	168.97	167.05
Depreciation/Amortisation										
As at 31-03-2014	-	0.21	6.86	50.22	0.67	0.25	1.17	0.38	59.76	51.00
For the year										
- charge to statement of profit & loss	-	0.03	1.21	9.62	0.23	0.06	0.38	0.04	11.57	9.88
- charge to retained earnings (ie) to general reserve	-	-	-	0.15	-	-	-	-	0.15	-
Total	-	0.24	8.07	59.99	0.90	0.31	1.55	0.42	71.48	60.88
Less: Impairment/Deletion	-	-	0.30	0.50	0.21	-	0.15	-	1.16	1.12
Total	-	0.24	7.77	59.49	0.69	0.31	1.40	0.42	70.32	59.76
Written Down Value										
As at 31-03-2015	3.87	9.64	26.03	56.07	1.31	0.71	0.95	0.07	98.65	-
As at 31-03-2014	8.39	9.67	33.03	52.88	1.56	0.59	1.07	0.10	-	107.29

10 NON CURRENT ASSETS - FIXED ASSETS - INTANGIBLE ASSETS

Rupees in crores

Rupees in crores

Description	Software	Licence Fees	Total	
			As at 31-03-2015	As at 31-03-2014
Cost of Assets				
As at 01-04-2014	0.50	0.94	1.44	1.38
Additions	0.13	-	0.13	0.06
Total	0.63	0.94	1.57	1.44
Less: Sales / Deletion	-	-	-	-
Total	0.63	0.94	1.57	1.44
Amortisation				
As at 31-03-2014	0.46	0.83	1.29	1.09
For the year	0.05	0.11	0.16	0.20
Total	0.51	0.94	1.45	1.29
Less: withdrawn on assets sold/deleted	-	-	-	-
Total	0.51	0.94	1.45	1.29
Written Down Value				
As at 31-03-2015	0.12	-	0.12	-
As at 31-03-2014	0.04	0.11	-	0.15

11 CAPITAL WORK-IN-PROGRESS

Description	As at 31 March 2015	As at 31 March 2014
Plant & Equipment	3.55	0.13
Total	3.55	0.13

12 NON-CURRENT INVESTMENTS

Rupees in crores

Particulars	As at 31 March 2015	As at 31 March 2014
Non - Trade Investments		
(a) Investment property (Land at cost)*	24.83	24.83
(b) Investment in Equity instruments	3.01	3.01
(c) Employees pension related investments	1.03	-
Total	28.87	27.84

* Title documents pending registration

NON TRADE INVESTMENTS

Name of Body Corporate	Relationship	No. of Shares / units		Quoted/ Unquoted	Partly paid Fully paid	Extent of Holding		Amount		Basis of valuation
		31-Mar-2015	31-Mar-2014			31-03-2015	31-03-2014	31-03-2015	31-03-2014	
Details of Investments in Equity Instruments										
(a) Green Infra Wind Energy Theni Limited,* New Delhi (formerly TVS Wind Energy Limited)	Associate	30,00,000	30,00,000	Unquoted	Fully Paid	21.6%	21.6%	3.00	3.00	Cost
(b) Sundaram Engineering Products Services Limited, Chennai	Fellow subsidiary	7,746	7,746	Unquoted	Fully Paid	15.5%	15.5%	0.01	0.01	Cost
Other Investments										
Life Insurance Corporation Pension Policy, Mumbai	-	-	-	Unquoted	Fully Paid	-	-	1.03	-	Cost
Aggregate amount of unquoted Investments - Total	-	-	-	-	-	-	-	4.04	3.01	-

* Lock-in-period expires on 31st March 2031

SUNDARAM AUTO COMPONENTS LIMITED

Notes on accounts - (continued)

Particulars	Rupees in crores	
	As at 31.03. 2015	As at 31.03. 2014
13 LONG TERM LOANS AND ADVANCES		
Unsecured - Considered good		
Capital advances*	5.96	0.13
Total	5.96	0.13

* Note: Includes advance given for purchase of business.

15 INVENTORIES

Particulars	Mode of valuation	As at 31 March 2015		As at 31 March 2014	
Raw materials and components *	Lower of weighted average cost or net realisable value	10.12		11.14	
Goods-in-Transit - Raw Materials	- do -	-	10.12	0.08	11.22
Work-in-process *					
- Plastic Components	- do -	0.56		1.11	
- Moulds	- do -	3.08	3.64	3.04	4.15
Finished goods - Plastic Components *	- do -		1.92		1.77
Stock-in-Trade - Automobiles *	- do -	71.54		29.72	
Stock-in-Trade - Goods-in-Transit - Automobiles	- do -	53.18	124.72	18.47	48.19
Stores and spares *	- do -		0.45		0.10
Total			140.85		65.43

* As certified by Manager

Notes on accounts - (continued)

Particulars	Rupees in crores	
	As at 31.03. 2015	As at 31.03. 2014
14 OTHER NON-CURRENT ASSETS		
Secured - Considered good		
Taxes & Duties Recoverable - (Advance income tax net of provision)	0.25	2.05
Deposits	4.03	3.22
Total	4.28	5.27

Rupees in crores

16 TRADE RECEIVABLES

Particulars	Rupees in crores	
	As at 31.03. 2015	As at 31.03. 2014
(a) Unsecured debts outstanding for a period exceeding six months from the date due for payment		
(i) Considered good	4.55	9.11
(ii) Considered doubtful	0.91	1.06
	5.46	10.17
Less: Provision for doubtful debts	0.91	1.06
	4.55	9.11
(b) Other unsecured debts - Considered good	74.63	80.78
Total	79.18	89.89

17 CASH AND CASH EQUIVALENTS

Particulars	Rupees in crores	
	As at 31.03. 2015	As at 31.03. 2014
(a) Balances with banks - Current Account	0.25	0.23
(b) Cash on hand	0.03	0.01
(c) Cheques / drafts on hand	-	0.42
(d) Bank deposits	2.50	-
(e) Margin money deposits with banks (more than 12 months maturity)	0.01	-
Total	2.79	0.66

18 SHORT-TERM LOANS AND ADVANCES

Particulars	Rupees in crores	
	As at 31.03. 2015	As at 31.03. 2014
Others - Unsecured - Considered good		
- Advances recoverable in cash or in kind	11.20	1.71
- Deposits	0.02	0.02
- Balance with Central Excise & Commercial Tax authorities	4.33	3.32
- Taxes & Duties Recoverable - (Advance income tax net or provision)	0.29	-
- Prepaid Expenses	0.23	0.05
Total	16.07	5.10

19 OTHER CURRENT ASSETS

Particulars	Rupees in crores	
	As at 31.03. 2015	As at 31.03. 2014
Interest accrued on Deposits	-	0.01
Claims Receivable	4.52	2.19
Total	4.52	2.20

20 REVENUE FROM OPERATIONS

Particulars	Rupees in crores	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Sale of Automobiles	1,720.37	1,587.42
Sale of Components	466.69	330.16
Other operating revenues	1.26	1.40
Sub total	2,188.32	1,918.98
Less: Excise duty	52.54	43.68
Total	2,135.78	1,875.30

21 OTHER INCOME

Particulars	Rupees in crores	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Interest	1.03	1.21
Dividend	-	0.01
Profit on sale of fixed assets	0.02	-
Profit on sale of long term investment	-	0.34
Other non operating income	0.53	0.21
Total	1.58	1.77

22 MATERIAL COST

Particulars	Rupees in crores	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Cost of Materials consumed		
Opening Stock of Raw Materials & Components	11.14	6.85
Add: Purchases	267.96	189.09
Less: Closing Stock of Raw Materials & Components	10.12	11.14
Consumption of raw materials	268.98	184.80
Purchase of Stock-in-Trade (Automobiles)	1,727.05	1,542.25
Changes in inventory of WIP Components and Finished goods Components and Automobiles		
Opening stock: Work in process	4.15	2.95
Finished goods - Plastic Components	1.77	0.44
Less: Excise duty on finished goods	(0.09)	(0.21)
Finished goods - Automobiles	29.72	44.70
Total (A)	35.55	47.88
Closing stock: Work in process	3.64	4.15
Finished goods - Plastic Components	1.92	1.77
Less: Excise duty on finished goods	(0.04)	(0.09)
Finished goods - Automobiles	71.54	29.72
Total (B)	77.06	35.55
Change in excise duty on opening and closing stock of finished goods	0.05	0.12
Total (C)	0.05	0.12
(A)-(B)+(C)	(41.46)	12.45

Refer to Note No.26(10)(1)(a) for broad head of raw materials consumed.

SUNDARAM AUTO COMPONENTS LIMITED

Notes on accounts - (continued)

Particulars	Rupees in crores	
	For the year ended 31 March 2015	For the year ended 31 March 2014
23 EMPLOYEE BENEFITS		
Salaries & Wages	32.63	25.64
Leave Salary	0.52	0.44
Contribution to Provident and other funds	2.09	1.95
Welfare expenses	5.89	4.76
Total	41.13	32.79
24 FINANCE COSTS		
Interest Expense	5.08	5.90
Other Borrowing Costs	0.13	0.08
Total	5.21	5.98
25 OTHER EXPENSES		
Consumption of stores and spare parts	2.96	2.34
Power and fuel	15.11	13.48
Rent*	3.85	3.40
Repairs - Buildings	2.79	3.41
Repairs - Plant & Equipment	7.24	5.16
Repairs - Other Assets	0.98	0.76
Insurance	0.46	0.41
Rates and taxes	2.03	2.30
Audit fees	0.18	0.13
Packing and freight charges *	44.37	32.36
Sitting Fees	0.01	0.01
Loss on sale of fixed assets	0.01	0.28
Miscellaneous Expenses *	8.27	6.94
Provision for Doubtful Debts	-	0.45
Total	88.26	71.43

(* Net of recoveries)

Refer Note No.26(1)(e) on AS 5 for prior period items

26 ADDITIONAL INFORMATION

1. Accounting Standards

- (a) AS - 1 Disclosure of accounting policies
The accounts are maintained on accrual basis as a going concern.
- (b) AS - 2 Valuation of inventories
Inventories are valued in accordance with the method of valuation prescribed by The Institute of Chartered Accountants of India at lower of realisable value and weighted average cost.
- (c) AS - 3 Cash flow statements
The cash flow statement is prepared under "indirect method" and the same is annexed.
- (d) AS - 4 Contingencies and Events Occurring After the Balance Sheet Date
There are no reportable contingencies and events occurring after the Balance Sheet date.
- (e) AS - 5 Net profit or loss for the period, prior period items and changes in accounting policies.
Exceptional item represents profit made on the sale of immovable property during the year. Exceptional item of previous year represents fire insurance claim received. **0.86** 0.49
- Details of prior period debits to Profit and Loss Account:
- | | | |
|---|------|------|
| Repairs - Buildings | - | 0.01 |
| Packing & freight charges | - | 0.01 |
| Material Cost - Import clearing charges | - | 0.01 |
| Legal & retainer fees | 0.08 | 0.01 |
| Rent | 0.12 | - |
| Welfare expenses | - | 0.02 |

Notes on accounts - (continued)

26 ADDITIONAL INFORMATION - (continued)

	Rupees in crores	
	As at / year ended 31 March 2015	As at / year ended 31 March 2014

- (f) AS - 6 Depreciation accounting
Depreciation has been provided under the straight line method based on the useful life as per the requirements of Schedule II of the Companies Act, 2013.

The Company has internally evaluated the useful life of all the assets and that useful has been considered for providing the depreciation charge.

In respect of assets added / sold during the year pro-rata depreciation has been provided.

Depreciation in respect of Moulds has been provided based on the quantity of components manufactured.

Assets acquired during the year and whose cost is less than Rs.5,000/- are fully depreciated.

The Companies Act, 2013, stipulates systematic allocation of the depreciable amount of an asset over its useful life. The Act also prescribes that a maximum of 5% of the cost can be retained as residual value and the balance 95% to be amortised over the useful life of the asset. However, the Company has chosen to reduce the residual value from the depreciation to be provided for the in terminal year, thereby claiming higher depreciation in the earlier years.

- (g) AS - 9 Revenue recognition
The income of the company is derived from manufacture and sale of plastic components and trading in automobiles. Sale of goods is recognised on despatch of goods to customers.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend from investments is recognised when the Company in which they are held declares the dividend and the right to receive the same is established.

The revenue and expenditure are accounted on a going concern basis.

- (h) AS - 10 Accounting for fixed assets
All the fixed assets are valued at cost including expenditure incurred in bringing them to usable condition less depreciation.

Cost of land includes lands acquired on lease	9.88	9.88
Buildings include buildings constructed on leasehold lands	19.09	18.93

In respect of lease hold land of Rs.6.91 crores, the lease deeds are yet to be executed. Amortisation in respect of leased cost of land situated in Sanad District, Gujarat will commence from the year in which the possession of land is taken over after execution of lease deed. The lease cost is capitalised on the basis of allotment letter.

- (i) AS - 11 Accounting for effects in foreign exchange rates
Purchase of imported raw materials, components, spare parts and capital goods are accounted based on retirement memos from banks. In respect of liabilities on import of raw materials, components, spare parts and capital goods which are in transit and where invoices / bills are yet to be received, the liability is accounted based on the advance copies of documents at the market exchange rates prevailing on the date of the balance sheet.

SUNDARAM AUTO COMPONENTS LIMITED

Notes on accounts - (continued)

26 ADDITIONAL INFORMATION - (continued)

	Rupees in crores	
	As at / year ended 31 March 2015	As at / year ended 31 March 2014
Net exchange difference on imports debited to Statement of Profit and Loss		
- Under Cost of material consumed	0.95	0.89
Total	0.95	0.89

The Company has entered into forward contracts for hedging the risk of exchange rate fluctuation. There are no derivative contracts other than the forward contracts.

The Central Government vide notification dated 31st March 2009 has amended Accounting Standard 11. The amendment permits, on exercise of an option, to add to or deduct from the carrying cost of depreciable assets the effect of exchange

Notes on accounts - (continued)

26 ADDITIONAL INFORMATION - (continued)

	Rupees in crores	
	As at / year ended 31 March 2015	As at / year ended 31 March 2014

differences arising on such monetary item. As the Company has not borrowed any long term foreign currency monetary item for acquisition of depreciable capital asset, this amendment is not applicable. Similarly the Company has no long term monetary item relating to other than an acquisition of depreciable capital asset.

- (j) AS - 13 Accounting for Investments
Investments are valued at cost. Provision for diminution in the carrying cost of investments is made if such diminution is other than temporary in nature in the opinion of the management.

(k) AS - 15 Accounting for employee benefits

Disclosure is made as per the requirements of the standard and the same is furnished below:

A Defined contribution plans

- (a) Contribution to provident fund is in the nature of defined contribution plan and the same is made to Government.
(b) Contribution to pension fund is partially in nature of defined contribution plan and the same has been made to Life Insurance Corporation of India, Mumbai.

B Defined benefit plan

- (a) The Company extends defined benefit plans in the form of leave salary to its employees and pension to senior managers of the Company.
(b) The Company also extends defined benefit plan in the form of gratuity to employees. Contribution to gratuity is made to Life Insurance Corporation of India in accordance with the schemes framed by the Corporation.

Disclosure are as required by Accounting Standard 15:

Rupees in crores

		Leave Salary	Pension	Gratuity**
(a)	Expenses recognised in the Statement of Profit & Loss Account			
(i)	Current Service cost	0.12	-	
(ii)	Interest cost	0.03	0.07	
(iii)	Expected return on plan assets	-	-	
(iv)	Net actuarial loss / (gain) recognised in the year	(0.01)	0.32	
	Total	0.14	0.38	
(b)	Change in defined benefit obligation during the year ended 31 st March 2015			
(i)	Present value of obligation as at beginning of the year (01.04.2014)	0.45	1.39	
(ii)	Interest cost	0.03	0.07	
(iii)	Current service cost	0.12	-	
(iv)	Benefits paid	(0.16)	(1.16)	
(v)	Actuarial loss / (gain) on obligation	(0.01)	0.32	
(vi)	Present value of obligation as at the end of the year (31.03.2015)	0.42	0.61	
(c)	Change in fair value of plan assets during the year ended 31 st March 2015			
(i)	Fair value of plan assets at the beginning of the year (01.04.2014)	-	-	
(ii)	Expected return on plan assets	-	-	
(iii)	Contributions made during the year	-	-	
(iv)	Benefits paid	-	-	
(v)	Actuarial gain on plan assets	-	-	
(vi)	Fair value of plan assets as at the end of the year (31.03.2015)	-	-	
(d)	Balance Sheet movements			
(i)	Value of benefit obligations / (net assets) at the beginning of the year (01.04.2014)	0.45	1.39	
(ii)	Contributions made during the year	-	-	
(iii)	Expenses	0.14	0.38	
(iv)	Benefits paid	(0.16)	(1.16)	
(v)	Value of benefit obligations / (net assets) at the end of the year (31.03.2015)	0.42	0.61	
	Note: The net asset in respect of gratuity plan is not recognised as it is lying in irrevocable trust fund approved by Income tax authorities.			
(e)	Actuarial assumptions			
(i)	Discount rate used	8.00%	8.00%	
(ii)	Expected return on plan assets	NA	NA	
	Estimates of future salary increases considered in actuarial valuation takes into account the inflation, seniority, promotions and other relevant factors.			

**Note: The reconciliation of the present value of obligation and fair value of plan assets as regards gratuity plan is not furnished as information in this regard is not received from Life Insurance Corporation of India. However, contribution to gratuity fund is made based on demand from Life Insurance Corporation of India.

SUNDARAM AUTO COMPONENTS LIMITED

Notes on accounts - (continued)

26 ADDITIONAL INFORMATION - (continued)

Rupees in crores

	As at / year ended	As at / year ended
	31 March 2015	31 March 2014

(l) AS-16 Borrowing cost

The borrowing costs have been treated in accordance with Accounting Standard on Borrowing Cost (AS-16) issued by The Institute of Chartered Accountants of India.

No interest on borrowings have been capitalised during the year.

(m) AS-17 Segment reporting

The Company operates in only one segment viz., manufacturing of automobile parts and trading of automobiles. Hence the Accounting Standard on segment reporting is not applicable.

(n) AS - 18 Related party disclosure (including Companies Act)

Disclosure is made as per the requirements of the standard and the same is furnished below:

Reporting entity	Sundaram Auto Components Limited, Chennai
List of related parties :	
Holding company	TVS Motor Company Limited, Chennai
Ultimate holding companies	T V Sundram Iyengar & Sons Private Limited, Madurai Sundaram - Clayton Limited, Chennai
Fellow Subsidiaries	TVS Housing Limited, Chennai TVS Motor (Singapore) Pte Limited, Singapore TVS Motor Company (Europe) B.V, Netherlands PT. TVS Motor Company Indonesia, Jakarta Sundaram Business Development Consulting (Shanghai) Co. Ltd, China Sundaram-Clayton (USA) Limited, USA Southern Roadways Limited, Madurai Sundaram Industries Private Limited, Madurai Sundaram Lanka Tyres Limited, Sri Lanka Pusam Rubber Products Limited, Madurai The Associated Auto Parts Limited, Mumbai TVS Interconnect Systems Limited, Madurai NSM Holdings Limited, Madurai NK Telecom Products Limited, Madurai NK Tele Systems Limited, Madurai TVS Automobile Solutions Limited, Madurai Rajgarhia Automobile Solution Limited, Kolkata Essex Automobile Solutions Limited, Gujarat TVS Insurance Broking Limited, Coimbatore Focuz Automobile Services Limited, Kerala GS Automotive Service Equipments (Chennai) Private Limited, Madurai

Notes on accounts - (continued)

26 ADDITIONAL INFORMATION - (continued)

Rupees in crores

	As at / year ended	As at / year ended
	31 March 2015	31 March 2014

Fellow Subsidiaries - continued	SANRAV Automobile Solutions (Chennai) Private Limited, Madurai Lucas-TVS Limited, Chennai Lucas Indian Service Limited, Chennai TVS Automotive Systems Limited, Chennai Sundaram Textiles Limited, Madurai Sundaram Investment Limited, Chennai TVS Capital Funds Limited, Chennai TVS Electronics Limited, Chennai Prime Property Holdings Limited, Chennai TVS-E Access (India) Limited, Chennai TVS Training and Services Limited, Chennai Sundaram Engineering Products Services Limited, Chennai Uthiram Rubber Products Limited, Madurai NCR Auto Cars Limited, New Delhi SNS Warranty Solutions Limited, Madurai Gallant E-Access Private Limited, Delhi
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Associate Company Green Infra Wind Energy Theni Limited, New Delhi

Key Managerial personnel (i) Mr. Pradip Kumar Saha - Manager
(ii) Mr. S. Rangarajan - Chief Financial Officer
(iii) Mr. K. Dharmarajan - Company Secretary

Particulars of transactions with related parties

(i) Sale of goods		
- Holding company -	TVS Motor Company Limited, Chennai	262.05 162.50
- Fellow subsidiaries	Lucas-TVS Limited, Chennai	2.64 0.21
	PT. TVS Motor Company Indonesia, Jakarta	- 0.27
(ii) Purchase of goods		
- Holding company	TVS Motor Company Limited, Chennai	1,727.05 1,542.25
- Fellow subsidiaries	Lucas-TVS Limited, Chennai	- 0.01
- Associate	Green Infra Wind Energy Theni Limited, New Delhi	5.82 6.09
(iii) Rendering of services		
- Ultimate holding company	Sundaram-Clayton Limited, Chennai	1.16 0.96
- Holding company	TVS Motor Company Limited, Chennai	- 0.04

SUNDARAM AUTO COMPONENTS LIMITED

Notes on accounts - (continued)

26 ADDITIONAL INFORMATION - (continued)	Rupees in crores	
	As at / year ended 31 March 2015	As at / year ended 31 March 2014
(iv) Dividend - Holding Company		
- TVS Motor Company Limited, Chennai	6.93	2.89
(v) Receiving of services (including interest paid)		
- Holding company - TVS Motor Company Limited, Chennai	0.38	0.48
- Ultimate holding company - Sundaram-Clayton Limited, Chennai	2.97	2.82
- Fellow subsidiaries		
Lucas TVS Limited, Chennai	0.24	-
TVS Electronics Limited, Chennai	0.04	0.03
(vi) Amount outstanding as at the Balance Sheet:		
(I) Amount payable (Bills Payable)		
- Holding company		
TVS Motor Company Limited, Chennai	118.89	63.31
- Ultimate holding company		
Sundaram-Clayton Ltd, Chennai	-	0.13
- Fellow subsidiaries		
Lucas-TVS Limited, Chennai	0.11	-
- Associate		
Green Infra Wind Energy Theni Limited, New Delhi	0.04	0.06
(II) Amount receivable (Sundry debtors)		
- Holding company		
TVS Motor Company Limited, Chennai	16.76	21.03
- Ultimate holding company		
Sundaram-Clayton Ltd, Chennai	0.26	-
- Fellow subsidiary		
Lucas-TVS Limited, Chennai	0.57	0.07
(vii) Remuneration paid to Key Management Personnel		
Mr. Manojkumar V Patil (up to 18 th May 2013) Manager	-	0.16
Mr. Pradip Kumar Saha - Manager	0.47	0.29
(o) AS-20 Earnings per share		
Earnings per share is calculated by dividing the profit attributable to the shareholders by the number of equity shares outstanding as at the close of the year		
Profit before tax	37.32	17.78
Tax relating to the above	12.00	7.11
Profit after tax	25.32	10.67
No. of equity shares	1,15,50,000	1,15,50,000
Face value per share in Rs.	10.00	10.00
Weighted average number of equity shares	1,15,50,000	1,15,50,000
Earnings per share (EPS) in Rs.	21.92	9.24
Diluted Earnings per share in Rs.	21.92	9.24
(p) AS - 22 Accounting for taxes on income :		
Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax liability and asset are recognised based on timing difference using the tax rates substantively enacted on the Balance Sheet date.		
(i) Deferred tax liability consists of:		
- tax on depreciation	8.13	9.62
(A)	<u>8.13</u>	<u>9.62</u>
(ii) Deferred tax asset consists of:		
Tax on provision in respect of expenditure which will be allowed under the Income-tax Act, 1961 only on payment basis	0.66	0.99
(B)	<u>0.66</u>	<u>0.99</u>
Deferred tax liability (net of deferred tax asset) refer Balance Sheet	(A)-(B)	<u>7.47</u>

Notes on accounts - (continued)

26 ADDITIONAL INFORMATION - (continued)	Rupees in crores	
	As at / year ended 31 March 2015	As at / year ended 31 March 2014
(q) AS - 24 - Accounting for discontinuing operations		
There are no discontinuing operations during the year.		
(r) AS - 26 - Accounting for intangible assets		
In respect of assets falling under the definition of intangible assets as per the Accounting Standard the following disclosures are made:		
Software / Licence Fees		
- Estimated useful life of the asset	2 years	2 years
- Amortisation rates used	50% each year as depreciation	50% each year as depreciation
(s) AS 28 - Impairment of assets		
As on the Balance Sheet date the carrying amounts of the assets net of accumulated depreciation is not less than the recoverable amount of those assets and hence there is no impairment loss on the assets of the Company.		
(t) AS 29 - Provisions, Contingent liabilities and contingent assets		
(u) (i) Provisions		
Provision are made in respect of all payables based on contracted values. No estimated provision is made.		
As regards provision for warranty, the company's terms of sale do not envisage creation of liability		
(ii) Contingent liabilities		
The amount for which the Company is contingently liable are disclosed in Sl. No. 4 below.		
(iii) Contested liabilities are detailed in Sl. No. 5 below.		
(v) AS 30 - Financial Instruments - Recognition and Measurement		
The Company uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations relating to import of raw materials and capital goods with firm commitments. The company does not hold derivative finance instruments for speculative purposes. The company has applied to such forward contracts, the hedge accounting principles set out in the Accounting Standards by marking them to market.		
Changes in fair value of the contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging Reserve Account".		

SUNDARAM AUTO COMPONENTS LIMITED

Notes on accounts - (continued)

26 ADDITIONAL INFORMATION - (continued)

Rupees in crores

	As at / year ended 31 March 2015	As at / year ended 31 March 2014
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2 Trade payable includes :

(a) Amount due to Small Scale Industrial units	0.90	0.96
(b) Amount due to other industrial units	162.30	99.97

Amount payable to Small Scale Industrial units are within agreed credit period and not due for payment

(c) Information required under the Micro, Small and Medium Enterprises Development Act, 2006:

The Company has written to all suppliers to ascertain if they are covered by the said act. No information has been received in reply.

However, the suppliers' credit terms are generally 45 days within which all payments are made. Hence, the question of payment of interest or provision thereof for belated payments does not arise.

3 Final dividend proposed to be distributed to equity share holders

	2.89	2.89
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Dividend payable for 2014-15 is Rs.2.50 per share (Previous year Rs.2.50)

4 Contingent liability not provided for:

(a) On counter guarantee furnished to banks	0.02	-
(b) On letters of credit	21.09	11.38
(c) On bills of exchange drawn on customers discounted	20.00	11.51
(d) On import of capital goods under Export Promotion Capital Goods scheme	-	0.66

Notes on accounts - (continued)

26 ADDITIONAL INFORMATION - (continued)

Rupees in crores

	As at / year ended 31 March 2015	As at / year ended 31 March 2014
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5 Liability contested and not provided for:

(a) Excise	0.18	0.11
(b) Service tax	0.25	0.25
(c) Income tax	1.30	1.50
(d) Sales tax	0.84	-

6 Contribution to provident and other funds include:

Contribution towards gratuity as per scheme framed by Life Insurance Corporation of India	0.36	0.54
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7 Audit fees comprise:

(a) As statutory auditors	0.11	0.09
(b) Taxation matters	0.02	0.01
(c) Certification matters	0.02	0.01
Total	<u>0.15</u>	<u>0.11</u>

8 General

(a) Other expenses include travel and stay expenses of auditors	0.02	0.05
(b) Expenditure in excess of 1% of total revenue or Rs.1,00,000 Whichever is higher	-	-

9 Previous year's figures are regrouped and rearranged to conform to current year's classification.

	Nil	Nil
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10. COST OF RAW MATERIALS CONSUMED

1 (a) Basic raw materials

	Year ended 31-03-2015	Year ended 31-03-2014
Acrylonitrile Butdiene Styrene (ABS)	51.31	33.99
Filled & Unfilled Polypropelene	89.78	59.43

(b) Intermediates and components (which individually do not account for more than 10% of the total value of consumption)	127.89	91.38
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Raw materials and components consumed	<u>268.98</u>	<u>184.80</u>
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Traded goods:

(c) Automobiles	1,685.23	1,557.23
Total	<u>1,954.21</u>	<u>1,742.03</u>

% of total
consumption

% of total
consumption

2 Consumption of raw materials and components

(a) Imported	2.2	42.26	1.8	31.51
(b) Indigenous	97.8	1,911.95	98.2	1,710.52
Total	<u>100.00</u>	<u>1,954.21</u>	<u>100.00</u>	<u>1,742.03</u>

3. CONSUMPTION OF MACHINERY SPARES

(a) Imported	12.7	0.21	0.4	0.01
(b) Indigenous	87.3	1.45	99.6	1.94
Total	<u>100.00</u>	<u>1.66</u>	<u>100.00</u>	<u>1.95</u>

4 IMPORTS (CIF VALUE)

(a) Raw materials	42.26	31.51
(b) Spare parts and components	0.21	0.01
(c) Capital goods	12.71	1.54

11. OTHER EXPENDITURE IN FOREIGN CURRENCY

(a) Consultancy	0.18	0.13
(b) Royalty	0.03	0.05
(c) Travel	0.09	0.05

SUNDARAM AUTO COMPONENTS LIMITED

	Year ended 31-03-2015		Rupees in crores Year ended 31-03-2014	
12. EARNINGS IN FOREIGN EXCHANGE				
(a) Exports (on f.o.b. basis)		-		0.27
(b) Sale proceeds of equity shares		-		0.40
(c) Others (freight and insurance)		-		-
Total		<u>-</u>		<u>0.67</u>
13. SALE BY CLASS OF GOODS				
(a) Rubber Moulded Components		-		-
(b) Plastic Moulded Components		398.45		276.02
(c) Moulds		15.70		10.46
(d) Automobiles		1,720.37		1,587.42
Total		<u>2,134.52</u>		<u>1,873.90</u>
14. PARTICULARS OF OPENING AND CLOSING INVENTORY				
Raw materials and components	10.12		11.14	
Goods-in-Transit - Raw Materials	-	10.12	0.08	11.22
Work-in-process		3.64		4.15
Finished goods - Components		1.92		1.77
Stock-in-Trade - Automobiles	71.54		29.72	
Stock-in-Trade - Goods-in-Transit- Automobiles	53.18	124.72	18.47	48.19
Stores and spares		0.45		0.10
Total		<u>140.85</u>		<u>65.43</u>

H LAKSHMANAN Chairman
C N PRASAD Director
S RANGARAJAN Chief Financial Officer
PRADIP KUMAR SAHA Manager
K DHARMARAJAN Company Secretary
M BALASUBRAMANIAM Partner
As per our report annexed For SUNDARAM & SRINIVASAN Chartered Accountants Firm Registration No: 004207S
Place : Chennai Date : 23-04-2015
Membership No. F 7945

Cash Flow Statement

	Year ended 31.03. 2015		Year ended 31.03. 2014		Year ended 31.03. 2015		Year ended 31.03. 2014	
	Rupees in crores		Rupees in crores		Rupees in crores		Rupees in crores	
A. Cash flow from operating activities:								
Net profit / (loss) before tax and extraordinary items	37.32		17.78					
Add:								
Depreciation for the year	11.73	10.08						
Dividend income	-	(0.01)						
Interest income	(1.03)	(1.21)						
Interest expenditure	5.21	5.98						
Profit on sale of investment	-	(0.34)						
Profit on sale of assets	(0.88)	-						
Loss on impairment of assets	0.01	0.28						
Operating profit before working capital changes	15.04	14.78						
Adjustments for:								
Trade payables	62.27	(11.72)						
Other Current Liabilities	27.98	2.45						
Short-Term provisions	(0.12)	-						
Other non current liabilities	-	-						
Long Term Provision	(0.68)	0.20						
Inventories	(75.42)	16.97						
Trade receivables	10.71	(20.98)						
Other Current Assets	(0.24)	0.71						
Other Non current Assets	(0.82)	0.43						
Short Term Loans & Advances	(10.69)	0.83						
	12.99	(11.11)						
Cash generated from operations	65.35	21.45						
Direct taxes paid	14.42	6.52						
Net cash used in operating activities - (A)	50.93	14.93						
B. Cash flow from investing activities:								
Purchase of fixed assets	(14.60)	(10.31)						
Sale of fixed assets	12.27	-						
Capital work-in-progress (at Cost)	(3.42)	(0.06)						
Purchase of Investments/ Investment property	(1.03)	-						
C. Cash flow from financing activities :								
Secured loan availed	-	-						
Secured loan repaid	(8.00)	(13.00)						
Unsecured loans availed	-	0.67						
Repayment of unsecured loans	(0.17)	-						
Interest paid	(5.21)	(5.98)						
Dividend and dividend tax paid	(8.23)	(3.38)						
Net cash from financing activities - (C)	(21.61)	(21.69)						
D. Net increase in cash and cash equivalents - (A+B+C)	17.74	15.30						
Cash and cash equivalents at the beginning of the year								
Cash & Bank	0.66	4.68						
Cash credit - balance	(17.40)	(6.12)						
Cash and cash equivalents at the end of the year								
Cash & Bank	2.79	0.66						
Cash credit - balance	(1.79)	(17.40)						
Notes:								
1. The above statement has been prepared in indirect method except in case of interest, dividend and purchase and sale of investments which has been considered on the basis of actual movement of cash.								
2. Cash and cash equivalents represent cash and bank balances and Cash Credit balances.								

