

TVS INVESTMENTS LIMITED

ANNUAL REPORT 2009 - 2010

TVS INVESTMENTS LIMITED

Board of Directors

GOPAL SRINIVASAN, *Chairman & Managing Director*
 VENU SRINIVASAN
 T K BALAJI
 H LAKSHMANAN

Subsidiaries

TVS Electronics Limited, Chennai - 600 006
 TVS-E Servicetec Limited, Chennai - 600 006
 TVS Capital Funds Limited, Chennai - 600 006
 TVS-E Access India Limited, Chennai - 600 006
 Sravanaa Properties Limited, Chennai - 600 006

Registered Office:

"Jayalakshmi Estates"
 29, Haddows Road,
 CHENNAI 600 006

Auditors

Sundaram & Srinivasan
 Chartered Accountants,
 23, C.P. Ramaswamy Road,
 Alwarpet, Chennai - 600 018

Bankers

ICICI Bank Ltd.
 Central Bank of India
 HDFC Bank Ltd.

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors present herewith the Sixteenth Annual Report and the audited accounts of the Company for the year ended 31st March, 2010.

FINANCIAL PERFORMANCE

The financial performance for the year ended 31st March, 2010 is as under:

(Rupees in lakhs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Gross Income	6387.04	2207.47
Less: Interest	1020.36	1229.09
Expenditure	3282.22	1848.99
Depreciation	8.61	9.06
Profit/(Loss) before tax & provisions	2075.85	(879.68)
(Less): Write back of Provisions for diminution in value of investments	—	1000.00
Profit / (Loss) before tax	2075.85	120.32
Less: Provision for tax		
- Current	361.23	26.00
- Deferred	(3.19)	1.72
- Fringe Benefit tax	—	8.00
Profit / (Loss) after tax	1717.81	84.60
Less: Tax relating to earlier years	0.32	—
Balance	1718.13	84.60
Add: Profit brought forward from previous year	(677.71)	(762.31)
Profit / (Loss) carried to Balance Sheet	1040.42	(677.71)

BUSINESS OPERATIONS DURING THE YEAR

The Company holds long term strategic investments in the following TVS Group companies.

1. TVS Electronics Ltd
2. TVS-E Servicetec Ltd
3. TVS Capital Funds Ltd
4. TVS-E Access India Ltd
5. Sravanaa Properties Ltd

Investments during the Year

1. The company has made a commitment of Rs.15 Cr as capital contribution in TVS Shriram Growth Fund and has contributed Rs.6 Cr up to 31st March, 2010. During the year, the Company made additional commitment for Rs.2.85 Cr and has paid Rs.0.25 Cr. The total commitment as on date is Rs.17.85 Cr and the investment made so far is Rs.6.25 Cr.
2. At the request of Sravanaa Properties Limited, the tenor of Optionally Convertible Debentures (OCDs) for Rs 55.25 Cr was extended for further period of 2 years from 31st March, 2010 to 31st March, 2012.

Divestments during the Year

1. During the year the Company divested 202.82 lakh Equity shares of TVS Finance and Services Ltd thereby the entire holding in the Company was sold to other investors.
2. The entire equity share capital of 50000 equity shares in TVS Credit Services Ltd amounting to Rs.0.05Cr was transferred to TVS Motor Services Ltd on 24th April, 2009 at par.

Corporate Services

The Company through its Corporate Secretariat, provides comprehensive services in the areas of Finance, Treasury Accounts, taxation, Human Resources, Information Technology support, legal and Secretarial and other services to the Group companies/ Subsidiaries.

Property

During the year, the Company sold a property at Chennai which resulted in a gain of Rs.48.85Cr. The proceeds of the sale was used to repay a significant portion of debt which the Company had taken during 2009 to fund its business commitments.

Income

Income of Rs.63.87 Cr during the year mainly consists of

- 1 Rs.9.07 Cr from Interest, mainly from its investments of Debentures issued by Sravanaa Properties Ltd.,
- 2 Rs.5.50 Cr from business auxiliary services.
- 3 Rs.48.85 Cr from profit on sale of property.

SUBSIDIARIES

TVS ELECTRONICS LIMITED (TVS-E)

During the year ended 31st March'10, TVS-E's Sales Revenues ended at Rs.190.9 Cr., same as at last year level. However due to focused cost management exercise, the EBIT for the year improved at Rs.2.17 Cr as against loss of Rs.0.26 Cr (Previous year) and loss was lower than previous year by Rs. 4.27Cr.

TVS INVESTMENTS LIMITED

The Dot Matrix Printer (DMP) sales recovered with a positive growth and in the Point of Sale and Transaction (POS & T) domain, the TVS-E's Sales picked up significant growth momentum. With continuous focus on Total Cost Management initiatives, TVS-E was able to manage the margin pressures resulting in improved performance from second half of the year 2009-10.

TVS-E SERVICETEC LIMITED (TVS-EST)

TVS-EST offers warranty management /repair services in Information Technology, Telecom and Banking verticals to the Brand Owners/ Institutions. During the year, it established its own branded stores in major cities like Bangalore, Chennai, New Delhi, Pune and Ahmedabad to cater exclusively to a multinational telecom Company. For the year ended 31st March, 2010 the TVS-EST earned a total income of Rs.45.14Cr as against Rs.47.12Cr for the previous year. The drop in income during the year is a reflection of the sluggish market conditions throughout the year. Due to higher provisions on account of receivables in the telecom vertical, the loss was at Rs.4.40Cr against the profit of Rs.0.30Cr during the previous year.

TVS CAPITAL FUNDS LIMITED (TCF)

TVS-CF is the investment manager for TVS Shriram Growth Fund. The Fund has received capital commitments aggregating Rs. 591.08 crores from its investors. The Fund has achieved its final closure on April 30, 2009. The fund has made a total of four portfolio investments aggregating Rs. 98 crores.

Fund sources proprietary investment opportunities, from emerging, cities with high growth potential across India and expects to be a strategic partner to the entrepreneur and the enterprise to help expand business beyond their existing roots, professionalize their operations and enhance their management team.

For the financial year ended 31st March, 10, TVS-CF earned a Gross income of Rs.11.95 Cr as against Rs.10.63 Cr during the previous year.

During the year under review, the Paid up capital of TVS-CF was increased from Rs.4.30 Cr to Rs.4.86 Cr, with the preferential allotment of 5,86,400 Equity shares of Rs 10 each at a premium of Rs.2 per share made to the executive board members. Consequent to the aforesaid allotment, the shareholding of TVS Investments Ltd was reduced to 88% of the Paid up Capital.

