

# **TVS MOTOR COMPANY LIMITED**

**Annual Report of Subsidiary Companies  
for the year 2014-2015**

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# SUNDARAM AUTO COMPONENTS LIMITED

## Board of Directors

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

## Audit Committee

H. LAKSHMANAN, Chairman  
R. RAMAKRISHNAN  
S. SANTHANAKRISHNAN

## Nomination and Remuneration Committee

H. LAKSHMANAN  
R. RAMAKRISHNAN  
S. SANTHANAKRISHNAN

## Corporate Social Responsibility Committee

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

## Chief Financial Officer

S RANGARAJAN

## Manager

PRADIP KUMAR SAHA

## Company Secretary

K. DHARMARAJAN

## Auditors

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

## Bankers

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

## Registered Office:

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

## Plants

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

## Directors' Report to the Shareholders of the Company

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

### Financial Highlights

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

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

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

### Dividend

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

The board, at its meeting held on 23<sup>rd</sup> 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 31<sup>st</sup> March 2015 will aggregate to Rs.6 per share (60%) on 1,15,50,000 equity shares of Rs.10/- each absorbing a sum of Rs. 831.59 lakhs including dividend distribution tax.

### Industry Performance

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

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

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

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

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

### Business outlook

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

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

# SUNDARAM AUTO COMPONENTS LIMITED

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

## Prizes / awards won

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

## FINANCIAL PERFORMANCE OF ASSOCIATE

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

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

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

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

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

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

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

## Risk Management

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

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

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- the directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the accounts for the financial year ended 31<sup>st</sup> March 2015 on a going concern basis; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Directors

### Chairman

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

### Independent Directors (IDs)

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

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

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

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

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

### Separate meeting of Independent Directors

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

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

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

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

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

All the IDs were present at the Meeting.

### Woman Director

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

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

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

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

### Directors liable to retire by rotation

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

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

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

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

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

### Remuneration Policy

Directors:

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

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

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

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

Key Managerial Personnel:

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

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

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

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

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## Criteria for Board Membership

Directors:

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

Independent Directors:

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

## Number of board meetings held

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

## Key Managerial Personnel (KMPs)

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

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

## Corporate Governance

Audit Committee:

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

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

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

Nomination and Remuneration Committee:

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

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

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

Remuneration criteria to Directors:

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

Corporate Social Responsibility Committee (CSR):

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

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

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

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

## Deposits

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

## Auditors

Statutory Auditors:

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

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

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

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

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

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

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

Secretarial Auditor

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

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

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

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

## Statutory Statements

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

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

Annual Return:

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

Employee's remuneration:

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

Related Party Transactions:

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

Details of loans / guarantees / investments made:

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

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

## Other laws

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

## Acknowledgement

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

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

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

For and on behalf of the Board

Place : Chennai  
Date : 23<sup>rd</sup> April 2015

H Lakshmanan  
Chairman

# SUNDARAM AUTO COMPONENTS LIMITED

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

### A. CONSERVATION OF ENERGY

#### 1.1 Measures taken in the year 2014-15:

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

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

#### 1.2 Proposed measures for the year 2015-16:

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

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

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

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

### 3. Capital investment- Energy conservation Equipments

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

### B. TECHNOLOGY ABSORPTION

Not Applicable

### C. FOREIGN EXCHANGE ACTUAL EARNINGS AND OUTGO.

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

(a) Earnings	-
(b) Outgo	54.13

For and on behalf of the Board

Place : Chennai  
Date : 23<sup>rd</sup> April 2014

H Lakshmanan  
Chairman

## Annexure - II

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

as on the financial year ended 31<sup>st</sup> March 2015

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

### I. REGISTRATION AND OTHER DETAILS:

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

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Plastic Moulded components	2520	19%
2	Two Wheelers	3410	81%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section - Companies Act, 2013
1.	TVS Motor Company Limited	L35921TN1992PLC022845	Holding Company	100%	2(87)
2.	Green Infra Wind Energy Theni Limited	U40109DL2011PLC275063	Associate Company	21.58%	2(6)

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

(i) Category-wise Share Holding: Not Applicable

(ii) Shareholding of Promoters

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

(iii) Change in Promoters' Shareholding: Nil

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

(v) Shareholding of Directors and Key Managerial Personnel: Nil

### V. INDEBTEDNESS

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

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

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Manager:

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

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### B. Remuneration to other directors:

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

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

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

(Amount in Rs.)

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

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

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

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

### Annexure - III

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

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

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

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

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

### Annexure - IV

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

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

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

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

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

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

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

4. Composition of the CSR Committee.

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

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

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

7. Details of CSR spent during the financial year

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

(b) Amount unspent, if any Not Applicable

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

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

# SUNDARAM AUTO COMPONENTS LIMITED

## Form No. MR-3

### Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2015

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

To,

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

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

Based on our verification of M/s. SUNDARAM AUTO COMPONENTS LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> 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 23<sup>rd</sup> April 2015 annexed to this report as Annexure - A.

- We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. SUNDARAM AUTO COMPONENTS LIMITED (the Company) for the financial year ended on 31<sup>st</sup> March 2015 according to the applicable provisions of the Companies Act, 2013 (the Act) and the rules made thereunder.
- We are informed that, for the financial year ended on 31<sup>st</sup> March 2015:
  - The Company was not required to maintain books, papers, minute books, forms and returns filed or other records according to the provisions of:
    - The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
    - The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
    - Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
    - Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act).
  - 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.
- We have not examined compliance with the Secretarial Standards issued by The Institute of Company Secretaries of India as they are yet to be notified.
- Since the Company is not a listed entity, we have not examined compliance with listing agreements.
- During the period under review the Company has complied with the provisions of the Act, to the extent applicable.
- We further report that:
  - The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The Company has no Executive Director but instead has a whole-time key managerial personnel in the position of "Manager" in terms of Section 203(1)(i) of the Act. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. However, agenda and detailed notes on agenda are sent less than seven days before the meeting. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through. We are informed that there were no dissenting members' views that were required to be captured and recorded as part of the minutes.
  - 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.
  - During the audit period the members have passed special resolutions under Section 180 of the Act empowering the Board of Directors to do the following:
    - Borrow moneys provided that the amounts borrowed and outstanding at any point of time does not exceed Rs.100 crores, apart from temporary loans from company's bankers in the ordinary course of business; and
    - Create charge/ mortgage or otherwise encumber the whole or substantially the whole of any undertaking or any movable/ immovable property of the Company.

For S. Krishnamurthy & Co  
Company Secretaries

K. Sriram,  
Partner

Date : 23<sup>rd</sup> April 2015  
Place : Chennai

Membership No.F6312  
Certificate of Practice No: 2215

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

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

Not applicable

9. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.  
To discharge the duties cast under provisions of the Act, members of the CSR Committee visit places where SST is doing service.

For and on behalf of the Board

Place : Chennai  
Date : 23<sup>rd</sup> April 2015

H Lakshmanan  
Chairman and Chairman of CSR Committee

## Annexure - V

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

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

# SUNDARAM AUTO COMPONENTS LIMITED

## Annexure - A to Secretarial Audit Report dated 23<sup>rd</sup> April 2015

To,

The Members,

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

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

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

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

For S. Krishnamurthy & Co  
Company Secretaries

K. Sriram,  
Partner

Membership No.F6312

Certificate of Practice No: 2215

Date : 23<sup>rd</sup> April 2015  
Place : Chennai

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

To the Members of

Sundaram Auto Components Limited  
Jayalakshmi Estates,  
No.29 Haddows Road, Chennai - 600006.

### Report on the Financial Statements

We have audited the accompanying financial statements of SUNDARAM AUTO COMPONENTS LIMITED, Chennai - 600006 ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- (1) Note 26(1)(f) Accounting for depreciation:-

The Companies Act, 2013, stipulates systematic allocation of the depreciable amount of an asset over its useful life. The Act also prescribes that a maximum of 5% of the cost can be retained as residual value and the balance 95% to be amortised over the useful life of the asset. However, the Company has chosen to reduce the residual value from the depreciation to be provided for in the terminal year, thereby claiming higher depreciation in the earlier years.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, we give in Annexure, a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note no. 26(5) to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
    - iii. During the year, there was no requirement on the part of the Company to transfer any amount to Investor Education and Protection Fund.

For SUNDARAM & SRINIVASAN  
Chartered Accountants  
Firm Regn No. 004207S

M BALASUBRAMANIAM  
Partner

Membership No.F7945

Place : Chennai  
Date : 23<sup>rd</sup> April 2015

## SUNDARAM AUTO COMPONENTS LIMITED

### Annexure referred to in our report of even date on the accounts for the year ended 31<sup>st</sup> March 2015

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets are verified physically by the management in accordance with a regular programme at reasonable intervals. In our opinion the interval is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of such verification is adequate. It was represented to us that inventories with third parties are also verified from time to time.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion, the company has maintained proper records of inventory. The discrepancies between the physical stocks and the books were not material and have been properly dealt with in the books of account.
- (iii) (a) During the year, the company has granted unsecured loan of Rs. Two crore to a company covered in the register maintained under Section 189 of the Companies Act, 2013.
- (b) The company recovered the said sum in full along with interest.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no continuing failure has been noticed in the internal control system.
- (v) The company has not accepted deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013, during the year.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government under Section 148(1) of the Companies Act, 2013 for maintenance of cost records and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the records provided to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Cess and other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Cess were in arrears, as at 31<sup>st</sup> March 2015 for a period of more than six months from the date they became payable.

(c) According to information and explanations given to us, the following are the details of the disputed dues, that were not deposited with the concerned authorities:

Name of the statute	Nature of dues	Amount (Rs. In crore)	Forum Where the dispute is pending
Central Excise Act, 1944	Cenvat / Excise Duties	0.11	High Court of Judicature at Madras
		0.10	Central Excise and Service Tax Appellate Tribunal
		0.02	Commissioner (Appeals), Chennai
		0.11	Assistant Commissioner
Finance Act, 1994	Service Tax	0.18	Central Excise and Service Tax Appellate Tribunal
		0.08	Assistant Commissioner, Hosur
Income Tax Act, 1961	Income Tax	1.20	Commissioner of Income Tax (Appeals), Chennai
		0.0049	Income Tax Appellate Tribunal, Chennai
Tamilnadu Value Added Tax, 2006	Tax / VAT credit	0.84	Joint Commissioner of Commercial Tax, Sales

- (d) During the year the company is not required to transfer any amount to Investor Education and Protection Fund.
- (viii) The Company neither has accumulated losses as at the end of the financial year nor has incurred cash losses during the financial year and in the immediately preceding financial year.
- (ix) Based on our verification and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to its bank.
- (x) The Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xi) The Company has not availed any fresh term loan during the year. The loans availed in earlier years were applied for the purpose(s) for which they were availed.
- (xii) Based on the audit procedures adopted and information and explanations given to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit.

For SUNDARAM & SRINIVASAN  
Chartered Accountants  
Firm Regn No. 004207S

M BALASUBRAMANIAM  
Partner  
Membership No.F7945

Place : Chennai  
Date : 23<sup>rd</sup> April 2015

# SUNDARAM AUTO COMPONENTS LIMITED

## Balance Sheet as at 31<sup>st</sup> March 2015

	Note Number	As at 31.03.2015	Rupees in crores As at 31.03.2014
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	11.55	11.55
(b) Reserves and surplus	2	99.61	82.83
		<b>111.16</b>	94.38
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	9.00	17.00
(b) Deferred tax liabilities (Net)		7.47	8.63
(c) Other Long Term Liabilities	4	24.83	24.83
(d) Long-term provisions	5	0.96	1.64
		<b>42.26</b>	52.10
<b>3 Current liabilities</b>			
(a) Short-term borrowings	6	2.52	18.30
(b) Trade payables		163.20	100.93
(c) Other current liabilities	7	62.16	34.06
(d) Short-term provisions	8	3.54	4.32
		<b>231.42</b>	157.61
<b>TOTAL</b>		<b>384.84</b>	<b>304.09</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	98.65	107.29
(ii) Intangible assets	10	0.12	0.15
(iii) Capital work-in-progress	11	3.55	0.13
(b) Non-current investments	12	28.87	27.84
(c) Long term loans and advances	13	5.96	0.13
(d) Other Non Current Assets	14	4.28	5.27
		<b>141.43</b>	140.81
<b>2 Current assets</b>			
(a) Inventories	15	140.85	65.43
(b) Trade receivables	16	79.18	89.89
(c) Cash and cash equivalents	17	2.79	0.66
(d) Short-term loans and advances	18	16.07	5.10
(e) Other Current Assets	19	4.52	2.20
		<b>243.41</b>	163.28
<b>TOTAL</b>		<b>384.84</b>	<b>304.09</b>
Accounting Standards, additional disclosures and Notes on accounts	26		

## Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2015

	Note Number	Rupees in crores Year ended 31.03.2015	Rupees in crores Year ended 31.03.2014
<b>I. Revenue from operations</b>			
Less: Excise duty		52.54	43.68
		<b>2,135.78</b>	1,875.30
<b>II. Other income</b>			
		<b>1.58</b>	1.77
<b>III. Total Revenue (I + II)</b>			
		<b>2,137.36</b>	1,877.07
<b>IV. Expenses:</b>			
Cost of materials consumed	22	268.98	184.80
Purchase of Stock-in-Trade		1,727.05	1,542.25
Changes in inventories of finished goods work-in-process and Stock-in-Trade		(41.46)	12.45
Employee benefits	23	41.13	32.79
Finance costs	24	5.21	5.98
Depreciation and amortization expense		11.73	10.08
Other expenses	25	88.26	71.43
		<b>2,100.90</b>	1,859.78
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>			
		<b>36.46</b>	17.29
<b>VI. Exceptional items</b>			
		<b>0.86</b>	0.49
<b>VII. Profit before extraordinary items and tax (V - VI)</b>			
		<b>37.32</b>	17.78
<b>VIII. Extraordinary Items</b>			
		-	-
<b>IX. Profit before tax (VII + VIII)</b>			
		<b>37.32</b>	17.78
<b>X. Tax expense:</b>			
(1) Current tax		14.13	6.41
(2) Deferred tax		(1.11)	0.66
(3) Tax relating to earlier years		(1.02)	0.04
		<b>25.32</b>	10.67
<b>XI. Profit / (Loss) for the period (IX - X)</b>			
		<b>12.00</b>	7.11
<b>XII. Earnings per equity share:</b>			
Basic & Diluted - Refer Note No.26 (1) (0) under AS 20 in Rs.		<b>21.92</b>	9.24
Accounting Standards, additional disclosures and Notes on accounts	26		

As per our report annexed  
 H LAKSHMANAN Chairman  
 C N PRASAD Director  
 For SUNDARAM & SRINIVASAN Chartered Accountants  
 Chennai  
 23-04-2015  
 PRADIP KUMAR SAHA Manager  
 K DHARMARAJAN Company Secretary  
 M BALASUBRAMANIAM Partner  
 Membership No. F 7945  
 Firm Registration No: 004207S

As per our report annexed  
 H LAKSHMANAN Chairman  
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 K DHARMARAJAN Company Secretary  
 M BALASUBRAMANIAM Partner  
 Membership No. F 7945  
 Firm Registration No: 004207S



# SUNDARAM AUTO COMPONENTS LIMITED

## Notes on accounts - (continued)

### 9 NON CURRENT ASSETS - FIXED ASSETS - TANGIBLE ASSET

Rupees in crores

Description	Land		Buildings	Plant & Equipment	Furniture & fixtures	Office Equipment	Computers	Vehicles	Total	
	Free hold	Lease hold							As at 31-03-2015	As at 31-03-2014
<b>Cost of Assets</b>										
As at 01-04-2014	8.39	9.88	39.89	103.10	2.23	0.84	2.24	0.48	167.05	158.20
Additions	–	–	0.17	13.33	0.51	0.18	0.27	0.01	14.47	10.25
<b>Total</b>	8.39	9.88	40.06	116.43	2.74	1.02	2.51	0.49	181.52	168.45
Less: Impairment / Deletion	4.52	–	6.26	0.87	0.74	–	0.16	–	12.55	1.40
<b>Total</b>	3.87	9.88	33.80	115.56	2.00	1.02	2.35	0.49	168.97	167.05
<b>Depreciation/Amortisation</b>										
As at 31-03-2014	–	0.21	6.86	50.22	0.67	0.25	1.17	0.38	59.76	51.00
For the year										
- charge to statement of profit & loss	–	0.03	1.21	9.62	0.23	0.06	0.38	0.04	11.57	9.88
- charge to retained earnings (ie) to general reserve	–	–	–	0.15	–	–	–	–	0.15	–
<b>Total</b>	–	0.24	8.07	59.99	0.90	0.31	1.55	0.42	71.48	60.88
Less: Impairment/Deletion	–	–	0.30	0.50	0.21	–	0.15	–	1.16	1.12
<b>Total</b>	–	0.24	7.77	59.49	0.69	0.31	1.40	0.42	70.32	59.76
<b>Written Down Value</b>										
As at 31-03-2015	3.87	9.64	26.03	56.07	1.31	0.71	0.95	0.07	98.65	–
As at 31-03-2014	8.39	9.67	33.03	52.88	1.56	0.59	1.07	0.10	–	107.29

### 10 NON CURRENT ASSETS - FIXED ASSETS - INTANGIBLE ASSETS

Rupees in crores

Description	Software	Licence Fees	Total	
			As at 31-03-2015	As at 31-03-2014
<b>Cost of Assets</b>				
As at 01-04-2014	0.50	0.94	1.44	1.38
Additions	0.13	–	0.13	0.06
<b>Total</b>	0.63	0.94	1.57	1.44
Less: Sales / Deletion	–	–	–	–
<b>Total</b>	0.63	0.94	1.57	1.44
<b>Amortisation</b>				
As at 31-03-2014	0.46	0.83	1.29	1.09
For the year	0.05	0.11	0.16	0.20
<b>Total</b>	0.51	0.94	1.45	1.29
Less: withdrawn on assets sold/deleted	–	–	–	–
<b>Total</b>	0.51	0.94	1.45	1.29
<b>Written Down Value</b>				
As at 31-03-2015	0.12	–	0.12	–
As at 31-03-2014	0.04	0.11	–	0.15

### 11 CAPITAL WORK-IN-PROGRESS

Rupees in crores

Description	As at 31 March 2015	As at 31 March 2014
Plant & Equipment	3.55	0.13
<b>Total</b>	3.55	0.13

### 12 NON-CURRENT INVESTMENTS

Rupees in crores

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Non - Trade Investments</b>		
(a) Investment property (Land at cost)*	24.83	24.83
(b) Investment in Equity instruments	3.01	3.01
(c) Employees pension related investments	1.03	–
<b>Total</b>	28.87	27.84

\* Title documents pending registration

### NON TRADE INVESTMENTS

Name of Body Corporate	Relationship	No. of Shares / units		Quoted/ Unquoted	Partly paid Fully paid	Extent of Holding		Amount		Basis of valuation
		31-Mar-2015	31-Mar-2014			31-03-2015	31-03-2014	31-03-2015	31-03-2014	
<b>Details of Investments in Equity Instruments</b>										
(a) Green Infra Wind Energy Theni Limited,* New Delhi (formerly TVS Wind Energy Limited)	Associate	30,00,000	30,00,000	Unquoted	Fully Paid	21.6%	21.6%	3.00	3.00	Cost
(b) Sundaram Engineering Products Services Limited, Chennai	Fellow subsidiary	7,746	7,746	Unquoted	Fully Paid	15.5%	15.5%	0.01	0.01	Cost
<b>Other Investments</b>										
Life Insurance Corporation Pension Policy, Mumbai	–	–	–	Unquoted	Fully Paid	–	–	1.03	–	Cost
<b>Aggregate amount of unquoted Investments - Total</b>	–	–	–	–	–	–	–	4.04	3.01	–

\* Lock-in-period expires on 31<sup>st</sup> March 2031

# SUNDARAM AUTO COMPONENTS LIMITED

## Notes on accounts - (continued)

Particulars	Rupees in crores	
	As at 31.03. 2015	As at 31.03. 2014
<b>13 LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured - Considered good</b>		
Capital advances*	5.96	0.13
<b>Total</b>	<b>5.96</b>	<b>0.13</b>

\* Note: Includes advance given for purchase of business.

## 15 INVENTORIES

Particulars	Mode of valuation	As at 31 March 2015		As at 31 March 2014	
Raw materials and components *	Lower of weighted average cost or net realisable value	10.12		11.14	
Goods-in-Transit - Raw Materials	- do -	-	10.12	0.08	11.22
Work-in-process *					
- Plastic Components	- do -	0.56		1.11	
- Moulds	- do -	3.08	3.64	3.04	4.15
Finished goods - Plastic Components *	- do -		1.92		1.77
Stock-in-Trade - Automobiles *	- do -	71.54		29.72	
Stock-in-Trade - Goods-in-Transit - Automobiles	- do -	53.18	124.72	18.47	48.19
Stores and spares *	- do -		0.45		0.10
<b>Total</b>			<b>140.85</b>		<b>65.43</b>

\* As certified by Manager

## Notes on accounts - (continued)

Particulars	Rupees in crores	
	As at 31.03. 2015	As at 31.03. 2014
<b>14 OTHER NON-CURRENT ASSETS</b>		
<b>Secured - Considered good</b>		
Taxes & Duties Recoverable - (Advance income tax net of provision)	0.25	2.05
Deposits	4.03	3.22
<b>Total</b>	<b>4.28</b>	<b>5.27</b>

Rupees in crores

## 16 TRADE RECEIVABLES

Particulars	Rupees in crores	
	As at 31.03. 2015	As at 31.03. 2014
(a) Unsecured debts outstanding for a period exceeding six months from the date due for payment		
(i) Considered good	4.55	9.11
(ii) Considered doubtful	0.91	1.06
	5.46	10.17
Less: Provision for doubtful debts	0.91	1.06
	4.55	9.11
(b) Other unsecured debts - Considered good	74.63	80.78
<b>Total</b>	<b>79.18</b>	<b>89.89</b>

## 17 CASH AND CASH EQUIVALENTS

Particulars	Rupees in crores	
	As at 31.03. 2015	As at 31.03. 2014
(a) Balances with banks - Current Account	0.25	0.23
(b) Cash on hand	0.03	0.01
(c) Cheques / drafts on hand	-	0.42
(d) Bank deposits	2.50	-
(e) Margin money deposits with banks (more than 12 months maturity)	0.01	-
<b>Total</b>	<b>2.79</b>	<b>0.66</b>

## 18 SHORT-TERM LOANS AND ADVANCES

Particulars	Rupees in crores	
	As at 31.03. 2015	As at 31.03. 2014
<b>Others - Unsecured - Considered good</b>		
- Advances recoverable in cash or in kind	11.20	1.71
- Deposits	0.02	0.02
- Balance with Central Excise & Commercial Tax authorities	4.33	3.32
- Taxes & Duties Recoverable - (Advance income tax net or provision)	0.29	-
- Prepaid Expenses	0.23	0.05
<b>Total</b>	<b>16.07</b>	<b>5.10</b>

## 19 OTHER CURRENT ASSETS

Particulars	Rupees in crores	
	As at 31.03. 2015	As at 31.03. 2014
Interest accrued on Deposits	-	0.01
Claims Receivable	4.52	2.19
<b>Total</b>	<b>4.52</b>	<b>2.20</b>

## 20 REVENUE FROM OPERATIONS

Particulars	Rupees in crores	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Sale of Automobiles	1,720.37	1,587.42
Sale of Components	466.69	330.16
Other operating revenues	1.26	1.40
<b>Sub total</b>	<b>2,188.32</b>	<b>1,918.98</b>
Less: Excise duty	52.54	43.68
<b>Total</b>	<b>2,135.78</b>	<b>1,875.30</b>

## 21 OTHER INCOME

Particulars	Rupees in crores	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Interest	1.03	1.21
Dividend	-	0.01
Profit on sale of fixed assets	0.02	-
Profit on sale of long term investment	-	0.34
Other non operating income	0.53	0.21
<b>Total</b>	<b>1.58</b>	<b>1.77</b>

## 22 MATERIAL COST

Particulars	Rupees in crores	
	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Cost of Materials consumed</b>		
Opening Stock of Raw Materials & Components	11.14	6.85
Add: Purchases	267.96	189.09
Less: Closing Stock of Raw Materials & Components	10.12	11.14
<b>Consumption of raw materials</b>	<b>268.98</b>	<b>184.80</b>
<b>Purchase of Stock-in-Trade (Automobiles)</b>	<b>1,727.05</b>	<b>1,542.25</b>
<b>Changes in inventory of WIP Components and Finished goods Components and Automobiles</b>		
Opening stock: Work in process	4.15	2.95
Finished goods - Plastic Components	1.77	0.44
Less: Excise duty on finished goods	(0.09)	(0.21)
Finished goods - Automobiles	29.72	44.70
<b>Total (A)</b>	<b>35.55</b>	<b>47.88</b>
Closing stock: Work in process	3.64	4.15
Finished goods - Plastic Components	1.92	1.77
Less: Excise duty on finished goods	(0.04)	(0.09)
Finished goods - Automobiles	71.54	29.72
<b>Total (B)</b>	<b>77.06</b>	<b>35.55</b>
Change in excise duty on opening and closing stock of finished goods	<b>Total (C)</b>	
	0.05	0.12
<b>(A)-(B)+(C)</b>	<b>(41.46)</b>	<b>12.45</b>

Refer to Note No.26(10)(1)(a) for broad head of raw materials consumed.