H LAKSHMANAN Chairman
C N PRASAD Director
S RANGARAJAN Chief Financial Officer
PRADIP KUMAR SAHA Manager
K DHARMARAJAN Company Secretary
M BALASUBRAMANIAM Partner
As per our report annexed For SUNDARAM & SRINIVASAN Chartered Accountants Firm Registration No: 004207S
Place : Chennai Date : 23-04-2015
Membership No. F 7945

TVS HOUSING LIMITED

Board of Directors

C. MUKUNDHAN
S G MURALI
R CHANDRAMOULI

Auditors

V. SANKAR AIYAR & CO.,
Chartered Accountants,
2 C, Court Chamber
35, New Marine Lines, Mumbai - 400 020

Registered office

Jayalakshmi Estates,
No. 29, Haddows Road,
Chennai - 600 006.
Tel.: 044 2827 2233
Fax : 044 2825 7121
E-mail: corpsec@scl.co.in
CIN : U70101TN2010PLC075027

Directors' Report to the Shareholders of the Company

The directors are pleased to present the fifth annual report together with the audited statement of accounts for the year ended 31st March 2015.

Financial highlights

(Amount in Rs.)

Details	Year ended 31.03.2015	Year ended 31.03.2014
Sales and other income	11,43,88,989	3,98,812
Less: Expenses	10,78,77,508	1,41,451
Profit / (Loss) before tax	65,11,481	2,57,361
Provision for taxation (including deferred tax)	37,74,069	87,005
Profit / (loss) after tax	27,37,412	1,70,356

Dividend

The directors, in order to conserve the resources for its future expansion, have not proposed any dividend for the year under review.

Operations Review

In terms of the arrangement entered into between the Company and M/s Emerald Haven Realty Limited, Chennai, Phase I of the development launched at the lands owned at Nedungundram by the Company is successfully nearing completion and registration of 'undivided share' is under progress. Similarly, Phase II of the development at Nedungundram (Project Green Hills - Villas) at the lands owned by the Company successfully launched during the year.

The demand outlook remains robust and sustainable given the housing shortage India faces.

Material changes and commitments

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company

There are no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status of the Company.

Internal control systems

The Company has adequate internal control systems to ensure operational efficiency, accuracy and promptness in the financial report and compliance of applicable laws and regulations, to the extent required and commensurate with its size and activities.

Risk management

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives, commensurate with its size and activities.

Related Party Transactions

Pursuant to the provisions of Section 134(h) of the Act 2013 read with Rule 8(2) of the Companies (Accounts) Rules 2014, furnishing of particulars of contracts or arrangements entered into by the Company with related parties does not arise,

There were no transactions entered into between the Company and the related parties during the year under review and accordingly no particulars are being provided in Form AOC-2.

However, as required under AS 18, the names of the related party and nature of the related party relationship have been provided in Note No.4 to the financial statements of the Company.

Directors' responsibility statement

Pursuant to the requirement of Section 134(5) of the Act, 2013 with respect to Director's Responsibility Statement, it is hereby stated that:

- in the preparation of the annual accounts for the year ended 31st March 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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;
- the directors had taken proper and sufficient care for 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;
- the directors had prepared the accounts for the financial year ended 31st March 2015 on a going concern basis; and
- 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

During the year under review, Mr H Lakshmanan resigned as director of the Company, due to personal reasons effective 27th March 2015.

The directors do place on record their appreciation of the valuable services rendered by him during his tenure as director of the Company.

Directors liable to retire by rotation

In terms of the AoA and the applicable provisions of the Act 2013, Mr S G Murali, Mr C Mukundhan and Mr R Chandramouli, directors, who are liable to retire at the AGM and, being eligible, offer themselves for re-appointment.

Number of board meetings held

During the year under review, the board met five times on 19th April 2014, 16th August 2014, 10th September 2014, 7th January 2015 and 27th March 2015 and the gap between two meetings did not exceed one hundred and twenty days.

TVS HOUSING LIMITED

Statutory Auditors

The Company at its fourth Annual General Meeting (AGM) held on 11th July 2014 appointed M/s. V Sankar Aiyar & Co., Chartered Accountants, Mumbai, having Firm Registration No. 109208W allotted by The Institute of Chartered Accountants of India, as statutory auditors of the Company to hold office for a period of five years from the conclusion of the AGM, subject to ratification of their appointment, at every AGM, at such remuneration in addition to service tax, out of pocket expense, travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

It is, therefore, proposed to recommend the ratification of re-appointment of M/s. V Sankar Aiyar & Co., Chartered Accountants, Mumbai, as statutory auditors for the second year from the conclusion of this AGM till the conclusion of the next AGM.

The Company has obtained necessary certificate under Section 141 of the Act 2013 read with the Companies (Audit and Auditors) Rules, 2014, conveying their eligibility for being statutory auditors of the Company.

Disclosures

Deposits:

The Company has not accepted any deposit from the shareholders and others within the meaning of Chapter V of the Act 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year ended 31st March 2015 and hence the question of furnishing any details relating to deposits covered under Chapter V of the Act 2013 does not arise.

Annual Return:

Extract of Annual Return in the prescribed form is given as Annexure I to this report.

Employee's remuneration:

No employee receives remuneration in excess of the limits prescribed under Section 197 read with Rule 5(2) of the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014 and hence the question of attaching a statement containing the details of such employees does not arise.

Details of loans / guarantees / investments made:

As regards the furnishing of details of loans, guarantees and investments made by the Company as per Section 186 of the Act 2013 for the financial year 2014-2015, the Company has not extended any guarantee or has given loans to other companies or made any investment during the year under review.

Other Laws

During the year under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013.

Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The provisions of Section 134(3)(m) of the Act 2013 and the rules made there-under relating to the information and details on conservation of energy, technology absorption do not apply to the Company, as the Company is not a manufacturing company.

During the year under review, there was no foreign earning or expenditure in the Company.

Acknowledgement

The directors gratefully acknowledge the continued support and co-operation received from the holding Company, namely, TVS Motor Company Limited, and bankers for their continued support and assistance.

For and on behalf of the Board

Place : Chennai
Date : 24th April 2015

S G MURALI
Director

C MUKUNDHAN
Director

Annexure - II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended 31st March 2015

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U70101TN2010PLC075027
- ii) Registration Date : 22.03.2010
- iii) Name of the Company : TVS Housing Limited
- iv) Category / Sub-Category of the Company : Public Limited Company
- v) Address of the Registered office and contact details : "Jayalakshmi Estates", No.29, Haddows Road, Chennai - 600 006
Tel: 044- 28272233
Fax: 044- 28257121
- vi) Whether listed company (Yes / No) : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : NA

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
1.	Developing and subdividing real estate into lots	70105	99.64

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 - Companies Act, 2013
1.	TVS Motor Company Limited (Holding Company) and its six nominees	L35921TN1992PLC022845	Holding Company	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

- (i) Category-wise Share Holding: Not Applicable
- (ii) Shareholding of Promoters

Name of the Shareholders (M/s.)	No. of shares	% of Shareholding
TVS Motor Company Limited	50,000	100
TOTAL	50,000	100

- (iii) Change in Promoters' Shareholding (please specify, if there is no change) - Nil
- (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): N.A.
- (v) Shareholding of Directors and Key Managerial Personnel: Nil

TVS HOUSING LIMITED

V. INDEBTEDNESS

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Remuneration to other directors:

All the directors of the Company are non-executive directors. The directors of the Company do not draw any remuneration from the Company for attending the meetings of the board and committees thereof.

Place : Chennai
Date : 24th April 2015

S G MURALI
Director

For and on behalf of the Board

C MUKUNDHAN
Director

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2015

To the Members of TVS Housing Limited

Report on the Standalone Financial Statements as at 31st March 2015.

1. We have audited the accompanying financial statements of TVS Housing Limited ('the Company'), which comprises the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
3. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

4. Our responsibility is to express an opinion on these Standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD : N.A.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the 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 31st March 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order.
9. 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 purpose of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of written representations received from the directors as on 31st March 2015, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2015, from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to other matters to be included in the Auditor's 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 explanations give to us:
 - i. On the basis of the information provided and on the basis of the records verified by us, there are no pending litigations as at 31st March 2015.
 - ii. The Company 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 Company.

For V. SANKAR AIYAR & CO.,
Chartered Accountants
Firm Registration No.109208W

Place : Chennai
Date : 24th April, 2015

S. VENKATARAMAN
Partner
Membership No. 023116

ANNEXURE REFERRED TO IN OUR REPORT OF THE EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015

1. The Company has no Fixed Assets.
2. The Inventories held by the company represents Land.
 - a. As informed to us, the inventories were physically verified by the management during the year, by way of verification of title deeds, conducting site visits through competent person. These were done at reasonable intervals.
 - b. On the basis of information furnished to us, having regard to the nature of inventory and procedures followed for its physical verification, it is reasonable and adequate in relation to the size of the Company and nature of its business.
 - c. In our Opinion and according to the information and explanation given to us the company has maintained proper record of its inventories and no material discrepancies were noticed on physical verification.
3. The company has neither taken nor granted any loan to/ from companies, firms and other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Hence clauses (a), (b), of Para 3 (iii) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase stock in trade and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. The Company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed there under.
6. The Central Government has prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the records maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under the said section and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of these records with a view to determine whether they are accurate or complete.
7.
 - a. According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues of Income tax, Cess. There is no liability in respect of Provident Fund, Employees' State Insurance, Sales tax, duty of Customs, duty of Excise, Wealth Tax and Service Tax. There are no arrears of Income tax, and Cess outstanding as at 31st March 2015 for a period of more than six months from the date it becomes payable.
 - b. According to the information and explanations given to us, there are no dues of Income Tax, which have not been deposited on account of any dispute.
 - c. Based on the information and explanations obtained, the company has no liability or requirement to transfer any amount to Investor Education & Protection Fund in accordance with the relevant provisions of the Companies Act, 1956/2013 and the Rules thereunder.
8. The Company has no accumulated losses at the end of the year and has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
9. The Company has not borrowed loan. Further, the requirement to report under para 3(ix) and para 3(xi) does not arise.
10. The Company has not given any guarantees for loans taken by others from banks and financial institutions during the year.
11. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of material fraud on or by the company, noticed or reported during the year.

For V. SANKAR AIYAR & CO.,
Chartered Accountants
Firm Registration No.109208W

S. VENKATARAMAN
Partner

Place : Chennai
Date : 24th April, 2015

Membership No. 023116

TVS HOUSING LIMITED

Balance Sheet as at 31st March 2015

	Note Number	As at 31.03.2015	(Amount in Rs.) As at 31.03.2014
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	5,00,000	5,00,000
(b) Reserves and surplus	3	28,86,678	1,49,266
		33,86,678	6,49,266
2 Current liabilities			
(a) Trade payables	4	1,53,540	4,90,796
(b) Other current liabilities	5	17,60,40,368	29,00,07,500
Total		17,95,80,586	29,11,47,562
II ASSETS			
1 Non-current assets			
Deferred Tax Asset (Net)	6	-	1,069
2 Current assets			
(a) Inventories	7	16,82,08,739	27,44,17,481
(b) Cash and cash equivalents	8	50,28,329	72,15,996
(c) Short Term Loans and Advances	9	63,35,104	95,08,183
(d) Other current assets	10	8,414	4,833
Total		17,95,80,586	29,11,47,562

Significant Accounting Policies and notes forming part of Financial Statements

1

For and on behalf of the board of Directors

As per our report annexed
For V SANKAR AIYAR & CO.,
Chartered Accountants
Firm Registration No. 109208W

S G MURALI
Director

C MUKUNDHAN
Director

S VENKATARAMAN
Partner
Membership No. 23116

Chennai
24th April 2015

Statement of Profit and Loss for the year ended 31st March 2015

	Note Number	Year ended 31.03.2015	(Amount in Rs.) Year ended 31.03.2014
I. Revenue from operations	11	11,39,74,632	-
II. Other income	12	4,14,357	3,98,812
III. Total Revenue	(I + II)	11,43,88,989	3,98,812
IV. Expenses:			
Operating expenses	13	10,63,77,332	-
Other Expenses	14	15,00,176	1,41,451
Total expenses		10,78,77,508	1,41,451
V. Profit before tax	(III - IV)	65,11,481	2,57,361
VI. Tax expense:			
(1) Current tax		37,73,000	1,31,000
(2) Deferred tax		1,069	(43,995)
VII. Profit for the year	(V - VI)	27,37,412	1,70,356
VIII. Earnings per equity share:			
(1) Basic		54.75	3.41
(2) Diluted		54.75	3.41

Significant Accounting Policies and notes forming part of Financial Statements

1

For and on behalf of the board of Directors

As per our report annexed
For V SANKAR AIYAR & CO.,
Chartered Accountants
Firm Registration No. 109208W

S G MURALI
Director

C MUKUNDHAN
Director

S VENKATARAMAN
Partner
Membership No. 23116

Chennai
24th April 2015

Notes forming part of the financial statement

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Corporate Information

TVS Housing Limited is a public limited company incorporated under the provisions of The Companies Act, 1956 during 2009-10. It is a wholly owned subsidiary of TVS Motor Company Limited.

2. Summary of Significant Accounting Policies:

2.1. Basis of Preparation

The financial statements of the Company are prepared under historical cost convention in accordance with generally accepted accounting principles and accounting standards referred to in the Companies (Accounting Standards) Rules, 2006 as per general circular 15/2013 dated 13th September 2013 under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis.

2.2. Use of Estimates

The preparation of financial statements requires the management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The Management believes that these estimates and assumptions are reasonable and prudent.

2.3. Operating Cycle

The normal operating cycle in respect of operation relating to real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed & realization of project into cash & cash equivalents and range from 3 to 7 years. Accordingly Assets & Liabilities have been classified into current & non-current based on operating cycle of respective projects.

2.4. Inventories

Stock in Trade

Land is valued at lower of cost or market value. Cost includes cost of acquisition and all related costs. Cost of land gifted as part of development is added to the remaining saleable land.

2.5. Revenue Recognition

The revenue from sale of land is recognised on transferring all significant risk and rewards of ownership on land to the buyers and company does not retain any effective control over the same.

Interest revenue is recognised on time proportion basis taking into account the outstanding amount and the applicable interest rate.

2.6. Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.7. Provisions & Contingencies

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires outflow of resources, which can be reliably estimated.

2.8. Cash & Cash Equivalents

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand.

2.9. Impairment

The carrying amounts of assets are reviewed at each balance sheet date for indication of any impairment based on internal/external factors. An impairment loss is recognized wherever for carrying amount of the assets exceeds its recoverable amount. Any such impairment loss is recognized by charging it to the statement of profit and loss. A previously recognized impairment loss is reversed where it no longer exists and the assets are restated to the effect.

3. Deferred tax assets / (liabilities)

The break-up of Deferred tax (asset) / liabilities are as under:

Timing Difference	As at 31 st March 2015	As at 31 st March 2014
Deferred Tax Liabilities:		
Relating to:		
Difference between book and tax depreciation	-	-
Deferred Tax Assets:		
Relating to:		
Preliminary Expenses	-	(1,069)
Business loss carried forward	-	-
Net Deferred Tax (Asset) / Liability	-	(1,069)

4. Related Party Disclosure

- Reporting Entity : TVS Housing Limited, Chennai
- Holding Companies : TVS Motor Company Limited, Chennai
Sundaram-Clayton Limited, Chennai
- Ultimate Holding Company : T V Sundram Iyengar & Sons Private Limited, Madurai

Fellow Subsidiaries:

- Name of the Companies** : Sundaram Auto Components Limited, Chennai
- TVS Motor (Singapore) Pte Limited, Singapore
- TVS Motor Company (Europe) B.V, Netherlands
- PT. TVS Motor Company Indonesia, Jakarta
- Sundaram Business Development Consulting (Shanghai) Co. Ltd, China
- Sundaram-Clayton (USA) Limited, USA
- Southern Roadways Limited, Madurai
- Sundaram Industries Private Limited, Madurai
- Sundaram Lanka Tyres Limited, Sri Lanka
- Pusam Rubber Products Limited, Madurai
- The Associated Auto Parts Limited, Mumbai
- TVS Interconnect Systems Limited, Madurai
- NSM Holdings Limited, Madurai
- NK Telecom Products Limited, Madurai
- NK Tele Systems Limited, Madurai
- TVS Automobile Solutions Limited, Madurai
- Rajgarhia Automobile Solution Limited, Kolkata
- Essex Automobile Solutions Limited, Gujarat
- TVS Insurance Broking Limited, Coimbatore
- Focuz Automobile Services Limited, Kerala
- GS Automotive Service Equipments (Chennai) Private Limited, Madurai
- SANRAV Automobile Solutions (Chennai) Private Limited, Madurai
- Lucas-TVS Limited, Chennai
- Lucas Indian Service Limited, Chennai
- TVS Automotive Systems Limited, Chennai
- Sundaram Textiles Limited, Madurai
- Sundaram Investment Limited, Chennai
- TVS Capital Funds Limited, Chennai
- TVS Electronics Limited, Chennai
- Prime Property Holdings Limited, Chennai
- TVS-E Access (India) Limited, Chennai
- TVS Training and Services Limited, Chennai
- Sundaram Engineering Products Services Limited, Chennai
- Uthiram Rubber Products Limited, Madurai
- NCR Auto Cars Limited, New Delhi
- SNS Warranty Solutions Limited
- Gallant E-Access Private Limited

TVS HOUSING LIMITED

Notes forming part of the financial statement - (continued)

5. Capital and Other Commitments

Particulars	As at 31 st March 2015	As at 31 st March 2014
i. Estimated amount of contracts remaining to be executed on Capital account and not provided for	Nil	Nil
ii. Estimated amount of other commitments	Nil	Nil

6. Contingent Liabilities

Particulars	As at 31 st March 2015	As at 31 st March 2014
Claims against company not acknowledged as debts	Nil	Nil

7. Additional information – Required to be disclosed under clause 5(viii):

Particulars	As at 31 st March 2015	As at 31 st March 2014
a. Expenditure in foreign currency	Nil	Nil
b. Earnings in foreign currency	Nil	Nil

8. There are no vendors covered under MSMED Act and hence disclosures required to be given under Section 22 of MSMED ACT, 2006 does not arise.

9. Auditors' remuneration (included under other expenses)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Payments to Auditors as		
a. Statutory Audit	1,00,000	84,270
b. Tax Audit	50,000	-

10. During the year, The Company gifted 1.42 acres of land (3.47 acres in FY 2012-13) to CMDA (Chennai Metropolitan Development Authority) under Development Regulation No. 9 forming part of Second Master Plan for Chennai Metropolitan area and prepared under Tamil Nadu Town Country Planning Act, 1971. Further the Company has transferred 4.36 (P.Y. Nil) acres of land to buyers by way or registration of UDS (Undivided Share), bringing the total extent of the land to 6.90 acres (P.Y. 12.68 acres).

Through MOU entered into on 12th May 2012, the Company has appointed Emerald Haven Realty Ltd (EHRL) to build and sell houses on their land.

11. In the opinion of the management, the current assets, loans & advances have a value of realisation in ordinary course of business or atleast equal to the amount at which they are stated in the balance sheet.

11. Figures of previous year have been regrouped and reclassified, wherever required.

(Amount in Rs.)

As at
Year ended
31-03-2015

As at
Year ended
31-03-2014

NOTE 2 SHARE CAPITAL

(i) Share Capital Information

	Number	Value	Number	Value
Authorised				
Equity Shares of Rs.10/- each	50,000	5,00,000	50,000	5,00,000
Issued				
Equity Shares of Rs.10/- each	50,000	5,00,000	50,000	5,00,000
Subscribed & Paid up				
Equity Shares of Rs.10/- each fully paid	50,000	5,00,000	50,000	5,00,000
	50,000	5,00,000	50,000	5,00,000

(ii) Share Capital reconciliation

	Equity Shares		Equity Shares	
	Number	Value	Number	Value
Shares outstanding at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Shares outstanding at the end of the year	50,000	5,00,000	50,000	5,00,000

(iii) Terms / Rights attached to Equity Shares

Every shareholder is entitled to such rights as to attend meeting of the shareholders, to receive dividends distributed. There are no restrictions attached to equity shares.

(iv) Shares held by holding company

	As at Year ended 31.03.2015		As at Year ended 31.03.2014	
	No. of shares held	% of holding	No. of shares held	% of holding
TVS Motor Company Limited with Nominees	50,000	100%	50,000	100%

NOTE 3 RESERVES AND SURPLUS

A. Surplus / (Deficit) in Statement of Profit & Loss

Balance as per Last Financial Statements	1,49,266	(21,090)
Profit for the year	27,37,412	1,70,356
Closing Balance in Statement of Profit & Loss	28,86,678	1,49,266

NOTE 4 TRADE PAYABLES

Payable to Micro, Small & Medium Enterprises	-	-
Payable to others	1,53,540	4,90,796

NOTE 5 OTHER CURRENT LIABILITIES

Other Payables		
(i) Statutory Remittances	15,000	7,500
(ii) Others		
Security Deposit received	14,35,12,008	22,30,77,659
Advance received for Sale of land	3,25,13,360	6,69,22,341
	17,60,40,368	29,00,07,500

NOTE 6 DEFERRED TAX ASSET

	-	1,069
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NOTE 7 INVENTORIES

Stock-in-trade		
Land	16,82,08,739	27,44,17,481

For and on behalf of the board of Directors

As per our report annexed
For V SANKAR AIYAR & CO.,
Chartered Accountants
Firm Registration No. 109208W

Chennai
24th April 2015

S G MURALI
Director

C MUKUNDHAN
Director

S VENKATARAMAN
Partner
Membership No. 23116

TVS HOUSING LIMITED

Notes forming part of the financial statement - (continued)

	(Amount in Rs.)		(Amount in Rs.)
	As at Year ended 31-03-2015	As at Year ended 31-03-2014	As at Year ended 31-03-2015
			As at Year ended 31-03-2014
NOTE 8 CASH AND CASH EQUIVALENTS			
a. Balances with banks			
In Current Account with Scheduled Banks	15,28,329	37,15,996	
Fixed Deposits with Banks	35,00,000	35,00,000	
	50,28,329	72,15,996	
NOTE 9 SHORT-TERM LOANS & ADVANCES			
(Unsecured, considered good)			
a. Balance with government authorities			
Advance tax and TDS receivable (Net of Provision)	63,03,564	3,605	
Service tax credit receivable	18,540	1,83,525	
b. Others			
Advances recoverable in cash or in kind	13,000	93,21,053	
	63,35,104	95,08,183	
NOTE 10 OTHER CURRENT ASSETS			
Interest Accrued on deposits	8,414	4,833	
NOTE 11 OPERATING REVENUE			
Income from sale of land	11,39,74,632	-	
	11,39,74,632	-	
NOTE 12 OTHER INCOME			
Interest Income	3,93,565	3,98,812	
Interest on IT refund	5,148	-	
Miscellaneous income	15,644	-	
	4,14,357	3,98,812	
NOTE 13 COST OF SALES			
Inventories at the beginning of the year			
Land Stock	27,44,17,481	27,44,17,481	
	27,44,17,481	27,44,17,481	
Incurring during the year			
Land Stock	1,68,590	-	
Inventories at the end of the year			
Land Stock	16,82,08,739	27,44,17,481	
	16,82,08,739	27,44,17,481	
	10,63,77,332	-	
NOTE 14 OTHER EXPENSES			
Audit Fees	1,50,000	75,000	
Bank Charges	906	213	
Consultancy and Professional Charges	40,731	33,035	
Advance written off	12,63,973	-	
Miscellaneous Expenses	687	27,169	
Rates & Taxes	43,879	6,034	
	15,00,176	1,41,451	
NOTE 15 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)			
(i) Contingent Liabilities			
(a) Claims against the company not acknowledged as debt	-	-	
(b) Guarantees	-	-	
(c) Other money for which the company is contingently liable	-	-	
(ii) Commitments			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	
(b) Other commitments (specify nature)	-	-	
	-	-	

For and on behalf of the board of Directors

As per our report annexed
For V SANKAR AIYAR & CO.,
Chartered Accountants
Firm Registration No. 109208W

Chennai
24th April 2015

S G MURALI
Director

C MUKUNDHAN
Director

S VENKATARAMAN
Partner
Membership No. 23116

TVS HOUSING LIMITED

Cash Flow Statement for the period ended 31st March 2015

		For the Year ended 31.03.2015	(Amount in Rs.) For the Year ended 31.03.2014
A. Cash flow from operating activities:			
Profit before tax and extraordinary items		65,11,481	2,57,361
Add: Depreciation for the year	-	-	-
Interest Income	(4,14,357)	(4,14,357)	(3,98,812)
Operating Profit before Working Capital Changes		60,97,124	(1,41,451)
Adjustments for:			
Trade Payables	(3,37,256)	-	-
Current Liabilities	(11,39,67,132)	(1,00,25,282)	-
Inventories	10,62,08,742	-	-
Loans and Advances	(1,06,39,245)	(10,14,538)	-
Other Current Assets	-	(1,87,34,891)	2,05,975
Cash generated from operations		(1,26,37,767)	(1,09,75,296)
Income Taxes (Paid) / Refund Receivable Net		1,00,39,324	80,266
Net cash from operating activities	(A)	(25,98,443)	(1,08,95,030)
B. Cash flow from investing activities			
Purchase of fixed assets / Proceeds from Sale of Fixed Assets	-	-	12,58,043
Interest received	4,10,776	-	3,98,812
Net cash from / (used in) investing activities	(B)	4,10,776	16,56,855
C. Cash flow from financing activities			
Net cash from financing activities	(C)	-	-
D. Net increase in cash and cash equivalents	(A) + (B) + (C)	(21,87,667)	(92,38,175)
Cash and cash equivalents at the beginning of the year		72,15,996	1,64,54,171
Cash and cash equivalents at the end of the year		50,28,329	72,15,996

For and on behalf of the board of Directors

As per our report annexed
For V SANKAR AIYAR & CO.,
Chartered Accountants
Firm Registration No. 109208W

Chennai
24th April 2015

S G MURALI
Director

C MUKUNDHAN
Director

S VENKATARAMAN
Partner
Membership No. 23116

TVS MOTOR (SINGAPORE) PTE. LIMITED

Report of the Directors

The directors present their report together with the audited financial statements of the Company for the financial year ended 31 March 2015.

1. DIRECTORS

The directors of the company in office at the date of this report are:
Venu Srinivasan
Hari Hara Iyer Lakshmanan
Seenivasan Elayalwar
Nihal Vijaya Devadas Kaviratne

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors who held office at the end of the financial year, had no interests in the share capital of the company and related corporations as recorded in the register of directors' shareholdings required to be kept by the company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act").

4. DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the the Act,

by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has substantial financial interest.

5. OPTIONS TO TAKE UP UNISSUED SHARES

During the financial year, no option to take up unissued shares of the company was granted.

6. OPTIONS EXERCISED

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

7. UNISSUED SHARES UNDER OPTION

At the end of the financial year, there were no unissued shares under option.

8. INDEPENDENT AUDITORS

The independent auditors, Rama & Co., Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

VENU SRINIVASAN
Director

HARI HARA IYER LAKSHMANAN
Director

Singapore,
28 April 2015

Statement by Directors

We, being two of the directors of the company, do hereby state that in our opinion:-

- the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2015, and of the results of the business, changes in equity and cash flows of the company for the financial year ended on that date;
- at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due, and
- no consolidated financial statements have been prepared as the company itself is wholly-owned by another corporation which prepares consolidated financial statements.

On behalf of the Board of Directors

VENU SRINIVASAN
Director

HARI HARA IYER LAKSHMANAN
Director

Singapore,
28 April 2015

Independent Auditors' report to the Members of TVS Motor (Singapore) Pte. Limited

Report on the financial statements

We have audited the accompanying financial statements of **TVS MOTOR (SINGAPORE) PTE. LIMITED**, which comprise the statement of financial position as at 31 March 2015, and statement of comprehensive income, statement of changes in equity and statement of cash flow and a summary of significant accounting policies and other explanatory information.

Management's responsibility for financial statements

Management is responsible for the preparation of consolidated financial statements to give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act, and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2015 and the results, changes in equity and cash flows of the company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

RAMA & CO.
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS
SINGAPORE

Singapore,
28 April 2015

TVS MOTOR (SINGAPORE) PTE. LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	2015 S\$	2014 S\$
ASSETS			
Non-current assets			
Investment in subsidiary	(8)	63,967,275	63,967,275
Total non-current assets		63,967,275	63,967,275
Current assets:			
Other receivable	(9)	10,931,992	10,063,934
Bank balance	(10)	493,711	81,425
Total current asset		11,425,703	10,145,359
Total assets		75,392,978	74,112,634
EQUITY AND LIABILITIES			
Capital reserve:			
Share capital	(11)	64,364,301	64,364,301
Accumulated losses		(597,860)	(438,772)
Total equity		63,766,441	63,925,529
Current liabilities:			
Other payables	(12)	11,626,537	10,187,105
Total current liabilities		11,626,537	10,187,105
Total equity and liabilities		75,392,978	74,112,634

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Share Capital S\$	Accumulated Losses S\$	Total S\$
Balance as at 1 April 2013	64,364,301	(427,893)	63,936,408
Total comprehensive loss for the year	–	(10,879)	(10,879)
Balance as at 31 March 2014	64,364,301	(438,772)	63,925,529
Total comprehensive loss for the year	–	(159,088)	(159,088)
Balance as at 31 March 2015	64,364,301	(597,860)	63,766,441

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 S\$	2014 S\$
Revenue		–	–
Other income	(13)	919,094	–
Administrative expenses		(17,345)	(10,879)
Finance cost	(14)	(1,060,837)	–
Loss before income tax		(159,088)	(10,879)
Income tax	(15)	–	–
Loss for the year	(16)	(159,088)	(10,879)
Other comprehensive income		–	–
Total comprehensive loss for the year		(159,088)	(10,879)

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2015

	2015 S\$	2014 S\$
Cash flow from operating activities:		
Loss before income tax	(159,088)	(10,879)
Adjustment for:		
Foreign currency exchange adjustment	(209)	–
Interest income	(896,256)	–
Interest expense	881,586	–
Operating loss before working capital changes	(173,967)	(10,879)
Other receivables	–	(10,063,934)
Other payables	133,439	10,144,840
Net cash (used in) / from operating activities	(40,528)	70,027
Investing activities:		
Interest received	896,256	–
Financing activities:		
Interest paid	(881,586)	–
Share application money received	438,144	–
Net cash used in financing activities	(443,442)	–
Net increase in bank balance	412,286	70,027
Bank balance at beginning of year	81,425	11,398
Bank balance at end of the year	493,711	81,425

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

TVS MOTOR (SINGAPORE) PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

a) Corporate Information

TVS Motor (Singapore) Pte. Limited ("the company") (Registration number: 200301438H) is a private limited company, which is incorporated and domiciled in the Republic of Singapore with its registered office at:

17 Phillip Street #05-01
Grand Building
Singapore 048695

The principal activities of the company are to carry on the business as an investment holding company.

b) Authorisation of financial statements for issue

The financial statements of the company for the year ended 31 March 2015 were authorised for issue in accordance with the directors' resolution dated 28 April 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up and in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS")

Historical cost is generally based on the fair value of the consideration given in the exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102, leasing transactions that are within the scope of FRS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 or value in use in FRS 36.