TVS-E ACCESS INDIA LIMITED (TVS-EA)

TVS-EA has not done any trading / business activity during the year under review. TVS-EA earned an interest income of 0.18 Cr (Previous year 0.27Cr). The loss for the year stood at Rs 0.59 Cr (Previous year 0.41Cr). During the Year TVS-EA allotted 5000 equity shares of Rs.10 each for cash at par to an interested shareholder and consequently the shareholding of the Company in TVS-EA has come down from 100% to 90.9%.

SRAVANAA PROPERTIES LIMITED (SPL)

SPL is progressing in obtaining necessary approvals from authorities to secure certain lease hold rights etc. which when completed will make the Property it holds in Chennai ready to market. Till such time, it has requested the Company as its holding Company to extend the maturity date of the Optionally Convertible Debentures (OCD) it issued for Rs.55.25Cr for a further period of 2 years up to 31st March, 2012 and the same was considered by the Board and approved.

RESOURCES

The amount drawn during the year was Rs.8.85 Cr, taking the total loan amount to Rs.86.85Cr. After repayment of Rs.40Cr it was Rs.46.85Cr as on 31st March, 2010.

DEPOSITS

The Company has not accepted any deposits from public within the meaning of Non-Banking Financial Companies (Reserve Bank) Directions, 1998 nor under the Companies Act, 1956 during the accounting year ended 31st March, 2010 and also does not propose to accept any such deposits during the following year.

SUBSIDIARY ACCOUNTS

As required by Section 212 of the Companies Act 1956, the statement required under the said section is attached to the accounts.

ENERGY CONSERVATION & TECHNOLOGY ABSORPTION

As the Company is an Investment Company, the provisions of Section 217(1)(e) of the Companies Act, 1956, are not applicable.

PERSONNEL

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure "A" to the Directors' Report.

DIRECTORS

Mr. Gopal Srinivasan was appointed as Chairman and Managing Director of the Company for a period of five years at the Board meeting held on 26th April, 2010.

Mr. Venu Srinivasan, Director retires at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Necessary resolutions are being placed before the members for approval.

AUDITORS

M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 217 (2AA) of the Companies Act, 1956, the Directors' hereby state that:

- i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year (namely 31st March, 2010) and of the profit of the Company for the year under review;
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors had prepared the annual accounts, for the year ended 31st March, 2010, on a "going concern" basis.

GENERAL

The Directors wish to thank the Holding Company M/s. Sundaram - Clayton Limited, Chennai for their support and also place on record valuable support provided by HDFC Ltd. The Directors also place on record their deep sense of appreciation for the committed services by all the employees of the Company.

For and on behalf of the board

Chennai
4th August, 2010

GOPAL SRINIVASAN
Chairman & Managing Director

TVS INVESTMENTS LIMITED

Annexure "A" to the Directors' Report for the year ended 31st March, 2010

Particulars of employees as per Section 217 (2A) of the Companies Act, 1956

Sl. No.	Name	Age (Years)	Designation	Date of Employment	Remuneration Rupees	Qualification	Experience (Years)	Previous Employment	
								Designation	Company name
Employed throughout the year									
1	Prasanna T A	55	V P – Corporate Affairs	01.10.2007	30,18,595	DME	35	VP-Corporate Affairs	TVS Electronics Limited
Employed for a part of the year									
1	Kannan S	46	V P – Corporate Accounts	01.10.2007	16,22,912	B.Com, ACA,	21	VP-Corporate Accounts	TVS Electronics Limited

NOTE:

- Years of experience also include experience prior to joining the company.
- Remuneration comprises salary, house rent allowance, contribution to provident fund and superannuation fund, medical reimbursement, medical insurance premium, leave travel assistance and other benefits evaluated under Income-tax rules.
- The above employees are also entitled to gratuity as per rules.
- None of the employees is related to any of the directors of the company.
- None of the employee either individually or together with spouse or children held more than two per cent of the equity shares of the company.

For and on behalf of the Board

Chennai
4th August, 2010

GOPAL SRINIVASAN
Chairman & Managing Director

Auditors' report to the Members of TVS Investments Limited, Chennai for the year ended 31st March, 2010

We have audited the attached Balance Sheet of M/s. TVS Investments Limited, "Jayalakshmi Estates, 29, Haddows Road, Chennai - 600 006 as at 31st March, 2010, the Profit & Loss Account for the year ended 31st March, 2010 annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

- We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
- As required by the Companies (Auditor's Report) Order, 2003 and amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- Further to our comments in the Annexure referred to above, we state that -
 - We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - 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;
 - The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account;
 - In our opinion, the Balance Sheet, Profit and Loss account and the Cash Flow Statement dealt with by this report comply with the accounting standards, referred to in Sub-section (3C) of Section 211 the Companies Act, 1956.
 - On the basis of written representations received from the directors of the company, as on March 31, 2010 and taken on record by the Board of Directors, we report that no director is disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date;
 - In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - in so far as it relates to the Profit and Loss Account, of the profit of the company for the year ended 31st March, 2010; and
 - in so far as it relates to the cash flow statement, of the cash flows for the year ended on that date.

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No: 004207S

M BALASUBRAMANIAM
Partner
Membership No. F7945

Chennai
4th August, 2010

Annexure referred to in our report of even date on the accounts for the year ended 31st March, 2010

- The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - The assets are physically verified in phases, by the Management during the year as per the regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification.
 - During the year, the Company has not disposed off any substantial part of its fixed assets, which will affect the going concern status of the Company.
- As the company does not carry any inventory, reporting on inventory related matters does not arise.
- During the year, the company granted an unsecured loan to a company, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The loan granted was interest bearing and the rate of interest and other terms and conditions were not prima facie prejudicial to the interest of the company.
 - The company has not taken any unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence reporting on rate of interest charged and other conditions do not arise. However, in respect of unsecured loan in the nature of Inter Corporate Deposit taken in an earlier year outstanding at the commencement of year under report, the company has paid interest regularly at the contracted rate. Principal amount paid back during the year is Rs. 300 lakhs and Principal outstanding as at 31.03.2010 is Rs. Nil. The terms and other conditions of the loan were not prima facie prejudicial to interest of the company.
- 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 fixed assets and to its business activities. During the course of our audit, no major weaknesses have been noticed in the internal control system.
- Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion, that the contracts or arrangements that need to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956, have been properly entered in the said register.
 - In our opinion and according to the information and explanations given to us, the transactions entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding during the financial year rupees five lakhs in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- The Company has not accepted any deposits from the public for the financial year 2009-2010.
- The company has no internal audit system. However, we are of the opinion that the existing internal control procedures and internal check are sufficient, considering the nature of the business and size of the company.

