TVS MOTOR COMPANY LIMITED

Twenty Third Annual Report 2014-2015

TVS MOTOR COMPANY LIMITED

Board of Directors	VENU SRINIVASAN *Chairman & Managing Director* SUDARSHAN VENU *Joint Managing Director* H. LAKSHMANAN T. KANNAN C. R. DUA Dr. LAKSHMI VENU R. RAMAKRISHNAN PRINCE ASIRVATHAM HEMANT KRISHAN SINGH
Audit Committee	T. KANNAN *Chairman* C.R. DUA R. RAMAKRISHNAN PRINCE ASIRVATHAM
Stakeholders' Relationship Committee	R. RAMAKRISHNAN *Chairman* VENU SRINIVASAN SUDARSHAN VENU
Nomination and Remuneration Committee	T. KANNAN *Chairman* C.R. DUA H. LAKSHMANAN
Corporate Social Responsibility Committee	VENU SRINIVASAN *Chairman* PRINCE ASIRVATHAM H. LAKSHMANAN
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 1st Main Road, Velachery, Chennai - 600 042.
Shares listed with	BSE Ltd., Mumbai. National Stock Exchange of India Ltd., Mumbai.
Share Transfer Agent	Sundaram-Clayton Limited, "Jayalakshmi Estates", 1st 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
Bankers	STATE BANK OF INDIA Corporate Accounts Group Branch, Chennai. STATE BANK OF MYSORE Corporate Accounts Branch, Bengaluru.

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

Plants Locations

1. Post Box No. 4, Harita, Hosur - 635 109, Tamil Nadu, India.
   Tel : 04344 - 276780; Fax : 04344 - 276016
2. Post Box No. 1, Byathahalli Village,
   Kadakola Post, Mysore - 571 311, Karnataka, India.
   Tel : 0821 - 2596242; Fax : 0821 - 2596550 / 2596551
3. Bhatian Village, Nalagarh Post & Taluk
   Solan District - 174 101, Himachal Pradesh, India.
   Tel : 01795 - 220494; Fax : 01795 - 220496

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

CONTENTS

	Page No.
Financial Highlights	2
Notice to shareholders	3
Directors' Report to the shareholders	11
Report on Corporate Governance	36
Independent Auditors' Report to the shareholders	55
Balance Sheet	58
Statement of Profit and Loss	59
Cash Flow Statement	60
Notes on accounts	62
Significant accounting policies and additional disclosures	71
Independent Auditors' Report on Consolidated Financial Statements	87
Consolidated Financial Statements	92

Financial Highlights

Rupees in crores

Details	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Sales and other income	3306	3921	3310	3741	4485	6324	7163	7193	7996	10131
Profit before interest, depreciation, amortisation and tax*	318	254	219	247	304	491	520	461	532	669
Profit before tax*	168	91	35	31	76	248	316	254	355	456
Exceptional / Extraordinary Items	–	–	–	–	–	–	–	(92)	(3)	–
Profit after tax	117	67	32	31	88	195	249	116	262	348
Net fixed assets	794	1003	1043	1036	983	995	1078	1048	1174	1419
Share capital	24	24	24	24	24	48	48	48	48	48
Reserves and surplus	742	786	798	786	842	952	1122	1177	1368	1598
Networth	673	751	769	735	835	999	1170	1225	1416	1646
Total borrowings	385	634	666	906	1003	768	831	635	527	971
Earnings per share (Rs.) #	2.47	1.40	0.67	0.66	1.86	4.10	5.24	2.44	5.51	7.32
Dividend per share (Rs.)	1.30	0.85	0.70	0.70	1.20	1.10	1.30	1.20	1.40	1.90
Book value per share (Rs.) #	14.02	15.65	16.02	15.32	17.40	20.81	24.38	25.52	29.50	34.29
EBITDA / turnover (%)	9.6	6.5	6.6	6.6	6.8	7.4	7.3	6.4	6.7	6.6
Profit before tax / turnover (%)	5.1	2.3	1.1	0.8	1.7	3.9	4.4	3.5	4.4	4.5
Return on capital employed (%)	18.3	10.4	2.8	5.6	8.0	16.4	19.0	14.7	18.7	20.3
Return on net worth (%)	18.0	9.2	4.1	4.1	11.2	21.3	23.0	9.7	19.8	22.7

Notes:

The figures from 2013-14 are based on Schedule III to the Companies Act, 2013. The figures upto 2012-13 are based on respective year's reported results.

* Figures stated are before exceptional and extraordinary items.

Earnings per share and Book Value per share for all the years have been calculated after considering the bonus issue of 2010-11.

Notice to Shareholders

NOTICE is hereby given that the twenty-third annual general meeting of the Company will be held at 'The Music Academy', New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai 600 014, on Wednesday, the 29th July, 2015, at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To consider passing the following resolution as an ordinary resolution:

   "RESOLVED THAT the audited balance sheet as at 31st March, 2015, the statement of profit and loss, notes forming part thereof, the cash flow statement for the year ended on that date and the consolidated financial statements, together with the directors' report and the auditors' report thereon as circulated to the members and presented to the meeting be and the same are hereby approved and adopted."

2. To consider passing the following resolution as an ordinary resolution:

   "RESOLVED THAT Mr Sudarshan Venu (holding DIN 03601690), director, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company."

3. To consider passing the following resolution as an ordinary resolution:

   "RESOLVED THAT the re-appointment of 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, from the conclusion of this annual general meeting till the conclusion of the next annual general meeting, for the third year in the first term of five years as recommended by the audit committee and approved by the board of directors of the Company, in terms of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 on such remuneration, as may be mutually agreed upon between the board of directors of the Company and the Statutory Auditors in addition to reimbursement of service tax, travelling and out-of-pocket expenses, be and is hereby ratified."

SPECIAL BUSINESS

4. To consider passing the following resolution as an ordinary resolution:

   "RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the remuneration of Rs.5 lakhs, in addition to reimbursement of service tax, travelling and out-of-pocket expenses, payable to Mr A N Raman, practising cost accountant, holding Membership No. 5359, allotted by The Institute of Cost Accountants of India, who was appointed as cost auditor of the Company for the year 2015-16 by the board of directors of the Company, as recommended by the audit committee of directors, be and is hereby ratified."

5. To consider passing the following resolution as an ordinary resolution:

   "RESOLVED THAT subject to the provisions of Sections 196,197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act 2013), read with the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) thereof, for the time being in force), approval of the Company be and is hereby accorded for re-appointment of Mr Venu Srinivasan (holding DIN 00051523) as chairman and managing director of the Company for a further period of five years from 24th April 2015 on a remuneration payable by way of a commission and other perquisites as stated in the Explanatory Statement attached to this Notice, not exceeding 5% of the net profits of the Company, computed in accordance with the provisions of Section 198 of the Act, 2013 and as recommended by the nomination and remuneration committee of directors and as determined by the board of directors of the Company (the Board) for each financial year within the said maximum permissible limit, notwithstanding his holding a similar position in the holding company, namely Sundaram-Clayton Limited (SCL) and drawing remuneration as approved by its shareholders, from time to time, provided that the total remuneration drawn by him from the Company and SCL does not exceed the higher maximum limit admissible from any one of these companies, in terms of Schedule V to the Act, 2013".

   "RESOLVED FURTHER THAT the board, be and is hereby authorized to alter and vary the scope and quantum of remuneration specified hereinabove during the tenure of office, in the light of and in conformity with any amendments to the relevant provisions of the Act, 2013 / Income-tax Act, 1961 and / or the rules and regulations made thereunder and / or such guidelines, as may be notified by the Central Government, from time to time."

   "RESOLVED FURTHER THAT Mr Venu Srinivasan as chairman and managing director shall have substantial powers of the management of the Company, in accordance with the applicable provisions of the Act 2013 and that may be entrusted upon him by the board of directors of the Company, from time to time."

   "RESOLVED FURTHER THAT the Board be and is hereby authroised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution"

6. To consider passing the following resolution as an ordinary resolution:

"RESOLVED THAT, subject to the provisions of Sections 196, 197, 198 and 203 read with Schedule V to the Companies Act, 2013 (the Act 2013) read with the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) thereof for the time being in force) and as recommended by the nomination and remuneration committee of directors and the board of directors of the Company, consent of the Company be and is hereby accorded to the appointment of Mr Sudarshan Venu,(holding DIN 03601690) Whole Time Director as Joint Managing Director (JMD) in the rank of Managing Director of the Company effective 10th September, 2014, for the remaining period of his tenure upto 31st January, 2018, without any change in other terms of appointment and remuneration, as approved by the shareholders on 18th March, 2013 through postal ballot and on 14th July, 2014 at the twenty-second annual general meeting of the Company notwithstanding his holding a similar position in the holding company, namely Sundaram-Clayton Limited (SCL) and drawing remuneration as approved by its shareholders, from time to time, provided that the total remuneration drawn by him from the Company and SCL does not exceed the higher maximum limit admissible from any one of these companies, in terms of Schedule V to the Act 2013".

"RESOLVED FURTHER THAT the Supplemental Agreement dated 10th September, 2014 entered into between the Company and Mr Sudarshan Venu with respect to the above variation in the terms of the appointment, a copy of which was placed before the meeting and initialled by the Chairman for the purpose of identification thereof, be and is hereby approved".

"RESOLVED FURTHER THAT the Board be and is hereby authroised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution"

7. To consider passing the following resolution as an ordinary resolution:

"RESOLVED THAT Dr Lakshmi Venu (holding DIN 02702020), who was appointed as an additional director and who holds office up to the date of this annual general meeting, in terms of Section 161 read with Section 149 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, be and is hereby appointed as a non-executive and non-independent director of the Company, liable to retire by rotation."

By order of the board

Bengaluru
29th April 2015

K S SRINIVASAN
Company Secretary

Registered Office:
"Jayalakshmi Estates",
No.29 (Old No.8), Haddows Road,
Chennai - 600 006.

Notes:

1) **A member entitled to attend and vote at the meeting is entitled to appoint one or more Proxies to attend and vote instead of himself and the Proxy or Proxies so appointed need not be a member or members, as the case may be, of the Company. The instrument appointing the Proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or other authority shall be deposited at the registered office of the Company, not later than 48 hours before the time fixed for holding the meeting. A person shall not act as a Proxy for more than 50 members and holding in aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a Proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person.**

2) The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 (the Act 2013), in respect of the special businesses, as set out in the Notice is annexed hereto.

3) The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-Voting').

   The facility for voting through Ballot papers shall be made available at the twenty-third annual general meeting (AGM) and the members attending the AGM who have not cast their vote by remote e-Voting shall be able to vote at the AGM.

4) The register of members and the share transfer register will remain closed for a period of two days viz., 28th July, 2015 and 29th July, 2015 for the purpose of AGM.

5) In terms of Section 205A read with Section 205C of the Companies Act, 1956, the dividends declared by the Company, for earlier years, which remain unclaimed for a period of seven years will be transferred on due dates to the Investor Education and Protection Fund (IEPF), established by the Central Government. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished in the Report on Corporate Governance, forming part of the Annual Report attached to this Notice.

Members who have not encashed their dividend warrants in respect of the above period mentioned in the Corporate Governance Report are requested to make their claim(s) by surrendering the unencashed warrants immediately to the Company. Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012, the Company will provide / host the required details of unclaimed amounts referred to under Section 205C (2) of the Companies Act, 1956 on its website and also on the website of the Ministry of Corporate Affairs (MCA) in the relevant form every year.

6) Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.

7) Electronic copy of the Annual Report and the Notice of the AGM *inter alia* indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode.

8) Members are requested to notify any change in their address to the Company immediately. Members holding shares in electronic form are requested to advise change of their address to their Depository Participants.

9) As a measure of economy, copies of the Annual Report will not be distributed at the venue of AGM.

   Members are, therefore, requested to bring their copies of the Annual Report to the meeting.