In addition, for financial reporting purpose, fair value measurements are described in Note 5.

The preparation of financial statements in conformity with FRS requires management to exercise its judgments in the process of applying the company's accounting policies. It also requires the use of accounting estimates and assumptions. The areas involving a higher degree of judgment or complexity or areas where assumption and estimates are significant to the financial statements are disclosed in Note 4.

2.2. Changes in Accounting Policies

a) Adoption of new and revised FRSs and INT FRSs

In the current financial year, the company has adopted all the new and revised FRSs and INT FRSs issued by the ASC that are relevant to its operations and effective for annual year beginning on 1 April 2014. The adoption of these new/ revised FRSs and INT FRSs does not result in changes to the company's accounting policies and has no material effect on the financial statements.

b) Standards issued but not yet effective

At the date of authorisation of financial statements, the following FRSs, INT FRSs and amendments that are relevant to the Company were issued but not effective are as follows:

Reference	Description	Effective of annual periods beginning on or after
FRS 19	Amendments to FRS 19 - Defined Benefit Plans: Employee Contribution	1 July 2014
FRS 113	Fair value Measurements	1 July 2014
FRS 115	Revenue from Contracts with Customers	1 January 2017
FRS 109	Financial Instruments	1 January 2018
FRS 115	Revenue from Contracts with Customers	1 January 2017

The directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application.

c) Improvements to FRSs issued in 2014

INT FRS and amendments issued in 2014 that are relevant to the company were issued but not effective are as follows:

Reference	Description	Effective for annual periods beginning on or after
FRS 16	Revaluation method - proportionate restatement of accumulated depreciation	1 July 2014
FRS 24	Key management personnel	1 July 2014
FRS 103	Scope exceptions for joint ventures	1 July 2014
FRS 113	Scope of paragraph 52 (portfolio exception)	1 July 2014
FRS 105	Changes in methods of disposal	1 January 2016
FRS 107	Servicing contracts	1 January 2016

The improvement contains amendments to numerous accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments.

The management expects that the adoption of the improvements to FRSs above will have no material impact on the financial statements in the period of initial application.

2.3. Functional and Foreign Currency

a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (the "functional currency"). The financial statements of the company are presented in Singapore dollar, which is also the functional currency of the Company.

b) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss.

2.4. Subsidiary

Subsidiary is an entity controlled by the company. Control exists when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. An investment in subsidiary is carried at cost less any impairment in net recoverable value that has been recognised in the profit or loss.

2.5. Impairment of Non-financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, 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 risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.6. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates that have been enacted.

b) Deferred tax

Deferred tax is provided, using the liability method on all temporary differences at the end of reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at that time of the transaction, affects neither accounting profit or loss nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences carry-forward of unutilised tax assets and unutilised tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unutilised tax assets and unutilised tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arise from the initial recognition of an asset or liability in a transaction and at the time of transaction affects neither the accounting profit or loss nor taxable profit or loss.

The carrying amount of a deferred tax asset is reviewed at the each of reporting period and reduced to the extent that it is not longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.7. Related Parties

A related party is a person or an entity related to the company and is further defined as follows:

- a) A person or a close member of that person's family is related to the company if that person:
 - i) has control or joint control over the reporting entity;
 - ii) has significant influence over the reporting entity; or
 - iii) is a member of the key management personnel of the company or of a parent of the company.
- b) An entity is related to a company if:
 - i) the entity and the company are members of the same group i.e each parent, subsidiary and fellow subsidiary;
 - ii) one entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a group of which the other entity is a member;
 - iii) both entities are joint ventures of the same third party;
 - iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - v) the entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;

- vi) the entity is controlled or jointly controlled by a person identified in (a); or
- vii) a person identified in (a) has significant influence over the company or is a member of the key management personnel of the company or of a parent of the company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the company.

Related party transactions and outstanding balances disclosed in the financial statement are in accordance with the above definition as per FRS24.

2.8. Provisions

Provisions are recognised when the company has present obligations (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.9. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future event not wholly within the control of the company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When changes in the probability of an outflow occur so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the company.

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.10. Events after the Reporting Period

Events after the reporting period that provide additional information about the company's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes the financial statements when material.

3. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

3.1. Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

3.2. Financial assets

Financial assets within the scope of FRS 39 are recognised on the statement of financial position when and only when the Company becomes a party to the contractual provision of the financial instruments. The classification of the financial assets depends on the purpose of which the assets were required.

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Other receivable and bank balance are classified within loans and receivables on the statement of financial position.

i) Other receivable

Other receivable is recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of other receivable is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in profit or loss.

ii) Bank balance

Bank balance comprises the total amount of money held at the bank by the company.

b) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment loss not been recognised.

c) Derecognition of financial assets

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in profit or loss.

3.3. Equity and Financial Liabilities

Equity instruments issued by the company and financial liabilities are classified accordingly to the substance of the contractual arrangements entered into and the definitions of an equity instrument and a financial liability.

a) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

b) Financial liabilities

Other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respectively carrying amounts is recognised in profit or loss.

3.4. Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is legally enforceable right to offset the recognised amounts and there is an obligation to settle on a net basis, or realise the asset and settle the liability simultaneously.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

4.1. Critical Accounting judgements

In the application of the company's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Determination of functional currency

In determining the functional currencies of the company, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the company are determined based on management's assessment of the primary economic environment in which the company operates and the company's process of determining sales prices.

4.2. Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

i) Impairment of investment in subsidiary

The company follows the guidance of FRS 36 in determining the recoverability of its investments in subsidiary. This requires assessment as to whether the carrying values of its investment can be supported by the net present values of future cash flows derived from such investment using cash flow projections which have been discounted at an appropriate rate. This determination requires significant judgement. The company determines forecasts of future cash flows based on its estimates of future revenues and operating expenses using historical and industry trends, general market conditions, forecasts and other available information.

ii) Impairment of other receivable

The company assesses at the end of the reporting period whether there is any objective evidence that a financial assets is impaired. To determine whether there is objective evidence of impairment, the company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of other receivable is disclosed in Note 9 to the financial statements.

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5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT AND CAPITAL MANAGEMENT

5.1. Categories of financial assets and liabilities

	2015 S\$	2014 S\$
Financial assets		
Other receivable	10,931,922	10,063,934
Bank balance	493,711	81,425
	<u>11,425,703</u>	<u>10,145,359</u>
Financial liability		
Other payables	11,626,537	10,187,105

5.2. Financial Risks Management Policies and Objectives

The company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The Company, however, does not have any written risk management policies and guidelines. The management meet periodically to analyse, formulate and monitor the following risk management of the company and believe that the financial risks associated with these financial instruments are minimal. The Company adopt systematic approach towards risk assessment and management. This is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, and monitoring and reporting of risk profile.

a) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations to repay amounts owing to company resulting in a loss to the company. The company's primary exposure to credit risk arises through its bank balance and related party balances. It is the company's policy to enter into transactions with creditworthy customers and high credit rating counter-parties to mitigate any significant credit risk. The company has procedures in place to control credit risk and that exposure to such risk is monitored on an ongoing basis.

As the company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

Financial assets that are neither past due nor impaired

Bank balance that is neither past due nor impaired is mainly deposit with bank with high credit ratings assigned by international credit-rating agencies. Other receivable that is neither past due nor impaired is substantially company with a good credit record with the company.

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and / or impaired.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market interest rate.

The company has bank balance that is non-interest bearing, therefore has no exposure to cash flow interest rate risk.

No interest rate sensitivity analysis is disclosed as the impact of changes in interest rate is not expected to be material.

c) Foreign currency exchange rate risk

Foreign currency exchange rate risk arose from the change in foreign exchange rates that may have an adverse effect on the company in the current reporting period and in the future periods.

The company transacts mainly in Singapore dollar. Foreign currency exchange exposures are naturally hedged as both trade purchases and sales are denominated in the above currency. This natural hedge reduces significantly the financial impact of movements in the foreign currency exchange rates. Management believes that the foreign exchange rate risk is manageable. Hence, the company does not use derivative financial instruments to mitigate this risk.

The company's exposure to foreign currency exchange rate risk in equivalent Singapore dollar is as follows:

	2015 S\$	2014 S\$
In Singapore dollar		
Financial asset		
Other receivable	10,931,922	10,063,934
Bank balance	493,711	81,425
	<u>11,425,703</u>	<u>10,145,359</u>
Financial liability		
Other payables	11,621,087	10,167,225
Net exposure	<u>(195,384)</u>	<u>(21,866)</u>

Sensitivity analysis

A 5% increase or decrease is used when reporting foreign currency exchange rate risk internally to key management personnel and represents management's assessment of the possible change in foreign currency exchange rates.

A 5% strengthening of Singapore dollar against the following currency would increase / (decrease) profit or loss and equity by the amount shown below:

	2015 S\$	2014 S\$
US \$ impact	<u>(9,769)</u>	<u>(1,093)</u>

A 5% weakening of Singapore dollar against the above currency would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

d) Liquidity risk management

Liquidity risk refer to risk that the company will not have sufficient funds to pay its debts as and when they fall due.

In the management of the liquidity risk, the company monitors and maintains a level of bank balances deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuations in cash flows.

The following table summarises the company's remaining contractual maturity for its non-derivative financial instruments at the end of the reporting period based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the company is expected to receive or pay.

	Effective interest rate (%)	Within 1 year of repayable on demand S\$	Within 2 to 5 year S\$	Total S\$
2015				
Financial assets				
Other receivable	-	10,931,922	-	10,931,922
Bank balance	-	493,711	-	493,711
	-	<u>11,425,703</u>	-	<u>11,425,703</u>
Financial liabilities				
Other payables	-	11,626,537	-	11,626,537
2014				
Financial assets				
Other receivable	-	10,063,934	-	10,063,934
Bank balances	-	81,425	-	81,425
	-	<u>10,145,359</u>	-	<u>10,145,359</u>
Financial liability				
Other payables	-	10,187,105	-	10,187,105

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e) Fair value of financial assets and financial liabilities

The carrying amounts of other receivable, bank balance and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

5.3. Capital Risk Management Policies and Objectives

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as other payables less bank balance. Total capital is calculated as equity and net debt. The company's overall strategy remains unchanged during the period.

	2015	2014
	S\$	S\$
Other payables	11,626,537	10,187,105
Less: Bank balance	(493,711)	(81,425)
Net debts	11,132,826	10,105,680
Total equity	63,766,441	63,925,529
Total capital	74,899,267	74,031,209
Gearing ratio	15%	14%

The company is not subject to externally imposed capital requirements.

6. HOLDING COMPANY

The company is wholly-owned subsidiary of TVS Motor Company Ltd, incorporated in India. The company's ultimate holding company is Sundaram-Clayton Limited, incorporated in India. The registered office of the holding company is at 29 (Old No.8) Haddows Road, Chennai 600006, India.

Some of the company's transactions and arrangements are between members of the company and the effects of these on the basis determined between the parties are reflected in these financial statements.

Significant holding company transactions:

	Group	
	2015	2014
	S\$	S\$
Interest expenses	881,586	-

7. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements.

Significant related party transactions:

	Group	
	2015	2014
	S\$	S\$
Interest income	896,256	-

8. INVESTMENT IN SUBSIDIARY

	2015	2014
	S\$	S\$
Unquoted equity shares at cost		
Balance at beginning and end of year	63,967,275	63,967,275

Details of the subsidiary are as follows:

Name of subsidiary/ Country of incorporation	Principal activity	Proportion of ownership Interest	
		2015	2014
PT. TVS Motor Company Indonesia	Manufacturers of Motorcycles, motorcycles spare parts and accessories.	38%	61%

a) Exemption from consolidation

One set of consolidated financial statements of the company and its subsidiary is not prepared as the company itself is wholly-owned by another corporation which prepares consolidated financial statements available for public use. The registered office of the holding company, TVS Motor Company Ltd is at 29 (Old No. 8) Haddows Road, Chennai 600006, India.

b) Impairment loss

As at the end of the reporting period, the company carried out a review on the recoverable amount of its investment in subsidiary. The review revealed no impairment in value required during the financial year. The recoverable amount of the relevant investment in subsidiary has been determined on the basis of their net assets values at the end of the reporting period as in the opinion of the management of the company, the net assets value of the subsidiary reasonably approximate the fair values less costs to sell.

c) Others

The subsidiary's financial statements were audited by M/s Osman Bing Satrio & Eny, Registered Public Accountants, in Indonesia.

9. OTHER RECEIVABLE

	2015	2014
	S\$	S\$
Amount due from subsidiary (Note 8)	10,931,992	10,063,934

The amount due from subsidiary is unsecured and repayable on demand.

The interest is receivable semi-annually on 30th June and 31st December of each year and is calculated at 8.25% on a 360 day year basis.

The carrying amount of other receivable, which approximates its fair value is denominated in United States dollar.

10. BANK BALANCES

	2015	2014
	S\$	S\$
Cash at bank	493,711	81,425

The carrying amount of bank balance, which approximates its fair value is denominated in United States dollars.

11. SHARE CAPITAL

	2015	2014	2015	2014
	Number of ordinary shares		S\$	S\$
Issued and Paid Up:	64,364,301	64,364,301	64,364,301	64,364,301

The company has one class of ordinary shares with no par value, which carry one vote per share and carry a right to dividends and when declared by the company.

12. OTHER PAYABLES

	2015	2014
	S\$	S\$
Holding Company (Note 6)	11,050,704	10,182,855
Share application money	438,144	-
Withholding tax payable	132,239	-
Accrued expenses	5,450	4,250
	11,626,537	10,187,105

The amount due to holding company is unsecured and repayable on demand.

The interest is payable semi-annually on 30th June and 31st December of each year and is calculated at 8% per annum.

The carrying amounts of other payables, which approximate their fair values, are denominated in the following currencies:

	2015	2014
	S\$	S\$
Singapore dollar	5,450	19,880
United States dollar	10,621,087	10,167,225
	11,626,537	10,187,105

13. OTHER INCOME

	2015	2014
	S\$	S\$
Foreign currency exchange adjustment gain	22,838	-
Interest income	896,256	-
	919,094	-

14. FINANCE COST

	2015	2014
	S\$	S\$
Interest expenses	881,586	-
Withholding tax	179,251	-
	1,060,837	-

TVS MOTOR (SINGAPORE) PTE. LIMITED

15. INCOME TAX

The income tax expense varied from the amount of income tax determined by applying the Singapore income tax rate of 17% (2014: 17%) to profit before income tax as a result of the following differences:

	2015	2014
	S\$	S\$
Loss before income tax	(159,088)	(10,879)
Income tax expense / (benefit) at statutory rate of 17% (2014: 17%)	(27,045)	(1,849)
Income tax effect of:		
- non-taxable items	(3,882)	-
- unutilised tax losses c/f	30,927	1,849
	<u>-</u>	<u>-</u>

The company has carry forward tax losses available for offsetting against future taxable income as follow:

	2015	2014
	S\$	S\$
Tax losses		
Amount at beginning of year	10,879	-
Amount in current year	181,926	10,879
Amount at end of year	192,805	10,879
Deferred tax benefit on above unrecorded	<u>32,777</u>	<u>1,849</u>

The realisation of the future income tax benefits from tax loss carry forward is available for an unlimited period subject to the conditions imposed by law including the retention of majority shareholders as defined.

The deferred tax benefit of the remaining tax loss carried forward has not been recognised in the financial statements because it is not probable that the future taxable profit will be available against which the company can utilise the benefits thereon.

16. LOSS FOR THE YEAR

Loss for the year has been arrived at after (crediting) charging:

	2015	2014
	S\$	S\$
Foreign currency exchange adjustment gain	<u>(22,838)</u>	<u>20</u>

17. EVENTS AFTER THE REPORTING PERIOD

No items, transactions or events of material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the company for the succeeding financial year.

Detailed statement of Profit or Loss for the year ended 31 March 2015

	2015	2014
	S\$	S\$
Revenue	-	-
Other income		
Foreign currency exchange adjustment gain	22,838	-
Interest income	896,256	-
	919,094	-
Less: Operating expenses		
Administrative expenses		
Accounting fee	800	500
Auditors' remuneration	3,000	3,000
Bank charges	1,361	338
Foreign currency exchange adjustment loss	-	20
Printing and stationery	150	50
Professional fee	2,550	750
Secretarial fees and charges	9,484	6,221
Finance cost		
Interest expense	881,586	-
Withholding tax	179,251	-
	(1,078,182)	(10,879)
Net loss for the year	(159,088)	(10,879)

This schedule does not form part of the statutory audited financial statements.

**RE-STATED ACCOUNTS OF
TVS MOTOR (SINGAPORE) PTE. LIMITED**

TVS MOTOR (SINGAPORE) PTE. LIMITED

BALANCE SHEET AS AT 31 MARCH 2015

Sl. No.	Particulars	Note Number	Singapore \$ Mn	Rupees in crores
			As at 31.03.2015	As at 31.03.2015
I EQUITY AND LIABILITIES				
1	Shareholders' funds			
	(a) Share capital	I	64.36	201.20
	(b) Reserves and surplus	II	(0.60)	(5.98)
2	Share application money pending allotment		0.44	2.01
2	Non-current liabilities			
	(a) Long-term borrowings		-	-
	(b) Deferred tax liabilities (Net)		-	-
	(c) Long-term provisions		-	-
3	Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Trade payables		-	-
	(c) Other current liabilities	III	11.19	50.76
	(d) Short-term provisions		-	-
	Total		<u>75.39</u>	<u>247.99</u>
II ASSETS				
1.	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets		-	-
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	IV	63.97	196.12
	(c) Long-term loans and advances	V	10.93	49.62
	(d) Other non current assets		-	-
2.	Current assets			
	(a) Current investments		-	-
	(b) Inventories		-	-
	(c) Trade receivables		-	-
	(d) Cash and cash equivalents	VI	0.49	2.25
	(e) Short-term loans and advances		-	-
	(f) Other current assets		-	-
	Total		<u>75.39</u>	<u>247.99</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

Sl. No.	Particulars	Note Number	Singapore \$ Mn	Rupees in crores
			Year ended 31.03.2015	Year ended 31.03.2015
I.	Revenue from operations		-	-
II.	Other income		0.92	4.36
III.	Total Revenue (I + II)		<u>0.92</u>	<u>4.36</u>
IV.	Expenses:			
	Cost of materials consumed		-	-
	Purchases of Stock-in-trade		-	-
	Changes in inventories of finished goods work-in-process and stock-in-trade		-	-
	Employee benefits expense		-	-
	Finance costs	VII	1.06	5.03
	Depreciation and amortization expense		-	-
	Other expenses	VIII	0.02	0.07
	Total expenses		<u>1.08</u>	<u>5.10</u>
V.	Profit before tax (III-IV)		(0.16)	(0.74)
VI.	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
VII.	Profit / (Loss) for the period (V-VI)		<u>(0.16)</u>	<u>(0.74)</u>

Notes on Accounts

	Singapore \$	Rupees in crores
	As at 31.03.2015	As at 31.03.2015
I SHARE CAPITAL		
Details of authorised, issued and subscribed share capital		
Authorised		
Ordinary shares of Singapore \$ 1/- each	64.36	201.20
Issued,subscribed & paid up		
Ordinary shares of Singapore \$ 1/- each	64.36	201.20
	<u>64.36</u>	<u>201.20</u>
II RESERVES AND SURPLUS		
a. Capital reserve		
(i) Foreign currency translation reserve	-	(3.24)
b. Surplus - Statement of Profit and Loss		
Opening balance	(0.44)	(1.43)
(+) Transfer from Foreign currency translation reserve	-	(0.57)
(+) Net profit/(Loss) for the current year	(0.16)	(0.74)
Closing balance	(0.60)	(2.74)
Total	<u>(0.60)</u>	<u>(5.98)</u>
III OTHER CURRENT LIABILITIES		
Statutory Dues	0.13	0.60
Liability for expenses	11.06	50.16
Total	<u>11.19</u>	<u>50.76</u>
IV. NON CURRENT INVESTMENTS		
Trade Investments		
Investment in equity instruments	63.97	196.12
Total	<u>63.97</u>	<u>196.12</u>
V. LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
Loans to related parties	10.93	49.62
Total	<u>10.93</u>	<u>49.62</u>
VI. CASH AND CASH EQUIVALENTS		
Balances with banks	0.49	2.25
Total	<u>0.49</u>	<u>2.25</u>
VII. FINANCE COST		
Interest expense	1.06	5.03
Total	<u>1.06</u>	<u>5.03</u>
VIII. OTHER EXPENSES		
Audit fees	-	0.01
Miscellaneous expenses	0.02	0.06
Total	<u>0.02</u>	<u>0.07</u>

TVS MOTOR COMPANY (EUROPE) B.V.

Address

Claude Debussylaan 24
1082 MD Amsterdam

Chamber of Commerce : Amsterdam
File number : 34.229.984

1. Management Report

The management of TVS Motor Company (Europe) B.V. (the "Company") herewith submits its Annual Report for the financial year 1 April 2014 up to and including 31 March 2015.

General

The Company is a private company with limited liability (a wholly-owned subsidiary of TVS Motor Company Ltd, Chennai, India), incorporated under the laws of the Netherlands on 21 July 2005, having its corporate seat at Amsterdam, with offices at Claude Debussylaan 24, Amsterdam.

Summary of activities

During the year under review the Company continued its activities as a holding and finance company.

Future outlook

It is the intention to liquidate the Company.

Amsterdam, 28 April 2015

Mr. R.C. Elshout
Title : Director

Mr. H. Lakshmanan
Title : Director

Mr. P.J. Stegeman
Title : Director

Mr. V.N. Venkatanathan
Title : Director

SGG Management (Netherlands) B.V.
Title : Director

2. BALANCE SHEET AS AT 31 MARCH 2015

(before appropriation of result)

	Notes	31 March 2015		31 March 2014	
		USD	USD	USD	USD
ASSETS					
Fixed Assets	5.1				
Financial fixed assets		—	—	—	—
Current assets	5.2				
Receivables and prepayments		7,983		21,082	
Cash at bank		575,545		777,591	
			583,528		798,673
Total assets			<u>583,528</u>		<u>798,673</u>
SHAREHOLDER'S EQUITY AND LIABILITIES					
Shareholder's equity	5.3				
Paid up share capital		31,064,501		31,064,501	
Revaluation reserve		(3,814,878)		(3,814,878)	
Other reserves		(26,626,602)		(23,814,518)	
Undistributed result		(60,508)		(2,812,084)	
			562,513		623,021
Short-term liabilities	5.5				
Taxes		—		129,690	
Creditors		5,698		—	
Other payable and accrued expenses		15,317		45,962	
			21,015		175,652
Total shareholder's equity and liabilities			<u>583,528</u>		<u>798,673</u>

3. PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1 APRIL 2014 UP TO AND INCLUDING 31 MARCH 2015

	Notes	2014/2015		2013/2014	
		USD	USD	USD	USD
Salary expenses	6.1	11,760		13,129	
General and administrative expenses	6.2	48,575		65,813	
			(60,335)		(78,942)
Interest income and similar income	6.3	7,512		1,254,687	
Interest expense and similar expenses	6.4	(7,685)		(617,996)	
			(173)		636,691
Result associate	6.5		—		(3,240,143)
Result on ordinary activities before taxation			(60,508)		(2,682,394)
Corporate income tax	6.6		—		(129,690)
Result after taxation			(60,508)		(2,812,084)

TVS MOTOR COMPANY (EUROPE) B.V.

4. General notes

4.1. Summary of significant accounting policies

General

The Company is a private company with limited liability (a wholly-owned subsidiary of TVS Motor Company Ltd, Chennai, India), incorporated under the laws of the Netherlands on 21 July 2005, having its corporate seat at Amsterdam, with offices at Claude Debussylaan 24, Amsterdam.

Summary of activities

During the year under review the Company continued its activities as a holding and finance company.

4.2. General

The financial statements have been prepared in conformity with generally accepted accounting policy in the Netherlands.

According to group policy, the annual report and administration have been prepared in United States Dollars instead of Euro's.

Comparison with previous year

The principles of valuation and determination of the result remained unchanged in comparison with previous year.

Going Concern

It is the intention of management to liquidate the Company in the coming year. This liquidation will be carried out free of will and management has full intent to pay all her debts. As a consequence, the Company has made changes in the applied accounting principles.

The intention to liquidate the Company has resulted in a change of the accounting policies to net realisable value. Because management does not expect the results of the Indonesian subsidiary will improve in the coming years, management decided to lower the value of the subsidiary to nil.

Additionally, the Company will transfer its remaining shares in the subsidiary to a related party.

Valuation

All assets and liabilities are stated at face value, unless stated otherwise.

Financial fixed assets

Companies over which the Company has a significant influence (considered to be over 20% of the voting shares) are valued at net realisable value but not lower than a nil value.

Foreign exchange results on net equity of subsidiaries is added to or deducted from the foreign exchange reserve.

Income and expenses

Income and expenses are attributed to the period to which they relate.

Translation of foreign currencies

Assets and liabilities denominated in foreign currencies are converted into United States Dollars (USD) at the balance sheet date closing rate. Transactions made during the year under review are accounted for at the rate prevailing at the transaction date. The exchange differences are reflected in the financial result for the period. The following exchange rates prevailing at balance sheet date are used:

1 EUR = 1.07590 USD 2013/2014 : 1 EUR = 1.3788 USD

1,000 IDR = 0.0766 USD 2013/2014 : 1,000 IDR = 0.0882 USD

4.3. Taxation

The taxes are calculated over the results, taking all tax credit facilities into account.

A deferred tax asset is recognised to the extent that it is probable that future tax profits will be available against which temporary difference can be utilised. 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.

5. Notes to the balance sheet as at 31 March 2015

5.1. Fixed assets

5.1.1. Financial fixed assets

During the year under review, the Company continued to hold its investment in PT. TVS Motor Company Indonesia, which was established within the framework of the Foreign Capital Investment Law No.1 year 1967 as amended by Law No.11 year 1970 and based on a notarial deed No.21 dated August 8, 2005. The deed of establishment was approved by the Minister of Justice and Human Rights of the Republic of Indonesia on September 5, 2005.

PT. TVS converted 38,97,000 Class B shares allotted to TVS Motor Company Limited, India into class A shares, ranking it on par with other existing owners of class A shares. The company holding in PT TVS remains at 28,70,000 number of shares. Consequently to the increase in total number of class A shares, the shareholding of TVSM B.V. in PT TVS, Indonesia has reduced from 39.32% to 24.75%.

The financial statements of the subsidiary show a net asset value as per 31 March 2015 of Rp 155,131,682,438 (31 March 2014: Rp 241,132,062,446).

The interest held by the Company corresponds to a net asset value of Rp 35,657,942,665 positive (USD 2,729,828 positive) as at 31 March 2015.

Management expects the subsidiary to have losses in the coming years. As a consequence management change the valuation of the subsidiary to net realisable value being nil as per 31 March 2015.

	Valuation method	%	31 March 2015	31 March 2014
			USD	USD
PT. TVS Motor Company Indonesia	Net asset value	24.75	-	-
Loan PT TVS Motor Company Indonesia			-	-
			-	-
			-	-
Movement during the year is specified as follows:				
<i>PT. TVS Motor Company Indonesia</i>				
Opening balance			-	-
Conversion of loan to capital			-	8,000,000
Result for the period			-	1,736,476
Adjustment result previous years due to increase of participating interest			-	(6,978,370)
Foreign exchange result on net equity			-	(4,759,857)
Adjustment valuation			-	2,001,751
			-	-
			-	-
Impairment loss			-	-
Balance as per 31 March			-	-

Loan PT. TVS Motor Company Indonesia

This item represents a Credit Facility with a maximum of USD 15,000,000 for the financing of the two-wheeler production facility in Indonesia. The interest is payable semi-annually on 30 June and 31 December of each year and is calculated at 8.25% on a 360 day year basis. The loan was fully repaid on 31 March 2014 through assignment.

	31 March 2015	31 March 2014
	USD	USD
Opening balance	-	15,000,000
Conversion of loan to capital	-	(8,000,000)
Repayment loan	-	(7,000,000)
Balance as per 31 March	-	-
5.2. Current assets		
	31 March 2015	31 March 2014
	USD	USD
5.2.1. Receivables and prepayments		
Prepaid management fees	7,983	14,186
Interest receivable PT. TVS Motor Company Indonesia	-	-
VAT receivable	-	6,896
	7,983	21,082
5.2.2. Cash at bank		
HSBC Bank, EUR current account	25,038	14,214
HSBC Bank, USD current account	550,507	763,377
	575,545	777,591

The cash balances are at free disposal of the Company.

5.3. Shareholder's equity

The authorised share capital of the Company amounts to EUR 50,000,000 divided into 500,000 ordinary shares with a nominal value of EUR 100 each.

The issued and paid-up capital amounts to USD 31,064,502 (after revaluation) as per 31 March 2014 (EUR 31,064,502).

	31 March 2015	31 March 2014
	USD	USD
Movement during the period can be summarised as follows:		
<u>Paid up share capital</u>		
Opening balance	31,064,501	28,849,793
Issued share capital during the year	-	-
Revaluation of share capital at balance sheet date	-	2,214,708
Balance as at 31 March	31,064,501	31,064,501
<u>Revaluation reserve</u>		
Opening balance	(3,814,878)	944,979
Revaluation of subsidiary	-	(4,759,857)
Balance as at 31 March	(3,814,878)	(3,814,878)
<u>Other reserves</u>		
Opening balance	(23,814,518)	(21,590,299)
Revaluation of share capital at balance sheet date	-	(2,214,709)
Appropriation of result	(2,812,084)	(9,510)
Balance as at 31 March	(26,626,602)	(23,814,518)
<u>Undistributed result</u>		
Opening balance	(2,812,084)	(9,510)
Appropriation of result	2,812,084	9,510
Result for the period	(60,508)	(2,812,084)
Balance as at 31 March	(60,508)	(2,812,084)
Total shareholder's equity	562,513	623,021

TVS MOTOR COMPANY (EUROPE) B.V.