# SUNDARAM AUTO COMPONENTS LIMITED

## Notes on accounts - (continued)

Particulars	Rupees in crores	
	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>23 EMPLOYEE BENEFITS</b>		
Salaries & Wages	32.63	25.64
Leave Salary	0.52	0.44
Contribution to Provident and other funds	2.09	1.95
Welfare expenses	5.89	4.76
<b>Total</b>	<b>41.13</b>	<b>32.79</b>
<b>24 FINANCE COSTS</b>		
Interest Expense	5.08	5.90
Other Borrowing Costs	0.13	0.08
<b>Total</b>	<b>5.21</b>	<b>5.98</b>
<b>25 OTHER EXPENSES</b>		
Consumption of stores and spare parts	2.96	2.34
Power and fuel	15.11	13.48
Rent*	3.85	3.40
Repairs - Buildings	2.79	3.41
Repairs - Plant & Equipment	7.24	5.16
Repairs - Other Assets	0.98	0.76
Insurance	0.46	0.41
Rates and taxes	2.03	2.30
Audit fees	0.18	0.13
Packing and freight charges *	44.37	32.36
Sitting Fees	0.01	0.01
Loss on sale of fixed assets	0.01	0.28
Miscellaneous Expenses *	8.27	6.94
Provision for Doubtful Debts	-	0.45
<b>Total</b>	<b>88.26</b>	<b>71.43</b>

(\* Net of recoveries)

Refer Note No.26(1)(e) on AS 5 for prior period items

## 26 ADDITIONAL INFORMATION

### 1. Accounting Standards

- |   | As at /<br>year ended<br>31 March 2015 | As at /<br>year ended<br>31 March 2014 |
|---|--|--|
| (a) AS - 1 Disclosure of accounting policies<br>The accounts are maintained on accrual basis as a going concern.  |  |  |
| (b) AS - 2 Valuation of inventories<br>Inventories are valued in accordance with the method of valuation prescribed by The Institute of Chartered Accountants of India at lower of realisable value and weighted average cost.  |  |  |
| (c) AS - 3 Cash flow statements<br>The cash flow statement is prepared under "indirect method" and the same is annexed.   |  |  |
| (d) AS - 4 Contingencies and Events Occurring After the Balance Sheet Date<br>There are no reportable contingencies and events occurring after the Balance Sheet date.  |  |  |
| (e) AS - 5 Net profit or loss for the period, prior period items and changes in accounting policies.<br>Exceptional item represents profit made on the sale of immovable property during the year.<br>Exceptional item of previous year represents fire insurance claim received. | 0.86                                   | 0.49                                   |
| - Details of prior period debits to Profit and Loss Account:  |  |  |
| Repairs - Buildings   | -                                      | 0.01                                   |
| Packing & freight charges   | -                                      | 0.01                                   |
| Material Cost - Import clearing charges   | -                                      | 0.01                                   |
| Legal & retainer fees   | 0.08                                   | 0.01                                   |
| Rent  | 0.12                                   | -                                      |
| Welfare expenses  | -                                      | 0.02                                   |

## Notes on accounts - (continued)

### 26 ADDITIONAL INFORMATION - (continued)

	Rupees in crores	
	As at / year ended 31 March 2015	As at / year ended 31 March 2014
(f) AS - 6 Depreciation accounting Depreciation has been provided under the straight line method based on the useful life as per the requirements of Schedule II of the Companies Act, 2013.  The Company has internally evaluated the useful life of all the assets and that useful has been considered for providing the depreciation charge.  In respect of assets added / sold during the year pro-rata depreciation has been provided.  Depreciation in respect of Moulds has been provided based on the quantity of components manufactured.  Assets acquired during the year and whose cost is less than Rs.5,000/- are fully depreciated.  The Companies Act, 2013, stipulates systematic allocation of the depreciable amount of an asset over its useful life. The Act also prescribes that a maximum of 5% of the cost can be retained as residual value and the balance 95% to be amortised over the useful life of the asset. However, the Company has chosen to reduce the residual value from the depreciation to be provided for the in terminal year, thereby claiming higher depreciation in the earlier years.		
(g) AS - 9 Revenue recognition The income of the company is derived from manufacture and sale of plastic components and trading in automobiles. Sale of goods is recognised on despatch of goods to customers.  Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.  Dividend from investments is recognised when the Company in which they are held declares the dividend and the right to receive the same is established.  The revenue and expenditure are accounted on a going concern basis.		
(h) AS - 10 Accounting for fixed assets All the fixed assets are valued at cost including expenditure incurred in bringing them to usable condition less depreciation.  Cost of land includes lands acquired on lease <b>9.88</b> 9.88  Buildings include buildings constructed on leasehold lands <b>19.09</b> 18.93  In respect of lease hold land of Rs.6.91 crores, the lease deeds are yet to be executed. Amortisation in respect of leased cost of land situated in Sanad District, Gujarat will commence from the year in which the possession of land is taken over after execution of lease deed. The lease cost is capitalised on the basis of allotment letter.		
(i) AS - 11 Accounting for effects in foreign exchange rates  Purchase of imported raw materials, components, spare parts and capital goods are accounted based on retirement memos from banks. In respect of liabilities on import of raw materials, components, spare parts and capital goods which are in transit and where invoices / bills are yet to be received, the liability is accounted based on the advance copies of documents at the market exchange rates prevailing on the date of the balance sheet.		

## SUNDARAM AUTO COMPONENTS LIMITED

### Notes on accounts - (continued)

#### 26 ADDITIONAL INFORMATION - (continued)

	Rupees in crores	
	As at / year ended 31 March 2015	As at / year ended 31 March 2014
Net exchange difference on imports debited to Statement of Profit and Loss		
- Under Cost of material consumed	0.95	0.89
<b>Total</b>	<b>0.95</b>	<b>0.89</b>

The Company has entered into forward contracts for hedging the risk of exchange rate fluctuation. There are no derivative contracts other than the forward contracts.

The Central Government vide notification dated 31<sup>st</sup> March 2009 has amended Accounting Standard 11. The amendment permits, on exercise of an option, to add to or deduct from the carrying cost of depreciable assets the effect of exchange

### Notes on accounts - (continued)

#### 26 ADDITIONAL INFORMATION - (continued)

	Rupees in crores	
	As at / year ended 31 March 2015	As at / year ended 31 March 2014

differences arising on such monetary item. As the Company has not borrowed any long term foreign currency monetary item for acquisition of depreciable capital asset, this amendment is not applicable. Similarly the Company has no long term monetary item relating to other than an acquisition of depreciable capital asset.

- (j) AS - 13 Accounting for Investments  
Investments are valued at cost. Provision for diminution in the carrying cost of investments is made if such diminution is other than temporary in nature in the opinion of the management.

(k) AS - 15 Accounting for employee benefits

Disclosure is made as per the requirements of the standard and the same is furnished below:

A Defined contribution plans

- (a) Contribution to provident fund is in the nature of defined contribution plan and the same is made to Government.  
(b) Contribution to pension fund is partially in nature of defined contribution plan and the same has been made to Life Insurance Corporation of India, Mumbai.

B Defined benefit plan

- (a) The Company extends defined benefit plans in the form of leave salary to its employees and pension to senior managers of the Company.  
(b) The Company also extends defined benefit plan in the form of gratuity to employees. Contribution to gratuity is made to Life Insurance Corporation of India in accordance with the schemes framed by the Corporation.

Disclosure are as required by Accounting Standard 15:

Rupees in crores

		Leave Salary	Pension	Gratuity**
(a)	Expenses recognised in the Statement of Profit & Loss Account			
(i)	Current Service cost	0.12	-	
(ii)	Interest cost	0.03	0.07	
(iii)	Expected return on plan assets	-	-	
(iv)	Net actuarial loss / (gain) recognised in the year	(0.01)	0.32	
	<b>Total</b>	<b>0.14</b>	<b>0.38</b>	
(b)	Change in defined benefit obligation during the year ended 31 <sup>st</sup> March 2015			
(i)	Present value of obligation as at beginning of the year ( 01.04.2014)	0.45	1.39	
(ii)	Interest cost	0.03	0.07	
(iii)	Current service cost	0.12	-	
(iv)	Benefits paid	(0.16)	(1.16)	
(v)	Actuarial loss / ( gain) on obligation	(0.01)	0.32	
(vi)	Present value of obligation as at the end of the year ( 31.03.2015)	0.42	0.61	
(c)	Change in fair value of plan assets during the year ended 31 <sup>st</sup> March 2015			
(i)	Fair value of plan assets at the beginning of the year ( 01.04.2014)	-	-	
(ii)	Expected return on plan assets	-	-	
(iii)	Contributions made during the year	-	-	
(iv)	Benefits paid	-	-	
(v)	Actuarial gain on plan assets	-	-	
(vi)	Fair value of plan assets as at the end of the year ( 31.03.2015)	-	-	
(d)	Balance Sheet movements			
(i)	Value of benefit obligations / (net assets) at the beginning of the year ( 01.04.2014)	0.45	1.39	
(ii)	Contributions made during the year	-	-	
(iii)	Expenses	0.14	0.38	
(iv)	Benefits paid	(0.16)	(1.16)	
(v)	Value of benefit obligations / (net assets) at the end of the year ( 31.03.2015)	0.42	0.61	
	Note: The net asset in respect of gratuity plan is not recognised as it is lying in irrevocable trust fund approved by Income tax authorities.			
(e)	Actuarial assumptions			
(i)	Discount rate used	8.00%	8.00%	
(ii)	Expected return on plan assets	NA	NA	
	Estimates of future salary increases considered in actuarial valuation takes into account the inflation, seniority, promotions and other relevant factors.			

\*\*Note: The reconciliation of the present value of obligation and fair value of plan assets as regards gratuity plan is not furnished as information in this regard is not received from Life Insurance Corporation of India. However, contribution to gratuity fund is made based on demand from Life Insurance Corporation of India.

## SUNDARAM AUTO COMPONENTS LIMITED

### Notes on accounts - (continued)

26 ADDITIONAL INFORMATION - (continued)	Rupees in crores	
	As at /	As at /
	year ended	year ended
	31 March 2015	31 March 2014
(l) AS-16 Borrowing cost		
The borrowing costs have been treated in accordance with Accounting Standard on Borrowing Cost (AS-16) issued by The Institute of Chartered Accountants of India.		
No interest on borrowings have been capitalised during the year.		
(m) AS-17 Segment reporting		
The Company operates in only one segment viz., manufacturing of automobile parts and trading of automobiles. Hence the Accounting Standard on segment reporting is not applicable.		
(n) AS - 18 Related party disclosure (including Companies Act)		
Disclosure is made as per the requirements of the standard and the same is furnished below:		
Reporting entity	Sundaram Auto Components Limited, Chennai	
List of related parties :		
Holding company	TVS Motor Company Limited, Chennai	
Ultimate holding companies	T V Sundram Iyengar & Sons Private Limited, Madurai Sundaram - Clayton Limited, Chennai	
Fellow Subsidiaries	TVS Housing Limited, Chennai TVS Motor (Singapore) Pte Limited, Singapore TVS Motor Company (Europe) B.V, Netherlands PT. TVS Motor Company Indonesia, Jakarta Sundaram Business Development Consulting (Shanghai) Co. Ltd, China Sundaram-Clayton (USA) Limited, USA Southern Roadways Limited, Madurai Sundaram Industries Private Limited, Madurai Sundaram Lanka Tyres Limited, Sri Lanka Pusam Rubber Products Limited, Madurai The Associated Auto Parts Limited, Mumbai TVS Interconnect Systems Limited, Madurai NSM Holdings Limited, Madurai NK Telecom Products Limited, Madurai NK Tele Systems Limited, Madurai TVS Automobile Solutions Limited, Madurai Rajgarhia Automobile Solution Limited, Kolkata Essex Automobile Solutions Limited, Gujarat TVS Insurance Broking Limited, Coimbatore Focuz Automobile Services Limited, Kerala GS Automotive Service Equipments (Chennai) Private Limited, Madurai	

### Notes on accounts - (continued)

26 ADDITIONAL INFORMATION - (continued)	Rupees in crores	
	As at /	As at /
	year ended	year ended
	31 March 2015	31 March 2014
Fellow Subsidiaries - continued	SANRAV Automobile Solutions (Chennai) Private Limited, Madurai Lucas-TVS Limited, Chennai Lucas Indian Service Limited, Chennai TVS Automotive Systems Limited, Chennai Sundaram Textiles Limited, Madurai Sundaram Investment Limited, Chennai TVS Capital Funds Limited, Chennai TVS Electronics Limited, Chennai Prime Property Holdings Limited, Chennai TVS-E Access (India) Limited, Chennai TVS Training and Services Limited, Chennai Sundaram Engineering Products Services Limited, Chennai Uthiram Rubber Products Limited, Madurai NCR Auto Cars Limited, New Delhi SNS Warranty Solutions Limited, Madurai Gallant E-Access Private Limited, Delhi	
Associate Company	Green Infra Wind Energy Theni Limited, New Delhi	
Key Managerial personnel	(i) Mr. Pradip Kumar Saha - Manager (ii) Mr. S. Rangarajan - Chief Financial Officer (iii) Mr. K. Dharmarajan - Company Secretary	
Particulars of transactions with related parties		
(i) Sale of goods		
- Holding company -		
TVS Motor Company Limited, Chennai	262.05	162.50
- Fellow subsidiaries		
Lucas-TVS Limited, Chennai	2.64	0.21
PT. TVS Motor Company Indonesia, Jakarta	-	0.27
(ii) Purchase of goods		
- Holding company		
TVS Motor Company Limited, Chennai	1,727.05	1,542.25
- Fellow subsidiaries		
Lucas-TVS Limited, Chennai	-	0.01
- Associate		
Green Infra Wind Energy Theni Limited, New Delhi	5.82	6.09
(iii) Rendering of services		
- Ultimate holding company		
Sundaram-Clayton Limited, Chennai	1.16	0.96
- Holding company		
TVS Motor Company Limited, Chennai	-	0.04

## SUNDARAM AUTO COMPONENTS LIMITED

### Notes on accounts - (continued)

26 ADDITIONAL INFORMATION - (continued)	Rupees in crores	
	As at / year ended 31 March 2015	As at / year ended 31 March 2014
(iv) Dividend - Holding Company		
- TVS Motor Company Limited, Chennai	6.93	2.89
(v) Receiving of services (including interest paid)		
- Holding company - TVS Motor Company Limited, Chennai	0.38	0.48
- Ultimate holding company - Sundaram-Clayton Limited, Chennai	2.97	2.82
- Fellow subsidiaries Lucas TVS Limited, Chennai	0.24	-
TVS Electronics Limited, Chennai	0.04	0.03
(vi) Amount outstanding as at the Balance Sheet:		
(I) Amount payable (Bills Payable)		
- Holding company TVS Motor Company Limited, Chennai	118.89	63.31
- Ultimate holding company Sundaram-Clayton Ltd, Chennai	-	0.13
- Fellow subsidiaries Lucas-TVS Limited, Chennai	0.11	-
- Associate Green Infra Wind Energy Theni Limited, New Delhi	0.04	0.06
(II) Amount receivable (Sundry debtors)		
- Holding company TVS Motor Company Limited, Chennai	16.76	21.03
- Ultimate holding company Sundaram-Clayton Ltd, Chennai	0.26	-
- Fellow subsidiary Lucas-TVS Limited, Chennai	0.57	0.07
(vii) Remuneration paid to Key Management Personnel		
Mr. Manojkumar V Patil (up to 18 <sup>th</sup> May 2013) Manager	-	0.16
Mr. Pradip Kumar Saha - Manager	0.47	0.29
(o) AS-20 Earnings per share		
Earnings per share is calculated by dividing the profit attributable to the shareholders by the number of equity shares outstanding as at the close of the year		
Profit before tax	37.32	17.78
Tax relating to the above	12.00	7.11
Profit after tax	25.32	10.67
No. of equity shares	1,15,50,000	1,15,50,000
Face value per share in Rs.	10.00	10.00
Weighted average number of equity shares	1,15,50,000	1,15,50,000
Earnings per share (EPS) in Rs.	21.92	9.24
Diluted Earnings per share in Rs.	21.92	9.24
(p) AS - 22 Accounting for taxes on income :		
Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax liability and asset are recognised based on timing difference using the tax rates substantively enacted on the Balance Sheet date.		
(i) Deferred tax liability consists of:		
- tax on depreciation	8.13	9.62
(A)	<u>8.13</u>	<u>9.62</u>
(ii) Deferred tax asset consists of:		
Tax on provision in respect of expenditure which will be allowed under the Income-tax Act, 1961 only on payment basis	0.66	0.99
(B)	<u>0.66</u>	<u>0.99</u>
Deferred tax liability (net of deferred tax asset) refer Balance Sheet	(A)-(B)	<u>8.63</u>

### Notes on accounts - (continued)

26 ADDITIONAL INFORMATION - (continued)	Rupees in crores	
	As at / year ended 31 March 2015	As at / year ended 31 March 2014
(q) AS - 24 - Accounting for discontinuing operations		
There are no discontinuing operations during the year.		
(r) AS - 26 - Accounting for intangible assets		
In respect of assets falling under the definition of intangible assets as per the Accounting Standard the following disclosures are made:		
Software / Licence Fees		
- Estimated useful life of the asset	2 years	2 years
- Amortisation rates used	50% each year as depreciation	50% each year as depreciation
(s) AS 28 - Impairment of assets		
As on the Balance Sheet date the carrying amounts of the assets net of accumulated depreciation is not less than the recoverable amount of those assets and hence there is no impairment loss on the assets of the Company.		
(t) AS 29 - Provisions, Contingent liabilities and contingent assets		
(u) (i) Provisions		
Provision are made in respect of all payables based on contracted values. No estimated provision is made.		
As regards provision for warranty, the company's terms of sale do not envisage creation of liability		
(ii) Contingent liabilities		
The amount for which the Company is contingently liable are disclosed in Sl. No. 4 below.		
(iii) Contested liabilities are detailed in Sl. No. 5 below.		
(v) AS 30 - Financial Instruments - Recognition and Measurement		
The Company uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations relating to import of raw materials and capital goods with firm commitments. The company does not hold derivative finance instruments for speculative purposes. The company has applied to such forward contracts, the hedge accounting principles set out in the Accounting Standards by marking them to market.		
Changes in fair value of the contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging Reserve Account".		

# SUNDARAM AUTO COMPONENTS LIMITED

## Notes on accounts - (continued)

26 ADDITIONAL INFORMATION - (continued)	Rupees in crores	
	As at / year ended 31 March 2015	As at / year ended 31 March 2014
<b>2 Trade payable includes :</b>		
(a) Amount due to Small Scale Industrial units	0.90	0.96
(b) Amount due to other industrial units	162.30	99.97
Amount payable to Small Scale Industrial units are within agreed credit period and not due for payment		
(c) Information required under the Micro, Small and Medium Enterprises Development Act, 2006: The Company has written to all suppliers to ascertain if they are covered by the said act. No information has been received in reply. However, the suppliers' credit terms are generally 45 days within which all payments are made. Hence, the question of payment of interest or provision thereof for belated payments does not arise.		
<b>3 Final dividend proposed to be distributed to equity share holders</b>	2.89	2.89
Dividend payable for 2014-15 is Rs.2.50 per share (Previous year Rs.2.50)		
<b>4 Contingent liability not provided for:</b>		
(a) On counter guarantee furnished to banks	0.02	-
(b) On letters of credit	21.09	11.38
(c) On bills of exchange drawn on customers discounted	20.00	11.51
(d) On import of capital goods under Export Promotion Capital Goods scheme	-	0.66

## Notes on accounts - (continued)

26 ADDITIONAL INFORMATION - (continued)	Rupees in crores	
	As at / year ended 31 March 2015	As at / year ended 31 March 2014
<b>5 Liability contested and not provided for:</b>		
(a) Excise	0.18	0.11
(b) Service tax	0.25	0.25
(c) Income tax	1.30	1.50
(d) Sales tax	0.84	-
<b>6 Contribution to provident and other funds include:</b>		
Contribution towards gratuity as per scheme framed by Life Insurance Corporation of India	0.36	0.54
<b>7 Audit fees comprise:</b>		
(a) As statutory auditors	0.11	0.09
(b) Taxation matters	0.02	0.01
(c) Certification matters	0.02	0.01
Total	0.15	0.11
<b>8 General</b>		
(a) Other expenses include travel and stay expenses of auditors	0.02	0.05
(b) Expenditure in excess of 1% of total revenue or Rs.1,00,000 Whichever is higher	-	-
<b>9 Previous year's figures are regrouped and rearranged to conform to current year's classification.</b>	Nil	Nil

10. COST OF RAW MATERIALS CONSUMED	Year ended 31-03-2015		Rupees in crores Year ended 31-03-2014	
1 (a) Basic raw materials				
Acrylonitrile Butdiene Styrene (ABS)		51.31		33.99
Filled & Unfilled Polypropylene		89.78		59.43
(b) Intermediates and components (which individually do not account for more than 10% of the total value of consumption)		127.89		91.38
Raw materials and components consumed		268.98		184.80
Traded goods:				
(c) Automobiles		1,685.23		1,557.23
<b>Total</b>		<b>1,954.21</b>		<b>1,742.03</b>
	<b>% of total consumption</b>		<b>% of total consumption</b>	
2 Consumption of raw materials and components				
(a) Imported	2.2	42.26	1.8	31.51
(b) Indigenous	97.8	1,911.95	98.2	1,710.52
<b>Total</b>	<b>100.00</b>	<b>1,954.21</b>	<b>100.00</b>	<b>1,742.03</b>
3. CONSUMPTION OF MACHINERY SPARES				
(a) Imported	12.7	0.21	0.4	0.01
(b) Indigenous	87.3	1.45	99.6	1.94
<b>Total</b>	<b>100.00</b>	<b>1.66</b>	<b>100.00</b>	<b>1.95</b>
4 IMPORTS (CIF VALUE)				
(a) Raw materials		42.26		31.51
(b) Spare parts and components		0.21		0.01
(c) Capital goods		12.71		1.54
11. OTHER EXPENDITURE IN FOREIGN CURRENCY				
(a) Consultancy		0.18		0.13
(b) Royalty		0.03		0.05
(c) Travel		0.09		0.05

# SUNDARAM AUTO COMPONENTS LIMITED

	Year ended 31-03-2015		Rupees in crores Year ended 31-03-2014	
<b>12. EARNINGS IN FOREIGN EXCHANGE</b>				
(a) Exports (on f.o.b. basis)		-		0.27
(b) Sale proceeds of equity shares		-		0.40
(c) Others (freight and insurance)		-		-
<b>Total</b>		<u>-</u>		<u>0.67</u>
<b>13. SALE BY CLASS OF GOODS</b>				
(a) Rubber Moulded Components		-		-
(b) Plastic Moulded Components		398.45		276.02
(c) Moulds		15.70		10.46
(d) Automobiles		1,720.37		1,587.42
<b>Total</b>		<u>2,134.52</u>		<u>1,873.90</u>
<b>14. PARTICULARS OF OPENING AND CLOSING INVENTORY</b>				
Raw materials and components	10.12		11.14	
Goods-in-Transit - Raw Materials	-	10.12	0.08	11.22
Work-in-process		3.64		4.15
Finished goods - Components		1.92		1.77
Stock-in-Trade - Automobiles	71.54		29.72	
Stock-in-Trade - Goods-in-Transit- Automobiles	53.18	124.72	18.47	48.19
Stores and spares		0.45		0.10
<b>Total</b>		<u>140.85</u>		<u>65.43</u>

H LAKSHMANAN  
Chairman

C N PRASAD  
Director

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

Place : Chennai  
Date : 23-04-2015

S RANGARAJAN  
Chief Financial Officer

PRADIP KUMAR SAHA  
Manager

K DHARMARAJAN  
Company Secretary

M BALASUBRAMANIAM  
Partner  
Membership No. F 7945

## Cash Flow Statement

	Rupees in crores Year ended 31.03. 2015		Rupees in crores Year ended 31.03. 2014	
<b>A. Cash flow from operating activities:</b>				
Net profit / (loss) before tax and extraordinary items	37.32		17.78	
Add:				
Depreciation for the year	11.73		10.08	
Dividend income	-		(0.01)	
Interest income	(1.03)		(1.21)	
Interest expenditure	5.21		5.98	
Profit on sale of investment	-		(0.34)	
Profit on sale of assets	(0.88)		-	
Loss on impairment of assets	0.01		0.28	
	15.04		14.78	
Operating profit before working capital changes				
Adjustments for:				
Trade payables	62.27		(11.72)	
Other Current Liabilities	27.98		2.45	
Short-Term provisions	(0.12)		-	
Other non current liabilities	-		-	
Long Term Provision	(0.68)		0.20	
Inventories	(75.42)		16.97	
Trade receivables	10.71		(20.98)	
Other Current Assets	(0.24)		0.71	
Other Non current Assets	(0.82)		0.43	
Short Term Loans & Advances	(10.69)		0.83	
	12.99		(11.11)	
Cash generated from operations	65.35		21.45	
Direct taxes paid	14.42		6.52	
Net cash used in operating activities - (A)	50.93		14.93	
<b>B. Cash flow from investing activities:</b>				
Purchase of fixed assets	(14.60)		(10.31)	
Sale of fixed assets	12.27		-	
Capital work-in-progress ( at Cost)	(3.42)		(0.06)	
Purchase of Investments/ Investment property	(1.03)		-	
Proceeds from sale of investments	-		0.51	
Long Term Advances Made	(5.83)		0.10	
Interest received	1.03		1.21	
Dividends received	-		0.01	
Net cash used in investment activities - (B)	(11.58)		(8.54)	
<b>C. Cash flow from financing activities :</b>				
Secured loan availed	-		-	
Secured loan repaid	(8.00)		(13.00)	
Unsecured loans availed	-		0.67	
Repayment of unsecured loans	(0.17)		-	
Interest paid	(5.21)		(5.98)	
Dividend and dividend tax paid	(8.23)		(3.38)	
Net cash from financing activities - (C)	(21.61)		(21.69)	
<b>D. Net increase in cash and cash equivalents - (A+B+C)</b>	17.74		15.30	
Cash and cash equivalents at the beginning of the year				
Cash & Bank	0.66		4.68	
Cash credit - balance	(17.40)	(16.74)	(6.12)	(1.44)
Cash and cash equivalents at the end of the year				
Cash & Bank	2.79		0.66	
Cash credit - balance	(1.79)	1.00	(17.40)	(16.74)
<b>Notes:</b>				
1. The above statement has been prepared in indirect method except in case of interest, dividend and purchase and sale of investments which has been considered on the basis of actual movement of cash.				
2. Cash and cash equivalents represent cash and bank balances and Cash Credit balances.				