10) Members are requested to affix their signatures at the space provided on the Attendance Slip annexed to Proxy Form and handover the Slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the board resolution / power of attorney authorizing their representatives to attend and vote at the AGM.

11) Members may also note that the Notice of the AGM and the Annual Report will also be available on the Company's website www.tvsmotor.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the members may also send their requests to investorscomplaintssta@scl.co.in.

12) In terms of Section 108 of the Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended ('the Rules') and Clause 35B of the Listing Agreement, the Company has provided facility to exercise votes through electronic voting system, to members holding shares as on 22nd July, 2015 being the "Cut-Off Date"("Cut-Off" for the purpose of Rule 20(4)(vii) of the Rules) fixed for determining voting rights of members entitled to participate in the e-Voting process through the e-Voting platform provided by NSDL by typing the URL:https://www.evoting.nsdl.com.

The voting rights of the members/beneficial owners will be reckoned on the Equity Shares held by them as on 22nd July, 2015, i.e "Cut-Off Date" for the purpose. Members as on the cut-off date, i.e., 22nd July, 2015 only shall be entitled to avail the facility of remote e-Voting or Ballot paper.

The instructions for remote e-Voting are as under:

(A) For members - who receive notice of AGM through e-mail:

   (i) Launch internet browser by typing the following URL:https://www.evoting.nsdl.com;

   (ii) Enter the login credentials, i.e User ID and Password mentioned in your email. Your Folio No. DP:ID will be your User ID. However, if you are already registered with NSDL for e-Voting, you can use your existing User ID and Password for casting your votes;

   (iii) Initial password is provided in the body of the e-mail;

   (iv) After entering the details appropriately, click on LOGIN;

   (v) You will reach the Password Change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$ etc). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential;

   (vi) You need to login again with the new credentials;

   (vii) On successful login, the system will prompt you to select the EVEN, i.e TVS Motor Company Limited;

   (viii) On the voting page, the number of shares (which represents the number of votes) as held by the member as on the Cut-Off-date will appear. If you desire to cast all the votes assenting/dissenting to the resolutions, then enter all the number of shares and click "FOR" / "AGAINST", as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR/ AGAINST" taken together should not exceed your

total shareholding as on the 'Cut-Off date'. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head;

(ix) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio / demat account;

(x) Cast your votes by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click 'OK' to confirm or 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolutions;

(xi) Corporate / Institutional members (i.e other than individuals, HUF, NRI etc) are required to send scanned copy (PDF/JPG Format) of the relevant board resolution / authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail sriram.krishnamurthy@rediffmail.com. They may also upload the same in the e-Voting module in their login. The scanned image of the above documents should be in the naming format "Corporate Name EVEN No.";

(xii) Members can cast their vote online from 24th July, 2015 (Friday) (9 a.m.) till 28th July, 2015 (Tuesday) (5 p.m.) through remote e-Voting. Once the vote on a resolution is cast by the member, the member will not be allowed to change it subsequently. The remote e-Voting will not be allowed beyond the aforesaid date and time; The remote e-Voting module will be disabled by NSDL for voting thereafter;

Only members as on the Cut-Off date, attending the AGM who have not cast their vote by remote e-Voting will be able to exercise their voting right at the AGM through ballot paper;

The members who have cast their vote by remote e-Voting prior to the AGM may also attend the AGM but will not be entitled to cast their vote again;

A person who is not a member as on the Cut Off date should treat this Notice for information purposes only; and

(xiii) In case of any query, the member may refer the Frequently Asked Questions (FAQs) for Members and remote e-Voting user manual for Members available at the downloads Section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

(B) For members who receive the Notice of AGM in physical form:

(i) Initial password is provided as below / at the bottom of the Attendance Slip for the AGM.

EVEN (remote e-Voting Event Number)	**USER ID**	**PASSWORD / PIN**

(ii) Please follow steps from SI. No. (ii) to (xiii) under heading (A) above to vote through e-Voting platform.

(C) General Instructions:

(i) Members holding shares as on the "Cut-off Date" i.e., 22nd July, 2015 will be entitled to vote through remote e-Voting or at the venue of the AGM through ballot paper;

(ii) The Notice of the AGM is being sent (by email where email ID is available and in physical form in other cases) to the members holding shares of the Company as on 26th June, 2015;

Where Notice is sent by email, User ID and password are sent in the email itself. Where notice is sent in physical form, User ID and Password are printed at the bottom of the Attendance Slip for the AGM sent along with the Notice;

Shareholders who become members of the Company, after despatch of notice i.e., 26th June, 2015 and hold shares as on 22nd July, 2015 may obtain the User ID and password for e-Voting by sending email, intimating DP ID and Client ID / Folio No. to raman@scl.co.in or member may send an e-mail request to evoting@nsdl.co.in or can vote through ballot paper distributed at the AGM. Remote e-Voting shall be open from 24th July, 2015 (Friday) (9 a.m.) till 28th July, 2015 (Tuesday) (5 p.m.);

(iii) Mr K Sriram, Practising Company Secretary (C.P No. 2215), Chennai has been appointed by the board as scrutinizer for conducting the remote e-Voting process and voting through ballot papers at the AGM, in a fair and transparent manner.

(iv) The Scrutinizer shall, immediately after the conclusion of the voting at the AGM, first count the votes cast at the meeting, thereafter unlock the votes through remote e-Voting in the presence of at least two witnesses, not in the employment of the Company and make, not later than three days from the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the chairman of the Company, or a person authorised by him in writing, who shall countersign the same.

(v) The Scrutinizer will submit his report to the Chairman, or a person authorised by him in writing, who will declare the result of the voting. The results declared along with the Scrutinizer's report will be placed on the Company's website www.tvsmotor.com & on the website of NSDL https: //www.evoting.nsdl.com and shall also be communicated to the Stock Exchanges. All the resolutions, subject to receipt of requisite no. of votes, shall be deemed to be passed at the AGM scheduled to be held on 29th July, 2015.

(vi) All documents referred to in the accompanying Notice and the Explanatory Statement will be open for inspection at the Registered Office of the Company during 10.00 a.m. to 12.00 noon on all working days up to and including the date of the AGM.

13) In terms of Clause 49(VIII)(E) of the Listing Agreement with the Stock Exchanges, a brief profile of directors, who are proposed to be re-appointed / appointed in this AGM, nature of their expertise in specific functional areas, their other directorships and committee memberships, their shareholding and relationship with other directors of the Company are given below:

I. Mr Venu Srinivasan

Born on 11th December, 1952, Mr Venu Srinivasan is an Engineering graduate of Madras University and holds M.S degree in Management from Purdue University, U.S.A.

Mr Venu Srinivasan has been associated with CII for nearly 18 years in various capacities and was the President of CII during the financial year 2009-2010.

He was conferred the honorary doctorate degree in science by the University of Warwick, UK in the year 2004 for his contribution to excellence in manufacturing and in the field of technology and research and development. He is the first Indian industrialist to be honoured by the Warwick University.

He has been conferred with the highest honour, Doctor of Science (Honoris Causa) by IIT Kharagpur in the year 2009 for his outstanding contribution in the field of Quality Movement and Manufacturing Excellence in India.

In January 2010, he has been conferred with 'Padma Shri', a prestigious adoration by Government of India in appreciation of his significant contribution for the promotion of trade and industry.

He also received the distinguished civilian honour, "Order of Diplomatic Service Merit", from the President of the Republic of Korea in the year 2010 in recognition of his valuable contribution in promoting Korea-India bilateral relations. He is an Honorary Consul General of Republic of Korea in Chennai.

He was also appointed as the "Goodwill Envoy for Public Diplomacy" by South Korea, in recognition of his efforts to foster enhanced friendship and co-operation between India and South Korea.

He has been appointed as Vice Chairman of State Manufacturing Competitiveness Council by the Government of Tamil Nadu.

He has also been appointed by the President of India as Chairman of the re-constituted board of governors of National Institute of Fashion Technology.

He is a member of:

1. Prime Minister's Council on Trade and Industry;
2. Prime Minister's National Integration Council; and
3. Prime Minister's Scientific Advisory Council.

He was the past President of Automotive Research Association of India, Pune, Society of Indian Automobile Manufacturers and Association of Indian Automobile Manufacturers, Delhi.

He is the managing director of Sundaram-Clayton Limited from 1979. Since February 2012, he has been the chairman and managing director of that company.

He was re-appointed as chairman and managing director of the Company, effective 24th April, 2015 by the board at its meeting held on 3rd February, 2015 on such terms and conditions to be approved by the shareholders at the ensuing AGM.

He is a member of the Stakeholders Relationship Committee and chairman of the Corporate Social Responsibility Committee of the Company.

He holds 25,69,726 Equity Shares of Re.1/- each in the Company.

He is related to Mr Sudarshan Venu, Joint Managing Director and Dr Lakshmi Venu, director of the Company.

Details of his other directorships and memberships/ chairmanships of committees are given below:

S. No.	Name of the Company	Position held	Committee membership / Chairmanship
1.	Sundaram-Clayton Limited	Chairman & Managing director	Corporate Social Responsibility Committee - Chairman
2.	Harita-NTI Limited	Chairman	
3.	TVS Credit Services Limited	Chairman	
4.	Lucas-TVS Limited	Director	
5.	T V Sundram Iyengar & Sons Private Limited	Director	Audit Committee - Member
6.	Southern Roadways Limited	Director	
7.	Sundram Fasteners Limited	Director	
8.	Cummins India Limited	Director	Audit and Risk Management Committee - Member Stakeholders Relationship Committee - Member

S. No.	Name of the Company	Position held	Committee membership / Chairmanship
			Compensation and Management Development Committee - Chairman Operations Committee - Member
9.	Sundaram Investment Limited	Director	
10.	TVS Lanka Private Limited	Chairman	
11.	TVS Motor (Singapore) Pte Limited	Director	
12.	Aga Khan Rural Support Programme (India)	Director	

II. Mr Sudarshan Venu

Born on 1st February, 1989, Mr Sudarshan Venu completed his graduation in 2010 with Honors in Jerome Fisher Program in Management and Technology at the University of Pennsylvania.

He holds bachelor degree in Mechanical Engineering from the School of Engineering and B.S. in Economics from the Wharton School. He also completed his M.Sc., in International Technology Management from the Warwick Manufacturing Group attached to University of Warwick in U.K.

In the initial years, during his visits to India, he underwent practical training in Die Casting Division of holding company, namely Sundaram-Clayton Limited (SCL) and in the Company.

Mr Sudarshan Venu has been actively involved in all spheres of management of the Company and handling wider responsibilities for exploring new business opportunities both in India and abroad. The board, at its meeting held on 10th September, 2014, appointed him as joint managing director (JMD) in the rank of managing director.

He also serves as JMD in the holding company, namely SCL effective 11th September, 2014.

He does not hold any share in the Company.

He is related to Mr Venu Srinivasan, chairman and managing director and Dr Lakshmi Venu, Director of the Company.

He is also a member of the Stakeholders Relationship Committee of directors of the Company.

III. Dr Lakshmi Venu

Born on 16th April, 1983, Dr Lakshmi Venu, a graduate of Yale University, holds a Doctorate in Engineering Management from the University of Warwick.

She underwent her initial training for three years as a Management Trainee in Sundaram Auto Components Limited, a subsidiary of the Company, beginning from 2003 and upon her deputation to work in the Company, being its holding company, she underwent extensive in-depth induction and worked in the areas of business strategy, corporate affairs, product design and sales & marketing of the Company.

She was co-opted as a non-executive and additional director of the Company by the board on 10th September, 2014.

She does not hold any share in the Company.

She is related to Mr Venu Srinivasan, Chairman & Managing Director and Mr Sudarshan Venu, Joint Managing Director of the Company.