5.4. Long-term liabilities	31 March 2015	31 March 2014	
	USD	USD	
5.4.1. Credit facility shareholder			
As per 30 March 2007 the Company entered into a credit facility agreement with its shareholders for a total amount of USD 15,000,000 for a period of 3 years. The facility bears an interest of 8%. The interest is payable semi-annually on 30 June and 31 December of each year.			
Any accrued interest is capitalized as at 31 December of each year.			
The loan was fully repaid on 31 March 2014			
	31 March 2015	31 March 2014	
	USD	USD	
Balance as per 1 April	-	7,396,687	
Capitalized interest	-	452,022	
Repayment during the year	-	(7,848,709)	
Balance as per 31 March	-	-	
Long-term liability as per 31 March	-	-	
	=	=	
	=	=	
5.5. Short-term liabilities			
5.5.1. Taxes			
Corporate income tax current year	-	129,690	
	-	129,690	
	=	=	
5.5.2. Other payable and accrued expenses			
Creditors	-	22,509	
Administrative and secretarial services	-	4,135	
Tax advisory fees	3,470	4,498	
Audit fees	9,218	11,720	
Salary (and salary administration)	2,629	3,100	
	15,317	45,962	
	=	=	
	=	=	
6. Notes to the profit and loss account for the period 1 April 2014 up to and including 31 March 2015	31 March 2015	31 March 2014	
	USD	USD	
6.1. Salary expenses			
Wages	11,760	13,129	
	11,760	13,129	
	=	=	
6.2. General and administrative expenses			
Domiciliation and management fees	17,425	13,701	
Administrative and accounting fees	16,900	35,151	
Audit fees	9,218	10,988	
Tax advisory fees	4,959	5,868	
Other general expenses	73	105	
	48,575	65,813	
	=	=	
6.3. Interest income and similar income			
Interest PT. TVS Motor Company Indonesia	-	1,254,687	
Foreign exchange results	7,512	-	
	7,512	1,254,687	
	=	=	
	=	=	
6.4. Interest expense and similar expenses			
Interest expense TVS Motor Company Ltd.	-	608,994	
Bank charges	5,393	1,085	
Foreign exchange results	2,292	7,917	
	7,685	617,996	
	=	=	
6.5. Result associate			
Result PT. TVS Motor Company Indonesia	-	1,736,476	
Adjustment result previous periods	-	(6,978,370)	
Impairment loss	-	-	
Adjustment valuation	-	2,001,751	
	-	(3,240,143)	
	=	=	
6.6. Corporate income tax			
Corporate income tax current year	-	129,690	
	-	129,690	
	=	=	
Director and employees			
The Company has five Directors (2014/2015: five) and one employee (2014/2015: one) during the period under review.			
Amsterdam, 28 April 2015			
			Mr. R.C. Elshout
			Title : Director
			Mr. H. Lakshmanan
			Title : Director
			Mr. P.J. Stegeman
			Title : Director
			Mr. V.N. Venkatanathan
			Title : Director
			SCG Management (Netherlands) B.V.
			Title : Director
7. Supplementary information			
Distribution of profits, according to article 22 of the Articles of Association			
The profits shall be at the disposal of the annual general meeting of shareholders.			
The Company may only make distributions to the shareholders and other entitled persons to the extent that the shareholders' equity exceeds the sum of the paid and called-up part of the capital. No profit shall be distributed on shares held by the Company itself. Distributions of profits shall take place after the adoption of the annual accounts which show that the distribution is permitted.			
Appropriation of the result			
The result after tax for the financial year ended 31 March 2015- is included in the item Undistributed result in Shareholder's equity (note 5.3).			
Post-balance sheet date events			
It is the intention to liquidate the Company.			

RE-STATED ACCOUNTS OF
TVS MOTOR COMPANY (EUROPE) B.V.

TVS MOTOR COMPANY (EUROPE) B.V.

BALANCE SHEET AS AT 31 MARCH 2015

Sl. No.	Particulars	Note Number	US \$ in Mn As at 31.03.2015	Rupees in crores As at 31.03.2015
I	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	I	28.59	126.52
	(b) Reserves and surplus	II	(28.03)	(123.01)
2	Non-current liabilities			
	(a) Long-term borrowings		-	-
	(b) Long-term provisions		-	-
3	Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Trade payables		0.01	0.04
	(c) Other current liabilities	III	0.02	0.10
	(d) Short-term provisions		-	-
	Total		<u>0.59</u>	<u>3.65</u>
II	ASSETS			
1.	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets		-	-
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	IV	-	-
	(c) Deferred tax assets (Net)		-	-
	(d) Long-term loans and advances		-	-
	(e) Other non current assets		-	-
2.	Current assets			
	(a) Current investments		-	-
	(b) Inventories		-	-
	(c) Trade receivables		-	-
	(d) Cash and cash equivalents	V	0.58	3.60
	(e) Short-term loans and advances	VI	0.01	0.05
	(f) Other current assets		-	-
	Total		<u>0.59</u>	<u>3.65</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

Sl. No.	Particulars	Note Number	US \$ in Mn Year ended 31.03.2015	Rupees in crores Year ended 31.03.2015
I.	Revenue from operations		-	-
II.	Other income	VII	0.01	0.05
III.	Total Revenue (I + II)		<u>0.01</u>	<u>0.05</u>
IV.	Expenses:			
	Cost of materials consumed		-	-
	Purchases of Stock-in-trade		-	-
	Changes in inventories of finished goods work-in-process and stock-in-trade		-	-
	Employee benefits expense	VIII	0.01	0.07
	Finance costs		-	-
	Depreciation and amortization expense		-	-
	Other expenses	IX	0.05	0.33
	Total expenses		<u>0.06</u>	<u>0.40</u>
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(0.05)	(0.35)
VI.	Exceptional Items - Income / (Loss)		-	-
VII.	Profit before extraordinary items and tax (V-VI)		(0.05)	(0.35)
VIII.	Extraordinary items - Income / (Loss)		-	-
IX.	Profit before tax (VII+VIII)		(0.05)	(0.35)
X.	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
XI.	Profit / (Loss) for the period (IX-X)		<u>(0.05)</u>	<u>(0.35)</u>

TVS MOTOR COMPANY (EUROPE) B.V.

Notes on Accounts

S. Particulars No.	US \$ in Mn	Rupees in crores
	As at 31.03.2015	As at 31.03.2015
I SHARE CAPITAL		
Details of authorised, issued and subscribed share capital		
Authorised		
500,000 Ordinary shares of EURO 100/- each	66.78	311.64
Issued, subscribed & paid up		
225,301 Ordinary shares of EURO100/- each	28.59	126.52
	<u>28.59</u>	<u>126.52</u>
II RESERVES AND SURPLUS		
a. Capital reserve		
(i) Foreign currency translation reserve	-	7.21
b. Surplus - Profit and Loss Account		
Opening balance	(27.98)	(129.87)
(+) Net profit/(Loss) for the current year	(0.05)	(0.35)
Closing balance	(28.03)	(130.22)
Total	<u>(28.03)</u>	<u>(123.01)</u>
III OTHER CURRENT LIABILITIES		
Employee related	-	0.02
For expenses	0.02	0.08
Total	<u>0.02</u>	<u>0.10</u>
IV NON CURRENT INVESTMENTS		
Trade Investments		
Investment in equity instruments	27.76	134.19
Less: Provision for diminution in investment	27.76	134.19
Total	<u>-</u>	<u>-</u>
V CASH AND CASH EQUIVALENTS		
Balances with banks	0.58	3.60
	<u>0.58</u>	<u>3.60</u>

Notes on Accounts (continued)

S. Particulars No.	US \$ in Mn	Rupees in crores
	As at 31.03.2015	As at 31.03.2015
VI SHORT TERM LOANS AND ADVANCES		
Unsecured considered good:		
Others		
Prepaid expense	0.01	0.05
Total	<u>0.01</u>	<u>0.05</u>
VII OTHER INCOME		
Interest	0.01	0.05
Total	<u>0.01</u>	<u>0.05</u>
VIII EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus		
	0.01	0.07
Total	<u>0.01</u>	<u>0.07</u>
IX OTHER EXPENSES		
Audit fees	0.01	0.06
Miscellaneous expenses	0.04	0.27
Total	<u>0.05</u>	<u>0.33</u>

PT. TVS MOTOR COMPANY INDONESIA

Independent Auditors' Report

No.GA 115 0352 TVS TW

The Stockholders, Board of Commissioners and Directors
PT. TVS Motor Company Indonesia

We have audited the accompanying financial statements of PT. TVS Motor Company Indonesia, which comprise the statement of financial position as of March 31, 2015 and the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting Policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT. TVS Motor Company Indonesia as of March 31, 2015, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Emphasis of a matter

We draw your attention to Note 31 in the financial statements which indicates that the Company incurred a total comprehensive loss of Rp 137,252,380,008 during the year ended March 31, 2015 and, as of that date, the Company's current liabilities exceeded its current assets by Rp 137,180,651,689. Further, the Company incurred a deficit of Rp 1,179,589,215,106 as of March 31, 2015, as a result of recurring losses from operations due to gross losses and significant operating expenses. Management's plans concerning these matters are also discussed in Note 31 to the financial statements. Our opinion is not modified in respect to this matter.

OSMAN BING Satrio & ENY
Tenly Widjaja
License of Public Accountant No. AP. 0186

April 16, 2015

STATEMENT OF FINANCIAL POSITION MARCH 31, 2015

	Notes	March 31, 2015	March 31, 2014		Notes	March 31, 2015	March 31, 2014
		Rp	Rp			Rp	Rp
ASSETS				LIABILITIES AND EQUITY			
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and cash equivalents	5	27,449,296,143	16,581,261,674	Bank loans	12	150,363,907,136	119,493,666,150
Trade accounts receivable	6			Trade accounts payable	13		
Related party	27	696,254,200	-	Related party	27	60,014,693,102	4,577,063,482
Third parties - net of allowance for impairment losses of Rp 582,399,879 in 2015 and Rp 57,523,011 in 2014		25,813,669,472	18,110,151,525	Third parties		10,253,476,071	9,170,718,115
Inventories - net of allowance for obsolescence of Rp 1,959,536,813 in 2015 and Rp 4,834,855,317 in 2014	7	82,685,392,869	63,904,348,157	Other accounts payable	14		
Prepaid taxes - current	8	20,978,037,021	10,386,317,604	Related party	27	897,566,177	467,824,695
Advances to suppliers	9	2,891,764,515	247,106,101	Third parties		6,263,906,601	9,937,992,534
Other current assets		5,081,017,970	6,572,257,360	Taxes payable	15	2,527,500,741	720,001,346
Total Current Assets		165,595,432,190	115,801,442,421	Accrued expenses	16	19,822,180,799	28,509,670,579
NON-CURRENT ASSETS				NON-CURRENT LIABILITIES			
Prepaid taxes - non-current	8	7,078,297,947	8,523,458,538	Bank loan - net of current maturities	12	10,764,556,410	15,508,457,725
Deferred tax assets - net	26	89,608,585,124	61,638,567,623	Loan from a financial institution - net of current maturities	17	56,895,385,000	94,624,208,424
Property, plant, and equipment - net of accumulated depreciation of Rp 123,873,189,815 in 2015 and Rp 107,436,948,822 in 2014	10	377,344,616,524	485,810,788,571	Loan from a shareholder	18, 27	103,911,505,584	79,828,000,000
Security deposits		1,127,418,694	917,085,887	Post-employment benefits obligation	19	17,894,004,000	14,586,368,000
Deferred charges - net of accumulated amortization of Rp 133,313,455,433 in 2015 and Rp 127,731,043,296 in 2014	11, 27	6,618,866,832	12,201,278,969	Total Non-current Liabilities		189,465,450,994	204,547,034,149
Total Non-current Assets		481,777,785,121	569,091,179,588	EQUITY			
TOTAL ASSETS		647,373,217,311	684,892,622,009	Capital stock - Rp 97,400 (US\$ 10) par value per share			
				Authorized - 12,500,000 shares in 2015 and 2014			
				Subscribed and paid-up - 11,597,000 Class A shares in 2015 and 7,300,000 Class A shares and 3,897,000 Class B shares in 2014	20	1,129,547,800,000	1,090,587,800,000
See accompanying notes to financial statements which are an integral part of the financial statements.				Foreign exchange rate difference on paid-in capital	21	9,911,020,000	(2,380,980,000)
				Revaluation surplus	22	195,262,077,544	273,754,721,781
				Deficit		(1,179,589,215,106)	(1,120,829,479,335)
				Total Equity		155,131,682,438	241,132,062,446
				TOTAL LIABILITIES AND EQUITY		647,373,217,311	684,892,622,009
				See accompanying notes to financial statements which are an integral part of the financial statements.			

PT. TVS MOTOR COMPANY INDONESIA

STATEMENTS OF COMPREHENSIVE INCOME For the years ended March 31, 2015

	Notes	2015 Rp	2014 Rp
NET SALES	23, 27	225,908,161,104	173,698,046,240
COST OF GOODS SOLD	24, 27	(245,323,642,075)	(208,337,623,734)
GROSS LOSS		(19,415,480,971)	(34,639,577,494)
Marketing	25	(32,078,664,890)	(31,108,897,612)
General and administrative	25, 27	(68,095,929,604)	(58,979,568,626)
Finance cost		(29,835,297,627)	(29,360,876,235)
Loss on foreign exchange - net		(48,057,399,786)	(63,376,781,175)
Interest income		994,878,930	516,835,346
Loss on sale and disposal of property, plant and equipment	10	(536,222,438)	(148,813,669)
Others - net		3,423,566,297	(44,990,648)
LOSS BEFORE TAX		(193,600,550,089)	(217,142,670,113)
TAX BENEFIT (EXPENSE)	26	21,488,170,081	(8,274,935,723)
NET LOSS FOR THE YEAR		(172,112,380,008)	(225,417,605,836)
OTHER COMPREHENSIVE INCOME			
Revaluation surplus		34,860,000,000	273,754,721,781
TOTAL COMPREHENSIVE INCOME (LOSS)		(137,252,380,008)	48,337,115,945

See accompanying notes to financial statements
which are an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2015

Notes	Capital Stock Rp	Additional paid-in Capital Rp	Revalu- ation Surplus Rp	Deficit Rp	Total Equity Rp
Balance as of April 1, 2013	935,040,000,000	(28,168,200,000)	-	(895,411,873,499)	11,459,926,501
Issuance of shares	20	155,547,800,000	25,787,220,000	-	181,335,020,000
Other comprehensive income Revaluation surplus	22	-	-	273,754,721,781	273,754,721,781
Total comprehensive loss for the year		-	-	(225,417,605,836)	(225,417,605,836)
Balance as of March 31, 2014	1,090,587,800,000	(2,380,980,000)	273,754,721,781	(1,120,829,479,335)	241,132,062,446
Issuance of shares	20	38,960,000,000	12,292,000,000	-	51,252,000,000
Other comprehensive income Revaluation surplus	22	-	-	34,860,000,000	34,860,000,000
Reversal of revaluation surplus- Sale of Land	10,22	-	-	(113,352,644,237)	113,352,644,237
Total comprehensive loss for the year		-	-	(172,112,380,008)	(172,112,380,008)
Balance as of March 31, 2015	1,129,547,800,000	9,911,020,000	195,262,077,544	(1,179,589,215,106)	155,131,682,438

See accompanying notes to financial statements
which are an integral part of the financial statements

STATEMENTS OF CASH FLOWS For the years ended March 31, 2015

	2015 Rp	2014 Rp
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax per statement of comprehensive income	(193,600,550,089)	(217,142,670,113)
Adjustments for:		
Amortization of product development	5,582,412,137	10,787,565,026
Interest and financial charges	29,835,297,627	29,360,876,235
Depreciation of property, plant and equipment	17,068,366,779	18,134,934,245
Loss on disposal of property, plant and equipment	536,222,438	148,813,669
Provision for employee benefit expense	3,418,926,000	4,072,466,000
Reversal of allowance for inventory obsolescence	1,071,866,759	4,467,121,397
Provision for allowance for impairment losses	582,399,879	24,122,861
Interest income	(994,878,930)	(516,835,346)
Net unrealized loss on foreign exchange	23,533,504,056	41,207,794,496
Operating cash flows before changes in working capital	(112,966,433,344)	(109,455,811,530)
Changes in working capital:		
Trade accounts receivable	(7,867,330,531)	4,069,594,497
Inventories	(19,852,911,471)	(20,008,038,069)
Prepaid taxes	(10,108,513,968)	(11,265,210,186)
Advances to suppliers	(2,644,658,414)	8,238,249,714
Other current assets	1,514,464,519	(1,436,003,480)
Trade accounts payable	54,874,393,641	(9,341,352,078)
Other accounts payable	(3,771,052,973)	(13,500,776,114)
Other accounts receivable	-	201,329,085
Taxes payable	1,807,499,395	(971,861,947)
Accrued expenses	1,620,747,120	4,550,712,605
Advance from customer	313,892,675	(1,714,935,886)
Cash used in operations	(97,079,903,351)	(150,634,103,389)
Income and final tax paid	(6,814,954,149)	(542,282,998)
Employee benefits paid	(111,290,000)	-
Proceed from tax refund	1,295,061,871	-
Net Cash Used in Operating Activities	(102,711,085,629)	(151,176,386,387)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in security deposits	(171,679,126)	(160,353,300)
Increase in deferred charges	-	(7,730,324,904)
Interest received	971,653,799	506,112,194
Acquisitions of property, plant and equipment	(3,783,572,051)	(31,513,313,961)
Proceed from sale disposal of property, plant and equipment	129,505,154,881	-
Net Cash Provided by (Used in) Investing Activities	126,521,557,503	(38,897,879,971)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from stock issuance	51,252,000,000	181,335,020,000
Proceeds from bank loans	158,371,981,158	161,963,871,643
Payment of bank loans	(116,957,135,903)	(133,086,551,882)
Payment of loan from a financial institution	(64,647,408,000)	(56,124,975,378)
Interest and financial charges paid	(41,934,414,872)	(23,003,840,280)
Net Cash Provided by (Used in) Financing Activities	(13,914,977,617)	131,083,524,103
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,895,494,257	(58,990,742,255)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	16,581,261,674	74,356,328,664
Effect of foreign exchange rate changes	972,540,212	1,215,675,265
CASH AND CASH EQUIVALENTS AT END OF YEAR	27,449,296,143	16,581,261,674

See accompanying notes to financial statements
which are an integral part of the financial statements.

PT. TVS MOTOR COMPANY INDONESIA

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and for the year then ended

1. GENERAL

PT. TVS Motor Company Indonesia (the "Company") was established within the framework of the Foreign Capital Investment Law No. 1 year 1967 as amended by Law No. 11 year 1970 based on notarial deed No. 21 dated August 8, 2005 of Siti Rayhana, S.H., substitute of Bandoro Raden Ayu Mahyastoeti Notonagoro, S.H., notary in Jakarta. The deed of establishment was approved by the Minister of Law and Human Rights of the Republic of Indonesia through Decision Letter No. C-24361 HT.01.01.TH.2005 dated September 5, 2005. The Company's Articles of Association have been amended several times, most recently by notarial deed No. 23 dated February 18, 2015, by Sastriany Jasoprawiro, S.H., notary in Jakarta, regarding the issuance of Class A shares and increase in the Company's subscribed and paid-up capital. The increase in subscribed and paid-up capital had been confirmed by notarial deed No.30 dated September 22, 2014 by Sastriany Jasoprawiro, S.H., notary in Jakarta and acknowledged by the Minister of Law and Human Rights of the Republic of Indonesia in his Notification Letter No. AHU-AH.01.03-0012308 dated February 26, 2015.

In accordance with article 3 of the Company's articles of association, the scope of its activities include production of motorcycles, motorcycle component parts and accessories, three wheelers and its components. The Company started commercial operations on April 29, 2007.

The Company is domiciled in Jakarta and its head office is located at Wirausaha Building, 3rd Floor, Jl. HR. Rasuna Said, Kav. C5 Kuningan, Jakarta. As of March 31, 2015 and 2014, the Company has 345 employees and 285 employees, respectively.

The Company's management as of March 31, 2015 consists of the following:

President Commissioner	: Nihal Kaviratne Vijaya Devadas, CBE
Commissioners	: James William Castle
	: Kunnath Narayanan Radhakrishnan
	: Drs. Rudjito
	: Dr. Juwono Sudarsono
	: Rangaswami Ramakrishnan
	: Yang Soo Kim
President Director	: Ramaswamy Anandakrishnan
Director	: Venkataraman Thiagarajar

2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK") AND INTERPRETATION OF PSAK ("ISAK")

a. Standards effective in the current year

In the current year, the Company has adopted all of the new and amended standards issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants that are relevant to its operations and effective for accounting period beginning on January 1, 2014.

- ISAK 27, Transfers of Assets from Customers
ISAK 27 addresses the accounting by recipients for transfers of property, plant and equipment from 'customers' and concludes that when the item of property, plant and equipment transferred meets the definition of an asset from the perspective of the recipient, the recipient should recognise the asset at its fair value on the date of the transfer, with the credit being recognised as revenue in accordance with PSAK 23, Revenue.
- ISAK 28, Extinguishing Financial Liabilities with Equity Instruments
ISAK 28 provides guidance on the accounting for the extinguishment of a financial liability by the issue of equity instruments. Specifically, ISAK 28 requires that equity instruments issued under such arrangement will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the consideration paid will be recognized in profit or loss.

The application of ISAK 27 and ISAK 28 did not have any significant impact on the Company's financial statements in the current but might have an impact in the future years.

b. Standards and Interpretations in issue but not yet adopted

The following standards are effective for periods beginning on or after January 1, 2015, with early application not permitted:

- PSAK 4 (revised 2013), Separate Financial Statements
- PSAK 15 (revised 2013), Investments in Associates and Joint Ventures
- PSAK 46, Income Taxes
- PSAK 65, Consolidated Financial Statements
- PSAK 66, Joint Arrangements
- PSAK 67, Disclosures of Interests in Other Entities
- ISAK 26, Reassessment of Embedded Derivatives

Except for the standards below, management believes that the above standards do not have an impact on the carrying amount of assets and liabilities and the related disclosures

at March 31, 2015, but may affect accounting and disclosures of future transactions and arrangements.

- PSAK 1 (revised 2013), Presentation of Financial Statements

The amendments to PSAK 1 introduce new terminology for the statement of comprehensive income. Under the amendments to PSAK 1, the statement of comprehensive income is renamed as a "statement of profit or loss and other comprehensive income". The amendments to PSAK 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to PSAK 1, require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (1) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met.

- PSAK 24 (revised 2013), Employee Benefits

The amendments to PSAK 24 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of PSAK 24 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus.

- PSAK 48, Impairment of Assets

PSAK 48 has been amended to incorporate the requirements of PSAK 68, Fair Value Measurement.

- PSAK 50, Financial Instruments: Presentation

The amendments to PSAK 50 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of "currently has a legal enforceable right of set-off" and "simultaneous realization and settlement". The amendments also clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity transaction should be accounted for in accordance with PSAK 46.

- PSAK 55, Financial Instruments: Recognition and Measurement

The amendments to PSAK 55 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness. Further, the amendments clarify the accounting for embedded derivatives in the case of a reclassification of a financial asset out of the "fair value through profit or loss" category – see discussion in ISAK 26.

This standard is also amended to incorporate the requirements of PSAK 68, Fair Value Measurement.

- PSAK 60, Financial Instruments: Disclosures

The amendments to PSAK 60 increase the disclosure requirements for transactions involving transfers for financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period. Further, entities are required to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

- PSAK 68, Fair Value Measurement

PSAK 68 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard does not change the requirements regarding which items should be measured or disclosed at fair value.

PSAK 68 defines fair value, establishes a framework for measuring fair value, and requires disclosure about fair value measurements. The scope of PSAK 68 is broad; it applies to both financial instrument items and non-financial instrument items for which other PSAK require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in PSAK 68 are more extensive than those required by the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for

financial instruments only under PSAK 60, Financial Instruments: Disclosures will be extended by PSAK 68 to cover all assets and liabilities within its scope.

PSAK 68 is applied prospectively; the disclosure requirements need not be applied in comparative information provided for periods before initial application of the standard.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

The financial statements have been prepared in accordance with Indonesian Financial Accounting Standards. These financial statements are not intended to present the financial position, result of operations and cash flows in accordance with accounting principles and reporting practices generally accepted in other countries and jurisdictions.

b. Basis of Presentation

The financial statements, except for the statement of cash flows, are prepared under the accrual basis of accounting. The reporting currency used in the preparation of the financial statements is the Indonesian Rupiah, while the measurement basis used is the historical cost, except for certain accounts which are measured on the basis described in the related accounting policies.

The statements of cash flows are prepared using the indirect method with classifications of cash flows into operating, investing and financing activities.

c. Foreign Currency Transactions and Balances

The Company's books of accounts are maintained in Indonesian Rupiah. Transactions during the year involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At reporting date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the rates of exchange prevailing at that date. The resulting gains or losses are credited or charged to profit or loss.

d. Transactions with Related Parties

A related party is a person or entity that is related to the Company (the reporting entity):

- a. A person or a close member of that person's family is related to the reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b. An entity is related to the reporting entity if any of the following condition applies:
 - i. The entity, and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi. The entity is controlled or jointly controlled by a person identified in (a).
 - vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity).

All transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the financial statements.

e. Financial Assets

All financial assets are recognized and derecognized on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value plus transaction costs.

The Company's financial assets are classified as loans and receivables.

Loans and receivables

Cash and cash equivalent, trade and other accounts receivable, other current assets and security deposit that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortized cost using the effective interest method less impairment. Interest is recognized by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

Loan and receivables that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralised borrowing for the proceeds received.

f. Financial Liabilities and Equity Instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables, accrued expenses, loan from a financial institution and shareholder are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognized on an effective yield basis.

Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

g. Netting of Financial Assets and Financial Liabilities

The Company only offsets financial assets and liabilities and present the net amount in the statement of financial position where the Company:

- currently has a legal enforceable right to set off the recognized amount; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

h. Cash and Cash Equivalents

For cash flow presentation purposes, cash and cash equivalents consist of cash on hand, in banks and all unrestricted investments with maturities of three months or less from the date of placement.

i. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined using the weighted average method.

j. Prepaid Expenses

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

k. Property, Plant and Equipment

Property, plant and equipment held for use in the production or supply of goods or services or for administrative purposes, are stated at cost less accumulated depreciation and any impairment losses.

Depreciation is computed using the straight-line method based on the estimated useful lives of the assets as follows:

	<u>Years</u>
Buildings	20
Machinery and tools	4 -10
Office equipment and furnitures	4
Vehicles	5

Moulds and dies are depreciated based on units of production of 110,000 units in 2015 and 125,000 units in 2014.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Land is not depreciated and effective starting April 1, 2013, land is stated in the statement of financial position at its revalued amount, being the fair value at the date of the revaluation. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting date.

Any revaluation increase arising on the revaluation of land is credited in other comprehensive income and accumulated in equity and presented as revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation land is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

The cost of maintenance and repairs is charged to operations as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property, plant and equipment, are recognized as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. When assets are retired or otherwise disposed of, their carrying values and the related accumulated depreciation and any impairment loss are removed from the accounts and any resulting gain or loss is reflected in the current operations.

l. Impairment of Non-Financial Assets

At reporting dates, the Company reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Estimated recoverable amount is the higher of net selling price or value in use. If the recoverable amount of a non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately against earnings.

m. Leases

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

n. Deferred Charges

Expenses related to product development are deferred and amortized using the straight-line method over 36 months.

o. After Sales Warranty

The Company makes a provision to cover possible cost on after sales warranty granted to customers. Such provision is recognized based on certain percentage of sales.

p. Revenue and Expense Recognition

Sale of Goods

Revenue from sales of goods is recognized when all of the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the company; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Interest Revenue

Interest revenue is accrued on time basis, by reference to the principal outstanding and at the applicable interest rate.

Expenses

Expenses are recognized when incurred.

q. Post-Employment Benefits

The Company calculates defined post-employment benefits to its employees in accordance with Labor Law No. 13/2003. No funding has been made to this defined benefit plan.

The cost of providing post-employment benefits is determined using the Projected Unit Credit Method. The accumulated unrecognized actuarial gains and losses that exceed 10% of the present value of the Company's defined benefit obligation is recognized on a straight-line basis over the expected average remaining working lives of the participating employees. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The post-employment benefits obligation recognized in the statement of financial position represent the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

r. Income Tax

Current tax expense is determined based on the taxable income for the year computed using the prevailing tax rates.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and fiscal loss carry forwards to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences and fiscal loss can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted, or substantively enacted, by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle their current tax assets and current tax liabilities on a net basis.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside of profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside of profit or loss.

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with Indonesian Financial Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could be different from these estimates.

Critical Judgments in Applying Accounting Policies

In the process of applying the accounting policies described in Note 3, management has not made any critical judgment that has significant impact on the amounts recognized in the financial statements, apart from those involving estimates, which are dealt with below.

Key Sources of Estimation Uncertainty

The key assumptions concerning future and other key sources of estimation at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment Loss on Loans and Receivables

The Company assesses their loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit or loss, management makes judgment as to whether there is an objective evidence that loss event has occurred. Management also makes judgment as to the methodology and assumptions for estimating the amount and timing of future cash flows which are reviewed regularly to reduce any difference between loss estimate and actual loss. The carrying amount of loans and receivables are disclosed in Note 6.

Allowance for Decline in Value of Inventories

The Company provides allowance for decline in value of inventories based on estimated future usage of such inventories. While it is believed that the assumptions used in the estimation of the allowance for decline in value of inventories are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of the allowance for decline in value of inventories, which ultimately will impact the result of the Company's operations. The carrying amount of inventories is disclosed in Note 7.

Estimated Useful Lives of Property, Plant and Equipment and Deferred Charges

The useful life of each item of the Company's property, plant and equipment are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

The carrying amounts of property, plant and equipment and deferred charges is disclosed in Note 10 and 11, respectively.

Realization of Deferred Tax Assets

The Company recognizes deferred tax assets on deductible temporary differences and fiscal loss carry forwards to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences and fiscal loss can be utilized.

In assessing whether deferred tax assets should be recognized, management makes judgement as to the assumptions used in estimating future taxable income. Any significant changes in the assumptions may materially affect the amount of deferred tax assets and ultimately will have an impact on its results of operations. The carrying amount of deferred tax assets - net is disclosed in Note 26.

Income Taxes

The Company is exposed to assessments on its income taxes and significant judgment is involved in determining the provision for income taxes. In certain circumstances, the Company may not be able to determine the exact amount of its current or future tax liabilities due to ongoing investigations by, or negotiations with, the taxation authority. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income.

The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the prepaid taxes, income tax payable, deferred tax assets and deferred tax liabilities at the end of the reporting period are discussed in Notes 8, 15 and 26.

Fair Value of Land

Effective April 1, 2013, the Company's land is measured at fair value. In estimating the fair value of land, management engages third party qualified appraisal to perform the valuation. Management works closely with the qualified external appraisal to establish the appropriate valuation techniques and inputs. Any changes in the inputs and valuation techniques may have a material effect in the financial statements.

As of March 31, 2015 and 2014, the carrying value of land amounted to Rp 222,928,863,300 and Rp 317,400,000,000, respectively (Note 10).