TVS INVESTMENTS LIMITED

8. The requirement as to maintenance of cost records as prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 is not applicable to the company.
9. (a) According to the records provided to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Wealth Tax, Service Tax and other applicable statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us the following are the details of disputed dues of income-tax which was not paid to the concerned authorities:

Name of the Statute	Nature of dues	Amount (Rs.)	Forum where dispute is pending
Income Tax Act, 1961 (AY - 2005-06)	Income Tax	1,84,153	Commissioner (Appeals), Chennai
Income Tax Act, 1961 (AY - 2004-05)	Income Tax	3,60,047	Commissioner (Appeals), Chennai
Income Tax Act, 1961 (AY - 2000-01)	Income Tax	20,87,413	Commissioner (Appeals), Chennai

10. 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 year.
11. 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 any financial institution or bank.
12. Based on our examination and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The company is not a chit / nidhi / mutual benefit fund / society and as such clause (xiii) of the order is not applicable.
14. The company is not dealing or trading in shares, securities, debentures and other investments other than transactions in long term investments. Timely entries are made in respect thereof. Shares on held in company's own name.
15. The company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion, the loans were applied for the purpose for which the loans were obtained.
17. On the basis of our examination, the company has not used the funds raised on short term basis for long term investments.
18. During the year, the company has not allotted any shares on preferential basis to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. During the year, the company has not issued any secured debentures.
20. During the year, the company has not raised any money by public issue.
21. 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 Registration No: 004207S

Chennai
August 4, 2010

M BALASUBRAMANIAM
Partner
Membership No. F7945

TVS INVESTMENTS LIMITED

Balance Sheet as at 31st March 2010

S.No	Particulars	Schedule Number	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
I SOURCE OF FUNDS				
1. Shareholders' funds				
a.	Share capital	I	27,18,83,180	27,18,83,180
b.	Reserves and surplus	II	27,80,96,219	17,40,54,139
			54,99,79,399	44,59,37,319
2. Secured Loans				
		III	47,04,40,406	78,12,18,082
3. Unsecured Loans				
		IV	–	29,65,841
4. Deferred Tax Liability (Net)				
		V	2,52,513	5,71,898
	Total		1,02,06,72,318	1,23,06,93,140
II APPLICATION OF FUNDS				
1. Fixed assets				
	Gross Block	VI	1,82,39,791	12,00,33,391
	Less: Depreciation		33,75,868	31,19,900
	Net Block		1,48,63,923	11,69,13,491
2. Investments				
		VII	1,02,10,34,650	1,30,93,64,723
3. Current assets, loans and advances				
a.	Sundry debtors	VIII	16,87,81,171	7,34,89,597
b.	Cash and Bank balances	IX	6,00,44,884	5,11,77,922
c.	Loans and Advances	X	13,83,53,845	4,32,00,993
	Total (A)		36,71,79,900	16,78,68,512
4. Less: Current liabilities and provisions				
a.	Current Liabilities:	XI	38,14,51,972	42,96,73,029
b.	Provisions	XII	9,54,183	15,51,990
	Total (B)		38,24,06,155	43,12,25,019
	Net current assets (A - B)		(1,52,26,255)	(26,33,56,507)
5. Profit and Loss Account				
	TOTAL		1,02,06,72,318	1,23,06,93,140
	Notes on accounts	XV		

For and on behalf of the Board

As per our report of even date
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No: 004207S

GOPAL SRINIVASAN
Chairman & Managing Director

H LAKSHMANAN
Director

Place : Chennai
Date : August 4, 2010

M. BALASUBRAMANIAM
Partner
Membership No. F7945

TVS INVESTMENTS LIMITED

Profit and Loss Account for the Year Ended 31st March 2010

S.No	Particulars	Schedule Number	Year ended 31st March, 2010 Rupees	Year ended 31st March, 2009 Rupees
I INCOME				
	Dividend from Subsidiary Company	XIII (a)	–	1,05,53,449
	Interest Income (Gross)	XIII (b)	9,07,59,525	13,17,85,484
	Income from Business Auxilliary Services	XIII (c)	5,50,29,868	7,84,04,194
	Other Income	XIII (d)	43,90,617	4,000
	Profit on Sale of Assets		48,85,24,464	–
	Total		<u>63,87,04,474</u>	<u>22,07,47,127</u>
II EXPENSES				
	Salaries, Wages, Bonus and allowances		1,53,13,328	3,17,91,364
	Contribution to Provident and other Funds		6,36,100	18,85,830
	Staff Welfare Expenses		16,38,933	31,91,611
	Lease Rentals		26,85,000	15,18,409
	Rates and Taxes		63,081	53,242
	Repairs and Maintenance - Building	18,30,177		24,30,011
	- Machinery	35,790		3,20,964
	- Office Equipment	1,75,673		4,37,020
	- Vehicles	6,23,093	26,64,733	12,51,062
	Insurance		4,00,054	1,16,169
	Travel and Conveyance		47,71,617	1,03,91,968
	Printing and Stationery		1,17,221	1,54,021
	Communication Expenses		6,64,789	12,43,116
	Bank Charges		4,501	10,01,149
	Audit Fees - Statutory Audit	75,000		65,000
	- Tax Audit	10,000	85,000	10,000
	Legal and Consultancy	XIV (a)	1,46,79,154	1,42,75,393
	Donation		5,68,560	10,00,000
	Loss on Sale of Assets		1,55,893	–
	Loss on Sale of Investments		25,69,46,569	11,19,63,223
	Other Expenses	XIV (b)	2,68,28,433	17,99,991
	Interest	XIV (c)	10,20,35,749	12,29,09,302
	Total		<u>43,02,58,715</u>	<u>30,78,08,845</u>
	Profit / (Loss) before Depreciation		<u>20,84,45,759</u>	<u>(8,70,61,718)</u>
	Less: Depreciation		8,60,739	9,06,126
	Less: Provision for Diminution in value of investments		–	(10,00,00,000)
	Profit before Tax		<u>20,75,85,020</u>	<u>1,20,32,156</u>
	Less: Provision for Tax - Current		3,61,23,000	26,00,000
	- Deferred		(3,19,385)	1,71,898
	- Fringe Benefit Tax		–	8,00,000
	Profit after Tax		<u>17,17,81,405</u>	<u>84,60,258</u>
	Add: Tax relating to earlier years		32,108	–
	Balance		<u>17,18,13,513</u>	<u>84,60,258</u>
	Less : Loss brought forward from previous year		(6,77,71,433)	(7,62,31,691)
	Profit / (Loss) carried to balance sheet		<u>10,40,42,080</u>	<u>(6,77,71,433)</u>
	Notes on accounts	XV		
	Nominal Value of each share in Rupees		10	10
	Earnings per share in Rupees		6.32	0.31