Details of her other directorships and memberships/ chairmanships of committees are given below:

S. No.	Name of the Company	Nature of interest	Committee membership / Chairmanship
1.	Sundaram-Clayton Limited	Joint Managing Director	Stakeholders Relationship Committee - Member Corporate Social Responsibility Committee - Member
2.	TAFE Motors and Tractors Limited	Director	–
3.	Sundram Non-Conventional Energy Systems Limited	Director	–
4.	Sundaram Auto Components Limited	Director	–
5.	Sundaram- Clayton (USA) Limited	Director	–

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act, 2013)

The following Explanatory statement sets out all material facts relating to the special business mentioned in the accompanying notice dated 29th April, 2015 and shall be taken as forming part of the Notice.

Item No.4

The board, on the recommendation of the audit committee at its meeting held on 29th April, 2015, appointed Mr A N Raman, practising cost accountant, having membership no. 5359, as cost auditor of the Company, in terms of Section 148 of the Companies Act, 2013 (the Act 2013); and fixed a sum of Rs.5 lakhs as remuneration payable to him for the financial year 2015-16, subject to ratification by the shareholders of the Company.

In terms of Section 148(3) of the Act 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditor, as recommended by the audit committee and approved by the board, is required to be ratified by the shareholders of the Company, at the ensuing AGM of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out in Item No.4 of this Notice.

The board, therefore, recommends the ordinary resolution, as set out in item No.4, for ratification of the remuneration payable to the Cost Auditor by the shareholders of the Company.

Item No.5

The board, on the recommendation of nomination and remuneration committee at its meeting held on 3rd February, 2015 re-appointed Mr Venu Srinivasan, aged 62 years, as chairman and managing director of the Company (CMD) for a further period of five years effective 24th April, 2015. He was appointed as a director of the Company on 27th January, 2000.

The terms of his re-appointment briefly are as follows:

(i) Duration:
5 years (24th April, 2015 to 23rd April, 2020)

(ii) Remuneration:
Commission - Such percentage of Commission on the net profits computed, in accordance with the provisions of Section 198 of the Act 2013, as may be determined by the board for every financial year, within the aforesaid limit, during the term.

(iii) Other terms:
Accommodation:
The Company shall provide furnished accommodation free of rent.

Leave Travel Concession:
Four weeks in a year for two trips in a year, both in India and abroad.

Cars:
He shall be provided with two cars for use on Company's business and for use of a car for private purposes.

It shall be dealt by the Company as per the applicable provisions of Income-Tax Rules, 1962 or any re-enactment thereof.

During his tenure as CMD, he will not be paid any sitting fee for attending meetings of the board or committees thereof. He attended all the board meetings (6) of the Company, held during the year 2014-15.

Mr Venu Srinivasan, as CMD, shall have substantial powers of the management of the Company in accordance with the applicable provisions of the Act 2013 and such powers as may be entrusted upon him by the board, from time to time."

He is also the Chairman and Managing Director of the holding company viz., Sundaram-Clayton Limited (SCL), drawing remuneration by way of salary and perquisites as approved by its shareholders.

The aggregate of remuneration payable to him in both the companies shall not exceed the higher maximum limit admissible from any one of the companies, in terms of Schedule V to the Act 2013. During the year 2014-15, he was paid a sum of Rs. 9.15 Cr as remuneration by way of commission and other perquisites within the limits approved by the members.

The board, in the event of loss or inadequacy of profits in any financial year, shall revise the remuneration payable to CMD during such financial year, in such manner as agreed to between him and the board and within the limits prescribed in this behalf under Schedule V to the Act 2013 or any re-enactment thereof.

The terms of re-appointment and the remuneration payable to CMD as specified above are now being placed before the members for their approval by way of an ordinary resolution, as set out in item no. 5 of this Notice, in compliance with the provisions of Sections 196, 197 and 203 read with Schedule V to the Act 2013, as recommended by the Nomination and Remuneration Committee and by the board.

Mr Venu Srinivasan is deemed to be concerned / interested in this resolution, since it relates to his re-appointment and remuneration as CMD. Mr Sudarshan Venu, joint managing director and Dr Lakshmi Venu, director are also deemed to be interested, being his relatives.

None of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in Item No.5 of this Notice.

The board, therefore, recommends the ordinary resolution, as set out in item No.5, for approval by the shareholders of the Company.

Item No.6

In the board meeting held on 1st February, 2013, Mr Sudarshan Venu, aged 26 years, director was appointed in the rank of whole-time director of the Company for a period of five years from 1st February, 2013 on such remuneration within the limit prescribed under applicable provisions of the Companies Act, 1956. The shareholders also approved his terms of appointment and remuneration by way of a special resolution through postal ballot on 18th March, 2013 and variation in perquisites payable to him was also approved by the shareholders at the 22nd AGM on 14th July, 2014.

However, in view of his increased responsibilities in the management of the Company, the board, at its meeting held on 10th September, 2014, appointed him as joint managing director in the rank of managing director (JMD), as recommended by the Nomination and Remuneration Committee of Directors, for the remaining period of his tenure up to 31st January, 2018, without any other change in his terms of appointment and remuneration, subject to the approval of the shareholders of the Company.

Mr Sudarshan Venu as JMD, has been functioning under the advice and guidance of the Chairman and Managing Director of the Company (CMD) and will have all such powers, authorizations and duties, as may be assigned to him by the CMD / the board, from time to time. During his tenure, he shall not be paid any sitting fee for attending meetings of the board or committees thereof.

He has attended five board meetings of the Company, held during the year 2014-15.

He is also the Joint Managing Director of Sundaram - Clayton Limited (SCL), the holding company and drawing remuneration by way of salary and perquisites, as approved by its shareholders.

The aggregate of remuneration payable to him in both the companies shall not exceed the higher maximum limit admissible from any one of the companies, in terms of Schedule V to the Act 2013. During the year 2014-15, he was paid a sum of Rs. 5.52 Cr as remuneration by way of salary and commission within the limits approved by the members.

The board, in the event of loss or inadequacy of profits in any financial year, shall revise the remuneration payable to JMD during such financial year, in such manner as agreed to between the board of directors and the JMD and within the limits prescribed in this behalf under Schedule V to the Act 2013 or any re-enactment thereof.

The terms of appointment as JMD are in compliance with the provisions of Sections 196, 197 and 203 read with Schedule V to the Act 2013, and now being placed before the members for their approval by way of an ordinary resolution, as set out in item no. 6 of this Notice, as recommended by the Nomination and Remuneration Committee and by the board.

All other terms and conditions of appointment and remuneration payable to Mr Sudarshan Venu as approved through postal ballot on 18th March, 2013 and variation in perquisites payable to him as approved by the shareholders at the 22nd AGM on 14th July, 2014 shall remain unchanged.

Mr Sudarshan Venu is deemed to be interested in this resolution since it relates to his appointment as JMD and Mr Venu Srinivasan, CMD and Dr Lakshmi Venu, Director are also deemed to be interested, being his relatives.

None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in Item No.6 of this Notice.

The board, therefore, recommends the ordinary resolution, as set out in item No.6, for approval by the shareholders of the Company.

Item No.7

Dr Lakshmi Venu was appointed as an 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.

In terms of Section 161 of the Act 2013, she will vacate office at this AGM and be eligible to be appointed at the AGM, as recommended by the Nomination and Remuneration Committee and by the board.

A notice has been received from the holding company viz., Sundaram-Clayton Limited under Section 160 of the Act, 2013, along with a requisite deposit signifying its intention to propose the candidature of Dr Lakshmi Venu and to move the resolution set out in Item No. 7 of this notice.

Dr Lakshmi Venu is deemed to be interested in this resolution since it relates to her appointment as director of the Company and Mr Venu Srinivasan, CMD and Mr Sudarshan Venu, JMD of the Company are also deemed to be interested, being her relatives.

In terms of Section 203 of the Act 2013, the Company has received consent from the holding company viz., Sundaram-Clayton Limited, where she is the JMD and being a Key Managerial Personnel, for her appointment as a director of the Company.

None of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in Item No.7 of this Notice.

The board, therefore, recommends the ordinary resolution, as set out in item No.7, for approval by the shareholders of the Company.

By order of the board

Bengaluru
29th April 2015

K S SRINIVASAN
Company Secretary

Registered Office:
"Jayalakshmi Estates",
No.29 (Old No.8), Haddows Road,
Chennai - 600 006.

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	829.59	585.44
Appropriations:		
Dividend and Dividend Distribution Tax	107.51	77.52
Transfer to General Reserve	–	26.16
Surplus carried forward	722.08	481.76
	829.59	585.44

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:

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 India with its signature blue colour entered as defending Champions.

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

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.

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.

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 CO_2 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

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 / sevices	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)

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)

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 31st March 2014)				No. of Shares held at the end of the year (as on 31st 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) FIIs	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**	**–**

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		

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

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		

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

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.tvsmotor.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

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	• Hosur, Padavedu, Thirukkurungudi and Navatirupati • Mysore and Chamrajnagar • Himachal Pradesh	Muddenahalli
4	Local Area / Others:		
	State & district	- Tamil Nadu : Krishnagiri, Tiruvannamalai, Tirunelveli and Thoothukudi districts - Karnataka: Mysore, Chickballapur Chamrajnagar districts - Himachal Pradesh: Solan district	Karnataka, Chickballapur
	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
Chairman and Managing Director and
Chairman of CSR Committee

Bengaluru
29th April 2015

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

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 Srinivsan, 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 31st 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 10th 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 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.			14.07 % 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

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:	29th April 2014 and 3rd 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.

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 director-ships*	Committee member-ships**	Committee chairman-ships
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-ID: Non-Executive - Independent
NE-NI : Non-Executive - Non-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 networth" 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	Commi-ssion	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 24.07.2014 14.11.2014	R Ramakrishnan, Venu Srinivasan and Sudarshan Venu
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 1st December 2011	12.09.2012
	ii) Payment of commission to independent directors of the Company for a further period of five years from 1st 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

Resln. 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, 29th 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 for the quarter ending	:	Financial calendar
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.

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.

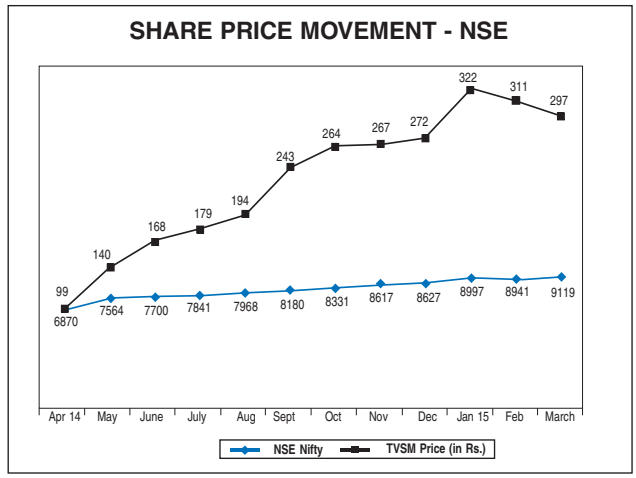
MSE approved the delisting of the Company's shares from their exchange with effect from 15th October 2014 vide letter no. MSE/LD/PSK/731/309/14 dated 15th October 2014.