5. CASH AND CASH EQUIVALENTS

	2015 Rp	2014 Rp
Cash on hand	86,487,343	83,160,175
Cash in banks		
Rupiah		
Bank Danamon Indonesia	1,237,580,826	1,721,193,788
The Hongkong and Shanghai Banking Corporation Limited, Jakarta	1,376,839,668	769,024,057
Bank UOB Buana		
Bank SBI Indonesia	51,731,623	143,509,393
Bank Ina Perdana	57,856,255	86,753,901
Bank DBS Indonesia	108,983,726	49,988,000
Sub total	<u>2,832,992,098</u>	<u>2,770,469,139</u>
U.S. Dollar		
The Hongkong and Shanghai Banking Corporation Limited, Jakarta	5,794,658,798	3,321,751,874
Bank Danamon Indonesia	268,144,017	67,957,460
Bank SBI Indonesia	574,036,687	397,128,905
Bank DBS Indonesia	725,777,200	4,440,794,121
Sub total	<u>7,362,616,702</u>	<u>8,227,632,360</u>
Total	<u>10,195,608,800</u>	<u>10,998,101,499</u>
Time deposits		
Rupiah		
Bank Ina Perdana	6,700,000,000	5,500,000,000
U.S. Dollar		
Bank SBI Indonesia	10,467,200,000	-
Sub total	<u>17,167,200,000</u>	<u>5,500,000,000</u>
Total	<u>27,449,296,143</u>	<u>16,581,261,674</u>
Interest rate per annum		
Rupiah	7.5% - 12.5%	7.0% - 8.5%
U.S. Dollar	3.0% - 4.0%	-

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6. TRADE ACCOUNTS RECEIVABLE

	2015 Rp	2014 Rp
a) By debtor		
Related party - TVS Motor Company Limited, India (Note 27)	696,254,200	-
Third parties		
PT Simpur Motor Lestari	6,689,615,375	2,618,347,238
Niroo Motor Shiraz Co Ltd.	5,200,890,000	2,166,760,000
Agrocorp International Pte Ltd	4,184,747,308	-
Sunshine (Far East) Ltd - Guinea	3,265,243,040	1,839,237,120
PT Motormart Multi Artha	2,003,024,698	1,530,329,648
CV Max-Auto TVS	558,517,638	653,359,383
CV Bumi Indo Jaya	504,982,689	-
PT Terang Kemuliaan Raja	409,239,757	614,840,193
PT Gemilang Surya Motorindo	210,976,203	1,442,336,775
Hbi Motor Servis Hizmetleri San	-	1,436,904,000
Indo Afrii Auto Galery Fze	-	1,396,990,000
Sunshine (Far East) Ltd - Benin	-	562,445,280
Others (Below Rp 500,000,000 each)	3,368,832,643	3,906,124,899
Subtotal	26,396,069,351	18,167,674,536
Allowance for impairment losses	(582,399,879)	(57,523,011)
Subtotal	25,813,669,472	18,110,151,525
Net	26,509,923,672	18,110,151,525
b) By age category		
Not yet due	14,583,880,499	12,455,208,661
Past due		
1 - 30 days	4,154,375,088	2,933,874,553
31 - 60 days	1,861,526,396	1,000,112,826
61 - 90 days	2,829,174,967	487,616,078
91 - 120 days	1,404,755,776	649,279,404
121 - 180 days	892,162,710	341,876,641
181 - over 365 days	1,366,448,115	299,706,373
Subtotal	27,092,323,551	18,167,674,536
Allowance for impairment losses	(582,399,879)	(57,523,011)
Total	26,509,923,672	18,110,151,525
c) By currency		
Rupiah	13,886,498,427	10,622,478,860
US Dollar	13,205,825,124	7,545,195,676
Subtotal	27,092,323,551	18,167,674,536
Allowance for impairment losses	(582,399,879)	(57,523,011)
Total	26,509,923,672	18,110,151,525

The changes in allowance for impairment losses are as follows:

	2015 Rp	2014 Rp
Beginning balance	57,523,011	152,763,353
Provision during the year (Note 25)	582,399,879	24,122,861
Write off during the year	(57,523,011)	(119,363,203)
Ending Balance	582,399,879	57,523,011

The average credit period on sales of goods is 45 days. Interest is charged on trade receivables past due over 45 days from the date of the invoice. Allowance for impairment losses are recognized against trade receivables over 180 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty.

Included in the Company's trade accounts receivable are past due but unimpaired receivables with carrying amounts of Rp 11,926,043,173 and Rp 5,654,942,864 as of March 31, 2015 and 2014, respectively.

Management believes that the allowance for impairment losses for trade accounts receivable from third parties is adequate to cover possible losses on uncollectable accounts, because the Company holds bank guarantees some of these amounts. No allowance for impairment losses was provided on trade accounts receivable from related parties as management believes that all such receivables are collectible.

Trade accounts receivable are used as collateral for a bank loan (Note 12).

7. INVENTORIES

	2015 Rp	2014 Rp
Finished goods	9,279,111,327	11,546,709,846
Materials, components and spare parts	74,898,747,371	56,889,512,602
Others	467,070,984	302,981,026
Total	84,644,929,682	68,739,203,474
Allowance for inventory obsolescence	(1,959,536,813)	(4,834,855,317)
Net	82,685,392,869	63,904,348,157

The change in allowance for inventory obsolescence is as follows:

	2015 Rp	2014 Rp
Beginning balance	4,834,855,317	367,733,920
Provision during the year	1,071,866,759	4,467,121,397
Write-off during the year	(3,947,185,263)	-
Ending Balance	1,959,536,813	4,834,855,317

Management believes that allowance for decline in value of inventories is adequate.

As of March 31, 2015 and 2014, all inventories are insured with total coverage of US\$ 7,000,000 and US\$ 6,000,000 to PT Fairfax Insurance Indonesia, PT Asuransi MSIG Indonesia, PT Asuransi Indapura, PT Asuransi Tokio Marine Indonesia and PT Asuransi Central Asia

Inventories are used as collateral for a bank loan (Note 12).

8. PREPAID TAXES

	2015 Rp	2014 Rp
Income tax (Note 26)	888,070,312	1,850,025,454
Value added tax (VAT)	27,168,264,656	17,059,750,688
Total	28,056,334,968	18,909,776,142
Flaim for VAT refund - noncurrent portion	(7,078,297,947)	(8,523,458,538)
Current portion	20,978,037,021	10,386,317,604

Value added tax includes claims for VAT refund of Rp 7,078,297,947 and Rp 8,523,458,538 as of March 31, 2015 and 2014, respectively, representing payments for tax assessment letters for 2008-2009 fiscal year. Management believes that these claims are recoverable.

9. ADVANCES TO SUPPLIERS

This account represents advances made by the Company to its suppliers for the purchase of raw materials, tools and other components.

10. PROPERTY, PLANT AND EQUIPMENT

	April 1, 2014 Rp	Additions Rp	Deductions Rp	Revaluation Rp	March 31, 2015 Rp
Revalued amount:					
Land	317,400,000,000	52,200,000	129,383,336,700	34,860,000,000	222,928,863,300
Cost:					
Buildings	79,976,632,565	467,264,726	547,360,369	-	79,896,536,922
Machinery and tools	103,415,565,421	750,462,345	719,931,036	-	103,446,096,730
Moulds and dies	82,435,124,323	1,975,899,081	-	-	84,411,023,404
Office equipment and furnitures	9,240,411,750	537,745,899	22,875,000	-	9,755,282,649
Vehicle	780,003,334	-	-	-	780,003,334
Total	593,247,737,393	3,783,572,051	130,673,503,105	34,860,000,000	501,217,806,339
Accumulated depreciation:					
Buildings	26,988,775,283	4,012,395,845	64,149,596	-	30,937,021,532
Machinery and tools	59,838,493,352	9,823,387,039	545,101,190	-	69,116,779,201
Moulds and dies	11,598,458,711	2,738,990,910	-	-	14,337,449,621
Office equipment and furnitures	8,508,752,422	409,857,797	22,875,000	-	8,895,735,219
Vehicle	502,469,054	83,735,188	-	-	586,204,242
Total	107,436,948,822	17,068,366,779	632,125,786	-	123,873,189,815
Net Book Value	485,810,788,571				377,344,616,524

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	April 1, 2013	Additions	Deduction	Revaluation	March 31, 2014
	Rp	Rp	Rp	Rp	Rp
Revalued amount					
Land	43,645,278,219	-	-	273,754,721,781	317,400,000,000
Cost :					
Buildings	79,302,929,202	673,703,363	-	-	79,976,632,565
Machinery and tools	94,887,369,577	8,934,059,207	40,5863,363	-	103,415,565,421
Moulds and dies	62,739,169,720	21,695,954,603	2,000,000,000	-	82,435,124,323
Office equipment and furnitures	9,055,362,468	199,156,782	14,107,500	-	9,240,411,750
Vehicle	769,563,328	10,440,006	-	-	780,003,334
Total	<u>290,399,672,514</u>	<u>31,513,313,961</u>	<u>2,419,970,863</u>	<u>273,754,721,781</u>	<u>593,247,737,393</u>
Accumulated depreciation:					
Buildings	23,017,069,615	3,971,705,668	-	-	26,988,775,283
Machinery and tools	50,919,342,988	9,176,209,062	257,058,698	-	59,838,493,352
Moulds and dies	9,256,939,078	4,341,510,630	1,999,990,997	-	11,598,458,711
Office equipment and furnitures	8,018,382,577	504,477,344	14,107,499	-	8,508,752,422
Vehicle	361,437,513	141,031,541	-	-	502,469,054
Total	<u>91,573,171,771</u>	<u>18,134,934,245</u>	<u>2,271,157,194</u>	-	<u>10,436,948,822</u>
Net Book Value	<u>198,826,500,743</u>				<u>485,810,788,571</u>

Depreciation expense was allocated to the following:

	2015	2014
	Rp	Rp
Manufacturing cost	16,574,773,796	17,489,425,360
General and administrative expenses (Note 25)	493,592,983	645,508,885
Total	<u>17,068,366,779</u>	<u>18,134,934,245</u>

The Company owns a piece of land located in Karawang, Ciampel – Kutanegara, Jawa Barat with a total area of 126,541 square meters and 200,000 square meters as of March 31, 2015 and 2014, respectively, with Building Use Rights (HGB) expiring on November 11, 2028. Management believes that there will be no difficulty in the extension of the landrights since all the land were acquired legally and supported by sufficient evidence of ownership.

In 2015, the Company sold a parcel of land, adjacent to its Karawang factory with a total area 73,459 square meters for Rp 129,383,336,700. Revaluation surplus amounting to Rp 113,352,644,237 was reclassified directly to retained earnings.

An independent valuation of the Company's land was performed by KJPP Hendra Gunawan and Partners (a member of Colliers International) to determine the fair value of the land. The valuation which conforms to standards established by the Indonesian Appraisal Associations was determined using the sales comparison approach.

As of March 31, 2015 and 2014, property, plant and equipment except land were insured against earthquake, fire, lightning, explosion and other possible risk for US\$ 31,700,000 and US\$ 30,000,000, respectively. Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

Property, plant and equipment are used as collateral for the US\$ 20,000,000 loan from International Finance Corporation (IFC) (Note 17).

Loss from disposal in 2015 and 2014 are as follows:

	2015	2014
	Rp	Rp
Proceeds	129,505,154,881	-
Net book value	(130,041,377,319)	(148,813,669)
Loss on sale and disposal	<u>(536,222,438)</u>	<u>(148,813,669)</u>

11. DEFERRED CHARGES

This account consists of :	2015	2014
	Rp	Rp
Product development (Note 27)	139,932,322,265	139,932,322,265
Accumulated amortization	(133,313,455,433)	(127,731,043,296)
Net	<u>6,618,866,832</u>	<u>12,201,278,969</u>
Movement of accumulated amortization is as follows:		
	2015	2014
	Rp	Rp
Beginning Balance	127,731,043,296	116,943,478,270
Amortization of product development	5,582,412,137	10,787,565,026
Ending balance	<u>133,313,455,433</u>	<u>127,731,043,296</u>

Amortization expenses for product development are recorded under cost of goods sold (Note 24).

	2015	2014
	Rp	Rp
12. BANK LOANS		
Rupiah		
The Hongkong and Shanghai Banking Corporation	16,670,059,759	9,072,271,387
Bank DBS Indonesia	12,819,150,037	3,929,771,107
Bank SBI Indonesia	5,000,000,000	2,000,000,000
Subtotal	<u>34,489,209,796</u>	<u>15,002,042,494</u>
U.S. Dollar		
Bank SBI Indonesia (US\$ 6,200,000 in 2015 and US\$ 6,250,000 in 2014)	81,120,800,000	71,275,000,000
Bank DBS Indonesia (US\$ 1,339,597 in 2015 and US\$ 2,174,175 in 2014)	17,419,672,730	24,686,672,803
The Hongkong and Shanghai Banking Corporation (US\$ 2,147,568 in 2015 and US\$ 2,107,893 in 2014)	28,098,781,020	24,038,408,578
Subtotal	<u>126,639,253,750</u>	<u>120,000,081,381</u>
Total	161,128,463,546	135,002,123,875
Less: Non-current portion - Bank DBS Indonesia	(10,764,556,410)	(15,508,457,725)
Current portion of bank loan	<u>150,363,907,136</u>	<u>119,493,666,150</u>

The bank loan is repayable as follows:

	2015	2014
	Rp	Rp
Due in the year		
2014	-	119,493,666,150
2015	150,363,907,136	6,126,154,205
2016	5,689,534,490	4,958,920,000
2017	5,075,021,920	4,423,383,520
Total	161,128,463,546	135,002,123,875
Accrued interest	890,700,288	467,677,781
Total	<u>162,019,163,834</u>	<u>135,469,801,656</u>

Bank SBI Indonesia

In February 2010, the Company obtained a loan from Bank SBI Indonesia through revolving credit facility with a maximum credit limit of US\$ 3,000,000, which is a combination of demand loan and foreign exchange facility. The foreign exchange facility has a maximum credit limit of US\$ 500,000. The facility is secured by a Letter of Comfort issued by the State Bank of India, CAG, Chennai – India amounting to US\$ 3,000,000. In March 2015, the Company renewed the loan which will be due on March 15, 2016. The loan bears interest rate of 13.5% per annum for IDR currency and 7.5% per annum for USD currency.

Interest expense recognized in the statements of comprehensive income amounted to Rp 6,146,457,912 and Rp 499,332,366 in 2015 and 2014, respectively.

The Hongkong and Shanghai Banking Corporation Limited, Jakarta (HSBC)

In July 2008, the Company obtained a loan from HSBC through a revolving credit facility for working capital requirements with a maximum credit limit of US\$ 3,000,000. In August 2010, both parties agreed to amend the credit facility to extend the maturity date to June 30, 2011 and increase the credit limit to US\$ 5,000,000. In June 2014, both parties agreed to extend the maturity to June 30, 2015.

Interest rate per annum ranges from 5.0% - 5.5% for USD loan and 11.8% - 13.2% for IDR loan in 2015 and 4.90% - 5.5% for USD loan and 9.8% - 12.0% for IDR loan in 2014.

Interest expense recognized in the statement of comprehensive income amounted to Rp 2,127,481,973 and Rp 900,057,409 in 2015 and 2014, respectively.

The facility is collateralized by the Company's inventories and trade accounts receivable for a combined amount of US\$ 5,000,000 (Notes 6 and 7).

Bank DBS Indonesia

In May 2013, the Company obtained loan facilities from DBS Bank through trade finance facility for accounts payable financing, with a maximum credit limit of US\$ 2,000,000, term loan to finance the procurement of tooling and equipment for new types of scooter, with a maximum credit limit of US\$ 3,000,000 and overdraft to finance working capital with maximum credit limit Rp 15,000,000,000.

Interest rate per annum is at 10.5% and 6.0% for the IDR and USD trade finance facility, respectively and 6.5% and 10.5% was the interest rate for the term loan and overdraft, respectively.

Interest expense recognized in the statement of comprehensive income amounted to Rp 3,690,855,224 and Rp 1,187,754,235 in 2015 and 2014, respectively.

The facility is collateralized by the Company's tooling and equipment with minimum mortgage amount of US\$ 3,000,000 and letter of awareness from TVS Motor Company Limited.

The loan requires the Company to maintain certain positive covenants. As of March 31, 2015, the Company is compliant to such covenants.

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13. TRADE ACCOUNTS PAYABLE

	2015 Rp	2014 Rp
a. By Creditors		
Related party - TVS Motor Company Limited,		
India (Note 27)	60,014,693,102	4,577,063,482
Third parties		
PT Setia Guna Sejati	1,515,207,516	-
PT Dharma Polimetall	1,196,503,705	639,227,222
Other (below Rp 1 billion each)	7,541,764,850	8,531,490,893
Sub total	10,253,476,071	9,170,718,115
Total	70,268,169,173	13,747,781,597
b. By Currency		
Rupiah	8,945,228,846	7,220,835,771
U.S. Dollar	61,322,940,327	6,526,945,826
Total	70,268,169,173	13,747,781,597

14. OTHER ACCOUNTS PAYABLE

	2015 Rp	2014 Rp
Related party-TVS Motor Company Limited,		
India (Note 27)	897,566,177	467,824,695
Third parties		
PT Surya Cipta Swadaya	9,231,264	5,245,840,000
PT Speedmark Logistik Indonesia	769,213,573	1,050,366,378
Talisman Insurance Broker	1,011,192,422	965,501,983
Pusaka Prima Transport	509,415,480	-
Others (below Rp 500,000,000 each)	3,964,853,862	2,676,284,173
Sub total	6,263,906,601	9,937,992,534
Total	7,161,472,778	10,405,817,229

Other accounts payable to a related party represents product development fees and information technology service fees in 2015 and 2014.

15. TAXES PAYABLE

	2015 Rp	2014 Rp
Income taxes		
Article 26	1,780,716,232	83,114,583
Article 21	588,069,124	502,973,405
Article 4(2) Final	107,477,587	76,928,003
Article 23	44,422,599	44,934,220
Article 22	6,815,199	12,051,135
Total	2,527,500,741	720,001,346

16. ACCRUED EXPENSES

	2015 Rp	2014 Rp
Provision for sales, marketing and warranty expenses	15,237,369,388	14,571,362,942
Interest	1,142,243,300	11,549,526,185
Professional fees	1,451,900,000	897,321,882
Employees' social security	625,528,761	159,465,913
Others	1,365,139,350	1,331,993,657
Total	19,822,180,799	28,509,670,579

17. LOAN FROM A FINANCIAL INSTITUTION

	2015 Rp	2014 Rp
US\$ 20 Million IFC loan	23,789,067,120	62,203,619,776
US\$ 12 Million IFC loan	85,700,200,523	99,556,920,456
Total	109,489,267,643	161,760,540,232
Less current maturities	(52,312,187,120)	(66,329,815,056)
Non-current portion	57,177,080,523	95,430,725,176
Unamortized transaction costs-net of current portion	(281,695,523)	(806,516,752)
Long-term loans from a financial institution - net	56,895,385,000	94,624,208,424

Loan from a financial institution is repayable as follows:

	2015 Rp	2014 Rp
Due in the year		
2014	-	66,329,815,056
2015	52,312,187,120	45,595,244,720
2016	28,523,120,000	24,860,720,000
2017	28,653,960,523	24,974,760,456
Total	109,489,267,643	161,760,540,232
Accrued interest	251,543,012	340,671,692
Total	109,740,810,655	162,101,211,924

On September 21, 2007, the Company obtained a long-term credit facility from International Finance Corporation (IFC) with maximum credit limit of US\$ 20,000,000. The loan has a term of 8 years, payable semi-annually starting September 15, 2010 and bears a fixed interest rate of 3.72% per annum. This loan is collateralized by the Company's property, plant and equipment (Note 10). As of March 31, 2015 and 2014, this loan has outstanding principal balance of US\$ 1,818,180 and US\$ 5,454,544, respectively.

On March 19, 2009, the Company entered into a new loan agreement with IFC amounting to US\$ 12,000,000. The loan has a term of 9 years, payable semi-annually starting March 15, 2013 and bears a fixed interest rate of 5.52% per annum. This loan is guaranteed by TVS Motor Company Ltd., India. As of March 31, 2015 and 2014, this loan has outstanding principal balance of US\$ 6,550,000 and US\$ 8,730,000, respectively.

On July 2014, the Company have obtained the approval from IFC to sell portion of their collateralized land. In relation to this, the interest rate was increased from 3.72% to 3.92% and a corporate guarantee from TVS Motor Company Limited, India was provided on the US\$ 20 million credit facility.

Interest expense recognized in the statement of comprehensive income amounted to Rp 7,374,137,497 and Rp 10,241,473,946 in 2015 and 2014, respectively.

The loan requires certain negative covenants which the Company has complied with.

18. LOAN FROM A SHAREHOLDER

On April 10, 2007, the Company obtained a fixed rate long-term credit facility from TVS Motor Company (Europe) B.V., a shareholder of the Company, with maximum credit limit of US\$ 15,000,000. The loan has an initial term of 3 years, bears fixed interest rate of 8.25% per annum and can be renewed upon agreement of both parties. On March 22, 2013, the loan was renewed for another 3 years.

On March 31, 2014, part of this loan amounting to US\$ 8,000,000 was converted to 800,000 Class A shares and the balance of US\$ 7,000,000 together with accrued interest of US\$ 941,876 were assigned by TVS Motor Company (Europe) B.V. to TVS Motor (Singapore) Pte., Limited. The loan bears fixed interest rate of 8.25% per annum and can be renewed upon agreement of both parties. The outstanding balance amounted to US\$ 7,941,876 and US\$ 7,000,000 as of March 31, 2015 and 2014, respectively.

Interest expense recognized in the statements of comprehensive income amounted to Rp 8,837,147,611 and Rp 14,040,618,187 in 2015 and 2014, respectively.

19. POST-EMPLOYMENT BENEFITS OBLIGATION

The Company provides post-employment benefits for its qualifying employees in accordance with Labor Law No. 13/2003. The number of employees entitled to the benefits are 333 employees and 216 employees in 2015 and 2014, respectively.

Amounts recognized in the statement of comprehensive income with respect to these post-employment benefits are as follows:

	2015 Rp	2014 Rp
Current service cost	2,593,003,000	3,306,436,000
Interest cost	879,531,000	766,030,000
Amortization of actuarial loss	(53,608,000)	-
Total (Note 25)	3,418,926,000	4,072,466,000

The amounts recognized in statement of financial position arising from the Company's obligation with respect to its post-employment benefits are as follows:

	2015 Rp	2014 Rp
Present value of unfunded obligation	14,895,251,000	9,828,213,000
Unrecognized actuarial loss	2,998,753,000	4,758,155,000
Liability recognized	17,894,004,000	14,586,368,000

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Changes in the present value of unfunded benefit obligations are as follows:

	2015 Rp	2014 Rp
Beginning of the year	9,828,213,000	11,348,596,000
Interest cost	879,531,000	766,030,000
Current service cost	2,593,003,000	3,306,436,000
Benefit payment	(111,290,000)	-
Actuarial gain on obligation	(72,903,000)	(2,197,426,000)
Effect of changes in actuarial assumptions	1,778,697,000	(3,395,423,000)
End of the year	<u>14,895,251,000</u>	<u>9,828,213,000</u>

The history of experience adjustments are as follows:

	2015 Rp	2014 Rp	2013 Rp	2012 Rp	2011 Rp
Present value of benefit obligation	14,895,251,000	9,828,213,000	11,348,596,000	8,286,138,000	5,966,060,000
Experience adjustments on plan liabilities	<u>(72,903,000)</u>	<u>(2,197,426,000)</u>	<u>(596,075,000)</u>	<u>(299,072,000)</u>	<u>(591,450,000)</u>

The cost of providing post-employment benefits is calculated by an independent actuary, PT Milliman Indonesia. The actuarial valuation was carried out using the following key assumptions:

	2015	2014
Discount rate per annum	8%	9%
Salary increment rate per annum	8.5%	8.5%
Normal retirement age	55 years old and can be extended up to 60 years old	55 years old and can be extended up to 60 years old
Mortality rate	TMI III	TMI III
Resignation rate	5% p.a. at age of 25 and reducing linearly to 0% p.a. at age 45 and thereafter	5% p.a. at age of 25 and reducing linearly to 0% p.a. at age 45 and thereafter
Disability	10% of TMI III	10% of TMI III

20. CAPITAL STOCK

Name of Stockholders	2015				
	Number of Shares			Percentage of Ownership	Total Capital Stock
	Class A	Class B	Total	%	Rp
TVS Motor (Singapore) Pte., Limited	4,430,000	-	4,430,000	38%	431,482,000,000
TVS Motor Company (Europe) B.V.	2,870,000	-	2,870,000	25%	279,538,000,000
TVS Motor Company Limited, India	4,297,000	-	4,297,000	37%	418,527,800,000
Total	<u>11,597,000</u>	<u>-</u>	<u>11,597,000</u>	<u>100.00%</u>	<u>1,129,547,800,000</u>

Name of Stockholders	2014				
	Number of Shares			Percentage of Ownership	Total Capital Stock
	Class A	Class B	Total	%	Rp
TVS Motor (Singapore) Pte., Limited	4,430,000	-	4,430,000	40%	431,482,000,000
TVS Motor Company (Europe) B.V.	2,870,000	-	2,870,000	26%	279,538,000,000
TVS Motor Company Limited, India	-	3,897,000	3,897,000	34%	379,567,800,000
Total	<u>7,300,000</u>	<u>3,897,000</u>	<u>11,197,000</u>	<u>100.00%</u>	<u>1,090,587,800,000</u>

Class A shares are common equity shares while class B shares are preference shares which are noncumulative and redeemable shares at fixed dividend of 8%.

Movements in paid-in capital are as follows:

	2015 Rp	2014 Rp
Beginning of the year	1,090,587,800,000	935,040,000,000
Issuance of capital stock	38,960,000,000	155,547,800,000
End of the year	<u>1,129,547,800,000</u>	<u>1,090,587,800,000</u>

Changes in the Company's outstanding Class A shares are as follows:

	2015 Number of Shares	2014 Number of Shares
Beginning of the year	7,300,000	6,500,000
Issuance of capital stock for cash	400,000	-
Conversion of Class B to Class A shares	3,897,000	-
Conversion of debt to capital stock	-	800,000
End of the year	<u>11,597,000</u>	<u>7,300,000</u>

In 2015, the Company received additional capital stock subscription amounting to US\$ 4,000,000 (equivalent to Rp 51,252,000,000) from TVS Motor Company Limited, India.

In 2014, a portion of the loan from shareholder amounting to US\$ 8,000,000 (equivalent to Rp 91,232,000,000) was converted to 800,000 Class A shares (Note 18).

Changes in the Company's outstanding Class B shares are as follows:

	2015 Number of Shares	2014 Number of Shares
Beginning of the year	3,897,000	3,100,000
Conversion of Class B to Class A shares	(3,897,000)	-
Issuance of capital stock for cash	-	797,000
End of the year	<u>-</u>	<u>3,897,000</u>

In 2015, all of the outstanding Class B shares were converted to Class A shares. As stated in notarial deed No.30 dated September 22, 2014 by Sastriary Jasoprawiro, S.H., notary in Jakarta and approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Notification Letter No. AHU-07344.40 dated October 14, 2014.

In 2014, the Company received additional capital stock subscription amounting to US\$ 7,970,000 (equivalent to Rp 90,103,020,000) from TVS Motor Company Limited, India.

21. FOREIGN EXCHANGE RATE DIFFERENCE ON PAID-IN CAPITAL

This account represents the difference between the exchange rate stated in the articles of association and the actual exchange rate at the date the payments for capital subscription were received, with details as follows:

	2015 Rp	2014 Rp
Beginning balance	(2,380,980,000)	(28,168,200,000)
Foreign exchange rate difference on issuance of shares	12,292,000,000	25,787,220,000
Ending balance	<u>9,911,020,000</u>	<u>(2,380,980,000)</u>

22. REVALUATION SURPLUS

This amount represents the revaluation increase of land.

	2015 Rp	2014 Rp
Beginning balance	273,754,721,781	-
Revaluation surplus	34,860,000,000	273,754,721,781
Sale of portion of land	(113,352,644,237)	-
Ending balance	<u>195,262,077,544</u>	<u>273,754,721,781</u>

In August 2014, the Company sold 73,459 square meters out of 200,000 square meters of land (Note 10).

23. NET SALES

	2015 Rp	2014 Rp
Sales	228,041,079,709	175,886,168,747
Less sales discounts	(2,132,918,605)	(2,188,122,507)
Net	<u>225,908,161,104</u>	<u>173,698,046,240</u>

0.33% in 2015 and 0.29% in 2014, of the total net sales were made to TVS Motor Company Limited, India, the ultimate holding company (Note 27b).

Details of net sales to dealers representing more than 10% of the total net sales are as follows:

Name of Customers	2015		2014	
	Rp	%	Rp	%
Niroo Motor Shiraz Co Ltd	68,217,975,126	30.20%	37,135,044,666	21.38%
PT Simpura Motor Lestari	35,930,241,795	15.90%	27,453,274,207	15.51%
Sunshine (Far East) Ltd.	22,629,183,344	10.02%	9,721,382,540	5.60%
Total	<u>126,777,400,265</u>		<u>74,309,701,413</u>	

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24. COST OF GOODS SOLD

	2015 Rp	2014 Rp
Raw materials and components used	180,441,487,775	151,039,756,498
Direct labor	9,766,341,781	7,335,421,090
Overhead	52,848,214,000	51,245,405,512
Total Manufacturing Cost	243,056,043,556	209,620,583,100
Finished goods		
At beginning of year	11,546,709,846	10,263,750,480
At end of year	(9,279,111,327)	(11,546,709,846)
Cost of Goods Sold	<u>245,323,642,075</u>	<u>208,337,623,734</u>

52.15% in 2015 and 47.51% in 2014 of the total purchases of raw materials and components were made from TVS Motor Company Limited, India, the ultimate holding company (Note 27c).

25. OPERATING EXPENSES

	2015 Rp	2014 Rp
Marketing		
Advertising and market research	25,091,232,338	22,865,946,625
Free service charges	1,700,711,275	1,360,201,626
Subvention charges	1,682,100,000	1,922,750,000
Dealer development and public relations	1,667,146,475	2,370,884,659
Services, trainings, and promotions	1,266,940,302	2,456,169,702
Others	670,534,500	132,945,000
Total	<u>32,078,664,890</u>	<u>31,108,897,612</u>
	2015	2014
	Rp	Rp
General and administrative		
Salaries and allowances (Note 27)	21,997,321,597	18,779,494,282
Rental	7,966,026,373	7,815,654,095
Consultancy fees	7,769,760,682	3,287,632,530
Travel and transportation	7,581,228,542	6,368,489,958
Honorarium	7,057,630,605	8,658,136,675
Post-employment benefits (Note 19)	3,418,926,000	4,072,466,000
Training and development	2,295,879,686	1,874,528,141
Insurance	1,697,032,866	911,634,509
Data processing	1,661,082,496	1,415,631,171
Research and development	1,095,106,558	634,837,424
Telecommunication	1,068,287,424	946,790,110
Taxes, permit and license	1,001,111,265	895,729,317
Professional fees	696,169,600	824,087,333
Provision for impairment losses (Note 6)	582,399,879	24,122,861
Office supplies	514,360,823	475,324,214
Depreciation (Note 10)	493,592,983	645,508,885
Business meeting	484,922,038	460,716,948
Repairs and maintenance	237,424,256	193,876,910
Postage and courier	111,273,983	97,838,540
Recruitment	51,425,902	201,029,525
Others	314,966,046	396,039,198
Total	<u>68,095,929,604</u>	<u>58,979,568,626</u>

26. INCOME TAX

Tax expense of the Company consists of:

	2015 Rp	2014 Rp
Deferred tax	27,970,017,501	(7,722,494,816)
Final tax on land	(6,469,166,835)	-
Tax expense	(12,680,585)	(552,440,907)
Net	<u>21,488,170,081</u>	<u>(8,274,935,723)</u>

Current tax

The reconciliation between loss before tax per statements of comprehensive income and fiscal loss is as follows:

	2015 Rp	2014 Rp
Loss before tax per statements of comprehensive income	(193,600,550,089)	(217,142,670,113)
Temporary differences:		
Provision for employee benefits - net	3,307,636,000	4,072,466,000
Employee vehicle ownership program	276,367,207	642,959,350
Amortization of product development	5,582,412,137	(271,830,301)
Provision for accrued expenses	666,006,446	4,531,624,078
Depreciation of property, plant and equipment	(7,373,879)	(11,961,808,377)
Total	<u>9,825,047,911</u>	<u>(2,986,589,250)</u>
Permanent differences:		
Employee welfare	3,944,829,372	3,777,932,887
Tax expenses	412,293,402	72,716,602
Provision for impairment losses	582,399,879	24,122,861
Interest income already subjected to final tax	(971,814,040)	(514,691,226)
Provision for inventory obsolescence	1,071,866,759	4,467,121,397
Others	91,859,921	41,328,075
Total	<u>5,131,435,293</u>	<u>7,868,530,596</u>

Fiscal loss before fiscal loss carryforward	(178,644,066,885)	(212,260,728,767)
Fiscal loss carryforward - net of expired portion	(699,527,725,627)	(574,261,128,220)
Tax expense	(12,680,585)	(552,440,907)
Total accumulated fiscal loss	<u>(878,184,473,097)</u>	<u>(787,074,297,894)</u>
Current income tax	<u>Nil</u>	<u>Nil</u>

	2015 Rp	2014 Rp
Prepaid taxes		
2015	345,787,314	-
2014	542,282,998	542,282,998
2011	-	1,307,742,456
Prepaid taxes (Note 8)	<u>888,070,312</u>	<u>1,850,025,454</u>

In 2015, the Company received a refund of Rp 1,295,061,871 and wrote off prepaid income taxes article 28A for 2011 amounting to Rp 12,680,585 which was recorded under tax expense in the statement of comprehensive income.