For and on behalf of the Board

As per our report of even date
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No: 004207S

GOPAL SRINIVASAN
Chairman & Managing Director

H LAKSHMANAN
Director

Place : Chennai
Date : August 4, 2010

M. BALASUBRAMANIAM
Partner
Membership No. F7945

TVS INVESTMENTS LIMITED

Schedules to Balance Sheet as at 31st March 2010

	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
I SHARE CAPITAL		
Authorised		
3,00,00,000 Equity shares of Rs. 10/- each	30,00,00,000	30,00,00,000
	30,00,00,000	30,00,00,000
Issued, subscribed and paid-up		
2,71,88,318 (Last year 2,71,88,318) Equity shares of Rs. 10/- each fully paid up*	27,18,83,180	27,18,83,180
(*All the shares are held by the holding company Sundaram-Clayton Limited, Chennai and its nominees) (Of the above 46,25,000 equity shares of Rs. 10/- each fully paid up are allotted without payments being received in Cash)	27,18,83,180	27,18,83,180
	27,18,83,180	27,18,83,180
II RESERVES AND SURPLUS		
Share Premium		
As per Last Balance Sheet	17,40,54,139	14,61,26,139
Add:		
Premium accrued on Zero Coupon secured Redeemable Non Convertible Debentures		2,79,28,000
Surplus in Profit and Loss account	10,40,42,080	
	27,80,96,219	17,40,54,139
III SECURED LOANS**		
Loans and Advances - From Others		
As per Last Balance Sheet	78,00,00,000	78,00,00,000
New Loans taken during the year	8,85,00,000	
	86,85,00,000	
Less:		
Repayments during the year	(40,00,00,000)	
Add:		
Interest Accrued and due thereon	19,40,406	12,18,082
* **Secured on Land and Building owned by a wholly owned Subsidiary Company and secured on land owned by the Company	47,04,40,406	78,12,18,082
	47,04,40,406	78,12,18,082
IV UNSECURED LOANS		
From Banks - Short Term	-	29,65,841
	-	29,65,841
V DEFERRED TAX LIABILITY		
As per last Balance Sheet	5,71,898	4,00,000
Add: Transfer from/(to) Profit and Loss Account towards current year liability	(3,19,385)	1,71,898
	2,52,513	5,71,898
	2,52,513	5,71,898

VI FIXED ASSETS

Amount in Rupees

Sl. No.	Description	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK		
		As at 01 Apr. '09	Additions	Deletions	As at 31 Mar. '10	As at 01 Apr. '09	For the year	Deletions	Total as at 31 Mar. '10	As at 31 Mar. '10	As at 31 Mar. '09
1.	Land	10,84,22,770	-	10,08,25,260	75,97,510	-	-	-	75,97,510	10,84,22,770	
2.	Buildings	75,29,980	-	-	75,29,980	21,33,133	2,69,843	-	24,02,976	51,27,004	53,96,847
3.	Office Equipment	19,54,849	2,33,324	-	21,88,173	2,31,438	2,51,262	-	4,82,700	17,05,473	17,23,411
4.	Computers	4,22,260	49,000	-	4,71,260	2,04,051	93,351	-	2,97,402	1,73,858	2,18,209
5.	Plant & Machinery	4,27,765	-	-	4,27,765	1,45,925	39,204	-	1,85,129	2,42,636	2,81,840
6.	Vehicles	12,75,767	-	12,50,664	25,103	4,05,353	2,07,079	6,04,771	7,661	17,442	8,70,414
	Total	12,00,33,391	2,82,324	10,20,75,924	1,82,39,791	31,19,900	8,60,739	6,04,771	33,75,868	1,48,63,923	11,69,13,491

TVS INVESTMENTS LIMITED

Schedules to Balance Sheet (Contd.)

	As at 31st Mar. '10	Amount in Rupees As at 31st Mar. '09
VII INVESTMENTS (AT COST - LONG TERM)		
A) Trade - Quoted (fully paid up) - Long Term		
1) Subsidiaries		
1,05,53,449 Equity shares of Rs. 10 each in TVS Electronics Limited, Chennai (Last year 1,05,53,449 Equity Shares)	23,57,44,650	23,57,44,650
B) Trade - Unquoted (fully paid up) - Long Term		
i) Subsidiaries		
a) 1,20,00,000 Equity shares of Rs. 10 each in TVS-E Servicetec Limited, Chennai	12,00,00,000	12,00,00,000
b) 43,00,000 Equity shares of Rs. 10 each in TVS Capital Funds Limited, Chennai	4,30,00,000	4,30,00,000
c) 50,000 Equity shares of Rs. 10 each in TVS-E Access India Limited, Chennai	5,00,000	5,00,000
d) 50,000 Equity shares of Rs. 10 each in TVS Credit Services Ltd. Chennai	-	5,00,000
e) 50,000 Equity shares of Rs. 10 each in Sravanna Properties Limited, Chennai	5,00,000	5,00,000
ii) Others		
a) 6,20,000 Equity shares of Rs. 10 each in Modular Infotech Private Limited, Pune	62,00,000	62,00,000
b) Equity shares in TVS Finance and Services Limited, Chennai (Last year 2,02,82,264 Equity Shares of Rs. 10 each)	-	27,47,51,073
	<u>40,59,44,650</u>	<u>68,11,95,723</u>
C) Share Application Money		
1) Harita Tech Serv Limited, Chennai	-	1,56,29,000
D) Contribution to TVS Shriram Growth Fund, Chennai	6,25,50,000	6,00,00,000
E) Optionally Convertible Debentures in Sravanna Properties Limited, Chennai	55,25,40,000	55,25,40,000
	<u>1,02,10,34,650</u>	<u>1,30,93,64,723</u>