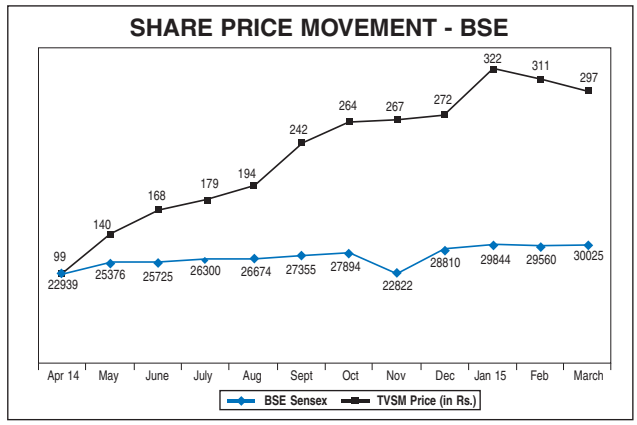
10.6 Market Price Data:

(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:

a. 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.

b. 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.

c. 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@tvsmotor.com
sg.murali@tvsmotor.com

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

Himachal Pradesh : Bhatian Village, Nalagarh Post & Taluk
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 1st Interim	20.01.2010	19.02.2010	19.02.2017
2009-2010 2nd Interim	21.07.2010	20.08.2010	20.08.2017
2010-2011 1st Interim	20.01.2011	19.02.2011	19.02.2018
2010-2011 2nd Interim	29.07.2011	28.08.2011	28.08.2018
2011-2012 1st Interim	14.03.2012	13.04.2012	13.04.2019
2011-2012 2nd Interim	24.05.2012	23.06.2012	23.06.2019
2012-2013 1st Interim	01.02.2013	03.03.2013	03.03.2020
2012-2013 2nd Interim	30.04.2013	30.05.2013	30.05.2020
2013-2014 1st Interim	25.10.2013	24.11.2013	24.11.2020
2013-2014 2nd Interim	29.04.2014	29.05.2014	29.05.2021
2014-2015 1st 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 31st 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

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

S. VENKATRAMAN
Partner
Membership Number: 34319

Place : Bengaluru
Date : 29th April 2015

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 de–listing 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
Membership No: F6312
Certificate of Practice No: 2215

Date : 29th April 2015
Place: Chennai

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
Membership No: F6312
Certificate of Practice No: 2215

Date : 29th April 2015
Place: Chennai

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

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

S. VENKATRAMAN
Partner
Membership No.: 34319

Place: Bengaluru
Date : 29th April 2015

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		4,604.20	3,564.70
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		4,604.20	3,564.70
	Significant accounting policies, notes on accounts and additional disclosures	XXIII		

VENU SRINIVASAN
Chairman & Managing Director

SUDARSHAN VENU
Joint Managing Director

H. LAKSHMANAN
Director

S.G. MURALI
Chief Financial Officer

K.S. SRINIVASAN
Company Secretary

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

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
			10,098.22	7,965.94
II	Other income	XVII	32.61	30.21
III	Total Revenue (I + II)		10,130.83	7,996.15
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		9,674.67	7,640.80
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)		347.83	261.63
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		

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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	
		154.43		137.43
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)	
		(385.08)		161.32
Cash generated from operations (before extraordinary items)		225.51		651.29
Direct taxes paid		(140.67)		(127.50)
Net cash from operating activities	(A)	84.84		523.79
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	
		(493.27)		(259.84)
Net cash from / (used in) investing activities	(B)	(493.27)		(259.84)

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)	
	330.82		(198.38)
Net cash / (used in) financing activities (C)	330.82		(198.38)
Total (A)+(B)+(C)	(77.61)		65.57
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
D. Net increase / (decrease) in cash and cash equivalents	(77.61)		65.57

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S. VENKATRAMAN
Partner
Membership No.: 34319

Place : Bengaluru
Date : April 29, 2015

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 31st 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

Notes on accounts – *(continued)*

Rupees in crores

II RESERVES AND SURPLUS	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	6.73	6.73
(b) General reserve		
Opening balance	872.76	846.60
Less: Residual value of assets, whose useful life exhausted	6.82	–
	865.94	846.60
Add : Transfer from the Statement of Profit and Loss	–	26.16
Closing balance	865.94	872.76
(c) Hedging reserve		
Opening balance	6.52	0.02
Add: Created during the year	3.10	6.52
	9.62	6.54
Less: Utilised during the year	6.52	0.02
Closing balance	3.10	6.52
(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
	829.59	585.44
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
	107.51	103.68
Closing balance	722.08	481.76
Total (a) + (b) + (c) + (d)	1,597.85	1,367.77
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
(A)	230.08	209.38
(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	–
(B)	288.90	233.03
(A) + (B)	518.98	442.41

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 instal-ments due	Maturity	Total of loans repayable	* Current maturity i.e. loans repayable in 2015-16	Balance long-term loans as at 31-03-2015
			Secured:						
102.15	45.40	56.75	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
			Sales Tax Deferral						
50.63	6.33	44.30	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)

IV LONG-TERM PROVISIONS

	Rupees in crores As at 31-03-2015	As at 31-03-2014
Employee benefits		
(a) Pension	31.91	43.21
(b) Leave salary	11.82	9.96
	43.73	53.17

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
	399.76	33.47

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
	474.77	429.64
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
	105.03	67.96

Notes on accounts – *(continued)*

VIII NON-CURRENT ASSETS - FIXED ASSETS

Rupees in crores

Description	Tangible									Intangible				Total (tangible and intangible)	
	Land		Buildings	Plant & equip-ment	Furniture & fixtures	Office equip-ment	Vehicles	Total as at		Software	Design Develop-ment 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.

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	62.45	17.38
	143.73	86.27
* 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*	85.90	60.31
	819.68	548.15
Note: Work-in-process comprises of:		
Vehicles pending testing	1.04	0.52
Semi finished vehicles and sub-assemblies thereto	47.67	32.26
* (as certified by Management)	48.71	32.78
XII TRADE RECEIVABLES		
(a) Unsecured debts outstanding for a period exceeding six months		
(i) Considered good	0.28	35.94
(ii) Considered doubtful	4.38	3.67
	4.66	39.61
Less: Provision for doubtful debts	4.38	3.67
	0.28	35.94
(b) Other unsecured debts (considered good)	503.58	298.18
	503.86	334.12
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)	0.08	0.08
	5.39	82.57
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	68.14	62.57
	632.78	364.31

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
	67.31	79.57
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
	10,813.86	8,664.16
Less: Excise duty and service tax	715.64	698.22
	10,098.22	7,965.94
* 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
	32.61	30.21
XVIII MATERIAL COST		
Cost of Materials consumed:		
Opening stock of raw materials and components	194.46	189.00
Add: Purchases	7,263.44	5,424.28
	7,457.90	5,613.28
Less: Closing stock of raw materials and components	295.58	194.46
Consumption of raw materials and components	7,162.32	5,418.82
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
	226.88	244.35
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
(A)	223.54	233.19
Closing stock:		
Work-in-process	48.71	32.78
Stock-in-trade	32.88	28.97
Finished goods	234.02	161.79
(B)	315.61	223.54
(A)-(B)	(92.07)	9.65
Refer note no.XXIII (15) for broad heads of raw materials consumed.		

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
	585.42	476.11
XX FINANCE COSTS		
(a) Interest expense	29.20	22.20
(b) Others - Exchange fluctuation	(1.78)	3.20
	27.42	25.40
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
	1,611.37	1,334.82

* 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
	–	(2.81)

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 consdering 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 Foreign currency in millions		Buy /Sell	Amount 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

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 reimbursments 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)	188.32	170.99
	(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)	35.57	46.31
	Deferred tax liability (net of deferred tax asset) (A) - (B)	152.75	124.68
9	**Warranty provision (current):**		
	Opening balance	20.48	17.72
	Add: Provision for the year (net)	22.95	20.48
		43.43	38.20
	Less: Payments / debits (net)	20.48	17.72
	Closing balance	22.95	20.48
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
		0.48	0.35
	Miscellaneous expenses include travel and stay expenses of auditors	0.17	0.22
		0.65	0.57
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 credt 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	195.84	131.75

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**

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 [1,15,50,000 (last year-1,15,50,000) Equity shares of Rs.10/- each fully paid up]		60.90	60.90
		Maximum amount held at any time			
		During the year	60.90		
		During the previous year	60.90		
		TVS Motor Company (Europe) B.V., Amsterdam [2,25,301 (last year-2,25,301) Ordinary shares of Euro 100/- each fully paid up]		1.80 *	1.80 *
		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 [6,43,64,301 (last year 6,43,64,301) Ordinary shares of Singapore $ 1/- each fully paid up]		201.20	201.20
		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 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] Subsidiary upto 16.08.2013.		–	3.25
		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
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
			7,162.32	5,418.82

(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
	100.0	7,162.32	100.0	5,418.82

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
	2,316.09	1,766.44
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
	9,920.14	7,857.70
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
	266.90	190.76

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 Engineeer'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.

VENU SRINIVASAN
Chairman & Managing Director

SUDARSHAN VENU
Joint Managing Director

H. LAKSHMANAN
Director

S.G. MURALI
Chief Financial Officer

K.S. SRINIVASAN
Company Secretary

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

S. VENKATRAMAN
Partner
Membership No.: 34319

Place : Bengaluru
Date : April 29, 2015

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

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

To the members of TVS Motor Company Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of TVS Motor Company Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its associates, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements, in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, including its associates, in accordance with 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. The respective Board of Directors of the companies included in the Group and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statements, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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.

4. 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 consolidated financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and presentation of the consolidated 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 Holding Company has an adequate internal financial controls system over financial reporting in place 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31st March 2015 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

8. (a) We did not audit the financial statements / financial information of four subsidiaries, whose financial statements / financial information reflect total assets (net) of Rs.899.16 crores as at March 31, 2015, total revenues of Rs.2,254.04 crores and net cash inflows amounting to Rs.7.99 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, insofar as it relates to the amounts and disclosures

included in respect of these subsidiaries, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of one subsidiary and one associate whose financial statements / financial information reflect total assets (net) of Rs.3.65 crores as at 31st March 2015, total revenues of Rs.0.05 crores and net cash outflows amounting to Rs.1.26 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary and an associate and our report in terms of sub-sections(3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid subsidiary and an associate is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

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 of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the Auditors' Reports of the Holding Company, subsidiary companies and an associate, incorporated in India, we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   In respect of an associate incorporated in India which has been included in the consolidated financial statements based on unaudited standalone financial statement of such associate provided to us by the management and hence no report under the Order is available and accordingly the possible effects of the same on our reporting under the Order has not been considered.

2. As required by Section 143(3) of the Act, we report, to the extent applicable that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements, have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash flow Statement, dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March 2015 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its subsidiary companies incorporated in India, none of the Directors of the Group Companies 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of these subsidiaries as noted in the paragraph 8(a) on "Other Matters":

      (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and associates -refer note 9 (a) to the consolidated financial statements.

      (ii) The Group and associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies and associates incorporated in India.

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

S. VENKATRAMAN
Partner
Membership No.: 34319

Place : Bengaluru
Date : 29th April 2015

Annexure to Independent Audiors' Report on Consolidated Financial Statements of TVS Motor Company Limited as on 31st March 2015

1) As stated in Para 1 of "Report on Other Legal and Regulatory Requirements" in our Auditors' Report of even date, the following statement is based on the comments in the Auditors' reports on the standalone financial statements of the Holding Company, subsidiary companies and an associate incorporated in India.

(i) (a) The Holding Company, its subsidiary companies and an associate incorporated in India have maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Holding Company, its subsidiary companies and an associate incorporated in India have a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner largely over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Group and an associate and the nature of its assets. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(ii) (a) The inventory has been physically verified by the respective managements of the Holding Company, its subsidiary companies and an associate incorporated in India during the year. In our opinion, the frequency of such verification is reasonable.

(b) The procedures for the physical verification of inventories followed by the management as referred to above are reasonable and adequate in relation to the size of the respective company and the nature of its business.

(c) The Holding Company, its subsidiary companies and an associate incorporated in India are maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in their books of account.

(iii) The Holding Company, its subsidiary companies and an associate incorporated in India, have granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained by it under Section 189 of the Act, the recovery of principal and interest thereon, wherever stipulated is regular.