In 2014, the Company wrote off prepaid income taxes article 28A for 2012 and 2013 amounting to Rp 552,440,907 and recorded under tax expense in the statement of comprehensive income.

Deferred Tax

The details of the Company's deferred tax assets (liabilities) are as follows:

	April 1, 2013	Credited (charged) to income (expense) for the year	March 31, 2014	Credited (charged) to income (expense) for the year	March 31, 2015
	Rp	Rp	Rp	Rp	Rp
Deferred tax asset (liabilities):					
Fiscal loss	77,852,424,959	(6,975,847,505)	70,876,577,454	25,513,755,523	96,390,332,977
Accrued expense	2,463,936,217	1,132,906,020	3,596,842,237	166,501,612	3,763,343,849
Deferred charges and					
product development	866,794,275	(67,957,575)	798,836,700	1,395,603,034	2,194,439,734
Employee vehicle					
ownership program	-	160,739,838	160,739,838	69,091,802	229,831,640
Property, plant, and					
equipment	(14,450,568,512)	(2,990,452,094)	(17,441,020,606)	(1,843,470)	(17,442,864,076)
Post-employment					
benefits obligation	2,628,475,500	1,018,116,500	3,646,592,000	826,909,000	4,473,501,000
Deferred Tax					
Asset - Net	<u>69,361,062,439</u>	<u>(7,722,494,816)</u>	<u>61,638,567,623</u>	<u>27,970,017,501</u>	<u>89,608,585,124</u>

The fiscal loss can be utilized against the taxable income for a period of five years subsequent to the year the fiscal loss was incurred. Management believes that probable future taxable profits will be available to utilize accumulated fiscal losses amounting to Rp 385,561,331,908 and Rp 283,506,309,816 as of March 31, 2015 and 2014, respectively. Hence, deferred tax of Rp 96,390,332,977 and Rp 70,876,577,454 as of March 31, 2015 and 2014, respectively, was recognized on such fiscal losses.

A reconciliation between the tax expense and the amounts computed by applying the effective tax rates is as follows:

	2015	2014
	Rp	Rp
Loss before tax per statements of comprehensive income	(193,000,550,089)	(217,142,670,113)
Tax benefit at effective tax rates	(48,400,137,522)	(54,285,667,528)
Tax effect of permanent differences	1,282,858,823	1,967,132,649
Adjustment of tax expense	12,680,585	552,440,907
Final tax on sale of land	6,469,166,835	-
Unrecognized deferred tax on fiscal loss	19,147,261,198	60,041,029,695
Tax expense	<u>(21,488,170,081)</u>	<u>8,274,935,723</u>

27. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

Nature of Relationship

- TVS Motor Company (Europe) B.V. and TVS Motor (Singapore) Pte., Limited, are stockholders of the Company.
- TVS Motor Company Limited, India (TVS India) is the ultimate holding company of the Company and a stockholder.

Transactions with Related Parties

The Company entered into certain transactions with related parties, including the following:

- Compensation paid to the Commissioners and Directors of the Company amounted to Rp 12,040,264,494 and Rp 12,888,491,277 in 2015 and 2014, respectively.
- Net sales to a related party accounted for 0.33% in 2015 and 0.29% in 2014, of the total net sales. At reporting date, the receivables from these net sales were presented as trade accounts receivable, which constituted 0.11% of the total assets as of March 31, 2015.
- Purchases from a related party constituted 52.15% in 2015 and 47.51% in 2014 of the total purchases of raw materials and components. At reporting date, the liabilities for these purchases were presented as trade accounts payable which constituted 12.19% and 1.03% of the total liabilities as of March 31, 2015 and 2014, respectively.
- The Company also entered into other accounts receivable and other payable (Note 14) transactions, product development, dies and moulds development and license agreements with a related party (Notes 28a, 28b and 28c).
- The Company obtained a loan from a shareholder and incurred interest expense as discussed in Note 18.

28. SIGNIFICANT CONTRACTS AND AGREEMENTS

- Corporate guarantee to IFC for US\$ 20 Million loan has been provided by TVS Motor Company Limited, India.
- The Company entered into a License and Technical Assistance Agreement (the "Agreement") dated February 26, 2007 with TVS Motor Company Limited (the "Licensor"), India, a stockholder, for 5 years and can be renewed upon mutual agreement by both parties. In accordance with the Agreement, the Company is required to pay technical assistance fee amounting to INR 20,000,000 per annum. In addition to such agreement, the Company is also required to pay royalty starting April 1, 2009.
On April 1, 2010, both parties amended the Agreement relating to royalty. The Licensor, agreed to waive the Company's royalty obligation starting April 1, 2010 until the Company achieves a monthly sales of 10,000 units of two wheelers. In addition, both parties agreed to extend the validity of this Agreement until March 31, 2017.
On January 1, 2012, the parties once again amended the Agreement. The parties have mutually agreed to waive the payment of technical fees from April 1, 2014 up to March 31, 2017.
- On March 8, 2014, the Company entered into supplemental agreement to the long term credit facility agreement dated April 10, 2007 with TVS Motor Company (Europe) B.V granting rights of conversion of loan into shares of the Company.

29. MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

	March 31, 2015		March 31, 2014	
	Foreign Currency	Equivalent in Rp	Foreign Currency	Equivalent in Rp
Assets				
Cash and cash equivalents	USD 562,719	7,362,616,702	723,216	8,247,555,150
Trade accounts receivable				
Related party	USD 53,214	696,254,200	-	-
Third parties	USD 1,009,311	13,205,825,124	661,627	7,545,195,676
Security deposits	USD 23,365	305,707,660	22,940	261,606,277
Total assets		<u>21,570,403,686</u>		<u>16,054,357,103</u>
Liabilities				
Bank loans	USD 11,457,588	141,235,757,075	10,532,068	120,107,699,728
Trade accounts payable				
Related party	USD 4,586,877	60,014,693,102	401,356	4,577,063,482
Third parties	USD 99,988	1,308,247,225	572,338	6,526,945,826
Other accounts payable				
Related party	USD 68,600	897,566,177	41,023	467,824,695
Third parties	USD 171,380	2,242,330,487	271,564	3,096,911,979
Accrued expenses	USD 251,614	3,292,121,805	1,062,837	12,120,593,148
Loan from a financial institution	USD 8,346,650	109,207,572,120	14,184,544	161,760,540,232
Loan from a shareholder	USD 7,941,876	103,911,505,584	7,000,000	79,828,000,000
Total liabilities		<u>422,109,793,575</u>		<u>388,485,579,090</u>
Net Liabilities		<u>(400,539,389,889)</u>		<u>(372,431,221,987)</u>

The conversion rates used by the Company are as follows:

	March 31, 2015	March 31, 2014
	Rp	Rp
USD	13,084	11,404

30. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

a. Categories and Classes of Financial Instruments

	March 31, 2015		
	Loans and receivables Rp	Liabilities at amortized cost Rp	Total Rp
Financial Assets			
Cash and cash equivalents	27,449,296,143	-	27,449,296,143
Trade accounts receivable			
Related party	696,254,200	-	696,254,200
Third parties	25,813,669,472	-	25,813,669,472
Other current assets	5,081,017,970	-	5,081,017,970
Security deposit	1,127,418,694	-	1,127,418,694
Financial Liabilities			
Trade accounts payable			
Related party	-	(60,014,693,102)	(60,014,693,102)
Third parties	-	(10,253,476,071)	(10,253,476,071)
Other accounts payable			
Related party	-	(897,566,177)	(897,566,177)
Third parties	-	(6,263,906,601)	(6,263,906,601)
Accrued expenses	-	(19,822,180,799)	(19,822,180,799)
Bank loans	-	(150,363,907,136)	(150,363,907,136)
Loan from a financial institution	-	(109,207,572,120)	(109,207,572,120)
Loan from a shareholder	-	(103,911,505,584)	(103,911,505,584)
Total	60,167,656,479	(460,734,807,590)	(400,567,151,111)

	March 31, 2014		
	Loans and receivables Rp	Liabilities at amortized cost Rp	Total Rp
Financial Assets			
Cash and cash equivalents	16,581,261,674	-	16,581,261,674
Trade accounts receivable			
Third parties	18,110,151,525	-	18,110,151,525
Other current assets	550,000,000	-	550,000,000
Security deposit	917,085,887	-	917,085,887
Financial Liabilities			
Trade accounts payable			
Related party	-	(4,577,063,482)	(4,577,063,482)
Third parties	-	(9,170,718,115)	(9,170,718,115)
Other accounts payable			
Related party	-	(467,824,695)	(467,824,695)
Third parties	-	(9,937,992,534)	(9,937,992,534)
Accrued expenses	-	(26,015,003,416)	(26,015,003,416)
Bank loans	-	(135,002,123,875)	(135,002,123,875)
Loan from a financial institution	-	(160,954,023,480)	(160,954,023,480)
Loan from a shareholder	-	(79,828,000,000)	(79,828,000,000)
Total	36,158,499,086	(425,952,749,597)	(389,794,250,511)

b. Capital Risk Management

The Company manages capital risk to ensure that it will be able to continue as going concern, in addition to maximizing the profits of the shareholders through the optimization of the balance of debt and equity. The Company's capital structure consists of cash on hand and in banks (Note 5), bank loans (Note 12), loan from a financial institution (Note 17), loan from a shareholder (Note 18) and equity, consisting of subscribed and paid-up capital (Note 20), foreign exchange rate difference on paid-in capital (Note 21) and revaluation surplus (Note 22).

The gearing ratio as of March 31, 2015 and 2014 are as follows:

	March 31, 2015 Rp	March 31, 2014 Rp
Debt	374,247,541,250	375,784,147,355
Cash on hand and in banks	27,449,296,143	16,581,261,674
Debt - net	346,798,245,107	359,202,885,681
Equity	155,131,682,438	241,132,062,446
Net debt to equity ratio	224%	149%

c. Financial risk management objectives and policies

The Company's overall financial risk management and policies seek to ensure that adequate financial resources are available for operation and development of its business, while managing its exposure to foreign exchange risk, interest rate risk, credit and liquidity risks. The Company operates within defined guidelines that are approved by the Board of Directors.

i. Interest rate risk management

The interest rate risk exposure relates to the amount of assets or liabilities which is subject to a risk that a movement in interest rates will adversely affect the income after tax. The risks on interest income and interest expense are limited as the Company's financial instruments with variable interest rate are short-term in nature and obtains long-term financing from banks and shareholders at a fixed rate of interest. The Company has a policy of obtaining financing from banks which offer the most favorable interest rate. Approvals from the Directors and Commissioners must be obtained before committing the Company to any of the instruments to manage the interest rate risk exposure.

Financial instruments that are exposed to interest rate risk are included in the liquidity table in item (iv).

ii. Foreign currency risk management

The Company is exposed to the effect of foreign currency exchange rate fluctuation mainly because of foreign currency denominated transactions such as purchases of goods and borrowings denominated in foreign currency.

The Company manages the foreign currency exposure by matching, as far as possible, receipts and payments in each individual currency. The Company's net open foreign currency exposure as of reporting date is disclosed in Note 29.

The following table details the Company's sensitivity to changes of Indonesian Rupiah against other currencies. The sensitivity analysis represents management's assessment of the effect to the financial statements caused by the reasonably possible change in foreign exchange rates, on outstanding foreign currency denominated monetary financial assets and liabilities.

	2015		2014	
	Percentage of changes in exchange rate	Effect on profit or loss after tax Rp	Percentage of changes in exchange rate	Effect on profit or loss after tax Rp
US Dollar	4%	12,016,181,697	8%	22,345,873,319

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year-end exposure does not reflect the exposure during the year.

iii. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in a loss to the Company.

The Company's credit risk is primarily attributed to its cash in banks, accounts receivable from related parties, other current asset and trade and other accounts receivables. The Company places its bank balances with credit worthy financial institutions, while receivables are entered with respected and credit worthy third and related parties. With respect to the distributors to whom credit is extended for the sale of vehicles, the Company has a policy of obtaining bank guarantees and/or assets for collateral, which is the basis for setting-up the distributor's credit limit. The Company's exposure and its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risk associated with trade accounts receivables is partially mitigated because the trade accounts receivable are partially secured by bank guarantee and land certificates. Trade accounts receivable amounting to Rp 17,813,669,584 as of March 31, 2015 are fully covered by collaterals.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses and credit risk enhancements represents the Company's exposure to credit risk.

iv. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company receives support from shareholders to finance its ongoing working capital requirements.

PT. TVS MOTOR COMPANY INDONESIA

The table below summarizes the maturity profile of financial assets and liabilities based on contractual undiscounted payments as of March 31, 2015 and 2014.

March 31, 2015						
Weighted average effective interest rate	Less than 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	5+ years	Total
	Rp	Rp	Rp	Rp	Rp	Rp
Financial assets						
Non-interest bearing						
Cash on hand	86,487,343	-	-	-	-	86,487,343
Trade receivables	8,145,007,228	17,142,222,741	1,222,693,703	-	-	26,509,923,672
Security deposits	-	-	-	1,127,418,694	-	1,127,418,694
Other current assets	187,478,217	287,782,227	2,770,501,063	407,128,512	-	3,652,890,018
Variable interest rate instruments						
Cash in bank	1.5% - 3%	10,212,601,481	-	-	-	10,212,601,481
Fixed interest rate instruments						
Time Deposit	3.0% - 10.0%	12,230,342,460	1,520,155,560	3,523,996,980	-	17,274,495,000
Total		30,861,916,729	18,950,160,528	7,517,191,746	1,534,547,206	58,863,816,208
Financial liabilities						
Non-interest bearing						
Trade accounts payable						
Related party	-	-	60,014,693,102	-	-	60,014,693,102
Third party	5,774,094,275	4,479,381,796	-	-	-	10,253,476,071
Other accounts payable						
Related party	-	897,566,177	-	-	-	897,566,177
Third party	3,131,201,735	3,132,704,866	-	-	-	6,263,906,601
Accrued expense	2,126,982,035	11,857,380,917	5,837,817,847	-	-	19,822,180,799
Floating interest rate instruments						
Bank loans	5.4% - 15%	14,541,634,986	14,607,861,999	122,905,875,802	-	152,055,372,787
Fixed interest rate instruments						
Bank loans	6.5%	1,099,802,176	2,180,798,315	3,125,632,451	12,030,212,052	18,436,444,994
Loan from a financial institution	3.92% - 5.52%	-	-	57,115,511,500	61,127,715,296	118,243,226,796
Loan from a shareholder	8%	-	-	8,572,699,211	138,202,302,427	146,775,001,637
Total		26,673,715,207	37,155,694,069	257,572,229,913	211,360,229,775	532,761,868,964
Maturity GAP		4,188,201,521	(18,205,533,541)	(250,055,038,168)	(209,825,682,569)	(473,898,052,755)

March 31, 2014						
Weighted average effective interest rate	Less than 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	5+ years	Total
	Rp	Rp	Rp	Rp	Rp	Rp
Financial assets						
Non-interest bearing						
Cash on hand	83,160,175	-	-	-	-	83,160,175
Trade receivables	10,528,120,741	7,550,507,773	31,523,011	-	-	18,110,151,525
Security deposits	-	-	-	917,085,887	-	917,085,887
Other current assets	-	-	550,000,000	-	-	550,000,000
Variable interest rate instruments						
Cash in bank	2.5% - 4%	11,021,014,210	-	-	-	11,021,014,210
Fixed interest rate instruments						
Time Deposit	8.0% - 8.5%	-	2,162,222,222	4,049,972,222	-	6,212,194,444
Total		21,632,295,126	9,712,729,995	4,631,495,233	917,085,887	36,893,606,241
Financial liabilities						
Non-interest bearing						
Trade accounts payable						
Related party	-	-	4,577,063,482	-	-	4,577,063,482
Third party	3,488,496,007	5,682,222,108	-	-	-	9,170,718,115
Other accounts payable						
Related party	-	467,824,695	-	-	-	467,824,695
Third party	1,931,428,272	2,760,724,262	5,245,840,000	-	-	9,937,992,534
Accrued expense	1,335,517,634	16,759,016,856	7,920,468,926	-	-	26,015,003,416
Floating interest rate instruments						
Bank loans	5.2% - 14.5%	683,484,338.00	1,433,854,159	114,289,889,353	-	116,407,227,850
Fixed interest rate instruments						
Bank loans	6.5%	783,507,486.00	1,561,419,392	8,381,139,326	16,069,185,166	26,795,251,370
Loan from a financial institution	3.72% - 5.52%	-	-	73,410,638,913	103,039,931,792	176,450,570,705
Loan from a shareholder	8.25%	-	-	7,526,640,000	121,338,560,000	128,865,200,000
Total		8,222,433,737	28,665,061,472	221,351,680,000	240,447,676,958	498,686,852,167
Maturity GAP		13,409,861,389	(18,952,331,477)	(216,720,184,767)	(239,530,591,071)	(461,793,245,926)

d. Fair value of financial instruments

Except as shown in the following table, management considers that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the financial statements approximate their fair values, either because of their short-term maturity of they carry the prevailing market rates.

	March 31, 2015		March 31, 2014	
	Carrying value Rp	Estimated fair value Rp	Carrying value Rp	Estimated fair value Rp
Loan from a shareholder	103,911,505,584	99,022,921,507	79,828,000,000	83,222,732,632

31. OTHER MATTERS

The Company incurred a totalling comprehensive loss of Rp 137,252,380,008 during the year ended March 31, 2015 and, as of that date, the Company's current liabilities exceeded its current assets by Rp 137,180,651,689. Further, the Company incurred a deficit of Rp 1,179,589,215,106 as of March 31, 2015, as a result of recurring losses from operations due to gross losses and significant operating expenses. The Company was also unable to operate at expected capacity and incurred significant fixed costs. The Company is also still developing its market share and introducing its brand in Indonesia. In introducing their new brand, the Company has to compete with the existing wellknown brands. They are also developing their networks to distributors, dealers and consumer finance companies.

Nevertheless, the Company's management believes that they maintain considerable financial resources, including support from the Company's ultimate shareholder.

Management also implemented and continues to implement the following measures:

- Focus on increasing sales volume and improvement to gross margin;
- Focus on increasing brand awareness and conversion at dealerships;
- Expand the network at select areas;
- Introduce new products and ensure continued customer satisfaction;
- Thrust on exports; and
- Reduction in fixed cost

The Company's management also believes that it is well placed to manage the Company's business risks successfully despite the current condition and is able to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

32. SUPPLEMENTAL DISCLOSURES ON NONCASH FINANCING ACTIVITIES

In 2014, the Company has noncash transaction for its financing activities which was not included in its statements of cash flows as follows:

	2014 Rp
Conversion of debt to shares of stock	91,232,000,000

33. MANAGEMENT'S RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS

The preparation and fair presentation of the financial statements on pages 3 to 42 were the responsibilities of the management, and were approved by the Directors and authorized for issue on April 16, 2015.

**RE-STATED ACCOUNTS OF
PT. TVS MOTOR COMPANY INDONESIA**

PT. TVS MOTOR COMPANY INDONESIA

BALANCE SHEET AS AT 31 MARCH 2015

Sl. No	Particulars	Note Number	IDR in Mn	Rupees in crores
I	EQUITY AND LIABILITIES			
1	Shareholders' funds			
(a)	Share capital	I	1,129,547.80	556.95
(b)	Reserves and surplus	II	(950,853.76)	(500.75)
2	Non-current liabilities			
(a)	Long-term borrowings	III	171,571.46	81.93
(b)	Deferred tax liabilities (Net)		-	-
(c)	Long-term provisions	IV	17,894.00	8.54
3	Current liabilities			
(a)	Short-term borrowings	V	130,889.64	62.50
(b)	Trade payables		71,165.74	33.99
(c)	Other current liabilities	VI	100,720.71	48.10
(d)	Short-term provisions		-	-
Total			<u>670,935.59</u>	<u>291.26</u>
II	ASSETS			
	Non-current assets			
1	(a) Fixed assets			
(i)	Tangible assets	VII	497,134.45	208.28
(ii)	Intangible assets	VII	-	-
(iii)	Capital work-in-progress	VII	-	-
(iv)	Intangible assets under development		-	-
(b)	Non-current investments		-	-
(c)	Long-term loans and advances	VIII	1,127.42	0.54
(d)	Other non current assets		-	-
2	Current assets			
(a)	Current investments		-	-
(b)	Inventories	IX	82,685.39	39.47
(c)	Trade receivables	X	26,509.92	12.66
(d)	Cash and cash equivalents	XI	27,449.30	13.11
(e)	Short-term loans and advances	XII	30,948.09	14.77
(f)	Other current assets	XIII	5,081.02	2.43
Total			<u>670,935.59</u>	<u>291.26</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

	Note Number	IDR in Mn	Rupees in crores
I. Revenue from operations	XIV	229,331.73	116.15
II. Other income	XV	994.88	0.50
III. Total Revenue (I + II)		<u>230,326.61</u>	<u>116.65</u>
IV. Expenses:			
Cost of materials consumed	XVI	178,780.04	90.01
Purchases of Stock-in-trade	XVI	-	-
Changes in inventories of finished goods work-in-process and stock-in-trade	XVI	2,267.60	1.69
Employee benefits expense	XVII	63,727.31	32.27
Finance costs	XVIII	64,550.35	32.69
Depreciation and amortization expense		18,951.00	13.53
Other expenses	XIX	78,608.72	39.82
Total expenses		<u>406,885.02</u>	<u>210.01</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		(176,558.41)	(93.36)
VI. Exceptional items		113,352.64	57.41
VII. Profit before extraordinary items and tax		(63,205.77)	(35.95)
VIII. Extraordinary items - Income		-	-
IX. Profit before tax		(63,205.77)	(35.95)
X Tax expense:			
(1) Current tax		6,481.85	3.28
(2) Deferred tax		-	-
XI Profit (Loss) for the period (IX-X)		<u>(69,687.62)</u>	<u>(39.23)</u>

PT. TVS MOTOR COMPANY INDONESIA

Notes on Accounts

	IDR in Mn As at 31.03.2015	Rupees in crores As at 31.03.2015
I SHARE CAPITAL		
Details of authorised issued and subscribed share capital		
Authorised		
12,500,000 Ordinary shares of IDR.97,400 each	1,217,500.00	645.02
Issued, subscribed and paid-up 11,597,000 Ordinary shares of IDR.97,400 each	1,129,547.80	556.95
	<u>1,129,547.80</u>	<u>556.95</u>
II RESERVES AND SURPLUS		
a. Capital reserve		
(i) Foreign currency translation reserve	9,911.02	(37.04)
b. Revaluation Reserve	195,262.08	93.24
c. General reserve		
Opening Balance	(3,815.51)	(0.81)
(+) Current Year Transfer from Statement of Profit and Loss	-	-
Closing Balance	(3,815.51)	(0.81)
d. Surplus - Profit and Loss Account		
Opening balance	(1,082,523.73)	(574.43)
(+) Net profit/(Loss) for the current year	(69,687.62)	(39.23)
(+) Transfer to Foreign currency translation reserve	-	57.52
Closing balance	(1,152,211.35)	(556.14)
Total (a + b + c+d)	<u>(950,853.76)</u>	<u>(500.75)</u>
III LONG TERM BORROWINGS		
Secured		
Term loans		
(a) From banks		
(i) External commercial borrowings	10,764.56	5.14
(ii) International Finance Corporation	56,895.39	27.17
Total (A)	<u>67,659.95</u>	<u>32.31</u>
Unsecured		
From related party	103,911.51	49.62
Total (B)	<u>103,911.51</u>	<u>49.62</u>
Total (A)+(B)	<u>171,571.46</u>	<u>81.93</u>

Notes on Accounts (continued)

	IDR in Mn As at 31.03.2015	Rupees in crores As at 31.03.2015
IV LONG TERM PROVISIONS		
Provision for employee benefits:		
Pension and leave salary	17,894.00	8.54
Total	<u>17,894.00</u>	<u>8.54</u>
V SHORT TERM BORROWINGS		
Secured		
From banks	130,889.64	62.50
Unsecured		
From banks	-	-
From related parties	-	-
Total	<u>130,889.64</u>	<u>62.50</u>
VI OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term borrowing's International Finance Corporation and Banks secured by a first charge on fixed assets	71,786.45	34.28
(b) Others		
Statutory dues payable	2,527.50	1.21
For expenses	26,086.09	12.46
Advance received from customers	320.67	0.15
Total	<u>100,720.71</u>	<u>48.10</u>

PT. TVS MOTOR COMPANY INDONESIA

VII FIXED ASSETS										Rupees in crores
Description	Tangible						Intangible		Total (tangible and intangible)	
	Land		Buildings	Plant & machinery tools, dies and jigs	Furniture & fixtures Equipments	Vehicles	Total as at 31.03.2015	Software*	Total as at 31.03.2015	As at 31.03.2015
	Free hold	Lease hold								
Cost of assets										
As at 01-04-2014	168.15	-	46.06	146.92	4.91	0.42	366.46	-	-	366.46
Additions	0.02	-	0.22	1.30	0.26		1.80	-	-	1.80
Foreign exchange translation reserve adjustments	0.06		(1.50)	(6.02)	(0.50)	(0.05)	(8.01)	-	-	(8.01)
Sub-total	168.23	-	44.78	142.20	4.67	0.37	360.25	-	-	360.25
Sales / deletion	61.78	-	0.26	0.34	0.01	-	62.39	-	-	62.39
Total	106.45	-	44.52	141.86	4.66	0.37	297.86	-	-	297.86
Depreciation / Amortisation										
Upto 31-03-2014	-	-	14.49	63.18	4.51	0.26	82.44	-	-	82.44
For the year	-	-	2.28	11.00	0.21	0.04	13.53	-	-	13.53
Foreign exchange translation reserve adjustments			(1.51)	(4.10)	(0.46)	(0.02)	(6.09)	-	-	(6.09)
Sub-total	-	-	15.26	70.08	4.26	0.28	89.88	-	-	89.88
Withdrawn on assets sold / deleted			0.03	0.26	0.01	-	0.30	-	-	0.30
Total	-	-	15.23	69.82	4.25	0.28	89.58	-	-	89.58
Written down value										
As at 31-03-2015	106.45	-	29.29	72.04	0.41	0.09	208.28	-	-	208.28
As at 31-03-2014	168.15	-	31.57	83.74	0.40	0.16	284.02	-	-	284.02
CAPITAL WORK-IN-PROGRESS (AT COST)										
(a) Building										-
(b) Machinery										-
Total										-

VII FIXED ASSETS										IDR mn
Description	Tangible						Intangible		Total (tangible and intangible)	
	Land		Buildings	Plant & machinery tools, dies and jigs	Furniture & fixtures Equipments	Vehicles	Total as at 31.03.2015	Software*	Total as at 31.03.2015	As at 31.03.2015
	Free hold	Lease hold								
Cost of assets										
As at 01-04-2014	317,400.00	-	87,783.97	289,168.98	9,240.41	780.00	704,373.36	-	-	704,373.36
Additions	34,912.20	-	6,079.78	10,456.20	537.75	-	51,985.93	-	-	51,985.93
Sub-total	352,312.20	-	93,863.75	299,625.18	9,778.16	780.00	756,359.29	-	-	756,359.29
Sales / deletion	129,383.34	-	547.36	719.93	22.88	-	130,673.51	-	-	130,673.51
Total	222,928.86	-	93,316.39	298,905.25	9,755.28	780.00	625,685.78	-	-	625,685.78
Depreciation / Amortisation										
Upto 31-03-2014	-	-	27,777.55	73,443.68	8,508.76	502.47	110,232.46	-	-	110,232.46
For the year	-	-	4,543.08	13,914.32	409.86	83.74	18,951.00	-	-	18,951.00
Sub-total	-	-	32,320.63	87,358.00	8,918.62	586.21	129,183.46	-	-	129,183.46
Withdrawn on assets sold / deleted			64.15	545.10	22.88	-	632.13	-	-	632.13
Total	-	-	32,256.48	86,812.90	8,895.74	586.21	128,551.33	-	-	128,551.33
Written down value										
As at 31-03-2015	222,928.86	-	61,059.91	212,092.35	859.54	193.79	497,134.45	-	-	497,134.45
As at 31-03-2014	317,400.00	-	60,006.42	215,725.30	731.65	277.53	594,140.90	-	-	594,140.90
CAPITAL WORK-IN-PROGRESS (AT COST)										
(a) Building										-
(b) Machinery										-
Total										-

PT. TVS MOTOR COMPANY INDONESIA

Notes on Accounts (continued)

	IDR in Mn As at/ Year ended 31.03.2015	Rupees in crores As at/ Year ended 31.03.2015
VIII LONG TERM LOANS AND ADVANCES		
(a) Capital advances	-	-
(b) Deposits made	1,127.42	0.54
(c) Loans to related parties	-	-
(d) Advance payment of tax less provisions	-	-
Total	1,127.42	0.54
IX INVENTORIES (at cost or net realisable value whichever is less)		
Raw materials and components	72,939.21	34.82
Finished goods	9,279.11	4.43
Stores and spares	467.07	0.22
Total	82,685.39	39.47
X TRADE RECEIVABLES		
(a) Unsecured debts outstanding for a period exceeding six months		
(i) Considered good	-	-
(ii) Considered doubtful	582.40	0.29
	582.40	0.29
Less: Provision for doubtful debts	582.40	0.29
	-	-
(b) Other unsecured debts	26,509.92	12.66
Total	26,509.92	12.66
XI CASH AND CASH EQUIVALENTS		
(a) Balances with banks	10,195.61	4.87
(b) Balances with banks in Fixed Deposits	17,167.20	8.20
(c) Cheques/drafts on hand	-	-
(d) Cash on hand	86.49	0.04
(e) Earmarked balances with banks : Unpaid dividend	-	-
Total	27,449.30	13.11
XII SHORT TERM LOANS AND ADVANCES		
(a) Loans and advances to related parties Unsecured, considered good	-	-
(b) Others		
(i) Employee related advance	-	-
(ii) Excise current account	-	-
(iii) Vendor advance	2,891.76	1.38
(iv) Advance payment of tax less provisions	888.07	0.42
(v) Advance payment of Sales tax/VAT	27,168.26	12.97
Total	30,948.09	14.77
XIII OTHER CURRENT ASSETS		
(a) Interest accrued on deposits/investments	-	-
(b) Claims receivable	-	-
(c) Others	5,081.02	2.43
Total	5,081.02	2.43
XIV REVENUE FROM OPERATION		
Sale of products	225,908.16	114.42
Sale of services	-	-
Other operating revenues	3,423.57	1.73
	229,331.73	116.15
Less:Excise duty and service tax	-	-
Total	229,331.73	116.15

Notes on Accounts (continued)

	IDR in Mn Year ended 31.03.2015	Rupees in crores Year ended 31.03.2015
XV OTHER INCOME		
Interest	994.88	0.50
Dividend		
(i) From subsidiaries	-	-
(ii) From others	-	-
Net gain on sale of investments	-	-
Profit on sale of fixed assets	-	-
Other Non operating income	-	-
Total	994.88	0.50
XVI MATERIAL COST		
Cost of Materials consumed		
Opening stock of raw materials and components	52,054.66	27.58
Add: Purchases	199,664.59	97.25
	251,719.25	124.83
Less:Closing stock of raw materials	72,939.21	34.82
Consumption of raw materials	178,780.04	90.01
Purchases of stock in trade	0.00	0.00
Changes in inventory		
Opening stock:		
Work-in-progress	-	-
Stock in trade	-	-
Finished goods	11,546.71	6.12
Total (A)	11,546.71	6.12
Closing stock:		
Work-in-progress	-	-
Stock in trade	-	-
Finished goods	9,279.11	4.43
Total (B)	9,279.11	4.43
Total (A)-(B)	2,267.60	1.69
XVIIEMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	55,617.88	28.17
Contribution to provident and other funds	4,309.67	2.18
Staff welfare expenses	3,799.76	1.92
Total	63,727.31	32.27
XVIII FINANCE COSTS		
Interest expense	29,835.30	15.11
External commercial borrowing upfront fees written off	-	-
Amortisation of foreign currency monetary item translation difference account	-	-
Other borrowing cost	34,715.05	17.58
Total	64,550.35	32.69
XIX OTHER EXPENSES		
Consumption of stores and tools	-	-
Power and fuel	2,295.73	1.16
Rent	9,252.51	4.69
Repairs - buildings	1,763.51	0.89
Repairs - machinery	890.71	0.45
Insurance	1,697.03	0.86
Rates and taxes, excluding, taxes on income	1,001.11	0.51
Audit fees	696.17	0.35
Packing and freight charges	6,924.83	3.51
Advertisement and publicity	25,091.23	12.71
Other marketing expenses	6,987.43	3.54
Loss on impairment of assets	582.40	0.29
Miscellaneous expenses	21,426.06	10.86
Total	78,608.72	39.82

SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

AUDIT REPORT

SCSS [2014] No. 26

Sundaram Business Development Consulting (Shanghai) Co., Ltd.