	Amount in Rupees		Amount in Rupees	
	As at 31st Mar. '10	As at 31st Mar. '09	As at/Year ended 31st Mar. '10	As at/Year ended 31st Mar. '09
VIII SUNDRY DEBTORS (UNSECURED, CONSIDERED GOOD)				
a) Debts outstanding for a period exceeding six months				
- Considered Good	1,88,66,495	1,00,21,034		
	<u>1,88,66,495</u>	<u>1,00,21,034</u>		
b) Other debts				
- Considered Good	14,99,14,676	6,34,68,563		
	<u>14,99,14,676</u>	<u>6,34,68,563</u>		
	<u>16,87,81,171</u>	<u>7,34,89,597</u>		
IX CASH AND BANK BALANCES				
a) Cash and Cheques on hand	25,523	20,73,290		
b) Balances with Scheduled Banks				
i) Deposit Account - Escrow	27,559	28,524		
ii) Current Account	3,99,91,802	3,74,76,108		
iii) Fixed Deposits	2,00,00,000	1,16,00,000		
	<u>6,00,44,884</u>	<u>5,11,77,922</u>		
X LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)				
a) Advances recoverable in cash or in kind or for value to be received	12,74,62,152	3,52,21,101		
b) Advance tax & tax deducted at source (net of provisions for tax)	1,04,57,579	71,71,372		
c) Deposits	4,34,114	8,08,520		
	<u>13,83,53,845</u>	<u>4,32,00,993</u>		
XI CURRENT LIABILITIES				
a) Sundry Creditors	3,14,51,972	4,96,73,029		
b) Indemnity deposits	35,00,00,000	35,00,00,000		
c) Intercompany Deposits	-	3,00,00,000		
	<u>38,14,51,972</u>	<u>42,96,73,029</u>		
XII PROVISIONS				
Provision for leave salary	9,54,183	15,51,990		
	<u>9,54,183</u>	<u>15,51,990</u>		
XIII a) Dividend				
Dividend from Subsidiary Company	-	1,05,53,449		
	<u>-</u>	<u>1,05,53,449</u>		
b) Interest Income (Gross)				
On Debentures [TDS Nil (Last year Nil)]	8,97,87,750	12,90,11,900		
On Fixed Deposit [TDS Rs. 94,770 (Last year Rs. 4,79,113)]	8,14,974	26,71,893		
On Inter Corporate Deposits [TDS Rs. 9,872 (Last year Rs. 7,945)]	98,729	35,068		
On Staff Loan [TDS Nil (Last year Nil)]	58,072	66,623		
	<u>9,07,59,525</u>	<u>13,17,85,484</u>		

Schedules to Profit & Loss Account - (Contd.)

		Amount in Rupees	
		Year ended 31st Mar. '10	Year ended 31st Mar. '09
c) Auxilliary Services			
Business Auxilliary Services (Gross)			
[TDS Rs. 76,23,309/- (Last year Rs. 84,94,540/-)]	5,50,29,868	7,84,04,194	
	<u>5,50,29,868</u>	<u>7,84,04,194</u>	
d) Other Income			
Other Income	30,697	4,000	
Profit on sale of Investments	43,59,920	-	
	<u>43,90,617</u>	<u>4,000</u>	
XIV a) Legal and Consultancy			
Professional fees	-	38,96,149	
Business Auxiliary Services	-	45,82,433	
Others	1,46,79,154	57,96,811	
	<u>1,46,79,154</u>	<u>1,42,75,393</u>	
b) Other Expenses			
Clubs & Association	22,935	36,463	
Power & Fuel	4,25,003	1,38,270	
Books & Periodicals	43,979	1,23,542	
Data Processing	1,82,683	4,90,880	
General Charges	1,96,495	9,49,738	
Bad debts written off	2,59,08,660	-	
Others	48,678	61,098	
	<u>2,68,28,433</u>	<u>17,99,991</u>	
c) Interest and Finance charges (Others)			
On Zero Coupon Non Convertible Debentures	-	11,83,49,316	
On Fixed Loans	-	45,59,986	
On Other Loans	10,20,35,749	-	
	<u>10,20,35,749</u>	<u>12,29,09,302</u>	

XV NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

1 ACCOUNTING STANDARDS (AS) COMPLIANCE

The financial statements have been prepared in accordance with the norms and principles prescribed in the Accounting Standards issued by The Institute of Chartered Accountants of India which are itemised below.

a) AS - 1 Disclosure of Accounting policies

The Company is following accrual system of accounting on a going concern concept.

b) AS - 2 Valuation of Inventories

Since the Company does not hold any inventory, this Standard is not applicable.

c) AS - 3 Cash flow statements

Cash flow statement is prepared under "indirect method".

d) AS - 4 Contingencies and events occurring after the Balance Sheet date

There are no contingencies and events after Balance sheet date that affect the financial position of the Company.

e) AS - 5 Net profit or loss for the period, Prior period items and changes in accounting policies

i) Details of prior period items in Profit and Loss account: (Expenses)

Nil (Last year - Retainership fees - Rs 7,500)

ii) Change in Accounting Policy

There are no changes in the accounting policies adopted by the company.

f) AS - 6 Depreciation accounting

i) Depreciation is provided on written down value method on all assets at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

ii) In respect of the assets added/sold during the year, pro-rata depreciation has been provided.

g) AS 7 - Accounting for Construction contracts

The company is not engaged in any construction business covered by this Standard.

h) AS - 8 Accounting for Research and Development

This Accounting Standard is withdrawn with effect from 01.04.2003.

i) AS - 9 Revenue recognition

i) Both Income and Expenditure are accounted on a going concern basis.

ii) The income of the Company is derived mainly from dividend on shares.

iii) Dividend Income is recognised when the Company in which shares are held, declares the dividend and when the right to receive the same is established.

iv) Interest income is recognised on a time proportion basis taking into account the amount of outstanding and the rate applicable.

j) AS - 10 Accounting for Fixed assets

Fixed assets are stated at cost less accumulated depreciation.

k) AS - 11 Accounting for effects in foreign exchange rates

There are no transactions in foreign currencies attracting the provisions of this standard.

l) AS 12 - Accounting for Government grants

The Company has not received any Government grants.

m) AS - 13 Accounting for Investments

i) Investments are valued at cost.

ii) All Investments are held as long term investments.

iii) Provision for diminution in value is made only If such a decline is other than temporary in the opinion of the management.

n) AS - 14 Accounting for Amalgamation

This standard is not applicable for the year under review.

o) AS - 15 Accounting for Retirement Benefits

i) Contributions to provident fund are made to a recognised Trust in respect of excluded employees. In respect of other employees the contribution is made to Employees Provident Fund Organisation.

ii) Leave Salary payable in respect of encashable leave has been provided for according to the service rules of 'the company based on actuarial valuation.

iii) Contributions to gratuity and superannuation fund are made to Life Insurance Corporation of India in accordance with the scheme framed by the corporation.

As per Accounting Standard 15 on "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

(a) Short term Employee Benefits:

Short term employee benefits payable within twelve months of rendering the service including accumulated leave encashment, at the balance sheet date, are recognized as an expense as per the company's scheme based on expected obligations on undiscounted basis.

(b) Long term Employee Benefits:

In case of long term compensated absences i.e. long term leave encashment, the same is provided for based on actuarial valuation as at the balance sheet date, using the Projected Unit Credit Method.