H LAKSHMANAN  
Chairman

C N PRASAD  
Director

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

Place : Chennai  
Date : 23-04-2015

S RANGARAJAN  
Chief Financial Officer

PRADIP KUMAR SAHA  
Manager

K DHARMARAJAN  
Company Secretary

M BALASUBRAMANIAM  
Partner  
Membership No. F 7945

# TVS HOUSING LIMITED

## Board of Directors

C. MUKUNDHAN  
S G MURALI  
R CHANDRAMOULI

## Auditors

V. SANKAR AIYAR & CO.,  
Chartered Accountants,  
2 C, Court Chamber  
35, New Marine Lines, Mumbai - 400 020

## Registered office

Jayalakshmi Estates,  
No. 29, Haddows Road,  
Chennai - 600 006.  
Tel.: 044 2827 2233  
Fax : 044 2825 7121  
E-mail: corpsec@scl.co.in  
CIN : U70101TN2010PLC075027

## Directors' Report to the Shareholders of the Company

The directors are pleased to present the fifth annual report together with the audited statement of accounts for the year ended 31<sup>st</sup> March 2015.

## Financial highlights

(Amount in Rs.)

Details	Year ended 31.03.2015	Year ended 31.03.2014
Sales and other income	11,43,88,989	3,98,812
Less: Expenses	10,78,77,508	1,41,451
Profit / (Loss) before tax	65,11,481	2,57,361
Provision for taxation (including deferred tax)	37,74,069	87,005
Profit / (loss) after tax	27,37,412	1,70,356

## Dividend

The directors, in order to conserve the resources for its future expansion, have not proposed any dividend for the year under review.

## Operations Review

In terms of the arrangement entered into between the Company and M/s Emerald Haven Realty Limited, Chennai, Phase I of the development launched at the lands owned at Nedungundram by the Company is successfully nearing completion and registration of 'undivided share' is under progress. Similarly, Phase II of the development at Nedungundram (Project Green Hills - Villas) at the lands owned by the Company successfully launched during the year.

The demand outlook remains robust and sustainable given the housing shortage India faces.

## Material changes and commitments

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

## Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company

There are no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status of the Company.

## Internal control systems

The Company has adequate internal control systems to ensure operational efficiency, accuracy and promptness in the financial report and compliance of applicable laws and regulations, to the extent required and commensurate with its size and activities.

## Risk management

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives, commensurate with its size and activities.

## Related Party Transactions

Pursuant to the provisions of Section 134(h) of the Act 2013 read with Rule 8(2) of the Companies (Accounts) Rules 2014, furnishing of particulars of contracts or arrangements entered into by the Company with related parties does not arise,

There were no transactions entered into between the Company and the related parties during the year under review and accordingly no particulars are being provided in Form AOC-2.

However, as required under AS 18, the names of the related party and nature of the related party relationship have been provided in Note No.4 to the financial statements of the Company.

## Directors' responsibility statement

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

- in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- the directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the accounts for the financial year ended 31<sup>st</sup> March 2015 on a going concern basis; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Directors

During the year under review, Mr H Lakshmanan resigned as director of the Company, due to personal reasons effective 27<sup>th</sup> March 2015.

The directors do place on record their appreciation of the valuable services rendered by him during his tenure as director of the Company.

## Directors liable to retire by rotation

In terms of the AoA and the applicable provisions of the Act 2013, Mr S G Murali, Mr C Mukundhan and Mr R Chandramouli, directors, who are liable to retire at the AGM and, being eligible, offer themselves for re-appointment.

## Number of board meetings held

During the year under review, the board met five times on 19<sup>th</sup> April 2014, 16<sup>th</sup> August 2014, 10<sup>th</sup> September 2014, 7<sup>th</sup> January 2015 and 27<sup>th</sup> March 2015 and the gap between two meetings did not exceed one hundred and twenty days.



## TVS HOUSING LIMITED

### V. INDEBTEDNESS

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

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Remuneration to other directors:

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

Place : Chennai  
Date : 24<sup>th</sup> April 2015

S G MURALI  
Director

REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/  
MANAGER/WTD : N.A.

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

For and on behalf of the Board

C MUKUNDHAN  
Director

## INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

### To the Members of TVS Housing Limited

#### Report on the Standalone Financial Statements as at 31<sup>st</sup> March 2015.

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

#### Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
3. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

4. Our responsibility is to express an opinion on these Standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

#### 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 31<sup>st</sup> March 2015, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order.
9. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid Standalone financial statements, comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of written representations received from the directors as on 31<sup>st</sup> March 2015, and taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March 2015, from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to explanations give to us:
    - i. On the basis of the information provided and on the basis of the records verified by us, there are no pending litigations as at 31<sup>st</sup> March 2015.
    - ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts.
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For V. SANKAR AIYAR & CO.,  
Chartered Accountants  
Firm Registration No.109208W

Place : Chennai  
Date : 24<sup>th</sup> April, 2015

S. VENKATARAMAN  
Partner  
Membership No. 023116

## TVS HOUSING LIMITED

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### ANNEXURE REFERRED TO IN OUR REPORT OF THE EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

1. The Company has no Fixed Assets.
2. The Inventories held by the company represents Land.
  - a. As informed to us, the inventories were physically verified by the management during the year, by way of verification of title deeds, conducting site visits through competent person. These were done at reasonable intervals.
  - b. On the basis of information furnished to us, having regard to the nature of inventory and procedures followed for its physical verification, it is reasonable and adequate in relation to the size of the Company and nature of its business.
  - c. In our Opinion and according to the information and explanation given to us the company has maintained proper record of its inventories and no material discrepancies were noticed on physical verification.
3. The company has neither taken nor granted any loan to/ from companies, firms and other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Hence clauses (a), (b), of Para 3 (iii) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase stock in trade and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. The Company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed there under.
6. The Central Government has prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the records maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under the said section and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of these records with a view to determine whether they are accurate or complete.
7.
  - a. According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues of Income tax, Cess. There is no liability in respect of Provident Fund, Employees' State Insurance, Sales tax, duty of Customs, duty of Excise, Wealth Tax and Service Tax. There are no arrears of Income tax, and Cess outstanding as at 31<sup>st</sup> March 2015 for a period of more than six months from the date it becomes payable.
  - b. According to the information and explanations given to us, there are no dues of Income Tax, which have not been deposited on account of any dispute.
  - c. Based on the information and explanations obtained, the company has no liability or requirement to transfer any amount to Investor Education & Protection Fund in accordance with the relevant provisions of the Companies Act, 1956/2013 and the Rules thereunder.
8. The Company has no accumulated losses at the end of the year and has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
9. The Company has not borrowed loan. Further, the requirement to report under para 3(ix) and para 3(xi) does not arise.
10. The Company has not given any guarantees for loans taken by others from banks and financial institutions during the year.
11. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of material fraud on or by the company, noticed or reported during the year.

For V. SANKAR AIYAR & CO.,  
Chartered Accountants  
Firm Registration No.109208W

S. VENKATARAMAN  
Partner  
Membership No. 023116

Place : Chennai  
Date : 24<sup>th</sup> April, 2015

# TVS HOUSING LIMITED

## Balance Sheet as at 31<sup>st</sup> March 2015

	Note Number	As at 31.03.2015	(Amount in Rs.) As at 31.03.2014
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	5,00,000	5,00,000
(b) Reserves and surplus	3	28,86,678	1,49,266
		<b>33,86,678</b>	6,49,266
<b>2 Current liabilities</b>			
(a) Trade payables	4	1,53,540	4,90,796
(b) Other current liabilities	5	17,60,40,368	29,00,07,500
<b>Total</b>		<b>17,95,80,586</b>	<b>29,11,47,562</b>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
Deferred Tax Asset (Net)	6	-	1,069
<b>2 Current assets</b>			
(a) Inventories	7	16,82,08,739	27,44,17,481
(b) Cash and cash equivalents	8	50,28,329	72,15,996
(c) Short Term Loans and Advances	9	63,35,104	95,08,183
(d) Other current assets	10	8,414	4,833
<b>Total</b>		<b>17,95,80,586</b>	<b>29,11,47,562</b>

Significant Accounting Policies and notes forming part of Financial Statements

1

For and on behalf of the board of Directors

As per our report annexed  
For V SANKAR AIYAR & CO.,  
Chartered Accountants  
Firm Registration No. 109208W

S G MURALI  
Director

C MUKUNDHAN  
Director

S VENKATARAMAN  
Partner  
Membership No. 23116

Chennai  
24<sup>th</sup> April 2015

## Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2015

	Note Number	Year ended 31.03.2015	(Amount in Rs.) Year ended 31.03.2014
<b>I. Revenue from operations</b>			
	11	11,39,74,632	-
<b>II. Other income</b>			
	12	4,14,357	3,98,812
<b>III. Total Revenue</b>	(I + II)	<b>11,43,88,989</b>	3,98,812
<b>IV. Expenses:</b>			
Operating expenses	13	10,63,77,332	-
Other Expenses	14	15,00,176	1,41,451
<b>Total expenses</b>		<b>10,78,77,508</b>	1,41,451
<b>V. Profit before tax</b>	(III - IV)	<b>65,11,481</b>	2,57,361
<b>VI. Tax expense:</b>			
(1) Current tax		37,73,000	1,31,000
(2) Deferred tax		1,069	(43,995)
<b>VII. Profit for the year</b>	(V - VI)	<b>27,37,412</b>	1,70,356
<b>VIII. Earnings per equity share:</b>			
(1) Basic		54.75	3.41
(2) Diluted		54.75	3.41

Significant Accounting Policies and notes forming part of Financial Statements

1

For and on behalf of the board of Directors

As per our report annexed  
For V SANKAR AIYAR & CO.,  
Chartered Accountants  
Firm Registration No. 109208W

S G MURALI  
Director

C MUKUNDHAN  
Director

S VENKATARAMAN  
Partner  
Membership No. 23116

Chennai  
24<sup>th</sup> April 2015

# TVS HOUSING LIMITED

## Notes forming part of the financial statement

### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF FINANCIAL STATEMENTS

#### 1. Corporate Information

TVS Housing Limited is a public limited company incorporated under the provisions of The Companies Act, 1956 during 2009-10. It is a wholly owned subsidiary of TVS Motor Company Limited.

#### 2. Summary of Significant Accounting Policies:

##### 2.1. Basis of Preparation

The financial statements of the Company are prepared under historical cost convention in accordance with generally accepted accounting principles and accounting standards referred to in the Companies (Accounting Standards) Rules, 2006 as per general circular 15/2013 dated 13th September 2013 under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis.

##### 2.2. Use of Estimates

The preparation of financial statements requires the management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The Management believes that these estimates and assumptions are reasonable and prudent.

##### 2.3. Operating Cycle

The normal operating cycle in respect of operation relating to real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed & realization of project into cash & cash equivalents and range from 3 to 7 years. Accordingly Assets & Liabilities have been classified into current & non-current based on operating cycle of respective projects.

##### 2.4. Inventories

###### Stock in Trade

Land is valued at lower of cost or market value. Cost includes cost of acquisition and all related costs. Cost of land gifted as part of development is added to the remaining saleable land.

##### 2.5. Revenue Recognition

The revenue from sale of land is recognised on transferring all significant risk and rewards of ownership on land to the buyers and company does not retain any effective control over the same.

Interest revenue is recognised on time proportion basis taking into account the outstanding amount and the applicable interest rate.

##### 2.6. Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

##### 2.7. Provisions & Contingencies

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires outflow of resources, which can be reliably estimated.

##### 2.8. Cash & Cash Equivalents

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand.

##### 2.9. Impairment

The carrying amounts of assets are reviewed at each balance sheet date for indication of any impairment based on internal/external factors. An impairment loss is recognized wherever for carrying amount of the assets exceeds its recoverable amount. Any such impairment loss is recognized by charging it to the statement of profit and loss. A previously recognized impairment loss is reversed where it no longer exists and the assets are restated to the effect.

### 3. Deferred tax assets / (liabilities)

The break-up of Deferred tax (asset) / liabilities are as under:

Timing Difference	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
<b>Deferred Tax Liabilities:</b>		
Relating to:		
Difference between book and tax depreciation	-	-
<b>Deferred Tax Assets:</b>		
Relating to:		
Preliminary Expenses	-	(1,069)
Business loss carried forward	-	-
Net Deferred Tax (Asset) / Liability	-	(1,069)

### 4. Related Party Disclosure

Reporting Entity	: TVS Housing Limited, Chennai
Holding Companies	: TVS Motor Company Limited, Chennai Sundaram-Clayton Limited, Chennai
Ultimate Holding Company	: T V Sundram Iyengar & Sons Private Limited, Madurai

#### Fellow Subsidiaries:

<b>Name of the Companies</b>	: Sundaram Auto Components Limited, Chennai TVS Motor (Singapore) Pte Limited, Singapore TVS Motor Company (Europe) B.V, Netherlands PT. TVS Motor Company Indonesia, Jakarta Sundaram Business Development Consulting (Shanghai) Co. Ltd, China Sundaram-Clayton (USA) Limited, USA Southern Roadways Limited, Madurai Sundaram Industries Private Limited, Madurai Sundaram Lanka Tyres Limited, Sri Lanka Pusam Rubber Products Limited, Madurai The Associated Auto Parts Limited, Mumbai TVS Interconnect Systems Limited, Madurai NSM Holdings Limited, Madurai NK Telecom Products Limited, Madurai NK Tele Systems Limited, Madurai TVS Automobile Solutions Limited, Madurai Rajgarhia Automobile Solution Limited, Kolkata Essex Automobile Solutions Limited, Gujarat TVS Insurance Broking Limited, Coimbatore Focuz Automobile Services Limited, Kerala GS Automotive Service Equipments (Chennai) Private Limited, Madurai SANRAV Automobile Solutions (Chennai) Private Limited, Madurai Lucas-TVS Limited, Chennai Lucas Indian Service Limited, Chennai TVS Automotive Systems Limited, Chennai Sundaram Textiles Limited, Madurai Sundaram Investment Limited, Chennai TVS Capital Funds Limited, Chennai TVS Electronics Limited, Chennai Prime Property Holdings Limited, Chennai TVS-E Access (India) Limited, Chennai TVS Training and Services Limited, Chennai Sundaram Engineering Products Services Limited, Chennai Uthiram Rubber Products Limited, Madurai NCR Auto Cars Limited, New Delhi SNS Warranty Solutions Limited Gallant E-Access Private Limited
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# TVS HOUSING LIMITED

## Notes forming part of the financial statement - (continued)

			(Amount in Rs.)			
			As at Year ended 31-03-2015		As at Year ended 31-03-2014	
5.	<b>Capital and Other Commitments</b>					
		As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014			
	i. Estimated amount of contracts remaining to be executed on Capital account and not provided for	Nil	Nil			
	ii. Estimated amount of other commitments	Nil	Nil			
6.	<b>Contingent Liabilities</b>					
		As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014			
	Claims against company not acknowledged as debts	Nil	Nil			
7.	<b>Additional information – Required to be disclosed under clause 5(viii):</b>					
		As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014			
	a. Expenditure in foreign currency	Nil	Nil			
	b. Earnings in foreign currency	Nil	Nil			
8.	There are no vendors covered under MSMED Act and hence disclosures required to be given under Section 22 of MSMED ACT, 2006 does not arise.					
9.	<b>Auditors' remuneration</b> (included under other expenses)					
		As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014			
	Payments to Auditors as					
	a. Statutory Audit	1,00,000	84,270			
	b. Tax Audit	50,000	-			
10.	During the year, The Company gifted 1.42 acres of land (3.47 acres in FY 2012-13) to CMDA (Chennai Metropolitan Development Authority) under Development Regulation No. 9 forming part of Second Master Plan for Chennai Metropolitan area and prepared under Tamil Nadu Town Country Planning Act, 1971. Further the Company has transferred 4.36 (P.Y. Nil) acres of land to buyers by way or registration of UDS (Undivided Share), bringing the total extent of the land to 6.90 acres (P.Y. 12.68 acres).					
	Through MOU entered into on 12 <sup>th</sup> May 2012, the Company has appointed Emerald Haven Realty Ltd (EHRL) to build and sell houses on their land.					
11.	In the opinion of the management, the current assets, loans & advances have a value of realisation in ordinary course of business or atleast equal to the amount at which they are stated in the balance sheet.					
11.	Figures of previous year have been regrouped and reclassified, wherever required.					
	<b>NOTE 2 SHARE CAPITAL</b>					
	(i) <b>Share Capital Information</b>					
	<b>Authorised</b>					
	Equity Shares of Rs.10/- each	50,000	5,00,000	50,000	5,00,000	
	<b>Issued</b>					
	Equity Shares of Rs.10/- each	50,000	5,00,000	50,000	5,00,000	
	<b>Subscribed &amp; Paid up</b>					
	Equity Shares of Rs.10/- each fully paid	50,000	5,00,000	50,000	5,00,000	
	(ii) <b>Share Capital reconciliation</b>					
		Equity Shares Number	Equity Shares Value	Equity Shares Number	Equity Shares Value	
	Shares outstanding at the beginning of the year	50,000	5,00,000	50,000	5,00,000	
	Shares outstanding at the end of the year	50,000	5,00,000	50,000	5,00,000	
	(iii) <b>Terms / Rights attached to Equity Shares</b>					
	Every shareholder is entitled to such rights as to attend meeting of the shareholders, to receive dividends distributed. There are no restrictions attached to equity shares.					
	(iv) <b>Shares held by holding company</b>					
		As at Year ended 31.03.2015	As at Year ended 31.03.2014			
		No. of shares held	% of holding	No. of shares held	% of holding	
	TVS Motor Company Limited with Nominees	50,000	100%	50,000	100%	
	<b>NOTE 3 RESERVES AND SURPLUS</b>					
	<b>A. Surplus / (Deficit) in Statement of Profit &amp; Loss</b>					
	Balance as per Last Financial Statements			1,49,266	(21,090)	
	Profit for the year			27,37,412	1,70,356	
	Closing Balance in Statement of Profit & Loss			28,86,678	1,49,266	
	<b>NOTE 4 TRADE PAYABLES</b>					
	Payable to Micro, Small & Medium Enterprises			-	-	
	Payable to others			1,53,540	4,90,796	
	<b>NOTE 5 OTHER CURRENT LIABILITIES</b>					
	Other Payables					
	(i) Statutory Remittances			15,000	7,500	
	(ii) Others					
	Security Deposit received			14,35,12,008	22,30,77,659	
	Advance received for Sale of land			3,25,13,360	6,69,22,341	
				17,60,40,368	29,00,07,500	
	<b>NOTE 6 DEFERRED TAX ASSET</b>			-	1,069	
	<b>NOTE 7 INVENTORIES</b>					
	Stock-in-trade					
	Land			16,82,08,739	27,44,17,481	

For and on behalf of the board of Directors

Chennai  
24<sup>th</sup> April 2015

S G MURALI  
Director

C MUKUNDHAN  
Director

As per our report annexed  
For V SANKAR AIYAR & CO.,  
Chartered Accountants  
Firm Registration No. 109208W  
S VENKATARAMAN  
Partner  
Membership No. 23116

# TVS HOUSING LIMITED

## Notes forming part of the financial statement - (continued)

	As at Year ended 31-03-2015	(Amount in Rs.) As at Year ended 31-03-2014		As at Year ended 31-03-2015	(Amount in Rs.) As at Year ended 31-03-2014
<b>NOTE 8 CASH AND CASH EQUIVALENTS</b>			<b>NOTE 13 COST OF SALES</b>		
a. Balances with banks			Inventories at the beginning of the year		
In Current Account with Scheduled Banks	15,28,329	37,15,996	Land Stock	27,44,17,481	27,44,17,481
Fixed Deposits with Banks	35,00,000	35,00,000		27,44,17,481	27,44,17,481
	<u>50,28,329</u>	<u>72,15,996</u>	Incurrred during the year		
			Land Stock	1,68,590	-
<b>NOTE 9 SHORT-TERM LOANS &amp; ADVANCES</b>			Inventories at the end of the year		
(Unsecured, considered good)			Land Stock	16,82,08,739	27,44,17,481
a. Balance with government authorities				16,82,08,739	27,44,17,481
Advance tax and TDS receivable (Net of Provision)	63,03,564	3,605		<u>10,63,77,332</u>	<u>-</u>
Service tax credit receivable	18,540	1,83,525	<b>NOTE 14 OTHER EXPENSES</b>		
b. Others			Audit Fees	1,50,000	75,000
Advances recoverable in cash or in kind	13,000	93,21,053	Bank Charges	906	213
	<u>63,35,104</u>	<u>95,08,183</u>	Consultancy and Professional Charges	40,731	33,035
<b>NOTE 10 OTHER CURRENT ASSETS</b>			Advance written off	12,63,973	-
Interest Accrued on deposits	<u>8,414</u>	<u>4,833</u>	Miscellaneous Expenses	687	27,169
<b>NOTE 11 OPERATING REVENUE</b>			Rates & Taxes	43,879	6,034
Income from sale of land	11,39,74,632	-		<u>15,00,176</u>	<u>1,41,451</u>
	<u>11,39,74,632</u>	<u>-</u>	<b>NOTE 15 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)</b>		
<b>NOTE 12 OTHER INCOME</b>			(i) Contingent Liabilities		
Interest Income	3,93,565	3,98,812	(a) Claims against the company not acknowledged as debt	-	-
Interest on IT refund	5,148	-	(b) Guarantees	-	-
Miscellaneous income	15,644	-	(c) Other money for which the company is contingently liable	-	-
	<u>4,14,357</u>	<u>3,98,812</u>	(ii) Commitments		
			(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
			(b) Other commitments (specify nature)	-	-
				-	-

For and on behalf of the board of Directors

As per our report annexed  
For V SANKAR AIYAR & CO.,  
Chartered Accountants  
Firm Registration No. 109208W

Chennai  
24<sup>th</sup> April 2015

S G MURALI  
Director

C MUKUNDHAN  
Director

S VENKATARAMAN  
Partner  
Membership No. 23116

# TVS HOUSING LIMITED

## Cash Flow Statement for the period ended 31<sup>st</sup> March 2015

		For the Year ended 31.03.2015	(Amount in Rs.) For the Year ended 31.03.2014
<b>A. Cash flow from operating activities:</b>			
Profit before tax and extraordinary items		65,11,481	2,57,361
Add: Depreciation for the year		-	-
Interest Income		<u>(4,14,357)</u>	<u>(3,98,812)</u>
<b>Operating Profit before Working Capital Changes</b>		<u>60,97,124</u>	<u>(1,41,451)</u>
Adjustments for:			
Trade Payables		(3,37,256)	-
Current Liabilities		(11,39,67,132)	(1,00,25,282)
Inventories		10,62,08,742	-
Loans and Advances		(1,06,39,245)	(10,14,538)
Other Current Assets		-	2,05,975
<b>Cash generated from operations</b>		<u>(1,87,34,891)</u>	<u>(1,08,33,845)</u>
Income Taxes (Paid) / Refund Receivable Net		1,00,39,324	80,266
<b>Net cash from operating activities</b>	(A)	<u>(25,98,443)</u>	<u>(1,08,95,030)</u>
<b>B. Cash flow from investing activities</b>			
Purchase of fixed assets / Proceeds from Sale of Fixed Assets		-	12,58,043
Interest received		<u>4,10,776</u>	<u>3,98,812</u>
<b>Net cash from / (used in) investing activities</b>	(B)	<u>4,10,776</u>	<u>16,56,855</u>
<b>C. Cash flow from financing activities</b>			
Net cash from financing activities	(C)	-	-
<b>D. Net increase in cash and cash equivalents</b>	(A) + (B) + (C)	<u>(21,87,667)</u>	<u>(92,38,175)</u>
Cash and cash equivalents at the beginning of the year		<u>72,15,996</u>	<u>1,64,54,171</u>
Cash and cash equivalents at the end of the year		<u>50,28,329</u>	<u>72,15,996</u>

For and on behalf of the board of Directors

Chennai  
24<sup>th</sup> April 2015

S G MURALI  
Director

C MUKUNDHAN  
Director

As per our report annexed  
For V SANKAR AIYAR & CO.,  
Chartered Accountants  
Firm Registration No. 109208W

S VENKATARAMAN  
Partner  
Membership No. 23116

# TVS MOTOR (SINGAPORE) PTE. LIMITED

## Report of the Directors

The directors present their report together with the audited financial statements of the Company for the financial year ended 31 March 2015.