We have audited the attached financial statements of Sundaram Business Development Consulting (Shanghai) Co., Ltd. (hereinafter referred to as "the company") in 2012, 2013 and from Jan. 1, 2014 to Oct. 31, 2014. It is the responsibility of the Management of your company to work out these financial statements, while ours is to advice on auditing on the basis of auditing such statements.

(I) Management's Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Accounting Standards for Business Enterprises and the Accounting System for Business Enterprises. This responsibility includes (1) designing, implementing and maintaining the internal control relevant to the preparation and the true and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error; (2) selecting and applying appropriate accounting policies; and (3) making accounting estimates that are reasonable in the circumstances.

(II) Responsibilities of Certified Public Accountants

Our responsibilities are to give auditing opinions on the financial statements based on the implementation of auditing work. We carried out auditing procedures in accordance with the terms under Auditing Criterion for Chinese Registered Accountants. Auditing Criterion for Chinese Registered Accountants require us respect the professional ethics, design and implement the auditing procedures to audit whether the financial statements are free from major reporting errors.

Auditing work involves implementation of auditing procedures so as to collect audit evidence of relevant figures in financial statements and disclosure. It is the judgment of certified public accountants that decides the selections of the auditing procedures, including assessment of risks of material misstatement in financial statements due to fraud or error. During the risk evaluation, we take into consideration the internal controls related to preparation of financial statements to design an appropriate auditing procedure, but the purpose is not to make comments on the effectiveness of the internal control. Auditing work shall also include the evaluation of appropriateness of the accounting policies selected by the Management and the legitimacy of the accounting estimation, and evaluate the overall reporting of the financial statements.

We believe the auditing evidence collected by us is abundant and appropriate to provide foundation of the auditing opinions.

I. Company Profile

Sundaram Business Development Consulting (Shanghai) Co., Ltd. is a limited liability company (foreign legal person sole proprietorship) established with the investment from TVS MOTOR COMPANY LIMITED and has obtained No. 310000400661127 (Changning District) Legal Person Business License issued by Shanghai Administration of Industry and Commerce on Nov. 21, 2011. The company has a registered capital of USD 222,000 and a same amount of paid-in capital. Scope of business: business information consultation, investment consulting, management consulting, international economic information consulting, trade information consulting, technological information consulting and marketing planning (excluding advertising) consulting, (business involving administrative licensing shall be run with license).

II. Audit Results

(I) Settlement Situation of Tax Payable

1. Business Tax

- (1) The annual revenue in 2012 is 698,384.07 Yuan with the applicable tax rate of 5%. The business tax payable at the start of the period is 0.00 Yuan. The amount payable for the period is 34,919.21 Yuan and an amount of 17,103.90 Yuan has already been paid. And the unpaid tax amount of 17,815.31 Yuan has been paid to National Treasury Shanghai Changning District Sub-treasury on Jan. 14, 2013. The amount has been verified to be consistent.

According to state regulations, the policy of "replacing business tax with value-added tax" will be implemented starting from Mar. 1, 2013. Under the new policy, a value-added tax will be paid and the tax rate is lowered to 3% from 5%.

2. VAT

- (1) The revenue subject to VAT in 2013 is 1,831,863.56 Yuan with the applicable tax rate of 3%. The VAT payable is 54,955.91 Yuan with an amount of 0.00 Yuan payable at the start of the period. The amount payable for the period is 54,955.91 Yuan and an amount of 27,101.69 Yuan has already been paid. And the unpaid tax amount at the end of period is 27,854.22 Yuan. The amount has been verified to be consistent.
- (2) The revenue subject to VAT in the period from Jan. 2014 to Oct. 2014 is 0.00 Yuan with the applicable tax rate of 3%. The VAT payable is 0.00 Yuan with an amount of 27,854.22 Yuan payable at the start of the period. The amount payable for the period is 27,854.22 Yuan and an amount of 27,854.22 Yuan has already been paid and the unpaid amount at the end of period is 0.00 Yuan. The amount has been verified to be consistent.

3. River Management Fee

- (1) The business tax generated from items subject to business tax in 2012 is 34,919.21 Yuan with an applicable tax rate of 1%. 349.19 Yuan river management fee shall be paid. The amount payable at the start of the period is 0.00 Yuan and the amount payable for the entire period is 349.19 Yuan. Among the amount, 171.04 Yuan has already been paid and the unpaid amount at the end of period is 178.15 Yuan. The amount has been verified to be consistent.
- (2) The business tax generated from items subject to business tax in 2013 is 54,955.91 Yuan with an applicable tax rate of 1%. 549.55 Yuan river management fee shall be paid. The amount payable at the start of the period is 178.15 Yuan and the amount payable for the entire period is 727.70 Yuan. Among the amount, 449.16 Yuan has already been paid and the unpaid amount at the end of period is 278.54 Yuan. The amount has been verified to be consistent.
- (3) The business tax generated from items subject to business tax in the period from Jan. 2014 to Oct. 2014, is 0.00 Yuan with an applicable tax rate of 1%. 0.00 Yuan river management fee shall be paid. The amount payable at the start of the period is 278.54 Yuan and the amount payable for the entire period is 278.54 Yuan. Among the amount, 278.54 Yuan has already been paid and the unpaid amount at the end of period is 0.00 Yuan. The amount has been verified to be consistent.

4. City Maintenance and Construction Tax

- (1) The business tax generated from items subject to business tax in 2012 is 34,919.21 Yuan with an applicable tax rate of 7%. 2,444.34 Yuan city maintenance and construction tax shall be paid. The amount payable at the start of the period is 0.00 Yuan and the amount payable for the entire period is 2,444.34 Yuan. Among the amount, 1,197.27 Yuan has already been paid and the unpaid amount at the end of period is 1,247.07 Yuan. The amount has been verified to be consistent.
- (2) The business tax generated from items subject to business tax in 2013 is 54,955.91 Yuan with an applicable tax rate of 7%. 3,846.92 Yuan city maintenance and construction tax shall be paid. The amount payable at the start of the period is 1,247.07 Yuan and the amount payable for the entire period is 5,093.99 Yuan. Among the amount, 3,144.19 Yuan has already been paid and the unpaid amount at the end of period is 1,949.80 Yuan. The amount has been verified to be consistent.
- (3) The business tax generated from items subject to business tax in the period from Jan. 2014 to Oct. 2014 is 0.00 Yuan with an applicable tax rate of 7%. 0.00 Yuan city maintenance and construction tax shall be paid. The amount payable at the start of the period is 1,949.80 Yuan and the amount payable for the entire period is 1,949.80 Yuan. Among the amount, 1,949.80 Yuan has already been paid and the unpaid amount at the end of period is 0.00 Yuan. The amount has been verified to be consistent.

5. Educational Surcharge

- (1) The business tax generated from items subject to business tax in 2012 is 34,919.21 Yuan with an applicable tax rate of 3%. 1,047.58 Yuan educational surcharge shall be paid. The amount payable at the start of the period is 0.00 Yuan and the amount payable for the entire period is 1,047.58 Yuan. Among the amount, 513.12 Yuan has already been paid and the unpaid amount at the end of period is 534.46 Yuan. The amount has been verified to be consistent.
- (2) The business tax generated from items subject to business tax in 2013 is 54,955.91 Yuan with an applicable tax rate of 3%. 1,648.68 Yuan educational surcharge shall be paid. The amount payable at the start of the period is 534.46 Yuan and the amount payable for the entire period is 2,183.14 Yuan. Among the amount, 1,347.51 Yuan has already been paid and the unpaid amount at the end of period is 835.63 Yuan. The amount has been verified to be consistent.
- (3) The business tax generated from items subject to business tax in the period from Jan. 2014 to Oct. 2014 is 0.00 Yuan with an applicable tax rate of 3%. 0.00 Yuan educational surcharge shall be paid. The amount payable at the start of the period is 835.63 Yuan and the amount payable for the entire period is 835.63 Yuan. Among the amount, 835.63 Yuan has already been paid and the unpaid amount at the end of period is 0.00 Yuan. The amount has been verified to be consistent.

6. Local Educational Surcharge

- (1) The business tax generated from items subject to business tax in 2012 is 34,919.21 Yuan with an applicable tax rate of 2%. 698.39 Yuan local educational surcharge shall be paid. The amount payable at the start of the period is 0.00 Yuan and the amount payable for the entire period is 698.39 Yuan. Among the amount, 342.08 Yuan has already been paid and the unpaid amount at the end of period is 356.31 Yuan. The amount has been verified to be consistent.
- (2) The business tax generated from items subject to business tax in 2013 is 54,955.91 Yuan with an applicable tax rate of 2%. 1,099.12 Yuan local educational surcharge shall be paid. The amount payable at the start of the period is 356.31 Yuan and the amount payable for the entire period is 1,455.43 Yuan. Among the amount, 898.35 Yuan has already been paid and the unpaid amount at the end of period is 557.08 Yuan. The amount has been verified to be consistent.
- (3) The business tax generated from items subject to business tax in the period from Jan. 2014 to Oct. 2014 is 0.00 Yuan with an applicable tax rate of 2%. 0.00 Yuan local educational surcharge shall be paid. The amount payable at the start of the period is 557.08 Yuan and the amount payable for the entire period is 557.08 Yuan. Among the amount, 557.08 Yuan has already been paid and the unpaid amount at the end of period is 0.00 Yuan. The amount has been verified to be consistent.

7. Personal Income Tax

- (1) Personal income tax payable at the start of 2012 is 0.00 Yuan and an amount of 112,739.94 Yuan's personal income tax shall be withheld and deducted for this period. Among the amount, 99,076.86 Yuan has been paid and the unpaid amount at the end of period is 13,663.08 Yuan. The amount has been verified to be consistent.
- (2) Personal income tax payable at the start of 2013 is 13,663.08 Yuan and an amount of 169,318.98 Yuan's personal income tax shall be withheld and deducted for this period. Among the amount, 168,939.20 Yuan has been paid and the unpaid amount at the end of period is 14,042.86 Yuan. The amount has been verified to be consistent.
- (3) Personal income tax payable at the start of the period from Jan. 2014 to Oct. 2014 is 14,042.86 Yuan and an amount of 40,673.99 Yuan's personal income tax shall be withheld and deducted for this period. Among the amount, 54,716.85 Yuan has been paid and the unpaid amount at the end of period is 0.00 Yuan. The amount has been verified to be consistent.

8. Corporate Income Tax

- (1) The total profit recorded in 2012 is -532,970.83 Yuan and 0.00 Yuan corporate income tax has been paid. At annual tax declaration, the taxable income is adjusted to increase by 21,159.20 Yuan, making the taxable income -511,811.63 Yuan after the adjustment. No items needing adjustment is found in the investigation. The taxable income is 0.00 Yuan with an applicable tax rate of 25% and the tax payable is 0.00. The amount has been verified to be consistent.
- (2) The total profit recorded in 2013 is 94,998.38 Yuan and 0.00 Yuan corporate income tax has been paid. At annual tax declaration, the taxable income is first adjusted to increase by 280.40 Yuan and then decrease by 3,000.00 Yuan, making the declared taxable income 92,278.78 Yuan, which is used to make up the loss of 92,278.78 Yuan of previous years. No items needing adjustment is found in the investigation. The taxable income is 0.00 Yuan with an applicable tax rate of 25% and the tax payable is 0.00. The amount has been verified to be consistent.
- (3) The total profit recorded in the period from Jan. 2014 to Oct. 2014 is -769,781.81 Yuan and 0.00 Yuan corporate income tax has been paid. It's found in the audit that your company has an accounting profit of -769,781.81 Yuan from Jan. 2014 to Oct. 2014. The taxable income is adjusted to increase by 237,009.57 Yuan, making the taxable income -532,772.24. Yuan after the adjustment (see details at reconciliation statement of taxable income from Jan. 2014 to Oct. 2014). The applicable tax rate is 25% and the tax payable is 0.00. The amount has been verified to be consistent.

9. Stamp Duty

After investigation, the company needs to stick stamp duty of 697.00 Yuan for paid-in capital and a stamp duty of 60 Yuan for annual books in 2012, 2013 and 2014 (cash journals, bank journals and subsidiary ledgers and ledgers in 2012, 2013 and 2014). You should also stick 5 Yuan stamp duty of business license. In total, the company needs to stick stamp duty of 762.00 Yuan, of which 762.00 Yuan has been done, so 0.00 Yuan stamp duty shall be made up.

III. Audit Conclusions

0.00 Yuan tax payment shall be made up .

IV. Notes on Other Matters

1. This Report shall be only be used by Sundaram Business Development Consulting (Shanghai) Co., Ltd. as reference when handling tax cancellation procedures. Specific tax figures shall be those verified by competent tax authorities.
2. According to your company's shareholder resolution, the surplus assets (monetary funds) of your company after liquidation shall be returned to the original investor TVS MOTOR COMPANY LIMITED.

Annexes:

- (1) Balance sheets of Sundaram Business Development Consulting (Shanghai) Co., Ltd. on Dec. 31, 2012, Dec. 31, 2013 and from Jan. 2014 to Oct. 2014;
- (2) Income Statement of Sundaram Business Development Consulting (Shanghai) Co., Ltd. in 2012, 2013 and from Jan. 2014 to Oct. 2014;
- (3) Reconciliation statement of taxable income of Sundaram Business Development Consulting (Shanghai) Co., Ltd. from Jan. 2014 to Oct. 2014;
- (4) Duplicate of the Business License of Shanghai ChangHao Certified Public Accountants (special general partnership).

Shanghai ChangHao Certified, Public Accountants
(Special general partnership)

CPA:

CPA:

Shanghai, China Nov. 28, 2014

SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

Balance Sheet for the year 2012

Prepared by : Sundaram Business Development Consulting (Shanghai) Co., Ltd. As on December 31, 2012

Monetary unit: RMB

Item	Line no.	December 31, 2012	January 1, 2012	Item	Line no.	December 31, 2012	January 1, 2012
Current assets:	1			Current liabilities	65	-	-
Monetary capital	2	368,031.44	210,696.60	Short-term borrowings	66		
Deposit reservation for balance	3			Borrowing from central bank	67		
Lending funds	4			Deposits from customers and interbank	68		
Trading financial assets	5			Borrowing funds	69		
Notes receivable	6			Trading financial liabilities	70		
Accounts receivable	7			Notes payable	71		
Prepaid	8	8,000.00		Accounts payable	72		
Premiums receivable	9			Advance payment	73		
Cession premiums receivable	10			Financial assets sold for repurchase	74		
Provision of cession receivable	11			Handling charges and commissions payable	75		
Interests receivable	12			Employee payroll payable	76		
Other receivables	13	23,000.00	7,000.00	Including: payroll payable	77		
Redemptory monetary capital for sale	14			Welfare payable	78		
Inventories	15			Including: Employee reward and welfare fund	79		
Including: Material	16			Taxes payable	80	33,794.38	
Products	17			Including: taxes payable	81		
Non-current assets due within a year	18			Interest payable	82		
Other current assets	19	52,520.57	16,091.86	Other payables	83	21,080.00	
Total Current Assets	20	451,552.01	233,788.46	Dividend payable for reinsurance	84		
Non-current assets:	21	-	-	Reserve fund for insurance contracts	85		
Loans and payments	22			Receivings from vicariously traded securities	86		
Financial assets available for sale	23			Acting underwriting securities	87		
Held-to-maturity investment	24			Non-current liabilities due within one year	88		
Long-term receivables	25			Other current liabilities	89		
Long-term equity investment	26			Total Current Liabilities	90	54,874.38	-
Investment real estates	27			Non-current Liabilities	91	-	-
Fixed assets – cost	28			Long-term borrowings	92		
Less: accumulated depreciation	29			Bonds payable	93		
Fixed assets – net value	30			Long-term payable	94		
Less: Fixed assets depreciation reserves	31			Special accounts payable	95		
Net fixed assets	32		-	Estimated liabilities	96		
Construction in progress	33			Deferred income tax liabilities	97		
Engineering material	34			Other non-current liabilities	98		
Disposal of fixed assets	35			Including: Specially permitted reserve fund	99		
Productive biological assets	36			Total of non-current liabilities	100	-	-
Oil and natural gas assets	37			Total liabilities	101	54,874.38	-
Intangible assets	38			OWNERS' EQUITY:	102	-	-
Development costs	39			Paid-in Capital	103	949,604.00	253,744.00
Goodwill	40			National capital	104		
Long-term prepaid expenses	41			Collective capital	105		
Deferred income tax assets	42			Legal person's capital	106		
Other long-term assets	43			Including: State-owned legal entity capital	107		
Including: special allow to reserve assets	44			Collective legal entity capital	108		
Total non-Current assets	45			Personal capital	109		
	46			Foreign capital	110	949,604.00	253,744.00
	47			Less: Investment returned	111		
	48			Net value of paid-in capital (stock)	112	949,604.00	253,744.00
	49			Capital reserve	113		
	50			Less: treasury stock	114		
	51			Special reserve	115		
	52			Earned surplus	116		
	53			Including: Legal accumulation fund	117		
	54			Optional accumulation fund	118		
	55			Reserve funds	119	-	-
	56			Enterprise development fund	120	-	-
	57			Capital redemption	121		
	58			Generic risk reserve	122		
	59			Undistributed profit	123	-552,926.37	-19,955.54
	60			Translation reserve	124		
	61			Total of owner's equity attributable to the parent company	125	396,677.63	233,788.46
	62			Minority stockholder's interest	126		
	63			Total of owner's equity	127	396,677.63	233,788.46
Total assets	64	451,552.01	233,788.46	Total of liabilities and owner's equity	128	451,552.01	233,788.46

SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

Balance Sheet for the year 2013

Prepared by : Sundaram Business Development Consulting (Shanghai) Co., Ltd. As on December 31, 2013

Monetary unit: RMB

Item	Line no.	December 31, 2013	January 1, 2013	Item	Line no.	December 31, 2013	January 1, 2013
Current assets:	1			Current liabilities	65	-	-
Monetary capital	2	709,841.79	368,031.44	Short-term borrowings	66		
Deposit reservation for balance	3			Borrowing from central bank	67		
Lending funds	4			Deposits from customers and interbank	68		
Trading financial assets	5			Borrowing funds	69		
Notes receivable	6			Trading financial liabilities	70		
Accounts receivable	7			Notes payable	71		
Prepaid	8		8,000.00	Accounts payable	72		
Premiums receivable	9			Advance payment	73		
Cession premiums receivable	10			Financial assets sold for repurchase	74		
Provision of cession receivable	11			Handling charges and commissions payable	75		
Interests receivable	12			Employee payroll payable	76		
Other receivables	13	272,839.75	23,000.00	Including: payroll payable	77		
Redemptory monetary capital for sale	14			Welfare payable	78		
Inventories	15			Including: Employee reward and welfare fund	79		
Including: Material	16			Taxes payable	80	45,518.13	33,794.38
Products	17			Including: taxes payable	81		
Non-current assets due within a year	18			Interest payable	82		
Other current assets	19	17,008.48	52,520.57	Other payables	83		21,080.00
Total Current Assets	20	999,690.02	451,552.01	Dividend payable for reinsurance	84		
Non-current assets:	21	-	-	Reserve fund for insurance contracts	85		
Loans and payments	22			Receivings from vicariously traded securities	86		
Financial assets available for sale	23			Acting underwriting securities	87		
Held-to-maturity investment	24			Non-current liabilities due within one year	88		
Long-term receivables	25			Other current liabilities	89	18,080.00	
Long-term equity investment	26			Total Current Liabilities	90	63,598.13	54,874.38
Investment real estates	27			Non-current Liabilities	91	-	-
Fixed assets – cost	28			Long-term borrowings	92		
Less: accumulated depreciation	29			Bonds payable	93		
Fixed assets – net value	30			Long-term payable	94		
Less: Fixed assets depreciation reserves	31			Special accounts payable	95		
Net fixed assets	32		-	Estimated liabilities	96		
Construction in progress	33			Deferred income tax liabilities	97		
Engineering material	34			Other non-current liabilities	98		
Disposal of fixed assets	35			Including: Specially permitted reserve fund	99		
Productive biological assets	36			Total of non-current liabilities	100	-	-
Oil and natural gas assets	37			Total liabilities	101	63,598.13	54,874.38
Intangible assets	38			OWNERS' EQUITY:	102	-	-
Development costs	39			Paid-in Capital	103	1,393,908.80	949,604.00
Goodwill	40			National capital	104		
Long-term prepaid expenses	41			Collective capital	105		
Deferred income tax assets	42			Legal person's capital	106		
Other long-term assets	43			Including: State-owned legal entity capital	107		
Including: special allow to reserve assets	44			Collective legal entity capital	108		
Total non-Current assets	45			Personal capital	109		
	46			Foreign capital	110		
	47			Less: Investment returned	111		
	48			Net value of paid-in capital (stock)	112	1,393,908.80	949,604.00
	49			Capital reserve	113	111.08	
	50			Less: treasury stock	114		
	51			Special reserve	115		
	52			Earned surplus	116		
	53			Including: Legal accumulation fund	117		
	54			Optional accumulation fund	118		
	55			Reserve funds	119	-	-
	56			Enterprise development fund	120	-	-
	57			Capital redemption	121		
	58			Generic risk reserve	122		
	59			Undistributed profit	123	-457,927.99	-552,926.37
	60			Translation reserve	124		
	61			Total of owner's equity attributable to the parent company	125	936,091.89	396,677.63
	62			Minority stockholder's interest	126		
	63			Total of owner's equity	127	936,091.89	396,677.63
Total assets	64	999,690.02	451,552.01	Total of liabilities and owner's equity	128	999,690.02	451,552.01

SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

Balance Sheet

Prepared by : Sundaram Business Development Consulting (Shanghai) Co., Ltd. January 1, 2014 October 31, 2014

Monetary unit: RMB

Item	Line no.	October 31, 2014	January 1, 2014	Item	Line no.	October 31, 2014	January 1, 2014
Current assets:	1			Current liabilities	65	-	-
Monetary capital	2	166,310.08	709,841.79	Short-term borrowings	66		
Deposit reservation for balance	3			Borrowing from central bank	67		
Lending funds	4			Deposits from customers and interbank	68		
Trading financial assets	5			Borrowing funds	69		
Notes receivable	6			Trading financial liabilities	70		
Accounts receivable	7			Notes payable	71		
Prepaid	8			Accounts payable	72		
Premiums receivable	9			Advance payment	73		
Cession premiums receivable	10			Financial assets sold for repurchase	74		
Provision of cession receivable	11			Handling charges and commissions payable	75		
Interests receivable	12			Employee payroll payable	76		
Other receivables	13		272,839.75	Including: payroll payable	77		
Redemptory monetary capital for sale	14			Welfare payable	78		
Inventories	15			Including: Employee reward and welfare fund	79		
Including: Material	16			Taxes payable	80		45,518.13
Products	17			Including: taxes payable	81		
Non-current assets due within a year	18			Interest payable	82		
Other current assets	19		17,008.48	Other payables	83		
Total Current Assets	20	166,310.08	999,690.02	Dividend payable for reinsurance	84		
Non-current assets:	21	-	-	Reserve fund for insurance contracts	85		
Loans and payments	22			Receivings from vicariously traded securities	86		
Financial assets available for sale	23			Acting underwriting securities	87		
Held-to-maturity investment	24			Non-current liabilities due within one year	88		
Long-term receivables	25			Other current liabilities	89		18,080.00
Long-term equity investment	26			Total Current Liabilities	90		63,598.13
Investment real estates	27			Non-current Liabilities	91	-	-
Fixed assets – cost	28			Long-term borrowings	92		
Less: accumulated depreciation	29			Bonds payable	93		
Fixed assets – net value	30			Long-term payable	94		
Less: Fixed assets depreciation reserves	31			Special accounts payable	95		
Net fixed assets	32		-	Estimated liabilities	96		
Construction in progress	33			Deferred income tax liabilities	97		
Engineering material	34			Other non-current liabilities	98		
Disposal of fixed assets	35			Including: Specially permitted reserve fund	99		
Productive biological assets	36			Total of non-current liabilities	100	-	-
Oil and natural gas assets	37			Total liabilities	101		63,598.13
Intangible assets	38			OWNERS' EQUITY:	102	-	-
Development costs	39			Paid-in Capital	103	1,393,908.80	1,393,908.80
Goodwill	40			National capital	104		
Long-term prepaid expenses	41			Collective capital	105		
Deferred income tax assets	42			Legal person's capital	106		
Other long-term assets	43			Including: State-owned legal entity capital	107		
Including: special allow to reserve assets	44			Collective legal entity capital	108		
Total non-Current assets	45			Personal capital	109		
	46			Foreign capital	110		
	47			Less: Investment returned	111		
	48			Net value of paid-in capital (stock)	112	1,393,908.80	1,393,908.80
	49			Capital reserve	113	111.08	111.08
	50			Less: treasury stock	114		
	51			Special reserve	115		
	52			Earned surplus	116		
	53			Including: Legal accumulation fund	117		
	54			Optional accumulation fund	118		
	55			Reserve funds	119	-	-
	56			Enterprise development fund	120	-	-
	57			Capital redemption	121		
	58			Generic risk reserve	122		
	59			Undistributed profit	123	-1,227,709.80	-457,927.99
	60			Translation reserve	124		
	61			Total of owner's equity attributable to the parent company	125	166,310.08	936,091.89
	62			Minority stockholder's interest	126		
	63			Total of owner's equity	127	166,310.08	936,091.89
Total assets	64	166,310.08	999,690.02	Total of liabilities and owner's equity	128	166,310.08	999,690.02

SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

INCOME STATEMENT FOR THE YEAR 2012

Prepared by: Sundaram Business Development Consulting (Shanghai) Co., Ltd.		As on December 31, 2012		Monetary unit: RMB	
Line no.	Items	Amount of This period	Amount of Last period	Line no.	Amount of This period
1	I. Gross operating income	698,384.07	-	29	
2	Including: Operating income	698,384.07	-	30	
3	Including: Main operating income	698,384.07	-	31	
4	Other operating income			32	
5	Interest income			33	
6	Earned premium			34	-19,955.54
7	Handling fee and commission income			35	-
8	II. Total operating cost	1,231,354.90	19,955.54	36	
9	Including: Operating cost			37	
10	Including: Main operating income			38	
11	Other operating cost			39	
12	Interest expense			40	-
13	Handling fee and commission expense			41	
14	Surrender value			42	
15	Net payments for insurance claims			43	
16	Net provision for insurance contracts			44	-532,970.83
17	Bond insurance expense			45	
18	Reinsurance expenditures			46	-19,955.54
19	Business tax and surcharges	39,458.71		47	-19,955.54
20	Selling expenses			48	
21	Administration expense	1,180,443.37	18,630.82	49	
22	Including: entertainment fee			50	
23	Research and development expenses			51	
24	Financial expenses	11,452.82	1,324.72	52	
25	Including: Interest expenses			53	-532,970.83
26	Interest income			54	
27	Exchange net loss ("-" for net profit)			55	
28	Loss from asset devaluation				
	III. Operating Profit ("-" for loss)				
	Plus: Non-operating profit				
	Including: Income from disposal of non-current assets				
	Gains from exchange of non-monetary assets				
	Governmental subsidy				
	Gains from debt restructuring				
	Minus: Non-operating expenditure				
	Including: Loss from disposal of non-current assets				
	Loss from exchange of non-monetary assets				
	Loss from debt restructuring				
	IV. Total profit ("-" for total loss)				
	Minus: Income tax expense				
	V. Net profit ("-" for net loss)				
	Net profit attributable to parent company				
	Minority interest income				
	VI. Earnings per share:				
	Basic earnings per share				
	Diluted earnings per share				
	VII. Other consolidated income				
	VIII. Total consolidated income				
	Consolidated income attributable to parent company owners				
	Total consolidated income attributable to minority shareholders				

SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

INCOME STATEMENT FOR THE YEAR 2013

Prepared by: Sundaram Business Development Consulting (Shanghai) Co., Ltd.

As on December 31, 2013

Monetary unit: RMB

Line no.	Items	Amount of This period	Amount of Last period	Items	Line no.	Amount of This period	Amount of Last period
1	I. Gross operating income	1,831,863.56	698,384.07	Others	29		
2	Including: Operating income	1,831,863.56	698,384.07	Plus: Gains from changes in the fair value ("-" for loss)	30		
3	Including: Main operating income	1,831,863.56	698,384.07	Income from investment ("-" for loss)	31		
4	Other operating income			Including: investment income of associates and joint ventures	32		
5	Interest income			Exchange earning ("-" for loss)	33		
6	Earned premium			III. Operating Profit ("-" for loss)	34	94,998.38	-532,970.83
7	Handling fee and commission income			Plus: Non-operating profit	35		
8	II. Total operating cost	1,736,865.18	1,231,354.90	Including: Income from disposal of non-current assets	36		
9	Including: Operating cost	-	-	Gains from exchange of non-monetary assets	37		
10	Including: Main operating cost			Governmental subsidy	38		
11	Other operating cost			Gains from debt restructuring	39		
12	Interest expense			Minus: Non-operating expenditure	40		
13	Handling fee and commission expense			Including: Loss from disposal of non-current assets	41		
14	Surrender value			Loss from exchange of non-monetary assets	42		
15	Net payments for insurance claims			Loss from debt restructuring	43		
16	Net provision for insurance contracts			IV. Total profit ("-" for total loss)	44	94,998.38	-532,970.83
17	Bond insurance expense			Minus: Income tax expense	45		
18	Reinsurance expenditures			V. Net profit ("-" for net loss)	46	94,998.38	-532,970.83
19	Business tax and surcharges	7,144.27	39,458.71	Net profit attributable to parent company	47	94,998.38	-532,970.83
20	Selling expenses			Minority interest income	48		
21	Administration expense	1,707,163.73	1,180,443.37	VI. Earnings per share:	49		
22	Including: entertainment fee			Basic earnings per share	50		
23	Research and development expenses			Diluted earnings per share	51		
24	Financial expenses	22,557.18	11,452.82	VII. Other consolidated income	52		
25	Including: Interest expenses			VIII. Total consolidated income	53	94,998.38	-532,970.83
26	Interest income			Consolidated income attributable to parent company owners	54		
27	Exchange net loss ("-" for net profit)			Total consolidated income attributable to minority shareholders	55		
28	Loss from asset devaluation						

SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

INCOME STATEMENT

Prepared by: Sundaram Business Development Consulting (Shanghai) Co., Ltd.