Post retirement benefits comprising of employees provident fund, gratuity fund and super annuation funds are accounted for as follows:

1) Provident Fund : This is a defined contribution plan and contributions paid to the fund are charged to revenue during the period in which the employee renders the related service. The company has no further obligations for future provident fund benefits other than regular contributions.

2) Gratuity : This is a defined contribution plan and the company's scheme is administered by Trustees and funds managed by the Life Insurance Corporation of India (LIC). The liability for Gratuity to employees as at the Balance Sheet date is determined based on the actuarial valuation using the Projected unit credit method. The contribution paid thereof is charged in the books of accounts.

Actuarial gains or losses arising out of actuarial valuation, if any, are recognized in the Profit and Loss as income or expense.

3) Superannuation : Fixed contributions are made to the Superannuation Fund, which is administered by Trustees and managed by LIC, are charged to the Profit and Loss Account. The Company has no liability for future Superannuation Fund benefits other than its annual contribution, which is recognized as an expense in the year incurred.

	Amount in Rs	
	Year Ended 31.03.2010	Year Ended 31.03.2009
Disclosure as per AS 15 revised -		
Defined benefit Plans		
Past Service benefit	15,94,213	26,75,133
Funded balance	38,95,965	39,02,246
Present Value of the obligation as at beginning of the year	26,75,133	25,28,754
Interest Cost	2,14,011	1,96,027
Current Service Cost	1,02,461	95,895
Benefits Paid	(3,50,000)	(1,56,840)
Actuarial Gain / (Loss) on obligation	(10,47,392)	11,297
Present Value of the obligation as at 31.03.2010	15,94,213	26,75,133
Fair value of planned assets as at beginning of the year	39,02,246	37,30,521
Expected Return on planned assets	3,43,719	2,92,168
Contributions	-	-
Benefits Paid	(3,50,000)	(1,56,840)
Actuarial Gain / (Loss) on plan assets	-	36,397
Fair value of planned assets as at 31.03.2010	38,95,965	39,02,246
Amounts recognized in the Balance Sheet		
Present Value of the obligation as at 31.03.2010	15,94,213	26,75,133
Fair value of planned assets as at 31.03.2010	38,95,965	39,02,246
Funded status of the plan - (assets) / Liability	23,01,752	12,27,113

TVS INVESTMENTS LIMITED

SCHEDULES (Contd.)

XV NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009 (Contd.)

Amount in Rupees
31-03-2010 31-03-2009

	Amount in Rupees	
	31-03-2010	31-03-2009
Amounts recognized in the statement of profit and loss		
Current Service cost	1,02,461	95,895
Interest cost	2,14,011	1,96,027
Expected Return on planned assets	3,43,719	2,92,168
Net actuarial gain or loss recognized in the year	10,47,392	25,100
Expenses recognized in the statement of profit and loss	10,74,639	25,346
Principal actuarial assumptions		
Discount Rate	8%	8%
Salary escalation	5%	5%
Expected return on planned assets	8%	8%

p) AS - 16 Borrowing cost

During the year, there were no borrowings attributable to qualifying assets and hence no borrowing cost has been capitalised.

q) AS - 17 Segment reporting

The company operates as Investment Company.

r) AS - 18 Related party disclosure

Disclosure is made as per the requirements of the standard and as per the clarifications issued by the Institute of Chartered Accountants of India.

s) AS - 19 Accounting for Leases

The Company has not entered into any financial lease agreement during the accounting period.

t) AS - 20 Earnings per share

Disclosure is made in the Profit and Loss account as per the requirement of the Standard.

u) AS - 21 Consolidated financial statements

The company has five subsidiaries - viz., TVS Electronics Ltd Chennai, TVS Capital Funds Ltd Chennai, TVS-E Servicetec Ltd Chennai, Sravanaa Properties Ltd Chennai, and TVS-E Access India Ltd Chennai. Since the company's shares are not listed, the company is not required to prepare consolidated financial statements and hence the standard is not applicable to the company.

v) AS - 22 Accounting for taxes on income

During the year, income tax is provided for under Section 115JB of the Income Tax Act, 1961 (Minimum Alternate Tax) for Rs. 3,60,03,000 / Wealth tax is also provided for in respect of chargeable wealth.

Deferred tax liability resulting from timing difference between book and taxable profit is accounted for, using tax rates in force as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is reasonable certainty that the asset will be realised in future. Details of deferred taxation are furnished in Schedule V.

w) AS - 23 Accounting for Investments in Associates in Consolidated Financial Statements

As the Company is not required to prepare consolidated financial statement under AS-21, requirement of this Standard does not arise.

x) AS 24 - Discontinuing operations

The Company has not discontinued any operations during the year.

y) AS 25 - Interim Financial Reporting

This standard is not applicable as the company is not a Listed Company.

z) AS - 26 Intangible assets

The Company does not have any intangible asset requiring compliance of the Standard.

aa) AS - 27 Financial Reporting of Interests in Joint venture

Not applicable as the Company has no joint venture.

ab) AS 28 - Impairment of assets

There is no Impairment of assets.

ac) AS - 29 Provisions, contingent Liabilities and contingent assets

Contingent liability is disclosed in note no.6 of Notes on Accounts and there is no Contingent asset. However disputed liability in respect of Interest tax & Income Tax is disclosed vide Note 5 of Notes on Accounts.

ad) AS - 30 Financial Instruments: Recognition and Measurement

This standard is not applicable to the company for the year under review.

ae) AS - 31 Financial Instruments: Presentation

This standard is not applicable to the company for the year under review.

af) AS - 32 Financial Instruments: Disclosures

This standard is not applicable to the company for the year under review.

2. Tax deducted at source on:

a) Interest on Deposits	94,770	4,87,058
b) Business Auxilliary / shared services	76,23,309	84,94,540

3. During 2008-09 the Company was sanctioned a term loan of Rs 90 Crores from HDFC Ltd, Mumbai vide a Master Facility Agreement dated 26th March 2009. The company has drawn Rs. 78 crores during the previous year and has drawn further Rs 8.85 Crores during the year. The company also has repaid Rs 40 crores during the year.

4. Through a Circular Resolution dated 27th July 2009, the Board of Directors resolved to roll over the Principal amount of Debentures (Letter of Allotment) held in Sravanaa Properties Ltd, Chennai viz Rs 45,50,00,000 with interest accrued thereon as below.

a) on Rs 45,00,00,000	45,00,00,000	
Interest accrued from 28.08.2007 (date of acquisition) to 24.11.2008	9,67,65,000	
Total (A)		54,67,65,000
b) on Rs 50,00,000	50,00,000	
Interest accrued from 08.01.2008 (date of acquisition) to 30.11.2008	7,75,000	
Total (B)		57,75,000
Total Cost of Debentures held (A) + (B)		55,25,40,000

(The Company has received letter of allotment and issue of Debenture Certificate is pending)

The company has accrued interest of Rs. 3,14,71,900/- upto 31st March 2009 and further Rs. 8,97,87,750/- for the financial year ended 31st March 2010. During the year the company received request from Sravanaa Properties Limited for extension of time till March 2012 for repayment of debentures. The company has given its consent.