(iv) In their opinion and according to the information and explanations obtained by the statutory auditors of the Holding Company, having regard to the explanation that some of the items are of special nature and suitable alternative sources are not available for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Holding Company and the nature of its business, with regard to purchase of inventories, fixed assets and for sale of goods and services. The subsidiary companies and an associate incorporated in India have adequate internal control procedures commensurate with their respective sizes and the nature of their businesses with regard to purchase of inventories, fixed assets and for the sale of goods and services. There is no continuing failure to correct major weaknesses in the internal control system in the Holding Company, its subsidiary companies and an associate incorporated in India.

(v) The Holding Company, its subsidiary companies and an associate incorporated in India, have not accepted any deposits from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable.

(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 Holding Company. In respect of the subsidiary companies and an associate incorporated in India, where the Central Government has prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of the products manufactured by the said companies, the statutory auditors of the said companies have broadly reviewed the books of account maintained by the respective companies pursuant to the rules made by the Central Government under the Act for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained by the said companies. The statutory auditors of the subsidiary companies and an associate incorporated in India, 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 information and explanations given to and on the basis of the examination of the records of the Holding Company, its subsidiary companies and an associate incorporated in India, by their respective statutory auditors, the

respective companies have been generally regular during the year 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, Cess and other statutory dues with the appropriate authorities.

According to the information and explanations given to the statutory auditors of the Holding Company, its subsidiary companies and an associate incorporated in India, no undisputed dues in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, Professional Tax and other material statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to the statutory auditors of the Holding Company and a subsidiary company incorporated in India, the dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Value Added Tax and Cess, which have not been deposited with the appropriate authorities 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	43.06	Central Excise and Service Tax Appellate Tribunal
	2005-2014	2.19	Assistant / Deputy / Commissioner of Central Excise
	2008-2010	0.18	Hon'ble High Court
	2012-2013	0.02	Commissioner (Appeals)
	2005-2014	10.11	Hon'ble Supreme Court
Finance Act, 1994 (Service Tax)	1999-2014	4.71	Assistant / Deputy/ Commissioner of Central Excise
	2005-2006	0.40	Central Excise and Service Tax Appellate Tribunal
Customs Act, 1962 (Customs Duty)	2011-2012	0.09	Assistant / Deputy / Commissioner of Central Excise
	1999-2001	1.87	Hon'ble High Court
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
Income Tax Act, 1961 (Income Tax and Interest)	2009-2010	88.51	Commissioner of Income Tax (Appeals)
	2007-2008	0.49	ITAT

The statutory auditors of the other subsidiary company and an associate incorporated in India, have in their report stated that according to the information and explanations given to them by the management, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty and Customs Duty, which have not been deposited with the appropriate authorities on account of any dispute.

(c) According to the information and explanations given to and on the basis of the examination by the statutory auditors of the records of the Holding Company, the amounts required to be transferred by the Holding Company to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and Rules made there under, has been transferred to such fund within time. The subsidiary companies and an associate incorporated in India were not required to transfer any amount to the Investor Education and Protection Fund under the relevant provisions of the Companies Act, 1956 and the rules made there under.

(viii) The Holding Company, its subsidiary companies and an associate incorporated in India, do not have consolidated accumulated losses at the end of the financial year nor have they incurred cash losses on a consolidated basis, during the financial year and in the immediately preceding financial year.

(ix) The Holding Company, and one of its subsidiary companies and an associate incorporated in India, have not defaulted in the repayment of their respective dues to their bankers. The other subsidiary company incorporated in India has not borrowed any amount from banks. The Holding Company, its subsidiary companies and an associate incorporated in India, has not borrowed any amounts from financial institutions or debenture-holders during the year.

(x) In our opinion and according to the information and explanations given to us, the terms and conditions of guarantees given by the Holding Company for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Holding Company. The subsidiary companies and an associate incorporated in India, have not given any guarantees for loans taken by others from banks or financial institutions.

(xi) In our opinion the term loans availed by the Holding Company, a subsidiary company and an associate

incorporated in India, have been applied for the purposes for which they were obtained by the respective entities. No term loans have been availed by the other subsidiary company incorporated in India.

(xii) Based on 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, no material fraud on or by the Holding Company has been noticed or reported during the course of our audit. Based on the audit procedures adopted by the statutory auditors of the subsidiary companies and an associate incorporated in India and the information and explanations given to them by the respective companies, no material fraud on or by the said companies has been noticed or reported during the course of the audit by the statutory auditors of the said companies.

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

S. VENKATRAMAN
Partner
Membership No.: 34319

Place: Bengaluru
Date : 29th April 2015

Consolidated 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	1,277.12	1,113.32
2 Non-current liabilities			
(a) Long-term borrowings	III	560.29	517.76
(b) Deferred tax liabilities (Net)		160.22	133.31
(c) Long-term provisions	IV	53.23	62.59
3 Current liabilities			
(a) Short-term borrowings	V	464.78	108.13
(b) Trade payables		1,294.54	1,033.38
(c) Other current liabilities	VI	603.08	543.35
(d) Short-term provisions	VII	108.57	72.23
Total		4,569.34	3,631.58
II ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	VIII	1,601.86	1,497.26
(ii) Intangible assets	VIII	34.82	19.92
(iii) Capital work-in-progress	VIII	92.91	48.21
(b) Non-current investments	IX	539.34	438.65
(c) Long-term loans and advances	X	102.36	44.09
2 Current assets			
(a) Inventories	XI	1,017.19	666.05
(b) Trade receivables	XII	414.75	352.92
(c) Cash and bank balances	XIII	27.81	98.47
(d) Short-term loans and advances	XIV	664.24	380.53
(e) Other current assets	XV	74.06	85.48
Total		4,569.34	3,631.58
Significant accounting policies, notes on accounts and additional disclosures	XXIII		

VENU SRINIVASAN
Chairman & Managing Director

SUDARSHAN VENU
Joint Managing Director

H. LAKSHMANAN
Director

S.G. MURALI
Chief Financial Officer

K.S. SRINIVASAN
Company Secretary

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

S. VENKATRAMAN
Partner
Membership No.: 34319

Place : Bengaluru
Date : April 29, 2015

Consolidated 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	11,079.86	9,125.49
	Less : Excise duty and Service tax		768.18	741.90
			10,311.68	8,383.59
II	Other income	XVII	23.66	26.66
III	Total Revenue (I + II)		10,335.34	8,410.25
IV	Expenses:			
	Cost of materials consumed	XVIII	7,200.71	5,483.65
	Purchases of stock-in-trade	XVIII	226.90	402.80
	Changes in inventories of finished goods, work-in-process and stock-in-trade	XVIII	(117.00)	16.73
	Employee benefits expense	XIX	658.89	541.02
	Finance costs	XX	62.11	80.09
	Depreciation and amortization expense		178.59	148.96
	Other expenses	XXI	1,739.25	1,447.86
	Total expenses		9,949.45	8,121.11
V	Profit before exceptional and extraordinary items and tax (III-IV)		385.89	289.14
VI	Exceptional items [Gain / (Loss)]	XXII	58.27	17.95
VII	Profit before extraordinary items and tax (V+VI)		444.16	307.09
VIII	Extraordinary items [Income / (Loss)]		–	–
IX	Profit before tax (VII+VIII)		444.16	307.09
X	Tax expense:			
	(a) Current tax		114.42	92.68
	(b) MAT credit entitlement		(23.66)	(4.93)
	(c) Tax relating to earlier years		6.27	(19.19)
	(d) Deferred tax		26.91	51.65
XI	Profit / (Loss) for the period (IX-X)		320.22	186.88
XII	Share of Profit of Associates (net)		8.04	0.59
XIII	Minority Interest		–	(1.17)
XIV	Profit / (Loss) for the period (XI+XII+XIII)		328.26	186.30
XV	Earnings Per equity Share (EPS) (Refer note no.XXIII (6))			
	(Face value Re.1/- each)			
	(a) Basic and Diluted EPS before extraordinary items (in Rs.)		6.91	3.92
	(b) Basic and Diluted EPS after extraordinary items (in Rs.)		6.91	3.92
	Significant accounting policies, notes on accounts and additional disclosures	XXIII		

VENU SRINIVASAN
Chairman & Managing Director

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

S. VENKATRAMAN
Partner
Membership No.: 34319

Place : Bengaluru
Date : April 29, 2015

Consolidated 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 tax and extraordinary items			444.16		307.09
Add: Depreciation and amortisation for the year		178.59		148.96	
Profit on sale of fixed assets		(58.17)		–	
Loss on sale of fixed assets		–		0.48	
Profit on sale of investments		(0.22)		(20.63)	
Provision for pension, leave salary, warranty and other expenses		2.52		5.80	
Minority Interest		–		(1.50)	
Dividend income		(0.36)		(0.29)	
Interest income		(20.58)		(21.47)	
Interest expenditure		45.53		47.35	
			147.31		158.70
Operating profit before working capital changes			591.47		465.79
Adjustments for:					
Trade receivables		(61.83)		(34.19)	
Inventories		(351.14)		(30.26)	
Other current assets		7.88		(12.04)	
Loans and advances		(272.93)		(54.23)	
Trade payables		261.16		181.60	
Other current liabilities (excluding current maturity of long term loans)		67.53		87.95	
			(349.33)		138.83
Cash generated from operations (before extraordinary items)			242.14		604.62
Direct taxes paid			(159.34)		(134.32)
Net cash from operating activities	(A)		82.80		470.30
B. Cash flow from investing activities					
Purchase of fixed assets		(375.73)		(272.36)	
Sale of fixed assets		77.05		10.69	
Capital work-in-progress		(44.70)		(12.05)	
Purchase of investments		(107.65)		(318.18)	
Sale of investments		15.22		231.35	
Proceeds from sale of investments in subsidiary		–		103.77	
Interest received		20.58		21.47	
Dividends received		0.36		0.29	
			(414.87)		(235.02)
Net cash from / (used in) investing activities	(B)		(414.87)		(235.02)

Consolidated Cash Flow Statement – *(continued)*

Rupees in crores

		Year ended 31-03-2015	Year ended 31-03-2014
C. Cash flow from financing activities			
Long term loans availed / (repaid)		36.61	(129.51)
Short term loans availed / (repaid)		356.65	36.26
Sales tax deferral loan availed / (repaid)		(1.88)	(6.33)
Other bank balances		(0.44)	0.45
Interest paid		(45.53)	(47.35)
Dividend and dividend tax paid		(84.44)	(69.48)
		260.97	(215.96)
Net cash from / (used in) financing activities	(C)	260.97	(215.96)
Total	(A) + (B) + (C)	(71.10)	19.32
Cash and cash equivalents at the beginning of the year		96.36	77.04
Cash and cash equivalents at the end of the year		25.26	96.36
D. Net increase/(decrease) in cash and cash equivalents		(71.10)	19.32

VENU SRINIVASAN
Chairman & Managing Director

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Company Secretary

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

S. VENKATRAMAN
Partner
Membership No.: 34319

Place : Bengaluru
Date : April 29, 2015

Consolidated 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:				
(a) Number of shares - 23,75,43,557				
(b) Year of allotment - Year ended 31st March 2011				
	47,50,87,114	47.51	47,50,87,114	47.51
(b) Statement showing 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) Rights and preferences attached to equity share:

(i) 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

Consolidated notes on accounts – *(continued)*

Rupees in crores

			As at 31-03-2015		As at 31-03-2014
II	RESERVES AND SURPLUS				
(a)	Capital reserves				
	(i) On shares forfeited (Rs.55,200/-)		–		–
	(ii) On surplus arising out of amalgamation		6.51		6.51
	(iii) Government grant		0.30		0.30
	(iv) Foreign currency translation reserve		(27.59)		75.02
	Closing Balance		(20.78)		81.83
(b)	General reserve				
	Opening Balance		883.51		856.28
	Less: Residual value of assets, whose useful life exhausted		6.97		–
	Add: Current Year Transfer from Statement of Profit and Loss		–		27.23
	Closing Balance		876.54		883.51
(c)	Other reserves - Hedging reserve				
	Opening balance		6.37		0.03
	Add: Created during the year		2.83		6.37
			9.20		6.40
	Less: Utilised during the year		6.37		0.03
	Closing balance		2.83		6.37
(d)	Revaluation Reserve				
	Opening Balance		145.03		–
	Add: Revaluation of land by one of the subsidiaries		5.62		145.03
			150.65		145.03
	Less: Utilised on sale of revalued land		57.41		–
	Closing Balance		93.24		145.03
(e)	Surplus i.e. balance in Statement of Profit and Loss				
	Opening balance		(3.42)		(10.83)
	Add: Net profit for the current year	328.26		186.30	
	Dividend received from subsidiary	6.93		2.89	
	Transfer to Foreign currency translation reserve	109.35		–	
	Share of erstwhile subsidiary profit on becoming associate	–	444.54	0.84	190.03
			441.12		179.20
	Less: First interim dividend paid	39.67		30.88	
	Second interim dividend paid / payable	54.64		35.63	
	Proposed dividend	2.89		2.89	
	Dividend tax	18.63		11.52	
	Deferred tax relating to earlier years	–		22.12	
	Transfer to Foreign currency translation reserve	–		52.35	
	Transfer to General reserve	–	115.83	27.23	182.62
	Closing balance		325.29		(3.42)
	Total (a)+(b)+(c)+(d)+(e)		1,277.12		1,113.32

Consolidated notes on accounts – *(continued)*

Rupees in crores

		As at 31-03-2015	As at 31-03-2014
III	LONG-TERM BORROWINGS		
	(A) Secured		
	Term Loans		
	(a) From banks	87.14	81.97
	(b) From other parties		
	(i) Financial Institutions	27.17	50.13
	(ii) Soft loan from a state owned corporation viz., State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT)	157.08	152.63
	(A)	271.39	284.73
	(B) Unsecured		
	(a) Sales tax deferral loan from Karnataka Government	226.70	233.03
	(b) From Non banking financial company (NBFC)	62.20	–
	(B)	288.90	233.03
	(A) + (B)	560.29	517.76

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 instal-ments due	Maturity	Total of loans repayable	*Current maturity i.e. loans repayable in 2015-16	Balance long-term loans as at 31-03-2015
			Secured:						
102.15	45.40	56.75	Term Loan I	Quarterly	5	Apr 2016	56.75	45.40	11.35
25.00	8.00	17.00	Term Loan IV	Quarterly	8	Mar 2017	17.00	8.00	9.00
–	–	–	Term Loan - FCNRB Loan	End of Tenure	1	Jul 2016	61.65	–	61.65
85.27	35.14	50.13	Financial institution	Half-yearly	6	Mar 2018	52.15	24.98	27.17
15.16	6.94	8.22	Bank term loan	Monthly	23	Feb 2017	14.44	9.30	5.14
152.63	–	152.63	State owned corporation	Yearly	4	2022-27	157.08	–	157.08
			Unsecured:						
			Sales Tax Deferral:						
50.63	6.33	44.30	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
–	–	–	Term loan from NBFC	End of Tenure	1	Aug 2016	62.20	–	62.20
619.57	101.81	517.76	Total				654.30	94.01	560.29

* Grouped under "Other current liabilities".

Details of securities created:

(i) Term loans

(a) First and exclusive charge on specific plant and equipment.

(b) Charge on pari-passu basis on the movable plant and equipment, spares, tools and accessories and other movables, both present and future situated in all plants, with the existing term loan lenders.

(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 lands.

Consolidated notes on accounts – *(continued)*

(iv) Term loans from financial institution and bank of a subsidiary include:

a) Loan from a financial institution of Rs. 52.15 crores secured by collateral on property, plant and equipment of the subsidiary situated outside India.

b) A loan of Rs.5.14 crores in USD obtained from a bank collateralized by the subsidiary's new tooling and equipment.

Amount payable in each instalments:

Description	Currency	Amount
Term Loan I	INR	11.35 crores
Term Loan IV	INR	1.56 crores
Term Loan - FCNRB Loan	INR	61.65 crores at the end of tenure
Financial institution	USD	1.1 million
Bank term loan	USD	23 unequated monthly instalments
Term loan from NBFC	INR	62.20 crores at the end of tenure
Sales tax deferral Phase-1	INR	6.33 crores
Sales tax deferral Phase-2	INR	15.73 crores
State owned corporation	INR	10.00 crores, 67.23 crores, 75.40 crores and 4.45 crores

Rupees in crores

	As at 31-03-2015	As at 31-03-2014
IV LONG-TERM PROVISIONS		
Employee benefits		
(a) Pension	41.01	52.33
(b) Leave salary	12.22	10.26
	53.23	62.59
V SHORT-TERM BORROWINGS		
Repayable on demand from banks:		
Secured	132.14	76.64
Unsecured	128.62	0.64
Short term loans from banks (Unsecured)	204.02	30.85
	464.78	108.13

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.

Short term borrowings from banks of a subsidiary include:

a) A loan of Rs.2.38 crores in IDR and Rs.38.74 crores in USD obtained from a bank, secured by a letter of comfort issued by a bank in India.

b) A loan of Rs.7.96 crores in IDR and Rs.13.42 crores in USD obtained from another bank, collateralized by the subsidiary's inventory and trade account receivables.

Consolidated notes on accounts – *(continued)*

Rupees in crores

	As at 31-03-2015	As at 31-03-2014
VI OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt		
(i) Term loans	87.68	95.48
(ii) Sales tax deferral loan from Karnataka Government	6.33	6.33
(b) Unclaimed dividend (Not due for transfer to Investor Education and Protection Fund)	2.46	2.03
(c) Interest accrued but not due	1.93	1.28
(d) Others		
(i) Statutory dues	26.66	25.80
(ii) Employee related	29.23	23.52
(iii) For expenses	299.30	257.69
(iv) Trade deposits received	37.77	49.01
(v) Payable against capital goods	8.58	0.82
(vi) Advance received from customers	95.03	76.37
(vii) Money held under trust	8.11	5.02
	603.08	543.35
VII SHORT-TERM PROVISIONS		
(a) Employee benefits - Leave salary	1.76	1.50
(b) Employee benefits - Pension	14.83	4.94
(c) Warranty	22.95	20.48
(d) Second interim dividend payable	54.64	35.63
(e) Proposed dividend	2.89	2.89
(f) Dividend tax	11.50	6.05
(g) Other provisions for expenses	–	0.74
	108.57	72.23

Consolidated notes on accounts – *(continued)*

VIII NON-CURRENT ASSETS - FIXED ASSETS

Rupees in crores

Description	Tangible									Intangible				Total (tangible and intangible)	
	Land		Buildings	Plant & equip-ment	Furniture & fixtures	Office equip-ment	Vehicles	Total as at		Software	Design Develop-ment 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	269.45	20.82	415.75	2141.46	22.65	64.62	13.34	2,948.09	3008.45	28.03	19.11	47.14	23.67	2,995.23	3,032.12
Additions	38.60	0.01	55.95	241.76	14.07	9.50	1.71	361.60	397.09	3.29	18.38	21.67	23.47	383.27	420.56
Foreign exchange translation reserve adjustments	0.06	–	(1.50)	6.02	(0.50)	–	(0.05)	4.03	7.95	–	–	–	–	4.03	7.95
Sub–total	308.11	20.83	470.20	2389.24	36.22	74.12	15.00	3,313.72	3413.49	31.32	37.49	68.81	47.14	3,382.53	3,460.63
Less : Assets of erstwhile subsidiaries	–	–	–	–	–	–	–	–	368.37	–	–	–	–	–	368.37
Sales / deletion	66.60	0.45	6.67	16.03	0.76	1.59	0.26	92.36	97.03	–	–	–	–	92.36	97.03
Total	241.51	20.38	463.53	2373.21	35.46	72.53	14.74	3,221.36	2948.09	31.32	37.49	68.81	47.14	3,290.17	2,995.23
Depreciation / Amortisation															
Upto 31-03-2014	–	0.84	112.09	1270.82	12.85	46.16	8.07	1,450.83	1420.36	24.03	3.19	27.22	18.74	1,478.05	1,439.10
For the year	–	0.12	16.61	139.41	4.81	8.96	1.91	171.82	140.48	3.71	3.06	6.77	8.48	178.59	148.96
Transfer to reserves	–	–	3.08	3.89	–	–	–	6.97	–	–	–	–	–	6.97	–
Foreign exchange translation reserve adjustments	–	–	(1.51)	7.94	(0.46)	–	(0.02)	5.95	11.12	–	–	–	–	5.95	11.12
Sub–total	–	0.96	130.27	1,422.06	17.20	55.12	9.96	1,635.57	1,571.96	27.74	6.25	33.99	27.22	1,669.56	1,599.18
Less : Assets of erstwhile subsidiaries	–	–	–	–	–	–	–	–	35.27	–	–	–	–	–	35.27
Withdrawn on assets sold / deleted	-	-	0.48	13.63	0.22	1.48	0.26	16.07	85.86	–	–	–	–	16.07	85.86
Total	-	0.96	129.79	1,408.43	16.98	53.64	9.70	1,619.50	1,450.83	27.74	6.25	33.99	27.22	1,653.49	1,478.05
Written down value															
As at 31-03-2015	241.51	19.42	333.74	964.78	18.48	18.89	5.04	1,601.86		3.58	31.24	34.82		1,636.68	
As at 31-03-2014	269.45	19.98	303.66	870.64	9.80	18.46	5.27		1497.26	4.00	15.92		19.92		1,517.18
CAPITAL WORK-IN-PROGRESS (AT COST)															
(a) Building														0.76	0.62
(b) Plant & equipment														92.15	47.59
Total														92.91	48.21

a) Value of land Includes Rs.93.24 crores (last year Rs.145.03 crores) towards revaluation of land by one of its subsidiaries.
b) 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.
c) Cost of buildings includes Rs.41.98 crores (Last year Rs.37.90 crores) pertaining to buildings constructed on leasehold lands.
d) Refer Note No. XXIII (1) (B)(g) and XXIII (12)

IX NON-CURRENT INVESTMENTS

Rupees in crores

			As at 31-03-2015	As at 31-03-2014
Trade Investments				
(a)	Investments in equity instruments		49.05	49.05
	Add: Profit/(loss) of associate		9.28	1.24
			58.33	50.29
(b)	Investments in preference shares		457.71	357.71
		(A)	516.04	408.00
Other Investments				
(a)	Investments in bonds		–	15.00
(b)	Employees pension related investments		23.30	15.65
		(B)	23.30	30.65
		(A) + (B)	539.34	438.65

Consolidated notes on accounts – *(continued)*

IX NON-CURRENT INVESTMENTS – *(continued)*

Sl. No.	Name of the body corporate	Subsidiary/ Associate	No. of shares/ units		Face Value	Currency	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)	TVS Lanka (Private) Limited, Colombo		50,00,000	50,00,000	10.00	LKR	Fully paid			2.08	2.08
(iv)	TVS Motor Services Limited, Chennai		3,80,000	3,80,000	10.00	INR	Fully paid			0.38	0.38
(v)	Sundaram Engineering Products Services Limited, Chennai.		7,746	7,746	10.00	INR	Fully paid	15.5	15.5	0.01	0.01
(vi)	Green Infra BTV Limited, New Delhi (Formerly known as TVS Energy Limited)		32,50,000	32,50,000	10.00	INR	Fully paid	4.0	4.0	3.25	3.25
(vii)	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
(viii)	Green Infra Wind Energy Theni Limited, New Delhi (formerly known as TVS Wind Energy Limited)	Associate	30,00,000	30,00,000	10.00	INR	Fully paid	21.6	21.6	3.00	3.00
	Sub-total									49.05	49.05
	Add : Share in profit/(loss) of associate									9.28	1.24
	Total (a)									58.33	50.29
(b)	Investments in Preference Shares -Unquoted :										
(i)	TVS Motor Services Limited, Chennai		44,60,10,000	34,60,10,000	10.00	INR	Fully paid			446.01	346.01
(ii)	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	357.71
	Total (a)+(b)									516.04	408.00
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						Fully paid			8.79	9.23
(ii)	Life Insurance Corporation Pension Policy, Mumbai						Fully paid			14.51	6.42
(iii)	National Savings Certificates (Rs.37,100/- deposited with Sales Tax authorities)						Fully paid			–	–
	Total (b)									23.30	15.65
	Total (a)+(b)									23.30	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	539.01		438.32	

Note : All investments are valued at cost.