January 1, 2014 - October 31, 2014

Monetary unit: RMB

Line no.	Items	Amount of This period	Amount of Last period	Items	Line no.	Amount of This period	Amount of Last period
1	I. Gross operating income	-	1,831,863.56	Others	29		
2	Including: Operating income	-	1,831,863.56	Plus: Gains from changes in the fair value ("-" for loss)	30		
3	Including: Main operating income	-	1,831,863.56	Income from investment ("-" for loss)	31		
4	Other operating income			Including: Investment income of associates and joint ventures	32		
5	Interest income			Exchange earning ("-" for loss)	33		
6	Earned premium			III. Operating Profit ("-" for loss)	34	-533,692.24	94,998.38
7	Handling fee and commission income			Plus: Non-operating profit	35	920.00	-
8	II. Total operating cost	533,692.24	1,736,865.18	Including: Income from disposal of non-current assets	36		
9	Including: Operating cost	-	-	Gains from exchange of non-monetary assets	37		
10	Including: Main operating income			Governmental subsidy	38		
11	Other operating cost			Gains from debt restructuring	39		
12	Interest expense			Minus: Non-operating expenditure	40	237,009.57	-
13	Handling fee and commission expense			Including: Loss from disposal of non-current assets	41		
14	Surrender value			Loss from exchange of non-monetary assets	42		
15	Net payments for insurance claims			Loss from debt restructuring	43		
16	Net provision for insurance contracts			IV. Total profit ("-" for total loss)	44	-769,781.81	94,998.38
17	Bond insurance expense			Minus: Income tax expense	45		
18	Reinsurance expenditures			V. Net profit ("-" for net loss)	46	-769,781.81	94,998.38
19	Business tax and surcharges			Net profit attributable to parent company	47	-769,781.81	94,998.38
20	Selling expenses		7,144.27	Minority interest income	48		
21	Administration expense	538,307.42	1,707,163.73	VI. Earnings per share:	49		
22	Including: entertainment fee			Basic earnings per share	50		
23	Research and development expenses			Diluted earnings per share	51		
24	Financial expenses	-4,615.18	22,557.18	VII. Other consolidated income	52		
25	Including: Interest expenses			VIII. Total consolidated income	53	-769,781.81	94,998.38
26	Interest income			Consolidated income attributable to parent company owners	54		
27	Exchange net loss ("-" for net profit)			Total consolidated income attributable to minority shareholders	55		
28	Loss from asset devaluation						

Reconciliation Statement of Taxable Income From Jan. 2014 to Oct. 2014

Unit: RMB Yuan

Period	Abstract	Related Item	Income from adjustment		Note
			Increase	Decrease	
Jan. 1, 2014 - Oct. 31, 2014	Bad debt	Non-operating expense	237,009.57		
Total of income from adjustment			237,009.57	0.00	
Net Income from increase (decrease)				237,009.57	
Total profit recorded in accounting statement from Jan. 1, 2014 to Oct. 31, 2014				-769,781.81	
Taxable income after adjustment from Jan. 1, 2014 to Oct. 31, 2014				-532,772.24	

Note:

This table only reflects the adjustment made to noticed tax matters and is only for reference in tax liquidation.

Shanghai ChangHao Certified Public Accountants (special general partnership).

SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

LIQUIDATION AUDIT REPORT

SCSS (2014) No. 26-1

Sundaram Business Development Consulting (Shanghai) Co., Ltd.

We have carefully audited the affiliated balance sheet and property distribution sheet of Sundaram Business Development Consulting (Shanghai) Co., Ltd. (hereinafter referred to as "the company") on Dec. 31, 2014, and the liquidation income statement from Nov. 1, 2014 to Dec. 31, 2014. It is the responsibility of the liquidation committee of your company to work out the liquidation accounting statements, while ours is to advice on auditing on the basis of auditing such statements.

We plan and exercise auditing under the guideline of *CPA Auditing Standard* to obtain reasonable assurance whether the liquidation accounting statements are free from material misstatement. The auditing work includes studying the evidence that supports the amount in and the disclosure of the accounting statement through selective examination, analyze the counting policy that the liquidation committee might adopt in working out these statements as well as major accounting assessment on the accounting made, and evaluate the overall indication of the statements. We believe that our auditing work functioned as a rational ground for offering advices.

We think that the above liquidation accounting statement is in line with relevant rules of *Accounting Standards for Business Enterprises* and the Accounting System for Enterprises, and has fairly reflected the financial status of your company on Dec. 31, 2014 and the liquidation profit and loss from Nov. 1, 2014 to Dec. 31, 2014.

- Annex I : Liquidation Balance Sheet;
- Annex II : Liquidation Income Statement;
- Annex III : Liquidation Property Distribution Sheet;
- Annex IV : Statement of Other Receivables;
- Annex V : Notes on Liquidation Matters;
- Annex VI : The Disposal of Assets Income Schedule;
- Annex VII : Schedule of Profit and Loss in Liabilities Disposal;
- Annex VIII : Schedule of Calculation and Apportionment of Residual Properties;
- Annex IX : Declaration Form of the People's Republic of China on Corporate Liquidation Income Tax Return;
- Annex X : Copy of the Business License of Shanghai ChangHao Certified Public Accountants (special general partnership)

Shanghai ChangHao Certified Public Accountants
(Special general partnership)

China CPA:

China CPA:

Shanghai, China

Dec. 31, 2014

Annex I

Liquidation Balance Sheet (-)

Unit: RMB				Unit: RMB			
	Line no.	Nov. 1, 2014	Dec. 31, 2014		Line no.	Nov. 1, 2014	Dec. 31, 2014
Current assets:	1			Non-current assets:	21	-	-
Monetary capital	2	166,310.08	166,310.08	Loans and payments	22		
Deposit reservation for balance	3			Financial assets available for sale	23		
Lending funds	4			Held-to-maturity investment	24		
Trading financial assets	5			Long-term receivables	25		
Notes receivable	6			Long-term equity investment	26		
Accounts receivable	7			Investment real estates	27		
Prepaid	8			Fixed assets – cost	28		
Premiums receivable	9			Less: accumulated depreciation	29		
Cession premiums receivable	10			Fixed assets – net value	30		
Provision of cession receivable	11			Less: Fixed assets depreciation reserves	31		
Interests receivable	12			Net fixed assets	32		-
Other receivables	13			Construction in progress	33		
Redemptory monetary capital for sale	14			Engineering material	34		
Inventories	15			Disposal of fixed assets	35		
Including: Material	16			Productive biological assets	36		
Products	17			Oil and natural gas assets	37		
Non-current assets due within a year	18			Intangible assets	38		
Other current assets	19			Development costs	39		
				Goodwill	40		
				Long-term prepaid expenses	41		
				Deferred income tax assets	42		
				Other long-term assets	43		
				Including: special allow to reserve assets	44		
				Total non-Current assets	45	-	-
Total Current Assets	20	166,310.08	166,310.08	Total assets	64	166,310.08	166,310.08

SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

Annex I

Liquidation Balance Sheet (-)

Unit: RMB				Unit: RMB			
	Line no.	Nov. 1, 2014	Dec. 31, 2014		Line no.	Nov. 1, 2014	Dec. 31, 2014
Current liabilities	65	-	-	Total liabilities	101	-	-
Short-term borrowings	66			OWNERS' EQUITY:	102	-	-
Borrowing from central bank	67			Paid-in Capital	103	1,393,908.80	1,393,908.80
Deposits from customers and interbank	68			National capital	104		
Borrowing funds	69			Collective capital	105		
Trading financial liabilities	70			Legal person's capital	106		
Notes payable	71			Including: State-owned legal entity capital	107		
Accounts payable	72			Collective legal entity capital	108		
Advance payment	73			Personal capital	109		
Financial assets sold for repurchase	74			Foreign capital	110	1,393,908.80	1,393,908.80
Handling charges and commissions payable	75			Less: Investment returned	111		
Employee payroll payable	76			Net value of paid-in capital (stock)	112	1,393,908.80	1,393,908.80
Including: payroll payable	77			Capital reserve	113	111.08	111.08
Welfare payable	78			Less: treasury stock	114		
Including: Employee reward and welfare fund	79			Special reserve	115		
Taxes payable	80			Earned surplus	116		
Including: taxes payable	81			Including: Legal accumulation fund	117		
Interest payable	82			Optional accumulation fund	118		
Other payables	83			Reserve funds	119	-	-
Dividend payable for reinsurance	84			Enterprise development fund	120	-	-
Reserve fund for insurance contracts	85			Capital redemption	121		
Receivings from vicariously traded securities	86			Generic risk reserve	122		
Acting underwriting securities	87			Undistributed profit	123	-1,227,709.80	-1,227,709.80
Non-current liabilities due within one year	88			Translation reserve	124		
Other current liabilities	89			Total of owner's equity attributable			
Total Current Liabilities	90	-	-	to the parent company	125	166,310.08	166,310.08
Non-current Liabilities	91	-	-	Minority stockholder's interest	126		
Long-term borrowings	92			Total of owner's equity	127	166,310.08	166,310.08
Bonds payable	93			Total of liabilities and owner's equity	128	166,310.08	166,310.08
Long-term payable	94						
Special accounts payable	95						
Estimated liabilities	96						
Deferred income tax liabilities	97						
Other non-current liabilities	98						
Including: Specially permitted reserve fund	99						
Total of non-current liabilities	100	-	-				

Annex V

Notes on Liquidation Matters

I. Profile

Sundaram Business Development Consulting (Shanghai) Co., Ltd. is a limited liability company (foreign legal person sole proprietorship) established with the investment from TVS MOTOR COMPANY LIMITED and has obtained No. 310000400661127 (Changning District) Legal Person Business License issued by Shanghai Administration of Industry and Commerce on Nov. 21, 2011. The company has a registered capital of USD 222,000 and a same amount of paid-in capital. The company now decides to conduct liquidation due to dissolution. The liquidation period shall start on Nov. 1, 2014 and end on Dec. 31, 2014.

II. Accounting Policies of Liquidation

1. Liquidation Basis
The liquidation is conducted mainly under *Accounting Standards for Business Enterprises*.
2. Liquidation Period
From Nov. 1, 2014 to Dec. 31, 2014.
3. Evaluation and Pricing of Liquidated Property
The evaluation and pricing of liquidated property is done via negotiation between two parties of the joint venture and shall report to the liquidation committee and submit to Shanghai Foreign Trade Office for approval.
4. Priority shall be given to liquidation expense payment, which may include:

- (1) Expenses generated from the management, sales and allocation of corporate liquidating assets;
- (2) Notice, litigation and arbitration costs;
- (3) Other payments required in the process of liquidation.
5. Liquidation orders of liquidating property
 - (1) Employee wages and labour insurance;
 - (2) State taxes;
 - (3) Other debts.
6. The method of allocation of surplus property
The surplus property after paying liquidation costs and paying off all debts shall be allocated according to the actual investment proportion.

III. Liquidation Information

All liquidation work of the company is done with approved liquidation principles and procedures, which has been finished as of Dec. 31, 2014. Liquidation results: Owner's equity on the end day of completion is 166,310.08 Yuan.

IV. Notes on Other Matters

This liquidation accounting report and all other accounting documents, books, reports and other accounting materials are handed over to TVS MOTOR COMPANY LIMITED for file keeping and custody.

Annex VI

The Disposal of Assets Income Schedule

Filling Time: Dec. 31, 2014

Unit: Yuan (RMB)

Line no.	Item	Book Value	The Value Of Tax Base	Realizable Value or Transaction Value of the Assets	Disposal of assets' profit and loss
		(1)	(2)	(3)	(4) = (3) - (2)
1	Monetary capital	166,310.08	166,310.08	166,310.08	0.00
2	Short-term investment				
3	Trading financial assets				
4	Notes receivable				
5	Accounts receivable				
6	Advances to suppliers				
7	Interests receivable				
8	Shares receivable				
9	Allowance receivable				
10	Other receivable				
11	Inventories				
12	Prepaid expenses				
13	Non-current assets due within a year				
14	Other current assets				
15	Financial assets available for sale				
16	Held-to-maturity investment				
17	Long-term receivable				
18	Long-term equity investment				
19	Long-term debt investment				
20	Investment real estates				
21	Fixed assets				
22	Construction in progress				
23	Engineering material				
24	Disposal of fixed assets				
25	Productive biological assets				
26	Oil and natural gas assets				
27	Intangible assets				
28	Development costs				
29	Goodwill				
30	Long-term prepaid expenses				
31	Other non-current assets				
32	Total	166,310.08	166,310.08	166,310.08	0.00

Signature of operator

Seal of taxpayer

SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

Annex VII

Schedule of Profit and Loss in Liabilities Disposal

Filing Time: Dec. 31, 2014

Unit: Yuan (RMB)

Line no.	Item	Book Value	The Value Of Tax Base	The Value of Liabilities Disposal	profit and loss in Liabilities Disposal
		(1)	(2)	(3)	(4) = (3) - (2)
1	Short-term borrowings				
2	Translation financial liabilities				
3	Notes payable				
4	Accounts payable				
5	Advances from customers				
6	Employee payroll payable				
7	Accrued payroll				
8	Welfare benefits payable				
9	Taxes and dues payable				
10	Interest payable				
11	Shares payable				
12	Other accounts payables				
13	Dividends payable				
14	Accrued expenses				
15	Non-current liabilities due within one year				
16	Other current liabilities				
17	Long-term borrowings				
18	Bonds payable				
19	Long-term payable				
20	Special accounts payable				
21	Estimated liabilities				
22	Other non-current liabilities				
23	Total	0.00	0.00	0.00	0.00

Signature of operator

Seal of taxpayer

Annex VIII

Schedule of Calculation and Apportionment of Residual Properties

Filing Time: Dec. 31, 2014

Monetary Unit: Yuan (accurate to Jiao and Fen)

Categories	Line No.	Items	Amounts			
Calculation of Residual Properties	1	Realizable Value or Transaction Value of the Assets	166,310.08			
	2	Liquidation Expenses				
	3	Staff Salaries				
	4	Social Insurance Expenditure				
	5	Statutory Compensation				
	6	Liquidation Taxes and Surcharges				
	7	Liquidation Income Tax				
	8	Tax Arrears of Previous years				
	9	Other Debts	0.00			
	10	Residual Properties (1-2-... -9)	166,310.08			
	11	Thereinto: Accumulative Surplus Reserves				
	12	Accumulative Undistributed Profit				
Apportionment of Residual Properties		Shareholder Names	Proportion Held of Equity Investment	Amounts of Investments	Property Amounts Distributed	Thereinto: confirmed as Dividend Amounts
	13	TVS MOTOR COMPANY LIMITED	100%	1,393,908.80	166,310.08	
	14					
	15					
	16					
	17					
	18					
	19					
20						

Signature of operator

Seal of taxpayer

SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

Annex IX

**Declaration Form of the People's Republic of China on
Corporate Liquidation Income Tax Return**

Liquidation Period : From Nov. 1, 2014 to Dec. 31, 2014.

Name of Taxpayer : Sundaram Business Development Consulting (Shanghai) Co., Ltd.

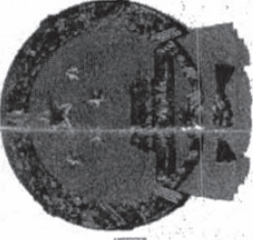
Taxpayer ID No.: 310105157005399

Unit: Yuan (two decimal places)

Category	Line No.	Items	Amounts
Calculation of taxable income	1	Profit and loss in asset disposal (fill in Schedule I)	0.00
	2	Profit and loss in liability repayment (fill in Schedule II)	0.00
	3	Liquidation costs	0.00
	4	Liquidation tax and surcharges	
	5	Other income and expenditure	0.00
	6	Income from liquidation (1 + 2 - 3 - 4 + 5)	0.00
	7	Tax-exempt income	
	8	Tax free income	
	9	Other tax-exempt income	
	10	Make up the annual losses of previous years	0.00
	11	Taxable income (6 - 7 - 8 - 9 - 10)	0.00
Calculation of assessed income tax	12	Tax rate (25%)	25%
	13	Taxable income (11 x 12)	
Calculation of income tax that should be made up (refunded)	14	Exemption and reduction of enterprise income tax	
	15	Overseas income tax that should be made up	
	16	Domestic and overseas income tax payable (13 - 14 + 15)	
	17	Income tax that should be made up (refunded) of the previous tax years	
18	Income tax that actually needs to be made up) refunded (16 + 17)		

Seal of taxpayer:	Seal of declaration agent:	Special business seal of competent tax authority:
Seal of liquidation group:	Signature of operator and practicing certificate No.:	Signature of responsible tax officer:
Signature of operator:		
Declaration date:	Date of agent declaration:	Accepting date:

Annex X
Copy of Business license of Shanghai Changho, certified public accountants (special general partnership)



合伙企业营业执照

注册号 310105000353055

名称	上海长浩会计师事务所(特殊普通合伙)	经营范围	审查企业会计报表，出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关报告；基本建设年度财务决算审计；代理记账；会计咨询、税务咨询、管理咨询、会计培训；法律、法规规定的其他业务。 【企业经营范围及行政许可的，凭许可证件经营】
主要经营场所	上海市长宁区临空路20号208室	登记机关	上海市工商行政管理局长宁分局
执行事务合伙人	伍宏坤	成立日期	2008年12月1日
合伙企业类型	特殊的普通合伙企业	有效期至	2028年11月30日

证照编号 05000000200812010012
 企业标识 0500000032008120100049
 合伙企业期限：自 2008年12月1日 至 2028年11月30日

中华人民共和国国家工商行政管理总局制

**RE-STATED ACCOUNTS OF
SUNDARAM BUSINESS DEVELOPMENT CONSULTING
(SHANGHAI) CO., LTD**

SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

BALANCE SHEET AS AT 31ST DECEMBER 2014

Particulars	Note Number	Rmb ¥ in Mn	Rupees in crores
		As at 31.12.2014	As at 31.12.2014
1	2	3	4
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	I	1.39	1.25
(b) Reserves and surplus	II	(1.23)	(1.08)
2 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Long-term provisions		-	-
3 Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities		-	-
(d) Short-term provisions		-	-
Total		<u>0.16</u>	<u>0.17</u>
II ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Long-term loans and advances		-	-
(d) Other non current assets		-	-
2. Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	III	0.16	0.17
(e) Short-term loans and advances		-	-
(f) Other current assets		-	-
Total		<u>0.16</u>	<u>0.17</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST DECEMBER 2014

Particulars	Note Number	Rmb ¥ in Mn	Rupees in crores
		As at 31.12.2014	As at 31.12.2014
I. Revenue from operations		-	-
II. Other income		-	-
III. Total Revenue (I + II)		<u>-</u>	<u>-</u>
IV. Expenses:			
Cost of materials consumed		-	-
Purchases of Stock-in-trade		-	-
Change in inventories of finished goods work-in-process and stock-in-trade		-	-
Employee benefits expense		-	-
Finance costs		-	-
Depreciation and amortization expense		-	-
Other expenses	IV	0.77	0.77
Total expenses		<u>0.77</u>	<u>0.77</u>
V. Profit before tax (III - IV)		<u>(0.77)</u>	<u>(0.77)</u>
VI. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
VII. Profit / (Loss) for the period (V - VI)		<u>(0.77)</u>	<u>(0.77)</u>

	Rmb ¥ in Mn	Rupees in crores
III CASH AND CASH EQUIVALENTS		
Balances with banks	0.16	0.17
Total	<u>0.16</u>	<u>0.17</u>
IV OTHER EXPENSES		
Rates and taxes, excluding, taxes on income	0.24	0.24
Miscellaneous expenses	0.53	0.53
Total	<u>0.77</u>	<u>0.77</u>

Notes on Accounts

	Rmb ¥ in Mn	Rupees in crores
I SHARE CAPITAL		
Details of authorised, issued and subscribed share capital		
Authorised		
2,200 Ordinary shares of US \$ 100/- each	1.39	1.25
Issued, subscribed & paid up		
2,200 Ordinary shares of US \$ 100/- each	1.39	1.25
	<u>1.39</u>	<u>1.25</u>
II RESERVES AND SURPLUS		
a. Capital reserve		
(i) Foreign currency translation reserve	-	0.08
b. Surplus - Profit and Loss Account		
Opening balance	(0.46)	(0.39)
(+) Net profit/(Loss) for the current year	(0.77)	(0.77)
Closing balance	(1.23)	(1.16)
Total (a + b)	<u>(1.23)</u>	<u>(1.08)</u>

SUNDARAM-CLAYTON (USA) LIMITED

Report of Independent Auditor

The Board of Directors
Sundaram-Clayton (USA) Limited

We have audited the accompanying financial statements of Sundaram Clayton (USA) Limited ('the Company'), a Illinois corporation, which comprise the balance sheet as at March 31, 2015 and March 31, 2014 and the related statements of income, changes in stockholder's equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of

material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the Company as at March 31, 2015 and March 31, 2014 and the results of its operations and its cash flows for the years then ended, in accordance with the accounting principles generally accepted in the United States of America.

Knave P.A.
Certified Public Accountants

Atlanta, Georgia

April 27, 2015

BALANCE SHEET

(All amounts in United States Dollars, unless otherwise stated)

	As at	
	March 31, 2015	March 31, 2014
ASSETS		
Current assets		
Cash & cash equivalents	15,015	20,116
Total assets	<u>15,015</u>	<u>20,116</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Other current liabilities and provisions	14,215	19,612
Total current liabilities	<u>14,215</u>	<u>19,612</u>
Stockholder's equity		
Common stock, \$1 par, 100 shares authorized; 100 shares issued and outstanding	100	100
Accumulated surplus	700	404
Total stockholder's equity	<u>800</u>	<u>504</u>
Total liabilities and stockholder's equity	<u>15,015</u>	<u>20,116</u>

(The accompanying notes are an integral part of these financial statements)

STATEMENT OF INCOME

(All amounts in United States Dollars, unless otherwise stated)

	For the year ended	
	March 31, 2015	March 31, 2014
Revenues		
Service fees	6,598	7,294
Total revenues	<u>6,598</u>	<u>7,294</u>
Costs and expenses		
General and administrative expenses	6,229	7,013
Total costs and expenses	<u>6,229</u>	<u>7,013</u>
Income before tax	<u>369</u>	<u>281</u>
Income tax expense	73	28
Net income	<u>296</u>	<u>253</u>

(The accompanying notes are an integral part of these financial statements)

STATEMENT OF STOCKHOLDER'S EQUITY

(All amounts in United States Dollars, unless otherwise stated)

For the years April 01, 2014 to March 31, 2015 and April 01, 2013 to March 31, 2014

Particulars	Common stock				Accumulated surplus US\$	Total stockholder's equity US\$
	Authorized		Issued & outstanding			
	Shares	Value US\$	Shares	Value US\$		
Balance as at April 1, 2013	100	100	100	100	151	251
Net income for the year	-	-	-	-	253	253
Balance as at March 31, 2014	100	100	100	100	404	504
Balance as at April 1, 2014	100	100	100	100	404	504
Net income for the year	-	-	-	-	296	296
Balance as at March 31, 2015	100	100	100	100	700	800

(The accompanying notes are an integral part of these financial statements)

SUNDARAM-CLAYTON (USA) LIMITED

STATEMENT OF CASH FLOWS

(All amounts in United States Dollars, unless otherwise stated)

	For the year ended	
	March 31, 2015	March 31, 2014
Cash flow from operating activities		
Net income	296	253
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Changes in assets and liabilities		
Other current liabilities	(5,397)	4,965
Net cash (used in) provided by operating activities	<u>(5,101)</u>	<u>5,218</u>
Net increase in cash and cash equivalents	(5,101)	5,218
Cash and cash equivalents at the beginning of the year	20,116	14,898
Cash and cash equivalents at the end of the year	<u>15,015</u>	<u>20,116</u>
Supplemental cash flow information		
Income taxes paid	<u>73</u>	<u>28</u>

(The accompanying notes are an integral part of these financial statements)

NOTES TO FINANCIAL STATEMENTS

(All amounts in United States Dollars, unless otherwise stated)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

1. Business

Sundaram-Clayton (USA) Limited (the "Company" or "SCUL"), was incorporated in the State of Illinois December 14, 2011. The Company is a wholly owned subsidiary of Sundaram Clayton Limited ("SCL" or "parent company"). The Company provides Professional Employer Organization ("PEO") services to its parent company in North America.

2. Basis of preparation

- The accompanying financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States ('US GAAP') to reflect the financial position, results of operation and cash flows of the Company. The Company meets the definition of non-public entity and accordingly, relaxations from specific disclosures have been considered wherever available.
- The financial statements are for the year April 01, 2014 to March 31, 2015 and previous year April 01, 2013 to March 31, 2014.

3. Estimates and assumptions

In preparing the Company's financial statements in conformity with accounting principles generally accepted in the United States, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year. The important estimates made by the Company in preparing these financial statements include those on the provision of income taxes. Actual results could differ from those estimates.

4. Cash and cash equivalents

The Company considers all highly liquid investments and deposits with an original maturity of ninety days or less to be cash equivalents. Cash and cash equivalents comprises of balance with bank.

5. Revenue recognition

The Company reports revenues, net of direct pass-through costs, which are costs billed and incurred for PEO worksite employees, primarily consisting of payroll wages and payroll taxes. Benefits and workers' compensation fees for PEO worksite employees are included in PEO revenues and the associated costs are included in operating expenses.

6. Income taxes

The Company accounts for deferred taxes under the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of income in the period of change. Based on management's judgment, the measurement of deferred tax assets is reduced, if necessary, by a valuation allowance for any tax benefits for which it is more likely than not that some portion or all of such benefits will not be realized.

7. Fair values measurements and financial instruments

The Company adopted the accounting standard for applying fair value measurements to certain assets, liabilities and transactions that are periodically measured at fair value. The adoption did not have a material effect on the Company's financial position, results of operations or cash flows.

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
- Level 3 - unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the Company comprise of:

	As at	
	March 31, 2015	March 31, 2014
Bank balance	15,015	20,116
Total	<u>15,015</u>	<u>20,116</u>

Cash balances in checking account with the bank are insured by the Federal Deposit Insurance Corporation up to an aggregate of \$ 250,000. As at March 31, 2015 & March 31, 2014, the Company had \$ Nil cash at risk.

NOTE C – OTHER CURRENT LIABILITIES

Other current liabilities comprise of:

	As at	
	March 31, 2015	March 31, 2014
Advance from related party (Refer note E)	14,215	19,570
Provision for tax	–	42
Total	<u>14,215</u>	<u>19,612</u>

SUNDARAM-CLAYTON (USA) LIMITED

NOTE D – INCOME TAXES

The Company files federal and state tax returns as a Chapter C corporation. The income tax expense for the year is as follows:

	For the year ended	
	March 31, 2015	March 31, 2014
Current tax	73	28
Total	<u>73</u>	<u>28</u>

The Company recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The adoption of this standard had no material effect on the Company's financial position, results of operation or cash flows.

The tax years of 2011 through 2013 remain subject to examination by the taxing authorities.

NOTE E – RELATED PARTY TRANSACTIONS

a) Details of related parties, their relationship and the respective transactions during the year are provided hereunder:

<u>Name of the related party</u>	<u>Relationship</u>
Sundaram Clayton Limited – USA branch office	Parent Company

b) Summary of the transactions with related parties as follows:

Particulars	March 31, 2015	March 31, 2014
Transactions during the period		
PEO service charges	6,598	7,294
Balances at year end		
Advances payable	<u>14,215</u>	<u>19,570</u>

NOTE F – CONCENTRATION OF RISKS

The only customer of the Company is Sundaram Clayton Limited (USA branch office) (parent company) located in Illinois, North America. Accordingly, trade receivables are concentrated in North America. The Company derives all its revenue from its parent. The revenue stream and credit worthiness of its receivables depends upon the financial condition of its parent company. However, the trade receivable balance is \$ Nil as at March 31, 2015 (March 31, 2014: \$ Nil). The advances payable to the parent company as at March 31, 2015 is \$ 14,215 (March 31, 2014: \$ 19,570).

NOTE G – SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 27, 2015 which is the date the financial statements were issued. There are no material effects of the same on the financial statements as on March 31, 2015.

**RE-STATED ACCOUNTS OF
SUNDARAM-CLAYTON (USA) LIMITED**

SUNDARAM-CLAYTON (USA) LIMITED

BALANCE SHEET AS AT 31ST MARCH 2015

Particulars	Note Number	In US \$ As at 31.03.2015	Rupees in lakhs As at 31.03.2015
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	I	100.00	0.06
(b) Reserves and surplus	II	667.00	0.26
2 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Long-term provisions	III	33.00	0.02
3 Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	IV	14,215.00	9.04
(d) Short-term provisions		-	-
Total		15,015.00	9.38
II ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Long-term loans and advances		-	-
(d) Other non current assets		-	-
2 Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	V	15,015.00	9.38
(e) Short-term loans and advances		-	-
(f) Other current assets		-	-
Total		15,015.00	9.38

Notes on Accounts

	In US \$	Rupees in lakhs
I SHARE CAPITAL		
Details of authorised, issued and subscribed share capital		
Authorised		
Ordinary shares of US \$ 1/- each	100.00	0.06
Issued, subscribed & paid up		
Ordinary shares of US \$ 1/- each	100.00	0.06
	<u>100.00</u>	<u>0.06</u>
II RESERVES AND SURPLUS		
Surplus - Profit and Loss Account		
Opening balance	404.00	0.24
(+) Net profit/(Loss) for the current year	263.00	0.16
Closing balance	667.00	0.40
Foreign currency monetary item translation reserve		
	-	(0.14)
Total	<u>667.00</u>	<u>0.26</u>

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	Note Number	In US \$ As at 31.03.2015	Rupees in lakhs As at 31.03.2015
I. Revenue from operations	VI	6,598.00	4.03
II. Other income		-	-
III. Total Revenue (I + II)		6,598.00	4.03
IV. Expenses:			
Cost of materials consumed		-	-
Purchases of Stock-in-trade		-	-
Changes in inventories of finished goods work-in-process and stock-in-trade		-	-
Employee benefits expense		-	-
Finance costs		-	-
Depreciation and amortization expense		-	-
Other expenses	VII	6,271.00	3.83
Total expenses		6,271.00	3.83
V. Profit before tax (III-IV)		327.00	0.20
VI Tax expense:			
(1) Current tax		64.00	0.04
(2) Deferred tax		-	-
VII Profit / (Loss) for the period (V-VI)		263.00	0.16

	In US \$	Rupees in lakhs
III LONG TERM PROVISIONS		
Liability for expenses	33.00	0.02
	<u>33.00</u>	<u>0.02</u>
IV OTHER CURRENT LIABILITIES		
Advance from related party	14,215.00	9.04
	<u>14,215.00</u>	<u>9.04</u>
V CASH AND CASH EQUIVALENTS		
Balance with banks	15,015.00	9.38
	<u>15,015.00</u>	<u>9.38</u>
VI REVENUE FROM OPERATIONS		
Service Fees	6,598.00	4.03
	<u>6,598.00</u>	<u>4.03</u>
VII. OTHER EXPENSES		
General and administrative	6,271.00	3.83
	<u>6,271.00</u>	<u>3.83</u>