5. Disputed tax liability not provided for

- Income tax (Asst Yr. 2005-06)	1,84,153	1,84,153
- Income tax (Asst Yr. 2004-05)	3,60,047	3,60,047
- Income tax (Asst Yr. 2000-01)	20,87,413	20,87,413

6. Contingent liability not provided for

- Capital commitment made for contribution to TVS Shriram Growth Fund, Chennai	8,74,50,000	9,00,00,000
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7. Related party disclosures as per Accounting Standard 18:

a) List of Related Parties

Reporting Entity	TVS Investments Limited, Chennai
Clause 3 (a)	Period
Holding Company	
Sundaram-Clayton Ltd, Chennai	01.04.2009 - 31.03.2010
Subsidiaries	
TVS Electronics Ltd, Chennai	01.04.2009 - 31.03.2010
TVS-E Access India Ltd, Chennai	01.04.2009 - 31.03.2010
TVS-E Servicetec Ltd, Chennai	01.04.2009 - 31.03.2010
TVS Finance & Services Ltd, Chennai	01.04.2009 - 02.03.2010
TVS Capital Funds Ltd, Chennai	01.04.2009 - 31.03.2010
TVS Credit Services Ltd, Chennai	01.04.2009 - 23.04.2009
Sravanaa Properties Limited, Chennai	01.04.2009 - 31.03.2010
Tumkur Property Holdings Limited, Chennai (Subsidiary of TVS Electronics Ltd, Chennai)	01.04.2009 - 31.03.2010
Prime Property Holdings Limited, Chennai (Subsidiary of TVS Electronics Limited, Chennai)	01.04.2009 - 31.03.2010
Fellow Subsidiaries	
Anusha Investments Limited, Chennai.	01.04.2009 - 31.03.2010
Auto (India) Engineering Limited, Chennai	01.04.2009 - 31.03.2010
TVS Motor Company Limited, Chennai	01.04.2009 - 31.03.2010
TVS Motor Company (Singapore) Pte. Ltd, Singapore	01.04.2009 - 31.03.2010
TVS Motor Company (Europe) BV , Amsterdam	01.04.2009 - 31.03.2010
PT TVS Motor Company Indonesia, Jakarta	01.04.2009 - 31.03.2010
Sundaram Auto Components Ltd, Chennai	01.04.2009 - 31.03.2010

Clause 3(d)

Key Management Personnel

Mr.Gopal Srinivasan, Chairman and Managing Director	Will effect from 26-04-2010
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TVS INVESTMENTS LIMITED

	Amount in Rupees			Amount in Rupees	
	31-03-2010	31-03-2009		31-03-2010	31-03-2009
Clause 3(e)					
Controlling Interest by TVS Investments Ltd, Chennai					
Sundaram Investments Limited, Chennai	01.04.2009 - 31.03.2010				
b) Particulars of transactions with Related Parties:					
I. Dividend Received					
Subsidiary - TVS Electronics Limited, Chennai	Nil	1,05,53,449			
II. a) Income from Shared Services					
Subsidiary - TVS Electronics Ltd , Chennai	2,14,67,000	3,12,45,000			
Subsidiary - TVS-E Servicetec Ltd , Chennai	3,01,18,868	2,73,10,000			
Subsidiary - TVS Capital Funds Ltd , Chennai	20,04,000	33,81,000			
Subsidiary - TVS Finance and Services Ltd , Chennai	-	72,00,000			
b) Interest Income					
Subsidiary - Sravanaa Properties Ltd , Chennai	8,97,87,750	12,29,969			
III. Inter Corporate Deposit received by the company earlier and paid during current year					
Fellow Subsidiary - TVS Motor Company Limited, Chennai					
a) ICD received by the company in an earlier year and paid during current year	3,00,00,000	2,00,00,000			
b) Interest paid on Inter Corporate Deposit placed and received back during the current year	22,25,343	3,85,205			
IV. Inter Corporate Deposit Placed by the company and received back during the current year					
Subsidiary - TVS Electronics Limited, Chennai					
a) ICD Placed	28,00,000	-			
b) Interest received on Inter corporate Deposit placed and received back during the current year	98,729	35,068			
V. Amount outstanding as at Balance Sheet Date					
Unsecured Loans					
ICD from TVS Motor Company Limited, Chennai	-	3,00,00,000			
VI Investments					
Acquisition of equity shares of					
TVS Finance and Services Ltd , Chennai	-	3,97,70,725			
TVS Capital Funds Ltd , Chennai	-	2,00,00,000			
TVS - E Servicetec Ltd , Chennai	-	2,00,00,000			
TVS Credit Services Ltd , Chennai	-	5,00,000			
			Sravanaa Properties Ltd , Chennai		
			Zero Coupon Convertible Debentures in		
			Sravanaa Properties Ltd , Chennai.	-	5,00,000
			Redemption of Zero Coupon Convertible Debentures in		
			Sravanaa Properties Ltd , Chennai.	-	55,25,40,000
			Share application Money Received back		
			Subsidiary - TVS-E Servicetec Limited, Chennai	-	5,00,000
			VII Purchases		
			Subsidiary - TVS Electronics Ltd , Chennai	3,797	3,89,718
			Subsidiary - TVS Finance and Services Ltd , Chennai	-	65,653
			Subsidiary - TVS-E Servicetec Ltd, Chennai	10,903	-
			VIII Sale of shares		
			TVS Motor Company Limited, Chennai	2,19,68,645	-
			TVS-E Access India Limited, Chennai	1,95,779	-
			IX Sundry Creditors as at Balance sheet date		
			Subsidiary - TVS Capital Funds Ltd, Chennai	-	19,80,637
			X Sundry Debtors as at Balance Sheet date		
			Subsidiary - TVS Electronics Ltd , Chennai	10,18,173	1,43,20,666
			Subsidiary - TVS-E Access India Ltd , Chennai	30,000	-
			Subsidiary - TVS-E Servicetec Ltd , Chennai	3,51,26,766	1,74,14,722
			Subsidiary - TVS Finance and Services Ltd , Chennai	-	80,14,267
			Subsidiary - TVS Credit Services Ltd , Chennai	-	20,500
			Subsidiary - Sravanaa Properties Ltd, Chennai	4,64,969	-
			XI Sundry Debtors include due from Subsidiary Companies		
			- More than six months	1,88,66,495	-
			- Less than six months	3,53,57,265	3,82,13,244
			XII Relatives of Key Management personnel		
			Retainership Fees	45,000	45,000
			Salaries	6,000	3,500
			Reimbursement of Expenses	6,43,028	5,01,660

Signature to Schedules I to XV and notes there on.