Consolidated 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	16.52	6.48
(b) Deposits made	23.14	18.18
(c) Advance payment of Income Tax less provisions	62.70	19.43
	102.36	44.09
XI INVENTORIES (at cost or net realisable value whichever is less)		
(a) Raw materials and components	337.99	231.65
(b) Goods-in-transit - Raw materials and components	93.29	42.02
(c) Work-in-process	52.35	36.93
(d) Finished goods	228.85	162.38
(e) Stock-in-trade	121.22	86.11
(f) Goods-in-transit - stock-in-trade	63.23	18.47
(g) Stores and spares	34.36	28.18
(h) Dies, moulds and tools	85.90	60.31
	1,017.19	666.05
XII TRADE RECEIVABLES		
(a) Unsecured debts outstanding for a period exceeding six months		
(i) Considered good	4.83	45.05
(ii) Considered doubtful	5.58	4.76
	10.41	49.81
Less: Provision for doubtful debts	5.58	4.76
	4.83	45.05
(b) Other unsecured debts (considered good)	409.92	307.87
	414.75	352.92
XIII CASH AND CASH BALANCES		
(a) Cash and cash equivalents		
(i) Balances with banks in current accounts	13.44	41.17
(ii) Balances with banks in fixed deposits	11.07	53.26
(iii) Cheques/drafts on hand	0.03	1.16
(iv) Cash on hand	0.72	0.77
(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)	0.09	0.08
	27.81	98.47
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	218.88	132.79
(e) Excise current account	287.67	118.23
(f) Prepaid expense	9.76	17.51
(g) Vendor advance	61.01	27.58
(h) Advance payment of Income Tax less provisions	69.49	63.55
	664.24	380.53
XV OTHER CURRENT ASSETS		
(a) Interest accrued on deposits/investments	–	1.41
(b) Claims receivable	5.51	3.73
(c) Export Incentive Receivable	62.31	69.49
(d) Hedge asset and Deferred forward contract premium	3.79	7.35
(e) Others	2.45	3.50
	74.06	85.48

Consolidated notes on accounts – *(continued)*

Rupees in crores

		Year ended 31-03-2015	Year ended 31-03-2014
XVI REVENUE FROM OPERATIONS			
(a) Sale of products		10,825.94	8,922.68
(b) Sale of raw materials		58.61	81.66
(c) Sale of services		10.56	6.82
(d) Other operating revenues*		184.75	114.33
		11,079.86	9,125.49
Less : Excise duty and service tax		768.18	741.90
		10,311.68	8,383.59
*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.4.58 crores), insurance claim received towards fire accident.			
XVII OTHER INCOME			
(a) Interest income		19.17	20.65
(b) Dividend		0.36	0.29
(c) Gain on sale of investments		0.22	2.68
(d) Other non operating income		3.91	3.04
		23.66	26.66
XVIII MATERIAL COST			
Cost of Materials consumed			
Opening stock of raw materials and components		231.65	215.94
Add: Purchases		7,307.05	5,499.36
		7,538.70	5,715.30
Less: Closing stock of raw materials		337.99	231.65
Consumption of raw materials		7,200.71	5,483.65
Purchases of stock-in-trade		226.90	402.80
Changes in inventories of finished goods, work-in-process and stock-in-trade:			
Opening stock:			
Work-in-process		36.93	41.95
Stock-in-trade		86.11	98.74
Finished goods		162.38	163.91
	(A)	285.42	304.60
Closing stock:			
Work in process		52.35	36.93
Stock-in-trade		121.22	86.11
Finished goods		228.85	162.38
Finished goods of erstwhile subsidiaries		–	2.45
	(B)	402.42	287.87
	(A)-(B)	(117.00)	16.73
XIX EMPLOYEE BENEFITS EXPENSE			
(a) Salaries and wages		566.46	457.11
(b) Contribution to provident and other funds		31.14	36.82
(c) Welfare expenses		61.29	47.09
		658.89	541.02

Consolidated notes on accounts – *(continued)*

Rupees in crores

	Year ended 31-03-2015	Year ended 31-03-2014
XX FINANCE COSTS		
(a) Interest expense	46.18	48.17
(b) Other borrowing cost - exchange fluctuation and processing charges	15.93	31.92
	62.11	80.09
XXI OTHER EXPENSES		
(a) Consumption of stores, spares and tools*	62.29	48.59
(b) Power and fuel*	107.56	89.33
(c) Rent*	21.79	20.58
(d) Repairs - buildings	14.02	13.53
(e) Repairs - plant and equipment	52.02	43.39
(f) Insurance	4.36	3.65
(g) Rates and taxes (excluding taxes on income)	7.87	6.38
(h) Audit fees	1.10	1.04
(i) Packing and freight charges*	458.82	339.19
(j) Advertisement and publicity*	269.26	291.35
(k) Other marketing expenses*	308.37	263.99
(l) Loss on sale / impairment of assets	0.10	0.48
(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)	431.69	324.30
	1,739.25	1,447.86
* Net of recoveries		
XXII EXCEPTIONAL ITEMS		
(a) Profit on sale of land / building	58.27	–
(b) Profit on sale of energy business	–	17.95
	58.27	17.95

XXIII Significant accounting policies, notes on accounts and additional disclosures

1 SIGNIFICANT ACCOUNTING POLICIES

A **Nature of operations**

TVS Motor Company Limited (the Company), a public limited company, together with its subsidiaries and associates (collectively referred to as the "Group") operate in a wide range of activities such as manufacturing of automotive vehicles and components and spare parts thereof, wind power producing and housing.

The Company's shares are listed for trading on the National Stock Exchange of India Limited and BSE Limited.

B **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 in India and Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014.

Assets of TVS Motor Company (Europe) B.V., Amsterdam (intend to liquidate) and Sundaram Business Development Consulting (Shanghai) Co. Limited, Shanghai (under liquidation process), are reported at realisable value and liabilities at restatement value.

(b) **Principles of consolidation**

The financial statements of the subsidiary companies and associate companies used in the consolidation are drawn up to the same reporting date as of the Company except in case of Sundaram Business Development Consulting (Shanghai) Co. Ltd, Shanghai, a subsidiary.

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

1 SIGNIFICANT ACCOUNTING POLICIES – *(continued)*

The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.

(ii) The consolidated financial statements include the share of profit / loss of associate companies, which are accounted under the 'Equity method' as per which the share of profit / loss of the associate companies has been adjusted to the cost of investment. An associate is an enterprise in which the investor has significant infiuence and which is neither a subsidiary nor a joint venture.

(iii) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments in the subsidiary companies are made and further movements in their share in the equity, subsequent to the dates of investments.

(iv) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as that adopted by the parent company for its separate financial statements.

(v) The subsidiary companies and associate companies considered in the consolidated financial statements are:

Sl. No.	Name of the company	Country of incorporation	Proportion of ownership (interest / voting power - %)	Reporting date
1.	**Subsidiary companies:**			
(a)	Sundaram Auto Components Limited, Chennai	India	100	31-03-2015
(b)	TVS Housing Limited, Chennai	India	100	31-03-2015
(c)	TVS Motor (Singapore) Pte. Limited, Singapore	Singapore	100	31-03-2015
(d)	TVS Motor Company (Europe) B.V. Amsterdam	Netherlands	100	31-03-2015
(e)	PT. TVS Motor Company Indonesia, Jakarta	Indonesia	37% direct holding, 38% by (c) and 25% by (d)	31-03-2015
(f)	Sundaram Business Development Consulting (Shanghai) Co. Ltd, Shanghai	China	100	31-12-2014
2.	**Associate Companies:**			
(a)	Emerald Haven Realty Limited, Chennai (formerly known as Green Earth Homes Limited)	India	48.80	31-03-2015
(b)	Green Infra Wind Energy Theni Limited, Chennai (formerly known as TVS Wind Energy Limited)	India	21.58 by 1 (a)	31-03-2015

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

1 SIGNIFICANT ACCOUNTING POLICIES – *(continued)*

(c) **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 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.

(d) **Revenue recognition**

The Company recognises revenues 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 the time proportion basis determined by the amount outstanding and the rate applicable.

(e) **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 and service tax wherever credit of the duty or tax is availed of.

In case, any particular asset is revalued at fair value, consequent increase in revaluation is credited to Revaluation Reserve Account under Reserves and Surplus. Any decrease in the revaluation is recognised in the Statement of Profit and Loss to the extent it exceeds the balance, if any, held in Revaluation Reserve relating to a previous revaluation of that asset.

(f) **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.

(g) **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. In the case of foreign subsidiaries depreciation is charged over the estimated useful life of the assets based on internal technical evaluation.

(ii) The estimated useful life of the tangible fixed assets followed by the Company is given below:

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

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

1 SIGNIFICANT ACCOUNTING POLICIES – *(continued)*

(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 three years. Tools and dies used for three wheeler operations are depreciated at 11.31%

(iv) On fixed assets added / disposed of during the year, depreciation is provided on pro-rata basis.

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

(h) **Intangible assets**

Intangible assets in the form of softwares 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.

(i) **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.

(j) **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.

(vii) For the purpose of consolidation, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. The net impact of such change is accumulated under Foreign Currency Translation Reserve.

(k) **Hedge accounting**

With effect from April 1, 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.

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

1 SIGNIFICANT ACCOUNTING POLICIES – *(continued)*

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 Statement of Profit and Loss. Amounts accumulated in Hedging Reserve Account are transferred to Statement of Profit and Loss 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.

(l) **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-progress, stock-in-trade and finished goods.

(m) **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 investments. Current investments are stated at lower of cost and market value.

(n) **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 pension plan which is a defined benefit plan, in respect of 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.

(o) **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),

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

1 SIGNIFICANT ACCOUNTING POLICIES – *(continued)*

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 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.

(p) **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.

(q) **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.

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 Foreign currency in millions		Buy / Sell	Amount 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

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

Rupees in crores

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

	Gratuity	Pension	Leave salary
(a) Expenses recognised in the Statement of Profit and Loss			
(i) Current service cost	3.56	2.37	3.27
(ii) Interest cost	4.32	3.62	0.86
(iii) Expected return on plan assets	–	–	–
(iv) Net actuarial loss / (gain) recognised in the year	(6.16)	0.40	0.23
Total	1.72	6.39	4.36
(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)	54.03	49.54	11.77
(ii) Interest cost	4.32	3.62	0.86
(iii) Current service cost	3.56	2.37	3.27
(iv) Benefits paid	(3.57)	(8.63)	(2.14)
(v) Actuarial loss on obligation	(6.16)	0.40	0.23
(vi) Present value of obligation as at the end of the year (31-03-2015)	52.18	47.30	13.99
(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)	57.99	–	–
(ii) Expected return on plan assets	5.16	–	–
(iii) Contributions made during the year	(0.34)	–	–
(iv) Benefits paid	(3.57)	–	–
(v) Actuarial gain on plan assets	–	–	–
(vi) Fair value of plan assets as at the end of the year (31-03-2015)	59.24	–	–
(d) Balance Sheet movements			
(i) Value of benefit obligations / (net assets) at the beginning of the year (01-04-2014)	54.03	49.54	11.77
(ii) Contributions made during the year	1.72	6.01	4.22
(iii) Expenses	(3.57)	(7.09)	(1.84)
(iv) Benefits paid	–	(1.16)	(0.16)
(v) Value of benefit	52.18	47.30	13.99
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.			