### 1. DIRECTORS

The directors of the company in office at the date of this report are:

Venu Srinivasan  
Hari Hara Iyer Lakshmanan  
Seenivasan Elayalwar  
Nihal Vijaya Devadas Kaviratne

### 2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

### 3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors who held office at the end of the financial year, had no interests in the share capital of the company and related corporations as recorded in the register of directors' shareholdings required to be kept by the company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act").

### 4. DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the the Act,

by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has substantial financial interest.

### 5. OPTIONS TO TAKE UP UNISSUED SHARES

During the financial year, no option to take up unissued shares of the company was granted.

### 6. OPTIONS EXERCISED

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

### 7. UNISSUED SHARES UNDER OPTION

At the end of the financial year, there were no unissued shares under option.

### 8. INDEPENDENT AUDITORS

The independent auditors, Rama & Co., Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

VENU SRINIVASAN  
Director

HARI HARA IYER LAKSHMANAN  
Director

Singapore,  
28 April 2015

## Statement by Directors

We, being two of the directors of the company, do hereby state that in our opinion:-

- the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2015, and of the results of the business, changes in equity and cash flows of the company for the financial year ended on that date;
- at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due, and
- no consolidated financial statements have been prepared as the company itself is wholly-owned by another corporation which prepares consolidated financial statements.

On behalf of the Board of Directors

VENU SRINIVASAN  
Director

HARI HARA IYER LAKSHMANAN  
Director

Singapore,  
28 April 2015

## Independent Auditors' report to the Members of TVS Motor (Singapore) Pte. Limited

### Report on the financial statements

We have audited the accompanying financial statements of **TVS MOTOR (SINGAPORE) PTE. LIMITED**, which comprise the statement of financial position as at 31 March 2015, and statement of comprehensive income, statement of changes in equity and statement of cash flow and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for financial statements

Management is responsible for the preparation of consolidated financial statements to give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets.

### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act, and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2015 and the results, changes in equity and cash flows of the company for the year ended on that date.

### Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

**RAMA & CO.**  
**PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS**  
**SINGAPORE**

Singapore,  
28 April 2015

## TVS MOTOR (SINGAPORE) PTE. LIMITED

### STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	2015 S\$	2014 S\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiary	(8)	63,967,275	63,967,275
Total non-current assets		63,967,275	63,967,275
<b>Current assets:</b>			
Other receivable	(9)	10,931,992	10,063,934
Bank balance	(10)	493,711	81,425
Total current asset		11,425,703	10,145,359
<b>Total assets</b>		<b>75,392,978</b>	<b>74,112,634</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital reserve:</b>			
Share capital	(11)	64,364,301	64,364,301
Accumulated losses		(597,860)	(438,772)
Total equity		63,766,441	63,925,529
<b>Current liabilities:</b>			
Other payables	(12)	11,626,537	10,187,105
Total current liabilities		11,626,537	10,187,105
<b>Total equity and liabilities</b>		<b>75,392,978</b>	<b>74,112,634</b>

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Share Capital S\$	Accumulated Losses S\$	Total S\$
Balance as at 1 April 2013	64,364,301	(427,893)	63,936,408
Total comprehensive loss for the year	–	(10,879)	(10,879)
Balance as at 31 March 2014	64,364,301	(438,772)	63,925,529
Total comprehensive loss for the year	–	(159,088)	(159,088)
Balance as at 31 March 2015	64,364,301	(597,860)	63,766,441

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 S\$	2014 S\$
<b>Revenue</b>			
Revenue		–	–
<b>Other income</b>	(13)	<b>919,094</b>	–
Administrative expenses		(17,345)	(10,879)
Finance cost	(14)	(1,060,837)	–
<b>Loss before income tax</b>		<b>(159,088)</b>	(10,879)
Income tax	(15)	–	–
<b>Loss for the year</b>	(16)	<b>(159,088)</b>	(10,879)
<b>Other comprehensive income</b>		<b>–</b>	–
<b>Total comprehensive loss for the year</b>		<b>(159,088)</b>	(10,879)

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

### STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2015

	2015 S\$	2014 S\$
<b>Cash flow from operating activities:</b>		
Loss before income tax	(159,088)	(10,879)
Adjustment for:		
Foreign currency exchange adjustment	(209)	–
Interest income	(896,256)	–
Interest expense	881,586	–
Operating loss before working capital changes	(173,967)	(10,879)
Other receivables	–	(10,063,934)
Other payables	133,439	10,144,840
<b>Net cash (used in) / from operating activities</b>	<b>(40,528)</b>	<b>70,027</b>
<b>Investing activities:</b>		
Interest received	896,256	–
<b>Financing activities:</b>		
Interest paid	(881,586)	–
Share application money received	438,144	–
<b>Net cash used in financing activities</b>	<b>(443,442)</b>	–
Net increase in bank balance	412,286	70,027
Bank balance at beginning of year	81,425	11,398
<b>Bank balance at end of the year</b>	<b>493,711</b>	<b>81,425</b>

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

# TVS MOTOR (SINGAPORE) PTE. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

### 1. GENERAL

#### a) Corporate Information

TVS Motor (Singapore) Pte. Limited ("the company") (Registration number: 200301438H) is a private limited company, which is incorporated and domiciled in the Republic of Singapore with its registered office at:

17 Phillip Street #05-01  
Grand Building  
Singapore 048695

The principal activities of the company are to carry on the business as an investment holding company.

#### b) Authorisation of financial statements for issue

The financial statements of the company for the year ended 31 March 2015 were authorised for issue in accordance with the directors' resolution dated 28 April 2015.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1. Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up and in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS")

Historical cost is generally based on the fair value of the consideration given in the exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102, leasing transactions that are within the scope of FRS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 or value in use in FRS 36.

In addition, for financial reporting purpose, fair value measurements are described in Note 5.

The preparation of financial statements in conformity with FRS requires management to exercise its judgments in the process of applying the company's accounting policies. It also requires the use of accounting estimates and assumptions. The areas involving a higher degree of judgment or complexity or areas where assumption and estimates are significant to the financial statements are disclosed in Note 4.

#### 2.2. Changes in Accounting Policies

##### a) Adoption of new and revised FRSs and INT FRSs

In the current financial year, the company has adopted all the new and revised FRSs and INT FRSs issued by the ASC that are relevant to its operations and effective for annual year beginning on 1 April 2014. The adoption of these new/ revised FRSs and INT FRSs does not result in changes to the company's accounting policies and has no material effect on the financial statements.

##### b) Standards issued but not yet effective

At the date of authorisation of financial statements, the following FRSs, INT FRSs and amendments that are relevant to the Company were issued but not effective are as follows:

Reference	Description	Effective of annual periods beginning on or after
FRS 19	Amendments to FRS 19 - Defined Benefit Plans: Employee Contribution	1 July 2014
FRS 113	Fair value Measurements	1 July 2014
FRS 115	Revenue from Contracts with Customers	1 January 2017
FRS 109	Financial Instruments	1 January 2018
FRS 115	Revenue from Contracts with Customers	1 January 2017

The directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application.

##### c) Improvements to FRSs issued in 2014

INT FRS and amendments issued in 2014 that are relevant to the company were issued but not effective are as follows:

Reference	Description	Effective for annual periods beginning on or after
FRS 16	Revaluation method - proportionate restatement of accumulated depreciation	1 July 2014
FRS 24	Key management personnel	1 July 2014
FRS 103	Scope exceptions for joint ventures	1 July 2014
FRS 113	Scope of paragraph 52 (portfolio exception)	1 July 2014
FRS 105	Changes in methods of disposal	1 January 2016
FRS 107	Servicing contracts	1 January 2016

The improvement contains amendments to numerous accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments.

The management expects that the adoption of the improvements to FRSs above will have no material impact on the financial statements in the period of initial application.

#### 2.3. Functional and Foreign Currency

##### a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (the "functional currency"). The financial statements of the company are presented in Singapore dollar, which is also the functional currency of the Company.

##### b) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss.

#### 2.4. Subsidiary

Subsidiary is an entity controlled by the company. Control exists when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. An investment in subsidiary is carried at cost less any impairment in net recoverable value that has been recognised in the profit or loss.

#### 2.5. Impairment of Non-financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

## TVS MOTOR (SINGAPORE) PTE. LIMITED

### 2.6. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates that have been enacted.

#### b) Deferred tax

Deferred tax is provided, using the liability method on all temporary differences at the end of reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at that time of the transaction, affects neither accounting profit or loss nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences carry-forward of unutilised tax assets and unutilised tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unutilised tax assets and unutilised tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arise from the initial recognition of an asset or liability in a transaction and at the time of transaction affects neither the accounting profit or loss nor taxable profit or loss.

The carrying amount of a deferred tax asset is reviewed at the each of reporting period and reduced to the extent that it is not longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 2.7. Related Parties

A related party is a person or an entity related to the company and is further defined as follows:

- a) A person or a close member of that person's family is related to the company if that person:
  - i) has control or joint control over the reporting entity;
  - ii) has significant influence over the reporting entity; or
  - iii) is a member of the key management personnel of the company or of a parent of the company.
- b) An entity is related to a company if:
  - i) the entity and the company are members of the same group i.e each parent, subsidiary and fellow subsidiary;
  - ii) one entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a group of which the other entity is a member;
  - iii) both entities are joint ventures of the same third party;
  - iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - v) the entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;

- vi) the entity is controlled or jointly controlled by a person identified in (a); or
- vii) a person identified in (a) has significant influence over the company or is a member of the key management personnel of the company or of a parent of the company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the company.

Related party transactions and outstanding balances disclosed in the financial statement are in accordance with the above definition as per FRS24.

### 2.8. Provisions

Provisions are recognised when the company has present obligations (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### 2.9. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future event not wholly within the control of the company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When changes in the probability of an outflow occur so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the company.

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

### 2.10. Events after the Reporting Period

Events after the reporting period that provide additional information about the company's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes the financial statements when material.

## 3. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

### 3.1. Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

## 3.2. Financial assets

Financial assets within the scope of FRS 39 are recognised on the statement of financial position when and only when the Company becomes a party to the contractual provision of the financial instruments. The classification of the financial assets depends on the purpose of which the assets were required.

### a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Other receivable and bank balance are classified within loans and receivables on the statement of financial position.

#### i) Other receivable

Other receivable is recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of other receivable is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in profit or loss.

#### ii) Bank balance

Bank balance comprises the total amount of money held at the bank by the company.

### b) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment loss not been recognised.

### c) Derecognition of financial assets

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in profit or loss.

## 3.3. Equity and Financial Liabilities

Equity instruments issued by the company and financial liabilities are classified accordingly to the substance of the contractual arrangements entered into and the definitions of an equity instrument and a financial liability.

### a) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

### b) Financial liabilities

Other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

### c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respectively carrying amounts is recognised in profit or loss.

## 3.4. Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is legally enforceable right to offset the recognised amounts and there is an obligation to settle on a net basis, or realise the asset and settle the liability simultaneously.

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

### 4.1. Critical Accounting judgements

In the application of the company's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### Determination of functional currency

In determining the functional currencies of the company, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the company are determined based on management's assessment of the primary economic environment in which the company operates and the company's process of determining sales prices.

### 4.2. Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### i) Impairment of investment in subsidiary

The company follows the guidance of FRS 36 in determining the recoverability of its investments in subsidiary. This requires assessment as to whether the carrying values of its investment can be supported by the net present values of future cash flows derived from such investment using cash flow projections which have been discounted at an appropriate rate. This determination requires significant judgement. The company determines forecasts of future cash flows based on its estimates of future revenues and operating expenses using historical and industry trends, general market conditions, forecasts and other available information.

#### ii) Impairment of other receivable

The company assesses at the end of the reporting period whether there is any objective evidence that a financial assets is impaired. To determine whether there is objective evidence of impairment, the company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of other receivable is disclosed in Note 9 to the financial statements.

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### 5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT AND CAPITAL MANAGEMENT

#### 5.1. Categories of financial assets and liabilities

	2015	2014
	S\$	S\$
<b>Financial assets</b>		
Other receivable	10,931,922	10,063,934
Bank balance	493,711	81,425
	<u>11,425,703</u>	<u>10,145,359</u>
<b>Financial liability</b>		
Other payables	<u>11,626,537</u>	<u>10,187,105</u>

#### 5.2. Financial Risks Management Policies and Objectives

The company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The Company, however, does not have any written risk management policies and guidelines. The management meet periodically to analyse, formulate and monitor the following risk management of the company and believe that the financial risks associated with these financial instruments are minimal. The Company adopt systematic approach towards risk assessment and management. This is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, and monitoring and reporting of risk profile.

##### a) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations to repay amounts owing to company resulting in a loss to the company. The company's primary exposure to credit risk arises through its bank balance and related party balances. It is the company's policy to enter into transactions with creditworthy customers and high credit rating counter-parties to mitigate any significant credit risk. The company has procedures in place to control credit risk and that exposure to such risk is monitored on an ongoing basis.

As the company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

##### Financial assets that are neither past due nor impaired

Bank balance that is neither past due nor impaired is mainly deposit with bank with high credit ratings assigned by international credit-rating agencies. Other receivable that is neither past due nor impaired is substantially company with a good credit record with the company.

##### Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and / or impaired.

##### b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market interest rate.

The company has bank balance that is non-interest bearing, therefore has no exposure to cash flow interest rate risk.

No interest rate sensitivity analysis is disclosed as the impact of changes in interest rate is not expected to be material.

##### c) Foreign currency exchange rate risk

Foreign currency exchange rate risk arose from the change in foreign exchange rates that may have an adverse effect on the company in the current reporting period and in the future periods.

The company transacts mainly in Singapore dollar. Foreign currency exchange exposures are naturally hedged as both trade purchases and sales are denominated in the above currency. This natural hedge reduces significantly the financial impact of movements in the foreign currency exchange rates. Management believes that the foreign exchange rate risk is manageable. Hence, the company does not use derivative financial instruments to mitigate this risk.

The company's exposure to foreign currency exchange rate risk in equivalent Singapore dollar is as follows:

	2015	2014
	S\$	S\$
<b>In Singapore dollar</b>		
<b>Financial asset</b>		
Other receivable	10,931,922	10,063,934
Bank balance	493,711	81,425
	<u>11,425,703</u>	<u>10,145,359</u>
<b>Financial liability</b>		
Other payables	11,621,087	10,167,225
Net exposure	<u>(195,384)</u>	<u>(21,866)</u>

##### Sensitivity analysis

A 5% increase or decrease is used when reporting foreign currency exchange rate risk internally to key management personnel and represents management's assessment of the possible change in foreign currency exchange rates.

A 5% strengthening of Singapore dollar against the following currency would increase / (decrease) profit or loss and equity by the amount shown below:

	2015	2014
	S\$	S\$
US \$ impact	<u>(9,769)</u>	<u>(1,093)</u>

A 5% weakening of Singapore dollar against the above currency would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

##### d) Liquidity risk management

Liquidity risk refer to risk that the company will not have sufficient funds to pay its debts as and when they fall due.

In the management of the liquidity risk, the company monitors and maintains a level of bank balances deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuations in cash flows.

The following table summarises the company's remaining contractual maturity for its non-derivative financial instruments at the end of the reporting period based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the company is expected to receive or pay.

	2015	Effective interest rate (%)	Within 1 year	Within	Total
			of repayable on demand	2 to 5 year	
			S\$	S\$	S\$
<b>Financial assets</b>					
Other receivable		-	10,931,922	-	10,931,922
Bank balance		-	493,711	-	493,711
		-	<u>11,425,703</u>	-	<u>11,425,703</u>
<b>Financial liabilities</b>					
Other payables		-	11,626,537	-	11,626,537
	2014	Effective interest rate (%)	Within 1 year	Within	Total
			of repayable on demand	5 year	
			S\$	S\$	S\$
<b>Financial assets</b>					
Other receivable		-	10,063,934	-	10,063,934
Bank balances		-	81,425	-	81,425
		-	<u>10,145,359</u>	-	<u>10,145,359</u>
<b>Financial liability</b>					
Other payables		-	10,187,105	-	10,187,105

## TVS MOTOR (SINGAPORE) PTE. LIMITED

### e) Fair value of financial assets and financial liabilities

The carrying amounts of other receivable, bank balance and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

### 5.3. Capital Risk Management Policies and Objectives

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as other payables less bank balance. Total capital is calculated as equity and net debt. The company's overall strategy remains unchanged during the period.

	2015	2014
	S\$	S\$
Other payables	11,626,537	10,187,105
Less: Bank balance	(493,711)	(81,425)
Net debts	11,132,826	10,105,680
Total equity	63,766,441	63,925,529
Total capital	74,899,267	74,031,209
Gearing ratio	15%	14%

The company is not subject to externally imposed capital requirements.

### 6. HOLDING COMPANY

The company is wholly-owned subsidiary of TVS Motor Company Ltd, incorporated in India. The company's ultimate holding company is Sundaram-Clayton Limited, incorporated in India. The registered office of the holding company is at 29 (Old No.8) Haddows Road, Chennai 600006, India.

Some of the company's transactions and arrangements are between members of the company and the effects of these on the basis determined between the parties are reflected in these financial statements.

Significant holding company transactions:

	Group	
	2015	2014
	S\$	S\$
Interest expenses	881,586	-

### 7. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements.

Significant related party transactions:

	Group	
	2015	2014
	S\$	S\$
Interest income	896,256	-

### 8. INVESTMENT IN SUBSIDIARY

	2015	2014
	S\$	S\$
Unquoted equity shares at cost		
Balance at beginning and end of year	63,967,275	63,967,275

Details of the subsidiary are as follows:

Name of subsidiary/ Country of incorporation	Principal activity	Proportion of ownership Interest	
		2015	2014
PT. TVS Motor Company Indonesia	Manufacturers of Motorcycles, motorcycles spare parts and accessories.	38%	61%

### a) Exemption from consolidation

One set of consolidated financial statements of the company and its subsidiary is not prepared as the company itself is wholly-owned by another corporation which prepares consolidated financial statements available for public use. The registered office of the holding company, TVS Motor Company Ltd is at 29 (Old No. 8) Haddows Road, Chennai 600006, India.

### b) Impairment loss

As at the end of the reporting period, the company carried out a review on the recoverable amount of its investment in subsidiary. The review revealed no impairment in value required during the financial year. The recoverable amount of the relevant investment in subsidiary has been determined on the basis of their net assets values at the end of the reporting period as in the opinion of the management of the company, the net assets value of the subsidiary reasonably approximate the fair values less costs to sell.

### c) Others

The subsidiary's financial statements were audited by M/s Osman Bing Satrio & Eny, Registered Public Accountants, in Indonesia.

### 9. OTHER RECEIVABLE

	2015	2014
	S\$	S\$
Amount due from subsidiary (Note 8)	10,931,992	10,063,934

The amount due from subsidiary is unsecured and repayable on demand.

The interest is receivable semi-annually on 30<sup>th</sup> June and 31<sup>st</sup> December of each year and is calculated at 8.25% on a 360 day year basis.

The carrying amount of other receivable, which approximates its fair value is denominated in United States dollar.

### 10. BANK BALANCES

	2015	2014
	S\$	S\$
Cash at bank	493,711	81,425

The carrying amount of bank balance, which approximates its fair value is denominated in United States dollars.

### 11. SHARE CAPITAL

	2015	2014	2015	2014
	Number of ordinary shares		S\$	S\$
Issued and Paid Up:	64,364,301	64,364,301	64,364,301	64,364,301

The company has one class of ordinary shares with no par value, which carry one vote per share and carry a right to dividends and when declared by the company.

### 12. OTHER PAYABLES

	2015	2014
	S\$	S\$
Holding Company (Note 6)	11,050,704	10,182,855
Share application money	438,144	-
Withholding tax payable	132,239	-
Accrued expenses	5,450	4,250
	11,626,537	10,187,105

The amount due to holding company is unsecured and repayable on demand.

The interest is payable semi-annually on 30<sup>th</sup> June and 31<sup>st</sup> December of each year and is calculated at 8% per annum.

The carrying amounts of other payables, which approximate their fair values, are denominated in the following currencies:

	2015	2014
	S\$	S\$
Singapore dollar	5,450	19,880
United States dollar	10,621,087	10,167,225
	11,626,537	10,187,105

### 13. OTHER INCOME

	2015	2014
	S\$	S\$
Foreign currency exchange adjustment gain	22,838	-
Interest income	896,256	-
	919,094	-

### 14. FINANCE COST

	2015	2014
	S\$	S\$
Interest expenses	881,586	-
Withholding tax	179,251	-
	1,060,837	-

## TVS MOTOR (SINGAPORE) PTE. LIMITED

### 15. INCOME TAX

The income tax expense varied from the amount of income tax determined by applying the Singapore income tax rate of 17% (2014: 17%) to profit before income tax as a result of the following differences:

	2015 S\$	2014 S\$
Loss before income tax	(159,088)	(10,879)
Income tax expense / (benefit) at statutory rate of 17% (2014: 17%)	(27,045)	(1,849)
Income tax effect of:		
- non-taxable items	(3,882)	-
- unutilised tax losses c/f	30,927	1,849
	<u>-</u>	<u>-</u>

The company has carry forward tax losses available for offsetting against future taxable income as follow:

	2015 S\$	2014 S\$
Tax losses		
Amount at beginning of year	10,879	-
Amount in current year	181,926	10,879
Amount at end of year	192,805	10,879
Deferred tax benefit on above unrecorded	<u>32,777</u>	<u>1,849</u>

The realisation of the future income tax benefits from tax loss carry forward is available for an unlimited period subject to the conditions imposed by law including the retention of majority shareholders as defined.

The deferred tax benefit of the remaining tax loss carried forward has not been recognised in the financial statements because it is not probable that the future taxable profit will be available against which the company can utilise the benefits thereon.

### 16. LOSS FOR THE YEAR

Loss for the year has been arrived at after (crediting) charging:

	2015 S\$	2014 S\$
Foreign currency exchange adjustment gain	<u>(22,838)</u>	<u>20</u>

### 17. EVENTS AFTER THE REPORTING PERIOD

No items, transactions or events of material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the company for the succeeding financial year.