For and on behalf of the Board

GOPAL SRINIVASAN
Chairman & Managing Director

H LAKSHMANAN
Director

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No: 004207S

Place : Chennai
Date : August 4, 2010

M. BALASUBRAMANIAM
Partner
Membership No. F7945

TVS INVESTMENTS LIMITED

Cash Flow Statement for the year ended 31st March 2010

(In Rupees)

	Year ended 31/03/2010	Year ended 31/03/2009
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax and extraordinary Items	20,75,85,020	1,20,32,156
Adjustment for :		
Add :		
Depreciation	8,60,739	9,06,126
Loss on sale of asset	1,55,893	–
Loss on sale of investments (Net)	25,69,46,569	11,19,63,223
Interest Income	(9,07,59,525)	(12,90,11,900)
Interest Expense	10,20,35,749	12,29,09,302
Less:		
Dividend Received	–	1,05,53,449
Profit on sale of investments	43,59,920	–
Profit on Sale of asset	48,85,24,464	–
Operating Profit before Working Capital changes	(1,60,59,939)	10,82,45,458
Adjustment for :		
Sundry Debtors	(9,52,91,574)	(5,79,16,907)
Loans and Advances	(9,51,52,852)	(4,28,88,124)
Current Liabilities & Provisions	(4,88,18,864)	(8,75,08,505)
Cash generated from operations	(25,53,23,229)	(8,00,68,078)
Direct taxes paid net of provision	(3,60,90,892)	(34,00,000)
Net cash from/(used in) operating activities (A)	(29,14,14,121)	(8,34,68,078)
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition to Fixed Assets	(2,82,324)	(15,12,137)
Sale of fixed assets	58,98,39,724	–
Sale of Investments	2,26,64,424	3,55,08,660
New Investments made	(25,50,000)	(21,58,10,725)
Share Application Money paid in an earlier year received back	1,56,29,000	3,48,71,000
Interest Income	9,07,59,525	12,90,11,900
Dividend received	–	1,05,53,449
Net cash from / (used in) Investing activities (B)	71,60,60,349	(73,77,853)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loans received / (Repayment of Loans) (Net)	(40,29,65,841)	(64,70,97,638)
Secured Loans Availed	8,92,22,324	78,00,00,000
Interest Paid (Net)	(10,20,35,749)	(12,29,09,302)
Net cash from / (used in) financing activities (C)	(41,57,79,266)	99,93,060
D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	88,66,962	(8,08,52,871)
Opening cash and cash equivalents as at 01.04.2009	5,11,77,922	13,20,30,793
Closing cash and cash equivalents as at 31.03.2010	6,00,44,884	5,11,77,922

Notes: 1. The above statements have been prepared in indirect method.

2. Cash and cash equivalent represents cash and bank balances.

For and on behalf of the Board
GOPAL SRINIVASAN
Chairman & Managing Director

H LAKSHMANAN
Director

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No: 004207S

Chennai
August 4, 2010

M. BALASUBRAMANIAM
Partner
Membership No. F7945

TVS INVESTMENTS LIMITED

Statement under Section 212 of The Companies Act, 1956 relating to subsidiaries							
Name of the Subsidiaries	TVS Electronics Limited Chennai	Tumkur Property Holdings Limited Chennai#	Prime Property Holdings Limited Chennai#	TVS-E Access (India) Limited Chennai	TVS-E ServiceTec Limited Chennai	TVS Capital Funds Limited Chennai	Sravanaa Properties Limited Chennai*
1. Financial year of the Subsidiary ended on	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010
2. Shares of subsidiary held by the company on 31.03.2010							
a. Number and face value of equity	1,05,53,449 equity shares of Rs. 10/- each fully paid up	50,000 equity shares of Rs. 10/- each fully paid up	50,000 equity shares of Rs. 10/- each fully paid up	50,000 equity shares of Rs. 10/- each fully paid up	1,20,00,000 equity shares of Rs. 10/- each fully paid up	43,00,000 equity shares of Rs. 10/- each fully paid up	50,000 equity shares of Rs. 10/- each fully paid up
b. Extent of holding	59.72%	100.00%	100.00%	90.91%	100.00%	88.00%	100.00%
3. Net aggregate amount of Profit / (Loss) of the subsidiaries for the above financial year of the subsidiaries not dealt with in the company's accounts so far as it concerns the members of the holding company	Amount in Rupees	Amount in Rupees	Amount in Rupees	Amount in Rupees	Amount in Rupees	Amount in Rupees	Amount in Rupees
a. For the financial year of the subsidiaries - Profit / (Loss)	(2,05,03,637)	(28,274)	3,32,43,757	(58,464)	(4,39,55,676)	(51,93,253)	(4,45,604)
b. For the previous financial years since they became subsidiaries - Profit / (Loss)	5,65,66,166	(41,470)	(22,43,978)	(29,38,614)	(1,05,27,934)	11,35,575	(35,92,265)
4. Net aggregate amount of Profit / (Loss) of the subsidiaries for the above financial year of the subsidiaries dealt with in the company's accounts so far as it concerns the members of the holding company							
a. For the financial year of the subsidiaries - Profit / (Loss)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b. For the previous financial years since they became subsidiaries - Profit / (Loss)	5,96,23,068	Nil	Nil	Nil	Nil	Nil	Nil
5. Change of interest of the company in the subsidiaries between the end of the financial year of the subsidiaries and the financial year of the company	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
6. Material changes between the end of the financial year of the subsidiaries and the end of the financial year of the company.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
i) Fixed Assets							
ii) Investments							
iii) Money Lent							
iv) Borrowings other than for meeting current liabilities							

Prime Property Holdings Limited and Tumkur Property Holdings Limited being wholly owned subsidiaries of TVS Electronics Limited, Chennai are Subsidiaries of TVS Investments Limited, Chennai under Section 4(1)(c) of the Companies Act 1956.

During the year the company transferred its entire holding in wholly owned subsidiary company TVS Credit Services Ltd. Chennai to TVS Motor Services Ltd Chennai on 24th April 2009.

For and behalf of the Board
 GOPAL SRINIVASAN
 Chairman & Managing Director

H LAKSHMANAN
 Director

Chennai
 August 4, 2010