3 (b) **Defined contribution plans:**

The Company's contribution to defined contribution plans i.e., provident fund of Rs.11.09 crores (last year Rs.11.35 crores) has been recognised in the Statement of Profit and Loss.

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

4 **Segment information for the year ended 31st March 2015**

Rupees in crores

Particulars	Business segment			
	Automotive vehicles & parts	Automotive components	Others	Total
Revenue				
External sales - domestic	7,795.67	153.32	11.40	7,960.39
- exports	2,351.29	–	–	2,351.29
Inter segment sales	0.88	262.05	–	262.93
Total sales	10,147.84	415.37	11.40	10,574.61
Less: Inter segment sales	0.88	262.05	–	262.93
Net revenue	10,146.96	153.32	11.40	10,311.68
Segmentwise results before interest and tax	464.38	41.24	0.65	506.27
Less: Interest	56.90	5.21	–	62.11
Profit before tax	407.48	36.03	0.65	444.16
Less: Tax expense	111.61	11.95	0.38	123.94
Profit after tax	295.87	24.08	0.27	320.22
Share of profit of Associates	–	–	8.04	8.04
Profit / (Loss) for the period	295.87	24.08	8.31	328.26
Segment assets	4,215.55	335.83	17.96	4,569.34
Segment liabilities	3,097.39	129.70	17.62	3,244.71
Total cost incurred during the year to acquire segment assets	1,043.40	80.75	(11.15)	1,113.00
Segment depreciation/amortisation	166.86	11.73	–	178.59
Non-cash expenses / (income) other than depreciation / amortisation	–	–	–	–

Notes: The Company and its Indian subsidiaries cater mainly to the needs of the domestic market. There are no reportable geographical segments.

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

5(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

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
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

Fellow subsidiaries: *(continued)*

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 (CMD)

Mr Sudarshan Venu,
Joint Managing Director (JMD)

Mr Pradip Kumar Saha,
Manager

Relative(s) of the Key Management Personnel:

Related to CMD and JMD

Dr. Lakshmi Venu,
Director

Dr. Malini Srinivasan

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

Harita-NTI Limited, Chennai

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
5(b) Transactions with related parties:		
(i) Purchase of goods		
– ultimate holding company		
TV Sundram Iyengar & Sons Private Limited, Madurai	0.40	0.46
– holding company - Sundaram-Clayton Limited, Chennai	312.97	216.25
– 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	42.98
Lucas Indian Service Limited, Chennai	2.28	1.16
– associate - Green Infra Wind Energy Theni Limited, New Delhi	5.82	1.20
– 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	–	5.93
– fellow subsidiary - Lucas - TVS Limited, Chennai	2.64	0.21
(iii) Rendering of services (including interest received)		
– holding company - Sundaram-Clayton Limited, Chennai	2.19	2.04
– 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	57.73	41.42
– fellow subsidiaries:		
TVS Electronics Limited, Chennai	0.89	0.74
Southern Roadways Limited, Madurai	2.87	2.58
Lucas - TVS Limited, Chennai	0.24	–
(v) Remuneration to key management personnel	15.14	10.49
(vi) Remuneration to relative of key management personnel	0.56	0.54
(vii) Dividend paid to holding company - Sundaram-Clayton Limited, Chennai	40.90	34.09
5(c) Balances with related parties:		
(i) Trade receivables		
– holding company - Sundaram-Clayton Limited, Chennai	0.26	–
– ultimate holding company -		
T V Sundram Iyengar & Sons Private Limited, Madurai	0.02	–
– fellow subsidiary		
Lucas-TVS Limited, Chennai	–	0.07
Southern Roadways Limited, Madurai	–	0.01
– associate company - Emerald Haven Realty Limited	–	0.10

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
5(b) **Transactions with related parties:** – *(continued)*		
(ii) Trade payables		
– ultimate holding company - T V Sundram Iyengar & Sons Private Limited, Madurai	–	0.01
– holding company - Sundaram-Clayton Limited, Chennai	56.93	19.29
– fellow subsidiaries		
Lucas-TVS Limited, Chennai	11.00	5.96
Lucas Indian Service Limited, Chennai	0.72	0.14
Sundaram Industries Limited, Madurai	0.06	0.12
Southern Roadways Limited, Madurai	0.29	–
TVS Electronics Limited, Chennai	0.06	-
– Associate		
Green Infra Wind Energy Theni Limited	0.04	0.05
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
6 **Earnings per share:**		
Profit after tax before extraordinary items	328.26	186.30
Profit after tax after extraordinary items	328.26	186.30
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 ordinaryitems (in rupees)	6.91	3.92
Basic and diluted earnings per share after extraordinary items (in rupees)	6.91	3.92
7 **Deferred tax:**		
(i) Deferred tax liability consists of:		
– tax on depreciation	183.93	179.59
– tax on amortisation of dies and moulds	12.52	10.26
– tax on expenses admissible on payment basis under Income Tax Act, 1961	–	–
(A)	196.45	189.85
(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	36.23	56.54
(B)	36.23	56.54
Deferred tax liability (net of deferred tax asset) (A) - (B)	160.22	133.31

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
8	**Warranty provision (current):**		
	Opening balance	20.48	17.72
	Add: Provision for the year (net)	22.95	20.48
		43.43	38.20
	Less: Payments / debits (net)	20.48	17.72
	Closing balance	22.95	20.48
9	**Contingent liabilities and commitments not provided for:**		
	(a) Claims against the Company not acknowledged as debts:		
	(i) Excise	83.71	57.19
	(ii) Service tax	5.55	4.51
	(iii) Customs	1.96	1.93
	(iv) Sales tax	4.03	3.88
	(v) Income tax	18.55	11.81
	(vi) Others	3.50	3.50
	(b) Guarantees:		
	(i) On counter guarantee given to banks	56.27	53.92
	(c) Other money for which the Company is contingently liable:		
	(i) On letters of credit	160.12	178.18
	(ii) On bills discounted with banks	150.11	95.32
	(iii) On import of capital goods under Export Promotion Capital Goods Scheme	37.78	33.00
	(iv) On obligation arising out of agreements facilitating credit to a company	41.66	41.66
	(v) On obligation arising out of agreements facilitating 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

10 The audited / unaudited financial statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principle of their countries of incorporation or International Financial Reporting Standards. The differences in accounting policies of the Company and its subsidiaries / associates are not material.

11 One of the overseas subsidiaries has an accumulated loss of Rs.500.75 crores as at 31.3.2015. The subsidiary is developing its brand and introducing new products in a highly competitive environment. The subsidiary is also developing its network of distributors, dealers and consumer finance companies. The Company continues to extend financial support to the subsidiary. Considering these measures, the management is of the opinion that the subsidiary will continue to be in operation in the foreseeable future and preparation of the financial statements of the subsidiary (which have been included in preparing the Consolidated Financial Statements) as a going concern is not affected.

12 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 Engineeer's technical evaluation, has reassessed the remaining useful life of tangible fixed assets with effect from 1st April 2014. Consequently, depreciation for the year is higher by Rs.6.02 crores. For assets that had completed useful life as at 1st April 2014, the carrying amount of Rs.6.97 crores has been adjusted to reserves.

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

13 Additional information on net assets and share of profits as at 31st March 2015

Name of the entity	Net Assets (Total Assets - Total liabilities)		Share in profit or (loss)	
	As % of consolidated net asset	Amount Rs. in crores	As % of consolidated profit or loss	Amount Rs. in crores
1	2	3	4	5
Parent				
TVS Motor Company Limited	69.81	924.62	102.26	335.67
Subsidiaries - Indian				
Sundaram Auto Components Limited	15.27	202.30	7.73	25.37
TVS Housing Limited	0.03	0.34	0.08	0.27
Subsidiaries - Foreign				
TVS Motor (Singapore) Pte Limited	0.12	1.63	(0.23)	(0.74)
TVS Motor Company Europe B.V.	0.26	3.51	(0.11)	(0.35)
PT. TVS Motor Company Indonesia	10.55	139.78	(11.95)	(39.23)
Sundaram Business Development Consulting (Shanghai) Co. Ltd	0.01	0.17	(0.23)	(0.77)
Minority Interests in all subsidiaries	–	–	–	–
Associates - Indian (Investment as per the equity method)				
Emerald Haven Realty Limited	3.66	48.45	2.45	8.04
Green Infra Wind Energy Theni Ltd	0.29	3.83	–	–
Total	100.00	1,324.63	100.00	328.26

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

VENU SRINIVASAN
Chairman & Managing Director

SUDARSHAN VENU
Joint Managing Director

H. LAKSHMANAN
Director

S.G. MURALI
Chief Financial Officer

K.S. SRINIVASAN
Company Secretary

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

S. VENKATRAMAN
Partner
Membership No.: 34319

Place : Bengaluru
Date : April 29, 2015

Annexure

Statement containing salient features of the financial statement of subsidiaries/ associate companies

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Rs. in crores)

Sl. No.	Particulars	Indian Subsidiaries		Foreign Subsidiaries			
		SACL	TVS Housing	TVSM Singapore	TVSM Europe	PT. TVSM	SBDC - China
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period						1st Jan 2014-31st Dec 2014
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.			SGD; INR 45.475/ SGD	USD; INR 62.500/ USD	IDR; INR 0.475/ IDR 100	RMB; INR 10.1971/ RMB
3.	Share capital	11.55	0.05	201.20	126.52	556.95	1.25
4.	Reserves & Surplus	99.61	0.29	(5.98)	(123.01)	(500.75)	(1.08)
5.	Total assets	359.74	17.96	247.99	3.65	291.26	0.17
6.	Total Liabilities	359.74	17.96	247.99	3.65	291.26	0.17
7.	Investments	4.04	0.00	196.12	0.00	0.00	0.00
8.	Turnover	2137.34	11.44	4.36	0.05	116.65	0.00
9.	Profit before taxation	37.32	0.65	(0.74)	(0.35)	(35.95)	(0.77)
10.	Provision for taxation	11.95	0.38	0.00	0.00	3.28	0.00
11.	Profit after taxation	25.37	0.27	(0.74)	(0.35)	(39.23)	(0.77)
12.	Proposed Dividend	2.89	0.00	0.00	0.00	0.00	0.00
13.	% of shareholding	100	100	100	100	100	100

Notes: 1. Subsidiaries which are yet to commence operations - Nil.

2. Subsidiaries which have been liquidated or sold during the year - Nil.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl.No.	Name of Associates	Emerald Haven Realty Limited	Green Infra Wind Energy Theni Limited
1.	Latest audited Balance Sheet Date	31st Mar 2015	31st Mar 2015
2.	Shares of Associate/Joint Ventures held by the company on the year end		
	(i) No. of shares	4,00,00,000	30,00,000
	(ii) Amount of Investment in Associates/Joint Venture	40.00	3.00
	(iii) Extend of Holding %	48.8	21.6
3.	Description of how there is significant influence	Holding More than 20% of the share capital.	Holding More than 20% of the share capital.
4.	Reason why the associate/joint venture is not consolidated	–	–
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	48.45	3.83
6.	Profit / Loss for the year		
	(i) i. Considered in Consolidation	8.04	0.00
	(ii) i. Not Considered in Consolidation	8.43	0.02

Notes: 1. Associates or joint ventures which are yet to commence Operations - Nil.

2. Associates or joint ventures which have been liquidated or sold during the year - Nil.

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

NOTES

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CHENNAI – 600 006

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	TVS Motor Company Limited
2.	Annual financial statements for the year ended	31st March 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Annual – April to March

Venu Srinivasan
Chairman and Managing Director

S G Murali
Chief Financial Officer

S Venkatraman
Partner
V Sankar Aiyar & Co, Chartered Accountants
Statutory Auditors of the company

Chairman of the Audit Committee