#### Detailed statement of Profit or Loss for the year ended 31 March 2015

	2015 S\$	2014 S\$
<b>Revenue</b>	-	-
<b>Other income</b>		
Foreign currency exchange adjustment gain	22,838	-
Interest income	896,256	-
	<b>919,094</b>	<b>-</b>
<b>Less: Operating expenses</b>		
<b>Administrative expenses</b>		
Accounting fee	800	500
Auditors' remuneration	3,000	3,000
Bank charges	1,361	338
Foreign currency exchange adjustment loss	-	20
Printing and stationery	150	50
Professional fee	2,550	750
Secretarial fees and charges	9,484	6,221
<b>Finance cost</b>		
Interest expense	881,586	-
Withholding tax	179,251	-
	<b>(1,078,182)</b>	<b>(10,879)</b>
<b>Net loss for the year</b>	<b>(159,088)</b>	<b>(10,879)</b>

This schedule does not form part of the statutory audited financial statements.

**RE-STATED ACCOUNTS OF  
TVS MOTOR (SINGAPORE) PTE. LIMITED**

# TVS MOTOR (SINGAPORE) PTE. LIMITED

## BALANCE SHEET AS AT 31 MARCH 2015

Sl. No.	Particulars	Note Number	Singapore \$ Mn	Rupees in crores
			As at 31.03.2015	As at 31.03.2015
<b>I EQUITY AND LIABILITIES</b>				
1	Shareholders' funds			
	(a) Share capital	I	64.36	201.20
	(b) Reserves and surplus	II	(0.60)	(5.98)
2	Share application money pending allotment		0.44	2.01
2	Non-current liabilities			
	(a) Long-term borrowings		-	-
	(b) Deferred tax liabilities (Net)		-	-
	(c) Long-term provisions		-	-
3	Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Trade payables		-	-
	(c) Other current liabilities	III	11.19	50.76
	(d) Short-term provisions		-	-
	<b>Total</b>		<u>75.39</u>	<u>247.99</u>
<b>II ASSETS</b>				
1.	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets		-	-
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	IV	63.97	196.12
	(c) Long-term loans and advances	V	10.93	49.62
	(d) Other non current assets		-	-
2.	Current assets			
	(a) Current investments		-	-
	(b) Inventories		-	-
	(c) Trade receivables		-	-
	(d) Cash and cash equivalents	VI	0.49	2.25
	(e) Short-term loans and advances		-	-
	(f) Other current assets		-	-
	<b>Total</b>		<u>75.39</u>	<u>247.99</u>

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

Sl. No.	Particulars	Note Number	Singapore \$ Mn	Rupees in crores
			Year ended 31.03.2015	Year ended 31.03.2015
I.	Revenue from operations		-	-
II.	Other income		0.92	4.36
III.	<b>Total Revenue (I + II)</b>		<u>0.92</u>	<u>4.36</u>
IV.	Expenses:			
	Cost of materials consumed		-	-
	Purchases of Stock-in-trade		-	-
	Changes in inventories of finished goods work-in-process and stock-in-trade		-	-
	Employee benefits expense		-	-
	Finance costs	VII	1.06	5.03
	Depreciation and amortization expense		-	-
	Other expenses	VIII	0.02	0.07
	<b>Total expenses</b>		<u>1.08</u>	<u>5.10</u>
V.	<b>Profit before tax (III-IV)</b>		<u>(0.16)</u>	<u>(0.74)</u>
VI.	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
VII.	<b>Profit / (Loss) for the period (V-VI)</b>		<u>(0.16)</u>	<u>(0.74)</u>

## Notes on Accounts

	Singapore \$ As at 31.03.2015	Rupees in crores As at 31.03.2015
<b>I SHARE CAPITAL</b>		
Details of authorised, issued and subscribed share capital		
<b>Authorised</b>		
Ordinary shares of Singapore \$ 1/- each	<u>64.36</u>	<u>201.20</u>
<b>Issued,subscribed &amp; paid up</b>		
Ordinary shares of Singapore \$ 1/- each	<u>64.36</u>	<u>201.20</u>
	<u>64.36</u>	<u>201.20</u>
<b>II RESERVES AND SURPLUS</b>		
a. Capital reserve		
(i) Foreign currency translation reserve	-	(3.24)
b. Surplus - Statement of Profit and Loss		
Opening balance	(0.44)	(1.43)
(+) Transfer from Foreign currency translation reserve	-	(0.57)
(+) Net profit/( Loss) for the current year	(0.16)	(0.74)
Closing balance	<u>(0.60)</u>	<u>(2.74)</u>
<b>Total</b>	<u>(0.60)</u>	<u>(5.98)</u>
<b>III OTHER CURRENT LIABILITIES</b>		
Statutory Dues	0.13	0.60
Liability for expenses	11.06	50.16
<b>Total</b>	<u>11.19</u>	<u>50.76</u>
<b>IV. NON CURRENT INVESTMENTS</b>		
Trade Investments		
Investment in equity instruments	63.97	196.12
<b>Total</b>	<u>63.97</u>	<u>196.12</u>
<b>V. LONG TERM LOANS AND ADVANCES</b>		
Unsecured, considered good		
Loans to related parties	10.93	49.62
<b>Total</b>	<u>10.93</u>	<u>49.62</u>
<b>VI. CASH AND CASH EQUIVALENTS</b>		
Balances with banks	0.49	2.25
<b>Total</b>	<u>0.49</u>	<u>2.25</u>
<b>VII. FINANCE COST</b>		
Interest expense	1.06	5.03
<b>Total</b>	<u>1.06</u>	<u>5.03</u>
<b>VIII. OTHER EXPENSES</b>		
Audit fees	-	0.01
Miscellaneous expenses	0.02	0.06
<b>Total</b>	<u>0.02</u>	<u>0.07</u>

## TVS MOTOR COMPANY (EUROPE) B.V.

### Address

Claude Debussylaan 24  
1082 MD Amsterdam

Chamber of Commerce : Amsterdam  
File number : 34.229.984

### 1. Management Report

The management of TVS Motor Company (Europe) B.V. (the "Company") herewith submits its Annual Report for the financial year 1 April 2014 up to and including 31 March 2015.

#### General

The Company is a private company with limited liability (a wholly-owned subsidiary of TVS Motor Company Ltd, Chennai, India), incorporated under the laws of the Netherlands on 21 July 2005, having its corporate seat at Amsterdam, with offices at Claude Debussylaan 24, Amsterdam.

#### Summary of activities

During the year under review the Company continued its activities as a holding and finance company.

### Future outlook

It is the intention to liquidate the Company.

Amsterdam, 28 April 2015

Mr. R.C. Elshout  
Title : Director

Mr. H. Lakshmanan  
Title : Director

Mr. P.J. Stegeman  
Title : Director

Mr. V.N. Venkatanathan  
Title : Director

SGG Management (Netherlands) B.V.  
Title : Director

## 2. BALANCE SHEET AS AT 31 MARCH 2015

(before appropriation of result)

	Notes	31 March 2015		31 March 2014	
		USD	USD	USD	USD
<b>ASSETS</b>					
<b>Fixed Assets</b>	5.1				
Financial fixed assets		-	-	-	-
<b>Current assets</b>	5.2				
Receivables and prepayments		7,983		21,082	
Cash at bank		575,545		777,591	
			<u>583,528</u>		<u>798,673</u>
<b>Total assets</b>			<u>583,528</u>		<u>798,673</u>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES</b>					
<b>Shareholder's equity</b>	5.3				
Paid up share capital		31,064,501		31,064,501	
Revaluation reserve		(3,814,878)		(3,814,878)	
Other reserves		(26,626,602)		(23,814,518)	
Undistributed result		(60,508)		(2,812,084)	
			<u>562,513</u>		<u>623,021</u>
<b>Short-term liabilities</b>	5.5				
Taxes		-		129,690	
Creditors		5,698		-	
Other payable and accrued expenses		15,317		45,962	
			<u>21,015</u>		<u>175,652</u>
<b>Total shareholder's equity and liabilities</b>			<u>583,528</u>		<u>798,673</u>

## 3. PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1 APRIL 2014 UP TO AND INCLUDING 31 MARCH 2015

	Notes	2014/2015		2013/2014	
		USD	USD	USD	USD
Salary expenses	6.1	11,760		13,129	
General and administrative expenses	6.2	48,575		65,813	
			<u>(60,335)</u>		<u>(78,942)</u>
Interest income and similar income	6.3	7,512		1,254,687	
Interest expense and similar expenses	6.4	(7,685)		(617,996)	
			<u>(173)</u>		<u>636,691</u>
Result associate	6.5		-		(3,240,143)
<b>Result on ordinary activities before taxation</b>			<u>(60,508)</u>		<u>(2,682,394)</u>
Corporate income tax	6.6		-		(129,690)
<b>Result after taxation</b>			<u>(60,508)</u>		<u>(2,812,084)</u>

## TVS MOTOR COMPANY (EUROPE) B.V.

### 4. General notes

#### 4.1. Summary of significant accounting policies

##### General

The Company is a private company with limited liability (a wholly-owned subsidiary of TVS Motor Company Ltd, Chennai, India), incorporated under the laws of the Netherlands on 21 July 2005, having its corporate seat at Amsterdam, with offices at Claude Debussylaan 24, Amsterdam.

##### Summary of activities

During the year under review the Company continued its activities as a holding and finance company.

#### 4.2. General

The financial statements have been prepared in conformity with generally accepted accounting policy in the Netherlands.

According to group policy, the annual report and administration have been prepared in United States Dollars instead of Euro's.

##### Comparison with previous year

The principles of valuation and determination of the result remained unchanged in comparison with previous year.

##### Going Concern

It is the intention of management to liquidate the Company in the coming year. This is liquidation will be carried out free of will and management has full intent to pay all her debts. As a consequence, the Company has made changes in the applied accounting principles.

The intention to liquidate the Company has resulted in a change of the accounting policies to net realisable value. Because management does not expect the results of the Indonesian subsidiary will improve in the coming years, management decided to lower the value of the subsidiary to nil.

Additionally, the Company will transfer its remaining shares in the subsidiary to a related party.

##### Valuation

All assets and liabilities are stated at face value, unless stated otherwise.

##### Financial fixed assets

Companies over which the Company has a significant influence (considered to be over 20% of the voting shares) are valued at net realisable value but not lower than a nil value.

Foreign exchange results on net equity of subsidiaries is added to or deducted from the foreign exchange reserve.

##### Income and expenses

Income and expenses are attributed to the period to which they relate.

##### Translation of foreign currencies

Assets and liabilities denominated in foreign currencies are converted into United States Dollars (USD) at the balance sheet date closing rate. Transactions made during the year under review are accounted for at the rate prevailing at the transaction date. The exchange differences are reflected in the financial result for the period. The following exchange rates prevailing at balance sheet date are used:

1 EUR = 1.07590 USD      2013/2014 : 1 EUR = 1.3788 USD

1,000 IDR = 0.0766 USD      2013/2014 : 1,000 IDR = 0.0882 USD

#### 4.3. Taxation

The taxes are calculated over the results, taking all tax credit facilities into account.

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

### 5. Notes to the balance sheet as at 31 March 2015

#### 5.1. Fixed assets

##### 5.1.1. Financial fixed assets

During the year under review, the Company continued to hold its investment in PT. TVS Motor Company Indonesia, which was established within the framework of the Foreign Capital Investment Law No.1 year 1967 as amended by Law No.11 year 1970 and based on a notarial deed No.21 dated August 8, 2005. The deed of establishment was approved by the Minister of Justice and Human Rights of the Republic of Indonesia on September 5, 2005.

PT. TVS converted 38,97,000 Class B shares allotted to TVS Motor Company Limited, India into class A shares, ranking it on par with other existing owners of class A shares. The company holding in PT TVS remains at 28,70,000 number of shares. Consequent to the increase in total number of class A shares, the shareholding of TVSM B.V. in PT TVS, Indonesia has reduced from 39.32% to 24.75%.

The financial statements of the subsidiary show a net asset value as per 31 March 2015 of Rp 155,131,682,438 (31 March 2014: Rp 241,132,062,446).

The interest held by the Company corresponds to a net asset value of Rp 35,657,942,665 positive (USD 2,729,828 positive) as at 31 March 2015.

Management expects the subsidiary to have losses in the coming years. As a consequence management change the valuation of the subsidiary to net realisable value being nil as per 31 March 2015.

	Valuation method	%	31 March 2015 USD	31 March 2014 USD
PT. TVS Motor Company Indonesia	Net asset value	24.75	-	-
Loan PT TVS Motor Company Indonesia			-	-

Movement during the year is specified as follows:

	31 March 2015 USD	31 March 2014 USD
<u>PT. TVS Motor Company Indonesia</u>		
Opening balance	-	-
Conversion of loan to capital	-	8,000,000
Result for the period	-	1,736,476
Adjustment result previous years due to increase of participating interest	-	(6,978,370)
Foreign exchange result on net equity	-	(4,759,857)
Adjustment valuation	-	2,001,751
	-	-
Impairment loss	-	-
Balance as per 31 March	-	-

##### Loan PT. TVS Motor Company Indonesia

This item represents a Credit Facility with a maximum of USD 15,000,000 for the financing of the two-wheeler production facility in Indonesia. The interest is payable semi-annually on 30 June and 31 December of each year and is calculated at 8.25% on a 360 day year basis. The loan was fully repaid on 31 March 2014 through assignment.

	31 March 2015 USD	31 March 2014 USD
Opening balance	-	15,000,000
Conversion of loan to capital	-	(8,000,000)
Repayment loan	-	(7,000,000)
Balance as per 31 March	-	-

#### 5.2. Current assets

31 March 2015 USD      31 March 2014 USD

##### 5.2.1. Receivables and prepayments

Prepaid management fees	7,983	14,186
Interest receivable PT. TVS Motor Company Indonesia	-	-
VAT receivable	-	6,896
	7,983	21,082

##### 5.2.2. Cash at bank

HSBC Bank, EUR current account	25,038	14,214
HSBC Bank, USD current account	550,507	763,377
	575,545	777,591

The cash balances are at free disposal of the Company.

#### 5.3. Shareholder's equity

The authorised share capital of the Company amounts to EUR 50,000,000 divided into 500,000 ordinary shares with a nominal value of EUR 100 each.

The issued and paid-up capital amounts to USD 31,064,502 (after revaluation) as per 31 March 2014 (EUR 31,064,502).

31 March 2015 USD      31 March 2014 USD

	31 March 2015 USD	31 March 2014 USD
<b>Movement during the period can be summarised as follows:</b>		
<u>Paid up share capital</u>		
Opening balance	31,064,501	28,849,793
Issued share capital during the year	-	-
Revaluation of share capital at balance sheet date	-	2,214,708
Balance as at 31 March	31,064,501	31,064,501
<u>Revaluation reserve</u>		
Opening balance	(3,814,878)	944,979
Revaluation of subsidiary	-	(4,759,857)
Balance as at 31 March	(3,814,878)	(3,814,878)
<u>Other reserves</u>		
Opening balance	(23,814,518)	(21,590,299)
Revaluation of share capital at balance sheet date	-	(2,214,709)
Appropriation of result	(2,812,084)	(9,510)
Balance as at 31 March	(26,626,602)	(23,814,518)
<u>Undistributed result</u>		
Opening balance	(2,812,084)	(9,510)
Appropriation of result	2,812,084	9,510
Result for the period	(60,508)	(2,812,084)
Balance as at 31 March	(60,508)	(2,812,084)
Total shareholder's equity	562,513	623,021

## TVS MOTOR COMPANY (EUROPE) B.V.

5.4. Long-term liabilities	31 March 2015 USD	31 March 2014 USD
<b>5.4.1. Credit facility shareholder</b>		
As per 30 March 2007 the Company entered into a credit facility agreement with its shareholders for a total amount of USD 15,000,000 for a period of 3 years. The facility bears an interest of 8%. The interest is payable semi-annually on 30 June and 31 December of each year.		
Any accrued interest is capitalized as at 31 December of each year.		
The loan was fully repaid on 31 March 2014		
	<u>31 March 2015</u> USD	<u>31 March 2014</u> USD
Balance as per 1 April	-	7,396,687
Capitalized interest	-	452,022
Repayment during the year	-	(7,848,709)
Balance as per 31 March	-	-
Long-term liability as per 31 March	-	-
	<u>-</u>	<u>-</u>
<b>5.5. Short-term liabilities</b>		
<b>5.5.1. Taxes</b>		
Corporate income tax current year	-	129,690
	-	129,690
	<u>-</u>	<u>129,690</u>
<b>5.5.2. Other payable and accrued expenses</b>		
Creditors	-	22,509
Administrative and secretarial services	-	4,135
Tax advisory fees	3,470	4,498
Audit fees	9,218	11,720
Salary (and salary administration)	2,629	3,100
	<u>15,317</u>	<u>45,962</u>
<b>6. Notes to the profit and loss account for the period 1 April 2014 up to and including 31 March 2015</b>		
	<u>31 March 2015</u> USD	<u>31 March 2014</u> USD
<b>6.1. Salary expenses</b>		
Wages	11,760	13,129
	<u>11,760</u>	<u>13,129</u>
<b>6.2. General and administrative expenses</b>		
Domiciliation and management fees	17,425	13,701
Administrative and accounting fees	16,900	35,151
Audit fees	9,218	10,988
Tax advisory fees	4,959	5,868
Other general expenses	73	105
	<u>48,575</u>	<u>65,813</u>
<b>6.3. Interest income and similar income</b>		
Interest PT. TVS Motor Company Indonesia	-	1,254,687
Foreign exchange results	7,512	-
	<u>7,512</u>	<u>1,254,687</u>
<b>6.4. Interest expense and similar expenses</b>		
Interest expense TVS Motor Company Ltd.	-	608,994
Bank charges	5,393	1,085
Foreign exchange results	2,292	7,917
	<u>7,685</u>	<u>617,996</u>
<b>6.5. Result associate</b>		
Result PT. TVS Motor Company Indonesia	-	1,736,476
Adjustment result previous periods	-	(6,978,370)
Impairment loss	-	-
Adjustment valuation	-	2,001,751
	<u>-</u>	<u>(3,240,143)</u>
<b>6.6. Corporate income tax</b>		
Corporate income tax current year	-	129,690
	<u>-</u>	<u>129,690</u>
<b>Director and employees</b>		
The Company has five Directors (2014/2015: five) and one employee (2014/2015: one) during the period under review.		
Amsterdam, 28 April 2015		
		Mr. R.C. Elshout <i>Title : Director</i>
		Mr. H. Lakshmanan <i>Title : Director</i>
		Mr. P.J. Stegeman <i>Title : Director</i>
		Mr. V.N. Venkatanathan <i>Title : Director</i>
		SCG Management (Netherlands) B.V. <i>Title : Director</i>
<b>7. Supplementary information</b>		
<b>Distribution of profits, according to article 22 of the Articles of Association</b>		
The profits shall be at the disposal of the annual general meeting of shareholders.		
The Company may only make distributions to the shareholders and other entitled persons to the extent that the shareholders' equity exceeds the sum of the paid and called-up part of the capital. No profit shall be distributed on shares held by the Company itself. Distributions of profits shall take place after the adoption of the annual accounts which show that the distribution is permitted.		
<b>Appropriation of the result</b>		
The result after tax for the financial year ended 31 March 2015- is included in the item Undistributed result in Shareholder's equity (note 5.3).		
<b>Post-balance sheet date events</b>		
It is the intention to liquidate the Company.		

**RE-STATED ACCOUNTS OF**  
TVS MOTOR COMPANY (EUROPE) B.V.

## TVS MOTOR COMPANY (EUROPE) B.V.

### BALANCE SHEET AS AT 31 MARCH 2015

Sl. No.	Particulars	Note Number	US \$ in Mn	Rupees in crores
			As at 31.03.2015	As at 31.03.2015
<b>I EQUITY AND LIABILITIES</b>				
1	Shareholders' funds			
	(a) Share capital	I	28.59	126.52
	(b) Reserves and surplus	II	(28.03)	(123.01)
2	Non-current liabilities			
	(a) Long-term borrowings		-	-
	(b) Long-term provisions		-	-
3	Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Trade payables		0.01	0.04
	(c) Other current liabilities	III	0.02	0.10
	(d) Short-term provisions		-	-
	<b>Total</b>		<u>0.59</u>	<u>3.65</u>
<b>II ASSETS</b>				
1.	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets		-	-
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	IV	-	-
	(c) Deferred tax assets (Net)		-	-
	(d) Long-term loans and advances		-	-
	(e) Other non current assets		-	-
2.	Current assets			
	(a) Current investments		-	-
	(b) Inventories		-	-
	(c) Trade receivables		-	-
	(d) Cash and cash equivalents	V	0.58	3.60
	(e) Short-term loans and advances	VI	0.01	0.05
	(f) Other current assets		-	-
	<b>Total</b>		<u>0.59</u>	<u>3.65</u>

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

Sl. No.	Particulars	Note Number	US \$ in Mn	Rupees in crores
			Year ended 31.03.2015	Year ended 31.03.2015
I.	Revenue from operations		-	-
II.	Other income	VII	0.01	0.05
III.	<b>Total Revenue (I + II)</b>		<u>0.01</u>	<u>0.05</u>
IV.	Expenses:			
	Cost of materials consumed		-	-
	Purchases of Stock-in-trade		-	-
	Changes in inventories of finished goods work-in-process and stock-in-trade		-	-
	Employee benefits expense	VIII	0.01	0.07
	Finance costs		-	-
	Depreciation and amortization expense		-	-
	Other expenses	IX	0.05	0.33
	<b>Total expenses</b>		<u>0.06</u>	<u>0.40</u>
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(0.05)	(0.35)
VI.	Exceptional Items - Income / (Loss)		-	-
VII.	Profit before extraordinary items and tax (V-VI)		(0.05)	(0.35)
VIII.	Extraordinary items - Income / (Loss)		-	-
IX.	<b>Profit before tax (VII+VIII)</b>		<u>(0.05)</u>	<u>(0.35)</u>
X.	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
XI.	<b>Profit / (Loss) for the period (IX-X)</b>		<u>(0.05)</u>	<u>(0.35)</u>

## TVS MOTOR COMPANY (EUROPE) B.V.

### Notes on Accounts

S. Particulars No.	US \$ in Mn	Rupees in crores
	As at 31.03.2015	As at 31.03.2015
<b>I SHARE CAPITAL</b>		
Details of authorised, issued and subscribed share capital		
<b>Authorised</b>		
500,000 Ordinary shares of EURO 100/- each	66.78	311.64
<b>Issued, subscribed &amp; paid up</b>		
225,301 Ordinary shares of EURO100/- each	28.59	126.52
	<u>28.59</u>	<u>126.52</u>
<b>II RESERVES AND SURPLUS</b>		
a. Capital reserve		
(i) Foreign currency translation reserve	-	7.21
b. Surplus - Profit and Loss Account		
Opening balance	(27.98)	(129.87)
(+) Net profit/( Loss) for the current year	(0.05)	(0.35)
Closing balance	<u>(28.03)</u>	<u>(130.22)</u>
Total	<u>(28.03)</u>	<u>(123.01)</u>
<b>III OTHER CURRENT LIABILITIES</b>		
Employee related		
For expenses	0.02	0.08
Total	<u>0.02</u>	<u>0.10</u>
<b>IV NON CURRENT INVESTMENTS</b>		
Trade Investments		
Investment in equity instruments	27.76	134.19
Less: Provision for diminution in investment	27.76	134.19
Total	<u>-</u>	<u>-</u>
<b>V CASH AND CASH EQUIVALENTS</b>		
Balances with banks		
	0.58	3.60
	<u>0.58</u>	<u>3.60</u>

### Notes on Accounts (continued)

S. Particulars No.	US \$ in Mn	Rupees in crores
	As at 31.03.2015	As at 31.03.2015
<b>VI SHORT TERM LOANS AND ADVANCES</b>		
Unsecured considered good:		
Others		
Prepaid expense	0.01	0.05
Total	<u>0.01</u>	<u>0.05</u>
<b>VII OTHER INCOME</b>		
Interest		
	0.01	0.05
Total	<u>0.01</u>	<u>0.05</u>
<b>VIII EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus		
	0.01	0.07
Total	<u>0.01</u>	<u>0.07</u>
<b>IX OTHER EXPENSES</b>		
Audit fees		
	0.01	0.06
Miscellaneous expenses	0.04	0.27
Total	<u>0.05</u>	<u>0.33</u>

# PT. TVS MOTOR COMPANY INDONESIA

## Independent Auditors' Report

No.GA 115 0352 TVS TW

The Stockholders, Board of Commissioners and Directors  
PT. TVS Motor Company Indonesia

We have audited the accompanying financial statements of PT. TVS Motor Company Indonesia, which comprise the statement of financial position as of March 31, 2015 and the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting Policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT. TVS Motor Company Indonesia as of March 31, 2015, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

### Emphasis of a matter

We draw your attention to Note 31 in the financial statements which indicates that the Company incurred a total comprehensive loss of Rp 137,252,380,008 during the year ended March 31, 2015 and, as of that date, the Company's current liabilities exceeded its current assets by Rp 137,180,651,689. Further, the Company incurred a deficit of Rp 1,179,589,215,106 as of March 31, 2015, as a result of recurring losses from operations due to gross losses and significant operating expenses. Management's plans concerning these matters are also discussed in Note 31 to the financial statements. Our opinion is not modified in respect to this matter.

OSMAN BING SATRIO & ENY  
Tenly Wijjala  
License of Public Accountant No. AP. 0186

April 16, 2015

## STATEMENT OF FINANCIAL POSITION MARCH 31, 2015

	Notes	March 31, 2015	March 31, 2014		Notes	March 31, 2015	March 31, 2014
		Rp	Rp			Rp	Rp
<b>ASSETS</b>				<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT ASSETS</b>				<b>CURRENT LIABILITIES</b>			
Cash and cash equivalents	5	27,449,296,143	16,581,261,674	Bank loans	12	150,363,907,136	119,493,666,150
Trade accounts receivable	6			Trade accounts payable	13		
Related party	27	696,254,200	-	Related party	27	60,014,693,102	4,577,063,482
Third parties - net of allowance for impairment losses of Rp 582,399,879 in 2015 and Rp 57,523,011 in 2014		25,813,669,472	18,110,151,525	Third parties		10,253,476,071	9,170,718,115
Inventories - net of allowance for obsolescence of Rp 1,959,536,813 in 2015 and Rp 4,834,855,317 in 2014	7	82,685,392,869	63,904,348,157	Other accounts payable	14		
Prepaid taxes - current	8	20,978,037,021	10,386,317,604	Related party	27	897,566,177	467,824,695
Advances to suppliers	9	2,891,764,515	247,106,101	Third parties		6,263,906,601	9,937,992,534
Other current assets		5,081,017,970	6,572,257,360	Taxes payable	15	2,527,500,741	720,001,346
Total Current Assets		165,595,432,190	115,801,442,421	Accrued expenses	16	19,822,180,799	28,509,670,579
<b>NON-CURRENT ASSETS</b>				<b>NON-CURRENT LIABILITIES</b>			
Prepaid taxes - non-current	8	7,078,297,947	8,523,458,538	Bank loan - net of current maturities	12	10,764,556,410	15,508,457,725
Deferred tax assets - net	26	89,608,585,124	61,638,567,623	Loan from a financial institution - net of current maturities	17	56,895,385,000	94,624,208,424
Property, plant, and equipment - net of accumulated depreciation of Rp 123,873,189,815 in 2015 and Rp 107,436,948,822 in 2014	10	377,344,616,524	485,810,788,571	Loan from a shareholder	18, 27	103,911,505,584	79,828,000,000
Security deposits		1,127,418,694	917,085,887	Post-employment benefits obligation	19	17,894,004,000	14,586,368,000
Deferred charges - net of accumulated amortization of Rp 133,313,455,433 in 2015 and Rp 127,731,043,296 in 2014	11, 27	6,618,866,832	12,201,278,969	Total Non-current Liabilities		189,465,450,994	204,547,034,149
Total Non-current Assets		481,777,785,121	569,091,179,588	<b>EQUITY</b>			
<b>TOTAL ASSETS</b>		647,373,217,311	684,892,622,009	Capital stock - Rp 97,400 (US\$ 10) par value per share			
See accompanying notes to financial statements which are an integral part of the financial statements.				Authorized - 12,500,000 shares in 2015 and 2014			
				Subscribed and paid-up - 11,597,000 Class A shares in 2015 and 7,300,000 Class A shares and 3,897,000 Class B shares in 2014	20	1,129,547,800,000	1,090,587,800,000
				Foreign exchange rate difference on paid-in capital	21	9,911,020,000	(2,380,980,000)
				Revaluation surplus	22	195,262,077,544	273,754,721,781
				Deficit		(1,179,589,215,106)	(1,120,829,479,335)
				Total Equity		155,131,682,438	241,132,062,446
				<b>TOTAL LIABILITIES AND EQUITY</b>		647,373,217,311	684,892,622,009
				See accompanying notes to financial statements which are an integral part of the financial statements.			

# PT. TVS MOTOR COMPANY INDONESIA

## STATEMENTS OF COMPREHENSIVE INCOME

For the years ended March 31, 2015

	Notes	2015 Rp	2014 Rp
<b>NET SALES</b>	23, 27	225,908,161,104	173,698,046,240
<b>COST OF GOODS SOLD</b>	24, 27	(245,323,642,075)	(208,337,623,734)
<b>GROSS LOSS</b>		(19,415,480,971)	(34,639,577,494)
Marketing	25	(32,078,664,890)	(31,108,897,612)
General and administrative	25, 27	(68,095,929,604)	(58,979,568,626)
Finance cost		(29,835,297,627)	(29,360,876,235)
Loss on foreign exchange - net		(48,057,399,786)	(63,376,781,175)
Interest income		994,878,930	516,835,346
Loss on sale and disposal of property, plant and equipment	10	(536,222,438)	(148,813,669)
Others - net		3,423,566,297	(44,990,648)
<b>LOSS BEFORE TAX</b>		(193,600,550,089)	(217,142,670,113)
<b>TAX BENEFIT (EXPENSE)</b>	26	21,488,170,081	(8,274,935,723)
<b>NET LOSS FOR THE YEAR</b>		(172,112,380,008)	(225,417,605,836)
<b>OTHER COMPREHENSIVE INCOME</b>			
Revaluation surplus		34,860,000,000	273,754,721,781
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		(137,252,380,008)	48,337,115,945

See accompanying notes to financial statements which are an integral part of the financial statements

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2015

Notes	Capital Stock Rp	Additional paid-in Capital Rp	Revalu- ation Surplus Rp	Deficit Rp	Total Equity Rp
Balance as of April 1, 2013	935,040,000,000	(28,168,200,000)	-	(895,411,873,499)	11,459,926,501
Issuance of shares	155,547,800,000	25,787,220,000	-	-	181,335,020,000
Other comprehensive income					
Revaluation surplus	-	-	273,754,721,781	-	273,754,721,781
Total comprehensive loss for the year	-	-	-	(225,417,605,836)	(225,417,605,836)
Balance as of March 31, 2014	1,090,587,800,000	(2,380,980,000)	273,754,721,781	(1,120,829,479,335)	241,132,062,446
Issuance of shares	38,960,000,000	12,292,000,000	-	-	51,252,000,000
Other comprehensive income					
Revaluation surplus	-	-	34,860,000,000	-	34,860,000,000
Reversal of revaluation surplus- Sale of Land	10,22	-	(113,352,644,237)	113,352,644,237	-
Total comprehensive loss for the year	-	-	-	(172,112,380,008)	(172,112,380,008)
Balance as of March 31, 2015	1,129,547,800,000	9,911,020,000	195,262,077,544	(1,179,589,215,106)	155,131,682,438

See accompanying notes to financial statements which are an integral part of the financial statements.

## STATEMENTS OF CASH FLOWS

For the years ended March 31, 2015

	2015 Rp	2014 Rp
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax per statement of comprehensive income	(193,600,550,089)	(217,142,670,113)
Adjustments for:		
Amortization of product development	5,582,412,137	10,787,565,026
Interest and financial charges	29,835,297,627	29,360,876,235
Depreciation of property, plant and equipment	17,068,366,779	18,134,934,245
Loss on disposal of property, plant and equipment	536,222,438	148,813,669
Provision for employee benefit expense	3,418,926,000	4,072,466,000
Reversal of allowance for inventory obsolescence	1,071,866,759	4,467,121,397
Provision for allowance for impairment losses	582,399,879	24,122,861
Interest income	(994,878,930)	(516,835,346)
Net unrealized loss on foreign exchange	23,533,504,056	41,207,794,496
Operating cash flows before changes in working capital	(112,966,433,344)	(109,455,811,530)
Changes in working capital:		
Trade accounts receivable	(7,867,330,531)	4,069,594,497
Inventories	(19,852,911,471)	(20,008,038,069)
Prepaid taxes	(10,108,513,968)	(11,265,210,186)
Advances to suppliers	(2,644,658,414)	8,238,249,714
Other current assets	1,514,464,519	(1,436,003,480)
Trade accounts payable	54,874,393,641	(9,341,352,078)
Other accounts payable	(3,771,052,973)	(13,500,776,114)
Other accounts receivable	-	201,329,085
Taxes payable	1,807,499,395	(971,861,947)
Accrued expenses	1,620,747,120	4,550,712,605
Advance from customer	313,892,675	(1,714,935,886)
Cash used in operations	(97,079,903,351)	(150,634,103,389)
Income and final tax paid	(6,814,954,149)	(542,282,998)
Employee benefits paid	(111,290,000)	-
Proceed from tax refund	1,295,061,871	-
<b>Net Cash Used in Operating Activities</b>	(102,711,085,629)	(151,176,386,387)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in security deposits	(171,679,126)	(160,353,300)
Increase in deferred charges	-	(7,730,324,904)
Interest received	971,653,799	506,112,194
Acquisitions of property, plant and equipment	(3,783,572,051)	(31,513,313,961)
Proceed from sale disposal of property, plant and equipment	129,505,154,881	-
<b>Net Cash Provided by (Used in) Investing Activities</b>	126,521,557,503	(38,897,879,971)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from stock issuance	51,252,000,000	181,335,020,000
Proceeds from bank loans	158,371,981,158	161,963,871,643
Payment of bank loans	(116,957,135,903)	(133,086,551,882)
Payment of loan from a financial institution	(64,647,408,000)	(56,124,975,378)
Interest and financial charges paid	(41,934,414,872)	(23,003,840,280)
<b>Net Cash Provided by (Used in) Financing Activities</b>	(13,914,977,617)	131,083,524,103
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	9,895,494,257	(58,990,742,255)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	16,581,261,674	74,356,328,664
Effect of foreign exchange rate changes	972,540,212	1,215,675,265
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	27,449,296,143	16,581,261,674

See accompanying notes to financial statements which are an integral part of the financial statements.

# PT. TVS MOTOR COMPANY INDONESIA

## NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and for the year then ended

### 1. GENERAL

PT. TVS Motor Company Indonesia (the "Company") was established within the framework of the Foreign Capital Investment Law No. 1 year 1967 as amended by Law No. 11 year 1970 based on notarial deed No. 21 dated August 8, 2005 of Siti Rayhana, S.H., substitute of Bandoro Raden Ayu Mahyastoeti Notonagoro, S.H., notary in Jakarta. The deed of establishment was approved by the Minister of Law and Human Rights of the Republic of Indonesia through Decision Letter No. C-24361 HT.01.01.TH.2005 dated September 5, 2005. The Company's Articles of Association have been amended several times, most recently by notarial deed No. 23 dated February 18, 2015, by Sastriany Jasoprawiro, S.H., notary in Jakarta, regarding the issuance of Class A shares and increase in the Company's subscribed and paid-up capital. The increase in subscribed and paid-up capital had been confirmed by notarial deed No.30 dated September 22, 2014 by Sastriany Jasoprawiro, S.H., notary in Jakarta and acknowledged by the Minister of Law and Human Rights of the Republic of Indonesia in his Notification Letter No. AHU-AH.01.03-0012308 dated February 26, 2015.

In accordance with article 3 of the Company's articles of association, the scope of its activities include production of motorcycles, motorcycle component parts and accessories, three wheelers and its components. The Company started commercial operations on April 29, 2007.

The Company is domiciled in Jakarta and its head office is located at Wirausaha Building, 3rd Floor, Jl. HR. Rasuna Said, Kav. C5 Kuningan, Jakarta. As of March 31, 2015 and 2014, the Company has 345 employees and 285 employees, respectively.

The Company's management as of March 31, 2015 consists of the following:

President Commissioner	: Nihal Kaviratne Vijaya Devadas, CBE
Commissioners	: James William Castle
	: Kunnath Narayanan Radhakrishnan
	: Drs. Rudjito
	: Dr. Juwono Sudarsono
	: Rangaswami Ramakrishnan
	: Yang Soo Kim
President Director	: Ramaswamy Anandakrishnan
Director	: Venkataraman Thiyyagarajan

### 2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK") AND INTERPRETATION OF PSAK ("ISAK")

#### a. Standards effective in the current year

In the current year, the Company has adopted all of the new and amended standards issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants that are relevant to its operations and effective for accounting period beginning on January 1, 2014.

- ISAK 27, Transfers of Assets from Customers  
ISAK 27 addresses the accounting by recipients for transfers of property, plant and equipment from 'customers' and concludes that when the item of property, plant and equipment transferred meets the definition of an asset from the perspective of the recipient, the recipient should recognise the asset at its fair value on the date of the transfer, with the credit being recognised as revenue in accordance with PSAK 23, Revenue.
- ISAK 28, Extinguishing Financial Liabilities with Equity Instruments  
ISAK 28 provides guidance on the accounting for the extinguishment of a financial liability by the issue of equity instruments. Specifically, ISAK 28 requires that equity instruments issued under such arrangement will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the consideration paid will be recognized in profit or loss.

The application of ISAK 27 and ISAK 28 did not have any significant impact on the Company's financial statements in the current but might have an impact in the future years.

#### b. Standards and Interpretations in issue but not yet adopted

The following standards are effective for periods beginning on or after January 1, 2015, with early application not permitted:

- PSAK 4 (revised 2013), Separate Financial Statements
- PSAK 15 (revised 2013), Investments in Associates and Joint Ventures
- PSAK 46, Income Taxes
- PSAK 65, Consolidated Financial Statements
- PSAK 66, Joint Arrangements
- PSAK 67, Disclosures of Interests in Other Entities
- ISAK 26, Reassessment of Embedded Derivatives

Except for the standards below, management believes that the above standards do not have an impact on the carrying amount of assets and liabilities and the related disclosures

at March 31, 2015, but may affect accounting and disclosures of future transactions and arrangements.

- PSAK 1 (revised 2013), Presentation of Financial Statements

The amendments to PSAK 1 introduce new terminology for the statement of comprehensive income. Under the amendments to PSAK 1, the statement of comprehensive income is renamed as a "statement of profit or loss and other comprehensive income". The amendments to PSAK 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to PSAK 1, require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (1) items that will not reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met.

- PSAK 24 (revised 2013), Employee Benefits

The amendments to PSAK 24 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of PSAK 24 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus.

- PSAK 48, Impairment of Assets

PSAK 48 has been amended to incorporate the requirements of PSAK 68, Fair Value Measurement.

- PSAK 50, Financial Instruments: Presentation

The amendments to PSAK 50 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of "currently has a legal enforceable right of set-off" and "simultaneous realization and settlement". The amendments also clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity transaction should be accounted for in accordance with PSAK 46.

- PSAK 55, Financial Instruments: Recognition and Measurement

The amendments to PSAK 55 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness. Further, the amendments clarify the accounting for embedded derivatives in the case of a reclassification of a financial asset out of the "fair value through profit or loss" category – see discussion in ISAK 26.

This standard is also amended to incorporate the requirements of PSAK 68, Fair Value Measurement.

- PSAK 60, Financial Instruments: Disclosures

The amendments to PSAK 60 increase the disclosure requirements for transactions involving transfers for financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period. Further, entities are required to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

- PSAK 68, Fair Value Measurement

PSAK 68 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard does not change the requirements regarding which items should be measured or disclosed at fair value.

PSAK 68 defines fair value, establishes a framework for measuring fair value, and requires disclosure about fair value measurements. The scope of PSAK 68 is broad; it applies to both financial instrument items and non-financial instrument items for which other PSAK require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in PSAK 68 are more extensive than those required by the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for

financial instruments only under PSAK 60, Financial Instruments: Disclosures will be extended by PSAK 68 to cover all assets and liabilities within its scope.

PSAK 68 is applied prospectively; the disclosure requirements need not be applied in comparative information provided for periods before initial application of the standard.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a. Statement of Compliance

The financial statements have been prepared in accordance with Indonesian Financial Accounting Standards. These financial statements are not intended to present the financial position, result of operations and cash flows in accordance with accounting principles and reporting practices generally accepted in other countries and jurisdictions.

#### b. Basis of Presentation

The financial statements, except for the statement of cash flows, are prepared under the accrual basis of accounting. The reporting currency used in the preparation of the financial statements is the Indonesian Rupiah, while the measurement basis used is the historical cost, except for certain accounts which are measured on the basis described in the related accounting policies.

The statements of cash flows are prepared using the indirect method with classifications of cash flows into operating, investing and financing activities.

#### c. Foreign Currency Transactions and Balances

The Company's books of accounts are maintained in Indonesian Rupiah. Transactions during the year involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At reporting date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the rates of exchange prevailing at that date. The resulting gains or losses are credited or charged to profit or loss.

#### d. Transactions with Related Parties

A related party is a person or entity that is related to the Company (the reporting entity):

- a. A person or a close member of that person's family is related to the reporting entity if that person:
  - i. has control or joint control over the reporting entity;
  - ii. has significant influence over the reporting entity; or
  - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b. An entity is related to the reporting entity if any of the following condition applies:
  - i. The entity, and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - iii. Both entities are joint ventures of the same third party.
  - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - vi. The entity is controlled or jointly controlled by a person identified in (a).
  - vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity).

All transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the financial statements.

#### e. Financial Assets

All financial assets are recognized and derecognized on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value plus transaction costs.

The Company's financial assets are classified as loans and receivables.

##### Loans and receivables

Cash and cash equivalent, trade and other accounts receivable, other current assets and security deposit that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortized cost using the effective interest method less impairment. Interest is recognized by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

##### Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis.

##### Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

Loan and receivables that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

##### Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralised borrowing for the proceeds received.

#### f. Financial Liabilities and Equity Instruments

##### Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

##### Financial liabilities

Trade and other payables, accrued expenses, loan from a financial institution and shareholder are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognized on an effective yield basis.

Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings.

##### Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

**g. Netting of Financial Assets and Financial Liabilities**

The Company only offsets financial assets and liabilities and present the net amount in the statement of financial position where the Company:

- currently has a legal enforceable right to set off the recognized amount; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**h. Cash and Cash Equivalents**

For cash flow presentation purposes, cash and cash equivalents consist of cash on hand, in banks and all unrestricted investments with maturities of three months or less from the date of placement.

**i. Inventories**

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined using the weighted average method.

**j. Prepaid Expenses**

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

**k. Property, Plant and Equipment**

Property, plant and equipment held for use in the production or supply of goods or services or for administrative purposes, are stated at cost less accumulated depreciation and any impairment losses.

Depreciation is computed using the straight-line method based on the estimated useful lives of the assets as follows:

	<u>Years</u>
Buildings	20
Machinery and tools	4 -10
Office equipment and furnitures	4
Vehicles	5

Moulds and dies are depreciated based on units of production of 110,000 units in 2015 and 125,000 units in 2014.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Land is not depreciated and effective starting April 1, 2013, land is stated in the statement of financial position at its revalued amount, being the fair value at the date of the revaluation. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting date.

Any revaluation increase arising on the revaluation of land is credited in other comprehensive income and accumulated in equity and presented as revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation land is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

The cost of maintenance and repairs is charged to operations as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property, plant and equipment, are recognized as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. When assets are retired or otherwise disposed of, their carrying values and the related accumulated depreciation and any impairment loss are removed from the accounts and any resulting gain or loss is reflected in the current operations.

**l. Impairment of Non-Financial Assets**

At reporting dates, the Company reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Estimated recoverable amount is the higher of net selling price or value in use. If the recoverable amount of a non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately against earnings.

**m. Leases**

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**n. Deferred Charges**

Expenses related to product development are deferred and amortized using the straight-line method over 36 months.

**o. After Sales Warranty**

The Company makes a provision to cover possible cost on after sales warranty granted to customers. Such provision is recognized based on certain percentage of sales.

**p. Revenue and Expense Recognition**

Sale of Goods

Revenue from sales of goods is recognized when all of the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the company; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Interest Revenue

Interest revenue is accrued on time basis, by reference to the principal outstanding and at the applicable interest rate.

Expenses

Expenses are recognized when incurred.

**q. Post-Employment Benefits**

The Company calculates defined post-employment benefits to its employees in accordance with Labor Law No. 13/2003. No funding has been made to this defined benefit plan.

The cost of providing post-employment benefits is determined using the Projected Unit Credit Method. The accumulated unrecognized actuarial gains and losses that exceed 10% of the present value of the Company's defined benefit obligation is recognized on a straight-line basis over the expected average remaining working lives of the participating employees. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The post-employment benefits obligation recognized in the statement of financial position represent the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

**r. Income Tax**

Current tax expense is determined based on the taxable income for the year computed using the prevailing tax rates.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and fiscal loss carry forwards to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences and fiscal loss can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted, or substantively enacted, by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle their current tax assets and current tax liabilities on a net basis.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside of profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside of profit or loss.

#### 4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with Indonesian Financial Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could be different from these estimates.

##### Critical Judgments in Applying Accounting Policies

In the process of applying the accounting policies described in Note 3, management has not made any critical judgment that has significant impact on the amounts recognized in the financial statements, apart from those involving estimates, which are dealt with below.

##### Key Sources of Estimation Uncertainty

The key assumptions concerning future and other key sources of estimation at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### Impairment Loss on Loans and Receivables

The Company assesses their loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit or loss, management makes judgment as to whether there is an objective evidence that loss event has occurred. Management also makes judgment as to the methodology and assumptions for estimating the amount and timing of future cash flows which are reviewed regularly to reduce any difference between loss estimate and actual loss. The carrying amount of loans and receivables are disclosed in Note 6.

##### Allowance for Decline in Value of Inventories

The Company provides allowance for decline in value of inventories based on estimated future usage of such inventories. While it is believed that the assumptions used in the estimation of the allowance for decline in value of inventories are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of the allowance for decline in value of inventories, which ultimately will impact the result of the Company's operations. The carrying amount of inventories is disclosed in Note 7.

##### Estimated Useful Lives of Property, Plant and Equipment and Deferred Charges

The useful life of each item of the Company's property, plant and equipment are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

The carrying amounts of property, plant and equipment and deferred charges is disclosed in Note 10 and 11, respectively.

##### Realization of Deferred Tax Assets

The Company recognizes deferred tax assets on deductible temporary differences and fiscal loss carry forwards to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences and fiscal loss can be utilized.

In assessing whether deferred tax assets should be recognized, management makes judgement as to the assumptions used in estimating future taxable income. Any significant changes in the assumptions may materially affect the amount of deferred tax assets and ultimately will have an impact on its results of operations. The carrying amount of deferred tax assets - net is disclosed in Note 26.

##### Income Taxes

The Company is exposed to assessments on its income taxes and significant judgment is involved in determining the provision for income taxes. In certain circumstances, the Company may not be able to determine the exact amount of its current or future tax liabilities due to ongoing investigations by, or negotiations with, the taxation authority. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income.

The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the prepaid taxes, income tax payable, deferred tax assets and deferred tax liabilities at the end of the reporting period are discussed in Notes 8, 15 and 26.

##### Fair Value of Land

Effective April 1, 2013, the Company's land is measured at fair value. In estimating the fair value of land, management engages third party qualified appraisal to perform the valuation. Management works closely with the qualified external appraisal to establish the appropriate valuation techniques and inputs. Any changes in the inputs and valuation techniques may have a material effect in the financial statements.

As of March 31, 2015 and 2014, the carrying value of land amounted to Rp 222,928,863,300 and Rp 317,400,000,000, respectively (Note 10).

#### 5. CASH AND CASH EQUIVALENTS

	2015 Rp	2014 Rp
Cash on hand	86,487,343	83,160,175
Cash in banks		
Rupiah		
Bank Danamon Indonesia	1,237,580,826	1,721,193,788
The Hongkong and Shanghai Banking Corporation Limited, Jakarta	1,376,839,668	769,024,057
Bank UOB Buana		
Bank SBI Indonesia	51,731,623	143,509,393
Bank Ina Perdana	57,856,255	86,753,901
Bank DBS Indonesia	108,983,726	49,988,000
Sub total	<u>2,832,992,098</u>	<u>2,770,469,139</u>
U.S. Dollar		
The Hongkong and Shanghai Banking Corporation Limited, Jakarta	5,794,658,798	3,321,751,874
Bank Danamon Indonesia	268,144,017	67,957,460
Bank SBI Indonesia	574,036,687	397,128,905
Bank DBS Indonesia	725,777,200	4,440,794,121
Sub total	<u>7,362,616,702</u>	<u>8,227,632,360</u>
Total	<u>10,195,608,800</u>	<u>10,998,101,499</u>
Time deposits		
Rupiah		
Bank Ina Perdana	6,700,000,000	5,500,000,000
U.S. Dollar		
Bank SBI Indonesia	10,467,200,000	-
Sub total	<u>17,167,200,000</u>	<u>5,500,000,000</u>
Total	<u>27,449,296,143</u>	<u>16,581,261,674</u>
Interest rate per annum		
Rupiah	7.5% - 12.5%	7.0% - 8.5%
U.S. Dollar	3.0% - 4.0%	-

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### 6. TRADE ACCOUNTS RECEIVABLE

	2015 Rp	2014 Rp
a) By debtor		
Related party - TVS Motor Company Limited, India (Note 27)	696,254,200	-
Third parties		
PT Simpurn Motor Lestari	6,689,615,375	2,618,347,238
Niroo Motor Shiraz Co Ltd.	5,200,890,000	2,166,760,000
Agrocorp International Pte Ltd	4,184,747,308	-
Sunshine ( Far East ) Ltd - Guinea	3,265,243,040	1,839,237,120
PT Motomart Multi Artha	2,003,024,698	1,530,329,648
CV Max-Auto TVS	558,517,638	653,359,383
CV Bumi Indo Jaya	504,982,689	-
PT Terang Kemuliaan Raja	409,239,757	614,840,193
PT Gemilang Surya Motorindo	210,976,203	1,442,336,775
Hbi Motor Servis Hizmetleri San	-	1,436,904,000
Indo Afrii Auto Galery Fze	-	1,396,990,000
Sunshine (Far East) Ltd - Benin	-	562,445,280
Others (Below Rp 500,000,000 each)	3,368,832,643	3,906,124,899
Subtotal	26,396,069,351	18,167,674,536
Allowance for impairment losses	(582,399,879)	(57,523,011)
Subtotal	25,813,669,472	18,110,151,525
Net	26,509,923,672	18,110,151,525
b) By age category		
Not yet due	14,583,880,499	12,455,208,661
Past due		
1 - 30 days	4,154,375,088	2,933,874,553
31 - 60 days	1,861,526,396	1,000,112,826
61 - 90 days	2,829,174,967	487,616,078
91 - 120 days	1,404,755,776	649,279,404
121 - 180 days	892,162,710	341,876,641
181 - over 365 days	1,366,448,115	299,706,373
Subtotal	27,092,323,551	18,167,674,536
Allowance for impairment losses	(582,399,879)	(57,523,011)
Total	26,509,923,672	18,110,151,525
c) By currency		
Rupiah	13,886,498,427	10,622,478,860
US Dollar	13,205,825,124	7,545,195,676
Subtotal	27,092,323,551	18,167,674,536
Allowance for impairment losses	(582,399,879)	(57,523,011)
Total	26,509,923,672	18,110,151,525

The changes in allowance for impairment losses are as follows:

	2015 Rp	2014 Rp
Beginning balance	57,523,011	152,763,353
Provision during the year (Note 25)	582,399,879	24,122,861
Write off during the year	(57,523,011)	(119,363,203)
Ending Balance	582,399,879	57,523,011

The average credit period on sales of goods is 45 days. Interest is charged on trade receivables past due over 45 days from the date of the invoice. Allowance for impairment losses are recognized against trade receivables over 180 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty.

Included in the Company's trade accounts receivable are past due but unimpaired receivables with carrying amounts of Rp 11,926,043,173 and Rp 5,654,942,864 as of March 31, 2015 and 2014, respectively.

Management believes that the allowance for impairment losses for trade accounts receivable from third parties is adequate to cover possible losses on uncollectable accounts, because the Company holds bank guarantees some of these amounts. No allowance for impairment losses was provided on trade accounts receivable from related parties as management believes that all such receivables are collectible.

Trade accounts receivable are used as collateral for a bank loan (Note 12).

### 7. INVENTORIES

	2015 Rp	2014 Rp
Finished goods	9,279,111,327	11,546,709,846
Materials, components and spare parts	74,898,747,371	56,889,512,602
Others	467,070,984	302,981,026
Total	84,644,929,682	68,739,203,474
Allowance for inventory obsolescence	(1,959,536,813)	(4,834,855,317)
Net	82,685,392,869	63,904,348,157

The change in allowance for inventory obsolescence is as follows:

	2015 Rp	2014 Rp
Beginning balance	4,834,855,317	367,733,920
Provision during the year	1,071,866,759	4,467,121,397
Write-off during the year	(3,947,185,263)	-
Ending Balance	1,959,536,813	4,834,855,317

Management believes that allowance for decline in value of inventories is adequate.

As of March 31, 2015 and 2014, all inventories are insured with total coverage of US\$ 7,000,000 and US\$ 6,000,000 to PT Fairfax Insurance Indonesia, PT Asuransi MSIG Indonesia, PT Asuransi Indapura, PT Asuransi Tokio Marine Indonesia and PT Asuransi Central Asia

Inventories are used as collateral for a bank loan (Note 12).

### 8. PREPAID TAXES

	2015 Rp	2014 Rp
Income tax (Note 26)	888,070,312	1,850,025,454
Value added tax (VAT)	27,168,264,656	17,059,750,688
Total	28,056,334,968	18,909,776,142
Flaim for VAT refund - noncurrent portion	(7,078,297,947)	(8,523,458,538)
Current portion	20,978,037,021	10,386,317,604

Value added tax includes claims for VAT refund of Rp 7,078,297,947 and Rp 8,523,458,538 as of March 31, 2015 and 2014, respectively, representing payments for tax assessment letters for 2008-2009 fiscal year. Management believes that these claims are recoverable.

### 9. ADVANCES TO SUPPLIERS

This account represents advances made by the Company to its suppliers for the purchase of raw materials, tools and other components.

### 10. PROPERTY, PLANT AND EQUIPMENT

	April 1, 2014 Rp	Additions Rp	Deductions Rp	Revaluation Rp	March 31, 2015 Rp
Revalued amount:					
Land	317,400,000,000	52,200,000	129,383,336,700	34,860,000,000	222,928,863,300
Cost:					
Buildings	79,976,632,565	467,264,726	547,360,369	-	79,896,536,922
Machinery and tools	103,415,565,421	750,462,345	719,931,036	-	103,446,096,730
Moulds and dies	82,435,124,323	1,975,899,081	-	-	84,411,023,404
Office equipment and furnitures	9,240,411,750	537,745,899	22,875,000	-	9,755,282,649
Vehicle	780,003,334	-	-	-	780,003,334
Total	593,247,737,393	3,783,572,051	130,673,503,105	34,860,000,000	501,217,806,339
Accumulated depreciation:					
Buildings	26,988,775,283	4,012,395,845	64,149,596	-	30,937,021,532
Machinery and tools	59,838,493,352	9,823,387,039	545,101,190	-	69,116,779,201
Moulds and dies	11,598,458,711	2,738,990,910	-	-	14,337,449,621
Office equipment and furnitures	8,508,752,422	409,857,797	22,875,000	-	8,895,735,219
Vehicle	502,469,054	83,735,188	-	-	586,204,242
Total	107,436,948,822	17,068,366,779	632,125,786	-	123,873,189,815
Net Book Value	485,810,788,571				377,344,616,524

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	April 1, 2013 Rp	Additions Rp	Deduction Rp	Revaluation Rp	March 31, 2014 Rp
Revalued amount					
Land	43,645,278,219	-	-	273,754,721,781	317,400,000,000
Cost :					
Buildings	79,302,929,202	673,703,363	-	-	79,976,632,565
Machinery and tools	94,887,369,577	8,934,059,207	40,5863,363	-	103,415,565,421
Moulds and dies	62,739,169,720	21,695,954,603	2,000,000,000	-	82,435,124,323
Office equipment and furnitures	9,055,362,468	199,156,782	14,107,500	-	9,240,411,750
Vehicle	769,563,328	10,440,006	-	-	780,003,334
Total	290,399,672,514	31,513,313,961	2,419,970,863	273,754,721,781	593,247,737,393
Accumulated depreciation:					
Buildings	23,017,069,615	3,971,705,668	-	-	26,988,775,283
Machinery and tools	50,919,342,988	9,176,209,062	257,058,698	-	59,838,493,352
Moulds and dies	9,256,939,078	4,341,510,630	1,999,990,997	-	11,598,458,711
Office equipment and furnitures	8,018,382,577	504,477,344	14,107,499	-	8,508,752,422
Vehicle	361,437,513	141,031,541	-	-	502,469,054
Total	91,573,171,771	18,134,934,245	2,271,157,194	-	10,436,948,822
Net Book Value	198,826,500,743				485,810,788,571

Depreciation expense was allocated to the following:

	2015 Rp	2014 Rp
Manufacturing cost	16,574,773,796	17,489,425,360
General and administrative expenses (Note 25)	493,592,983	645,508,885
Total	17,068,366,779	18,134,934,245

The Company owns a piece of land located in Karawang, Ciampel – Kutaneegara, Jawa Barat with a total area of 126,541 square meters and 200,000 square meters as of March 31, 2015 and 2014, respectively, with Building Use Rights (HGB) expiring on November 11, 2028. Management believes that there will be no difficulty in the extension of the landrights since all the land were acquired legally and supported by sufficient evidence of ownership.

In 2015, the Company sold a parcel of land, adjacent to its Karawang factory with a total area 73,459 square meters for Rp 129,383,336,700. Revaluation surplus amounting to Rp 113,352,644,237 was reclassified directly to retained earnings.

An independent valuation of the Company's land was performed by KJPP Hendra Gunawan and Partners (a member of Colliers International) to determine the fair value of the land. The valuation which conforms to standards established by the Indonesian Appraisal Associations was determined using the sales comparison approach.

As of March 31, 2015 and 2014, property, plant and equipment except land were insured against earthquake, fire, lightning, explosion and other possible risk for US\$ 31,700,000 and US\$ 30,000,000, respectively. Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

Property, plant and equipment are used as collateral for the US\$ 20,000,000 loan from International Finance Corporation (IFC) (Note 17).

Loss from disposal in 2015 and 2014 are as follows:

	2015 Rp	2014 Rp
Proceeds	129,505,154,881	-
Net book value	(130,041,377,319)	(148,813,669)
Loss on sale and disposal	(536,222,438)	(148,813,669)

### 11. DEFERRED CHARGES

This account consists of :	2015 Rp	2014 Rp
Product development (Note 27)	139,932,322,265	139,932,322,265
Accumulated amortization	(133,313,455,433)	(127,731,043,296)
Net	6,618,866,832	12,201,278,969

Movement of accumulated amortization is as follows:

	2015 Rp	2014 Rp
Beginning Balance	127,731,043,296	116,943,478,270
Amortization of product development	5,582,412,137	10,787,565,026
Ending balance	133,313,455,433	127,731,043,296

Amortization expenses for product development are recorded under cost of goods sold (Note 24).

### 12. BANK LOANS

	2015 Rp	2014 Rp
Rupiah		
The Hongkong and Shanghai Banking Corporation	16,670,059,759	9,072,271,387
Bank DBS Indonesia	12,819,150,037	3,929,771,107
Bank SBI Indonesia	5,000,000,000	2,000,000,000
Subtotal	34,489,209,796	15,002,042,494
U.S. Dollar		
Bank SBI Indonesia (US\$ 6,200,000 in 2015 and US\$ 2,174,175 in 2014)	81,120,800,000	71,275,000,000
Bank DBS Indonesia (US\$ 1,339,597 in 2015 and US\$ 2,174,175 in 2014)	17,419,672,730	24,686,672,803
The Hongkong and Shanghai Banking Corporation (US\$ 2,147,568 in 2015 and US\$ 2,107,893 in 2014)	28,098,781,020	24,038,408,578
Subtotal	126,639,253,750	120,000,081,381
Total	161,128,463,546	135,002,123,875
Less: Non-current portion - Bank DBS Indonesia	(10,764,556,410)	(15,508,457,725)
Current portion of bank loan	150,363,907,136	119,493,666,150

The bank loan is repayable as follows:

	2015 Rp	2014 Rp
Due in the year		
2014	-	119,493,666,150
2015	150,363,907,136	6,126,154,205
2016	5,689,534,490	4,958,920,000
2017	5,075,021,920	4,423,383,520
Total	161,128,463,546	135,002,123,875
Accrued interest	890,700,288	467,677,781
Total	162,019,163,834	135,469,801,656

#### Bank SBI Indonesia

In February 2010, the Company obtained a loan from Bank SBI Indonesia through revolving credit facility with a maximum credit limit of US\$ 3,000,000, which is a combination of demand loan and foreign exchange facility. The foreign exchange facility has a maximum credit limit of US\$ 500,000. The facility is secured by a Letter of Comfort issued by the State Bank of India, CAG, Chennai – India amounting to US\$ 3,000,000. In March 2015, the Company renewed the loan which will be due on March 15, 2016. The loan bears interest rate of 13.5% per annum for IDR currency and 7.5% per annum for USD currency.

Interest expense recognized in the statements of comprehensive income amounted to Rp 6,146,457,912 and Rp 499,332,366 in 2015 and 2014, respectively.

#### The Hongkong and Shanghai Banking Corporation Limited, Jakarta (HSBC)

In July 2008, the Company obtained a loan from HSBC through a revolving credit facility for working capital requirements with a maximum credit limit of US\$ 3,000,000. In August 2010, both parties agreed to amend the credit facility to extend the maturity date to June 30, 2011 and increase the credit limit to US\$ 5,000,000. In June 2014, both parties agreed to extend the maturity to June 30, 2015.

Interest rate per annum ranges from 5.0% - 5.5% for USD loan and 11.8% - 13.2% for IDR loan in 2015 and 4.90% - 5.5% for USD loan and 9.8% - 12.0% for IDR loan in 2014.

Interest expense recognized in the statement of comprehensive income amounted to Rp 2,127,481,973 and Rp 900,057,409 in 2015 and 2014, respectively.

The facility is collateralized by the Company's inventories and trade accounts receivable for a combined amount of US\$ 5,000,000 (Notes 6 and 7).

#### Bank DBS Indonesia

In May 2013, the Company obtained loan facilities from DBS Bank through trade finance facility for accounts payable financing, with a maximum credit limit of US\$ 2,000,000, term loan to finance the procurement of tooling and equipment for new types of scooter, with a maximum credit limit of US\$ 3,000,000 and overdraft to finance working capital with maximum credit limit Rp 15,000,000,000.

Interest rate per annum is at 10.5% and 6.0% for the IDR and USD trade finance facility, respectively and 6.5% and 10.5% was the interest rate for the term loan and overdraft, respectively.

Interest expense recognized in the statement of comprehensive income amounted to Rp 3,690,855,224 and Rp 1,187,754,235 in 2015 and 2014, respectively.

The facility is collateralized by the Company's tooling and equipment with minimum mortgage amount of US\$ 3,000,000 and letter of awareness from TVS Motor Company Limited.

The loan requires the Company to maintain certain positive covenants. As of March 31, 2015, the Company is compliant to such covenants.

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### 13. TRADE ACCOUNTS PAYABLE

	2015 Rp	2014 Rp
a. By Creditors		
Related party - TVS Motor Company Limited,		
India (Note 27)	60,014,693,102	4,577,063,482
Third parties		
PT Setia Guna Sejati	1,515,207,516	-
PT Dharma Polimetal	1,196,503,705	639,227,222
Other (below Rp 1 billion each)	7,541,764,850	8,531,490,893
Sub total	10,253,476,071	9,170,718,115
Total	70,268,169,173	13,747,781,597
b. By Currency		
Rupiah	8,945,228,846	7,220,835,771
U.S. Dollar	61,322,940,327	6,526,945,826
Total	70,268,169,173	13,747,781,597

### 14. OTHER ACCOUNTS PAYABLE

	2015 Rp	2014 Rp
Related party-TV S Motor Company Limited,		
India (Note 27)	897,566,177	467,824,695
Third parties		
PT Surya Cipta Swadaya	9,231,264	5,245,840,000
PT Speedmark Logistik Indonesia	769,213,573	1,050,366,378
Talisman Insurance Broker	1,011,192,422	965,501,983
Pusaka Prima Transport	509,415,480	-
Others (below Rp 500,000,000 each)	3,964,853,862	2,676,284,173
Sub total	6,263,906,601	9,937,992,534
Total	7,161,472,778	10,405,817,229

Other accounts payable to a related party represents product development fees and information technology service fees in 2015 and 2014.

### 15. TAXES PAYABLE

	2015 Rp	2014 Rp
Income taxes		
Article 26	1,780,716,232	83,114,583
Article 21	588,069,124	502,973,405
Article 4(2) Final	107,477,587	76,928,003
Article 23	44,422,599	44,934,220
Article 22	6,815,199	12,051,135
Total	2,527,500,741	720,001,346

### 16. ACCRUED EXPENSES

	2015 Rp	2014 Rp
Provision for sales, marketing and warranty expenses	15,237,369,388	14,571,362,942
Interest	1,142,243,300	11,549,526,185
Professional fees	1,451,900,000	897,321,882
Employees' social security	625,528,761	159,465,913
Others	1,365,139,350	1,331,993,657
Total	19,822,180,799	28,509,670,579

### 17. LOAN FROM A FINANCIAL INSTITUTION

	2015 Rp	2014 Rp
US\$ 20 Million IFC loan	23,789,067,120	62,203,619,776
US\$ 12 Million IFC loan	85,700,200,523	99,556,920,456
Total	109,489,267,643	161,760,540,232
Less current maturities	(52,312,187,120)	(66,329,815,056)
Non-current portion	57,177,080,523	95,430,725,176
Unamortized transaction costs-net of current portion	(281,695,523)	(806,516,752)
Long-term loans from a financial institution - net	56,895,385,000	94,624,208,424

Loan from a financial institution is repayable as follows:

	2015 Rp	2014 Rp
Due in the year		
2014	-	66,329,815,056
2015	52,312,187,120	45,595,244,720
2016	28,523,120,000	24,860,720,000
2017	28,653,960,523	24,974,760,456
Total	109,489,267,643	161,760,540,232
Accrued interest	251,543,012	340,671,692
Total	109,740,810,655	162,101,211,924

On September 21, 2007, the Company obtained a long-term credit facility from International Finance Corporation (IFC) with maximum credit limit of US\$ 20,000,000. The loan has a term of 8 years, payable semi-annually starting September 15, 2010 and bears a fixed interest rate of 3.72% per annum. This loan is collateralized by the Company's property, plant and equipment (Note 10). As of March 31, 2015 and 2014, this loan has outstanding principal balance of US\$ 1,818,180 and US\$ 5,454,544, respectively.

On March 19, 2009, the Company entered into a new loan agreement with IFC amounting to US\$ 12,000,000. The loan has a term of 9 years, payable semi-annually starting March 15, 2013 and bears a fixed interest rate of 5.52% per annum. This loan is guaranteed by TVS Motor Company Ltd., India. As of March 31, 2015 and 2014, this loan has outstanding principal balance of US\$ 6,550,000 and US\$ 8,730,000, respectively.

On July 2014, the Company have obtained the approval from IFC to sell portion of their collateralized land. In relation to this, the interest rate was increased from 3.72% to 3.92% and a corporate guarantee from TVS Motor Company Limited, India was provided on the US\$ 20 million credit facility.

Interest expense recognized in the statement of comprehensive income amounted to Rp 7,374,137,497 and Rp 10,241,473,946 in 2015 and 2014, respectively.

The loan requires certain negative covenants which the Company has complied with.

### 18. LOAN FROM A SHAREHOLDER

On April 10, 2007, the Company obtained a fixed rate long-term credit facility from TVS Motor Company (Europe) B.V., a shareholder of the Company, with maximum credit limit of US\$ 15,000,000. The loan has an initial term of 3 years, bears fixed interest rate of 8.25% per annum and can be renewed upon agreement of both parties. On March 22, 2013, the loan was renewed for another 3 years.

On March 31, 2014, part of this loan amounting to US\$ 8,000,000 was converted to 800,000 Class A shares and the balance of US\$ 7,000,000 together with accrued interest of US\$ 941,876 were assigned by TVS Motor Company (Europe) B.V. to TVS Motor (Singapore) Pte., Limited. The loan bears fixed interest rate of 8.25% per annum and can be renewed upon agreement of both parties. The outstanding balance amounted to US\$ 7,941,876 and US\$ 7,000,000 as of March 31, 2015 and 2014, respectively.

Interest expense recognized in the statements of comprehensive income amounted to Rp 8,837,147,611 and Rp 14,040,618,187 in 2015 and 2014, respectively.

### 19. POST-EMPLOYMENT BENEFITS OBLIGATION

The Company provides post-employment benefits for its qualifying employees in accordance with Labor Law No. 13/2003. The number of employees entitled to the benefits are 333 employees and 216 employees in 2015 and 2014, respectively.

Amounts recognized in the statement of comprehensive income with respect to these post-employment benefits are as follows:

	2015 Rp	2014 Rp
Current service cost	2,593,003,000	3,306,436,000
Interest cost	879,531,000	766,030,000
Amortization of actuarial loss	(53,608,000)	-
Total (Note 25)	3,418,926,000	4,072,466,000

The amounts recognized in statement of financial position arising from the Company's obligation with respect to its post-employment benefits are as follows:

	2015 Rp	2014 Rp
Present value of unfunded obligation	14,895,251,000	9,828,213,000
Unrecognized actuarial loss	2,998,753,000	4,758,155,000
Liability recognized	17,894,004,000	14,586,368,000

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Changes in the present value of unfunded benefit obligations are as follows:

	2015 Rp	2014 Rp
Beginning of the year	9,828,213,000	11,348,596,000
Interest cost	879,531,000	766,030,000
Current service cost	2,593,003,000	3,306,436,000
Benefit payment	(111,290,000)	-
Actuarial gain on obligation	(72,903,000)	(2,197,426,000)
Effect of changes in actuarial assumptions	1,778,697,000	(3,395,423,000)
End of the year	<u>14,895,251,000</u>	<u>9,828,213,000</u>

The history of experience adjustments are as follows:

	2015 Rp	2014 Rp	2013 Rp	2012 Rp	2011 Rp
Present value of benefit obligation	14,895,251,000	9,828,213,000	11,348,596,000	8,286,138,000	5,966,060,000
Experience adjustments on plan liabilities	<u>(72,903,000)</u>	<u>(2,197,426,000)</u>	<u>(596,075,000)</u>	<u>(299,072,000)</u>	<u>(591,450,000)</u>

The cost of providing post-employment benefits is calculated by an independent actuary, PT Milliman Indonesia. The actuarial valuation was carried out using the following key assumptions:

	2015	2014
Discount rate per annum	8%	9%
Salary increment rate per annum	8.5%	8.5%
Normal retirement age	55 years old and can be extended up to 60 years old	55 years old and can be extended up to 60 years old
Mortality rate	TMI III	TMI III
Resignation rate	5% p.a. at age of 25 and reducing linearly to 0% p.a. at age 45 and thereafter	5% p.a. at age of 25 and reducing linearly to 0% p.a. at age 45 and thereafter
Disability	10% of TMI III	10% of TMI III

### 20. CAPITAL STOCK

Name of Stockholders	2015			Percentage of Ownership %	Total Capital Stock Rp
	Number of Shares				
	Class A	Class B	Total		
TVS Motor (Singapore) Pte., Limited	4,430,000	-	4,430,000	38%	431,482,000,000
TVS Motor Company (Europe) B.V.	2,870,000	-	2,870,000	25%	279,538,000,000
TVS Motor Company Limited, India	4,297,000	-	4,297,000	37%	418,527,800,000
Total	<u>11,597,000</u>	<u>-</u>	<u>11,597,000</u>	<u>100.00%</u>	<u>1,129,547,800,000</u>

Name of Stockholders	2014			Percentage of Ownership %	Total Capital Stock Rp
	Number of Shares				
	Class A	Class B	Total		
TVS Motor (Singapore) Pte., Limited	4,430,000	-	4,430,000	40%	431,482,000,000
TVS Motor Company (Europe) B.V.	2,870,000	-	2,870,000	26%	279,538,000,000
TVS Motor Company Limited, India	-	3,897,000	3,897,000	34%	379,567,800,000
Total	<u>7,300,000</u>	<u>3,897,000</u>	<u>11,197,000</u>	<u>100.00%</u>	<u>1,090,587,800,000</u>

Class A shares are common equity shares while class B shares are preference shares which are noncumulative and redeemable shares at fixed dividend of 8%.

Movements in paid-in capital are as follows:

	2015 Rp	2014 Rp
Beginning of the year	1,090,587,800,000	935,040,000,000
Issuance of capital stock	38,960,000,000	155,547,800,000
End of the year	<u>1,129,547,800,000</u>	<u>1,090,587,800,000</u>

Changes in the Company's outstanding Class A shares are as follows:

	2015 Number of Shares	2014 Number of Shares
Beginning of the year	7,300,000	6,500,000
Issuance of capital stock for cash	400,000	-
Conversion of Class B to Class A shares	3,897,000	-
Conversion of debt to capital stock	-	800,000
End of the year	<u>11,597,000</u>	<u>7,300,000</u>

In 2015, the Company received additional capital stock subscription amounting to US\$ 4,000,000 (equivalent to Rp 51,252,000,000) from TVS Motor Company Limited, India.

In 2014, a portion of the loan from shareholder amounting to US\$ 8,000,000 (equivalent to Rp 91,232,000,000) was converted to 800,000 Class A shares (Note 18).

Changes in the Company's outstanding Class B shares are as follows:

	2015 Number of Shares	2014 Number of Shares
Beginning of the year	3,897,000	3,100,000
Conversion of Class B to Class A shares	(3,897,000)	-
Issuance of capital stock for cash	-	797,000
End of the year	<u>-</u>	<u>3,897,000</u>

In 2015, all of the outstanding Class B shares were converted to Class A shares. As stated in notarial deed No.30 dated September 22, 2014 by Sastryani Jasoprawiro, S.H., notary in Jakarta and approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Notification Letter No. AHU-07344.40 dated October 14, 2014.

In 2014, the Company received additional capital stock subscription amounting to US\$ 7,970,000 (equivalent to Rp 90,103,020,000) from TVS Motor Company Limited, India.

### 21. FOREIGN EXCHANGE RATE DIFFERENCE ON PAID-IN CAPITAL

This account represents the difference between the exchange rate stated in the articles of association and the actual exchange rate at the date the payments for capital subscription were received, with details as follows:

	2015 Rp	2014 Rp
Beginning balance	(2,380,980,000)	(28,168,200,000)
Foreign exchange rate difference on issuance of shares	12,292,000,000	25,787,220,000
Ending balance	<u>9,911,020,000</u>	<u>(2,380,980,000)</u>

### 22. REVALUATION SURPLUS

This amount represents the revaluation increase of land.

	2015 Rp	2014 Rp
Beginning balance	273,754,721,781	-
Revaluation surplus	34,860,000,000	273,754,721,781
Sale of portion of land	(113,352,644,237)	-
Ending balance	<u>195,262,077,544</u>	<u>273,754,721,781</u>

In August 2014, the Company sold 73,459 square meters out of 200,000 square meters of land (Note 10).

### 23. NET SALES

	2015 Rp	2014 Rp
Sales	228,041,079,709	175,886,168,747
Less sales discounts	(2,132,918,605)	(2,188,122,507)
Net	<u>225,908,161,104</u>	<u>173,698,046,240</u>

0.33% in 2015 and 0.29% in 2014, of the total net sales were made to TVS Motor Company Limited, India, the ultimate holding company (Note 27b).

Details of net sales to dealers representing more than 10% of the total net sales are as follows:

Name of Customers	2015		2014	
	Rp	%	Rp	%
Niroo Motor Shiraz Co Ltd	68,217,975,126	30.20%	37,135,044,666	21.38%
PT Simpura Motor Lestari	35,930,241,795	15.90%	27,453,274,207	15.51%
Sunshine (Far East) Ltd.	22,629,183,344	10.02%	9,721,382,540	5.60%
Total	<u>126,777,400,265</u>		<u>74,309,701,413</u>	

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### 24. COST OF GOODS SOLD

	2015 Rp	2014 Rp
Raw materials and components used	180,441,487,775	151,039,756,498
Direct labor	9,766,341,781	7,335,421,090
Overhead	52,848,214,000	51,245,405,512
Total Manufacturing Cost	<u>243,056,043,556</u>	<u>209,620,583,100</u>
Finished goods		
At beginning of year	11,546,709,846	10,263,750,480
At end of year	(9,279,111,327)	(11,546,709,846)
Cost of Goods Sold	<u>245,323,642,075</u>	<u>208,337,623,734</u>

52.15% in 2015 and 47.51% in 2014 of the total purchases of raw materials and components were made from TVS Motor Company Limited, India, the ultimate holding company (Note 27c).

### 25. OPERATING EXPENSES

	2015 Rp	2014 Rp
<b>Marketing</b>		
Advertising and market research	25,091,232,338	22,865,946,625
Free service charges	1,700,711,275	1,360,201,626
Subvention charges	1,682,100,000	1,922,750,000
Dealer development and public relations	1,667,146,475	2,370,884,659
Services, trainings, and promotions	1,266,940,302	2,456,169,702
Others	670,534,500	132,945,000
Total	<u>32,078,664,890</u>	<u>31,108,897,612</u>
	<b>2015</b>	<b>2014</b>
	<b>Rp</b>	<b>Rp</b>
<b>General and administrative</b>		
Salaries and allowances (Note 27)	21,997,321,597	18,779,494,282
Rental	7,966,026,373	7,815,654,095
Consultancy fees	7,769,760,682	3,287,632,530
Travel and transportation	7,581,228,542	6,368,489,958
Honorarium	7,057,630,605	8,658,136,675
Post-employment benefits (Note 19)	3,418,926,000	4,072,466,000
Training and development	2,295,879,686	1,874,528,141
Insurance	1,697,032,866	911,634,509
Data processing	1,661,082,496	1,415,631,171
Research and development	1,095,106,558	634,837,424
Telecommunication	1,068,287,424	946,790,110
Taxes, permit and license	1,001,111,265	895,729,317
Professional fees	696,169,600	824,087,333
Provision for impairment losses (Note 6)	582,399,879	24,122,861
Office supplies	514,360,823	475,324,214
Depreciation (Note 10)	493,592,983	645,508,885
Business meeting	484,922,038	460,716,948
Repairs and maintenance	237,424,256	193,876,910
Postage and courier	111,273,983	97,838,540
Recruitment	51,425,902	201,029,525
Others	314,966,046	396,039,198
Total	<u>68,095,929,604</u>	<u>58,979,568,626</u>

### 26. INCOME TAX

Tax expense of the Company consists of:

	2015 Rp	2014 Rp
Deferred tax	27,970,017,501	(7,722,494,816)
Final tax on land	(6,469,166,835)	-
Tax expense	<u>(12,680,585)</u>	<u>(552,440,907)</u>
Net	<u>21,488,170,081</u>	<u>(8,274,935,723)</u>

#### Current tax

The reconciliation between loss before tax per statements of comprehensive income and fiscal loss is as follows:

	2015 Rp	2014 Rp
Loss before tax per statements of comprehensive income	(193,600,550,089)	(217,142,670,113)
Temporary differences:		
Provision for employee benefits - net	3,307,636,000	4,072,466,000
Employee vehicle ownership program	276,367,207	642,959,350
Amortization of product development	5,582,412,137	(271,830,301)
Provision for accrued expenses	666,006,446	4,531,624,078
Depreciation of property, plant and equipment	(7,373,879)	(11,961,808,377)
Total	<u>9,825,047,911</u>	<u>(2,986,589,250)</u>
Permanent differences:		
Employee welfare	3,944,829,372	3,777,932,887
Tax expenses	412,293,402	72,716,602
Provision for impairment losses	582,399,879	24,122,861
Interest income already subjected to final tax	(971,814,040)	(514,691,226)
Provision for inventory obsolescence	1,071,866,759	4,467,121,397
Others	91,859,921	41,328,075
Total	<u>5,131,435,293</u>	<u>7,868,530,596</u>

Fiscal loss before fiscal loss carryforward	(178,644,066,885)	(212,260,728,767)
Fiscal loss carryforward - net of expired portion	(699,527,725,627)	(574,261,128,220)
Tax expense	<u>(12,680,585)</u>	<u>(552,440,907)</u>
Total accumulated fiscal loss	<u>(878,184,473,097)</u>	<u>(787,074,297,894)</u>
Current income tax	<u>Nil</u>	<u>Nil</u>

	2015 Rp	2014 Rp
Prepaid taxes		
2015	345,787,314	-
2014	542,282,998	542,282,998
2011	-	1,307,742,456
Prepaid taxes (Note 8)	<u>888,070,312</u>	<u>1,850,025,454</u>

In 2015, the Company received a refund of Rp 1,295,061,871 and wrote off prepaid income taxes article 28A for 2011 amounting to Rp 12,680,585 which was recorded under tax expense in the statement of comprehensive income.

In 2014, the Company wrote off prepaid income taxes article 28A for 2012 and 2013 amounting to Rp 552,440,907 and recorded under tax expense in the statement of comprehensive income.

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### Deferred Tax

The details of the Company's deferred tax assets (liabilities) are as follows:

	April 1, 2013	Credited (charged) to income (expense) for the year	March 31, 2014	Credited (charged) to income (expense) for the year	March 31, 2015
	Rp	Rp	Rp	Rp	Rp
Deferred tax asset (liabilities):					
Fiscal loss	77,852,424,959	(6,975,847,505)	70,876,577,454	25,513,755,523	96,390,332,977
Accrued expense	2,463,936,217	1,132,906,020	3,596,842,237	166,501,612	3,763,343,849
Deferred charges and					
product development	866,794,275	(67,957,575)	798,836,700	1,395,603,034	2,194,439,734
Employee vehicle					
ownership program	–	160,739,838	160,739,838	69,091,802	229,831,640
Property, plant, and					
equipment	(14,450,568,512)	(2,990,452,094)	(17,441,020,606)	(1,843,470)	(17,442,864,076)
Post-employment					
benefits obligation	2,628,475,500	1,018,116,500	3,646,592,000	826,909,000	4,473,501,000
Deferred Tax					
Asset - Net	<u>69,361,062,439</u>	<u>(7,722,494,816)</u>	<u>61,638,567,623</u>	<u>27,970,017,501</u>	<u>89,608,585,124</u>

The fiscal loss can be utilized against the taxable income for a period of five years subsequent to the year the fiscal loss was incurred. Management believes that probable future taxable profits will be available to utilize accumulated fiscal losses amounting to Rp 385,561,331,908 and Rp 283,506,309,816 as of March 31, 2015 and 2014, respectively. Hence, deferred tax of Rp 96,390,332,977 and Rp 70,876,577,454 as of March 31, 2015 and 2014, respectively, was recognized on such fiscal losses.

A reconciliation between the tax expense and the amounts computed by applying the effective tax rates is as follows:

	2015	2014
	Rp	Rp
Loss before tax per statements of comprehensive income	(193,000,550,089)	(217,142,670,113)
Tax benefit at effective tax rates	(48,400,137,522)	(54,285,667,528)
Tax effect of permanent differences	1,282,858,823	1,967,132,649
Adjustment of tax expense	12,680,585	552,440,907
Final tax on sale of land	6,469,166,835	–
Unrecognized deferred tax on fiscal loss	19,147,261,198	60,041,029,695
Tax expense	<u>(21,488,170,081)</u>	<u>8,274,935,723</u>

### 27. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

#### Nature of Relationship

- TVS Motor Company (Europe) B.V. and TVS Motor (Singapore) Pte., Limited, are stockholders of the Company.
- TVS Motor Company Limited, India (TVS India) is the ultimate holding company of the Company and a stockholder.

#### Transactions with Related Parties

The Company entered into certain transactions with related parties, including the following:

- Compensation paid to the Commissioners and Directors of the Company amounted to Rp 12,040,264,494 and Rp 12,888,491,277 in 2015 and 2014, respectively.
- Net sales to a related party accounted for 0.33% in 2015 and 0.29% in 2014, of the total net sales. At reporting date, the receivables from these net sales were presented as trade accounts receivable, which constituted 0.11% of the total assets as of March 31, 2015.
- Purchases from a related party constituted 52.15% in 2015 and 47.51% in 2014 of the total purchases of raw materials and components. At reporting date, the liabilities for these purchases were presented as trade accounts payable which constituted 12.19% and 1.03% of the total liabilities as of March 31, 2015 and 2014, respectively.
- The Company also entered into other accounts receivable and other payable (Note 14) transactions, product development, dies and moulds development and license agreements with a related party (Notes 28a, 28b and 28c).
- The Company obtained a loan from a shareholder and incurred interest expense as discussed in Note 18.

### 28. SIGNIFICANT CONTRACTS AND AGREEMENTS

- Corporate guarantee to IFC for US\$ 20 Million loan has been provided by TVS Motor Company Limited, India.
- The Company entered into a License and Technical Assistance Agreement (the "Agreement") dated February 26, 2007 with TVS Motor Company Limited (the "Licensor"), India, a stockholder, for 5 years and can be renewed upon mutual agreement by both parties. In accordance with the Agreement, the Company is required to pay technical assistance fee amounting to INR 20,000,000 per annum. In addition to such agreement, the Company is also required to pay royalty starting April 1, 2009.  
On April 1, 2010, both parties amended the Agreement relating to royalty. The Licensor, agreed to waive the Company's royalty obligation starting April 1, 2010 until the Company achieves a monthly sales of 10,000 units of two wheelers. In addition, both parties agreed to extend the validity of this Agreement until March 31, 2017.  
On January 1, 2012, the parties once again amended the Agreement. The parties have mutually agreed to waive the payment of technical fees from April 1, 2014 up to March 31, 2017.
- On March 8, 2014, the Company entered into supplemental agreement to the long term credit facility agreement dated April 10, 2007 with TVS Motor Company (Europe) B.V granting rights of conversion of loan into shares of the Company.

### 29. MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

	March 31, 2015		March 31, 2014		
	Foreign Currency	Equivalent in Rp	Foreign Currency	Equivalent in Rp	
<b>Assets</b>					
Cash and cash equivalents	USD	562,719	7,362,616,702	723,216	8,247,555,150
Trade accounts receivable					
Related party	USD	53,214	696,254,200	–	–
Third parties	USD	1,009,311	13,205,825,124	661,627	7,545,195,676
Security deposits	USD	23,365	305,707,660	22,940	261,606,277
Total assets		<u>21,570,403,686</u>		<u>16,054,357,103</u>	
<b>Liabilities</b>					
Bank loans	USD	11,457,588	141,235,757,075	10,532,068	120,107,699,728
Trade accounts payable					
Related party	USD	4,586,877	60,014,693,102	401,356	4,577,063,482
Third parties	USD	99,988	1,308,247,225	572,338	6,526,945,826
Other accounts payable					
Related party	USD	68,600	897,566,177	41,023	467,824,695
Third parties	USD	171,380	2,242,330,487	271,564	3,096,911,979
Accrued expenses	USD	251,614	3,292,121,805	1,062,837	12,120,593,148
Loan from a financial institution					
	USD	8,346,650	109,207,572,120	14,184,544	161,760,540,232
Loan from a shareholder					
	USD	7,941,876	103,911,505,584	7,000,000	79,828,000,000
Total liabilities		<u>422,109,793,575</u>		<u>388,485,579,090</u>	
Net Liabilities		<u>(400,539,389,889)</u>		<u>(372,431,221,987)</u>	

The conversion rates used by the Company are as follows:

	March 31, 2015	March 31, 2014
	Rp	Rp
USD	13,084	11,404

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### 30. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

#### a. Categories and Classes of Financial Instruments

	March 31, 2015		Total Rp
	Loans and receivables Rp	Liabilities at amortized cost Rp	
<b>Financial Assets</b>			
Cash and cash equivalents	27,449,296,143	-	27,449,296,143
Trade accounts receivable			
Related party	696,254,200	-	696,254,200
Third parties	25,813,669,472	-	25,813,669,472
Other current assets	5,081,017,970	-	5,081,017,970
Security deposit	1,127,418,694	-	1,127,418,694
<b>Financial Liabilities</b>			
Trade accounts payable			
Related party	-	(60,014,693,102)	(60,014,693,102)
Third parties	-	(10,253,476,071)	(10,253,476,071)
Other accounts payable			
Related party	-	(897,566,177)	(897,566,177)
Third parties	-	(6,263,906,601)	(6,263,906,601)
Accrued expenses	-	(19,822,180,799)	(19,822,180,799)
Bank loans	-	(150,363,907,136)	(150,363,907,136)
Loan from a financial institution	-	(109,207,572,120)	(109,207,572,120)
Loan from a shareholder	-	(103,911,505,584)	(103,911,505,584)
<b>Total</b>	<b>60,167,656,479</b>	<b>(460,734,807,590)</b>	<b>(400,567,151,111)</b>

	March 31, 2014		Total Rp
	Loans and receivables Rp	Liabilities at amortized cost Rp	
<b>Financial Assets</b>			
Cash and cash equivalents	16,581,261,674	-	16,581,261,674
Trade accounts receivable			
Third parties	18,110,151,525	-	18,110,151,525
Other current assets	550,000,000	-	550,000,000
Security deposit	917,085,887	-	917,085,887
<b>Financial Liabilities</b>			
Trade accounts payable			
Related party	-	(4,577,063,482)	(4,577,063,482)
Third parties	-	(9,170,718,115)	(9,170,718,115)
Other accounts payable			
Related party	-	(467,824,695)	(467,824,695)
Third parties	-	(9,937,992,534)	(9,937,992,534)
Accrued expenses	-	(26,015,003,416)	(26,015,003,416)
Bank loans	-	(135,002,123,875)	(135,002,123,875)
Loan from a financial institution	-	(160,954,023,480)	(160,954,023,480)
Loan from a shareholder	-	(79,828,000,000)	(79,828,000,000)
<b>Total</b>	<b>36,158,499,086</b>	<b>(425,952,749,597)</b>	<b>(389,794,250,511)</b>

#### b. Capital Risk Management

The Company manages capital risk to ensure that it will be able to continue as going concern, in addition to maximizing the profits of the shareholders through the optimization of the balance of debt and equity. The Company's capital structure consists of cash on hand and in banks (Note 5), bank loans (Note 12), loan from a financial institution (Note 17), loan from a shareholder (Note 18) and equity, consisting of subscribed and paid-up capital (Note 20), foreign exchange rate difference on paid-in capital (Note 21) and revaluation surplus (Note 22).

The gearing ratio as of March 31, 2015 and 2014 are as follows:

	March 31, 2015 Rp	March 31, 2014 Rp
Debt	374,247,541,250	375,784,147,355
Cash on hand and in banks	27,449,296,143	16,581,261,674
Debt - net	346,798,245,107	359,202,885,681
Equity	155,131,682,438	241,132,062,446
Net debt to equity ratio	224%	149%

#### c. Financial risk management objectives and policies

The Company's overall financial risk management and policies seek to ensure that adequate financial resources are available for operation and development of its business, while managing its exposure to foreign exchange risk, interest rate risk, credit and liquidity risks. The Company operates within defined guidelines that are approved by the Board of Directors.

##### i. Interest rate risk management

The interest rate risk exposure relates to the amount of assets or liabilities which is subject to a risk that a movement in interest rates will adversely affect the income after tax. The risks on interest income and interest expense are limited as the Company's financial instruments with variable interest rate are short-term in nature and obtains long-term financing from banks and shareholders at a fixed rate of interest. The Company has a policy of obtaining financing from banks which offer the most favorable interest rate. Approvals from the Directors and Commissioners must be obtained before committing the Company to any of the instruments to manage the interest rate risk exposure.

Financial instruments that are exposed to interest rate risk are included in the liquidity table in item (iv).

##### ii. Foreign currency risk management

The Company is exposed to the effect of foreign currency exchange rate fluctuation mainly because of foreign currency denominated transactions such as purchases of goods and borrowings denominated in foreign currency.

The Company manages the foreign currency exposure by matching, as far as possible, receipts and payments in each individual currency. The Company's net open foreign currency exposure as of reporting date is disclosed in Note 29.

The following table details the Company's sensitivity to changes of Indonesian Rupiah against other currencies. The sensitivity analysis represents management's assessment of the effect to the financial statements caused by the reasonably possible change in foreign exchange rates, on outstanding foreign currency denominated monetary financial assets and liabilities.

	2015		2014	
	Percentage of changes in exchange rate	Effect on profit or loss after tax Rp	Percentage of changes in exchange rate	Effect on profit or loss after tax Rp
US Dollar	4%	12,016,181,697	8%	22,345,873,319

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year-end exposure does not reflect the exposure during the year.

##### iii. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in a loss to the Company.

The Company's credit risk is primarily attributed to its cash in banks, accounts receivable from related parties, other current asset and trade and other accounts receivables. The Company places its bank balances with credit worthy financial institutions, while receivables are entered with respected and credit worthy third and related parties. With respect to the distributors to whom credit is extended for the sale of vehicles, the Company has a policy of obtaining bank guarantees and/or assets for collateral, which is the basis for setting-up the distributor's credit limit. The Company's exposure and its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risk associated with trade accounts receivables is partially mitigated because the trade accounts receivable are partially secured by bank guarantee and land certificates. Trade accounts receivable amounting to Rp 17,813,669,584 as of March 31, 2015 are fully covered by collaterals.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses and credit risk enhancements represents the Company's exposure to credit risk.

##### iv. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company receives support from shareholders to finance its ongoing working capital requirements.

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The table below summarizes the maturity profile of financial assets and liabilities based on contractual undiscounted payments as of March 31, 2015 and 2014.

March 31, 2015						
Weighted average effective interest rate	Less than 1 month Rp	1 - 3 months Rp	3 months to 1 year Rp	1 - 5 years Rp	5+ years Rp	Total Rp
<b>Financial assets</b>						
Non-interest bearing						
Cash on hand	86,487,343	-	-	-	-	86,487,343
Trade receivables	8,145,007,228	17,142,222,741	1,222,693,703	-	-	26,509,923,672
Security deposits	-	-	-	1,127,418,694	-	1,127,418,694
Other current assets	187,478,217	287,782,227	2,770,501,063	407,128,512	-	3,652,890,018
Variable interest rate instruments						
Cash in bank	1.5% - 3%	10,212,601,481	-	-	-	10,212,601,481
Fixed interest rate instruments						
Time Deposit	3.0% - 10.0%	12,230,342,460	1,520,155,560	3,523,996,980	-	17,274,495,000
<b>Total</b>		<u>30,861,916,729</u>	<u>18,950,160,528</u>	<u>7,517,191,746</u>	<u>1,534,547,206</u>	<u>58,863,816,208</u>
<b>Financial liabilities</b>						
Non-interest bearing						
Trade accounts payable						
Related party	-	-	60,014,693,102	-	-	60,014,693,102
Third party	5,774,094,275	4,479,381,796	-	-	-	10,253,476,071
Other accounts payable						
Related party	-	897,566,177	-	-	-	897,566,177
Third party	3,131,201,735	3,132,704,866	-	-	-	6,263,906,601
Accrued expense	2,126,982,035	11,857,380,917	5,837,817,847	-	-	19,822,180,799
Floating interest rate instruments						
Bank loans	5.4% - 15%	14,541,634,986	14,607,861,999	122,905,875,802	-	152,055,372,787
Fixed interest rate instruments						
Bank loans	6.5%	1,099,802,176	2,180,798,315	3,125,632,451	12,030,212,052	18,436,444,994
Loan from a financial institution	3.92% - 5.52%	-	-	57,115,511,500	61,127,715,296	118,243,226,796
Loan from a shareholder	8%	-	-	8,572,699,211	138,202,302,427	146,775,001,637
<b>Total</b>		<u>26,673,715,207</u>	<u>37,155,694,069</u>	<u>257,572,229,913</u>	<u>211,360,229,775</u>	<u>532,761,868,964</u>
<b>Maturity GAP</b>		<u>4,188,201,521</u>	<u>(18,205,533,541)</u>	<u>(250,055,038,168)</u>	<u>(209,825,682,569)</u>	<u>(473,898,052,755)</u>

March 31, 2014						
Weighted average effective interest rate	Less than 1 month Rp	1 - 3 months Rp	3 months to 1 year Rp	1 - 5 years Rp	5+ years Rp	Total Rp
<b>Financial assets</b>						
Non-interest bearing						
Cash on hand	83,160,175	-	-	-	-	83,160,175
Trade receivables	10,528,120,741	7,550,507,773	31,523,011	-	-	18,110,151,525
Security deposits	-	-	-	917,085,887	-	917,085,887
Other current assets	-	-	550,000,000	-	-	550,000,000
Variable interest rate instruments						
Cash in bank	2.5% - 4%	11,021,014,210	-	-	-	11,021,014,210
Fixed interest rate instruments						
Time Deposit	8.0% - 8.5%	-	2,162,222,222	4,049,972,222	-	6,212,194,444
<b>Total</b>		<u>21,632,295,126</u>	<u>9,712,729,995</u>	<u>4,631,495,233</u>	<u>917,085,887</u>	<u>36,893,606,241</u>
<b>Financial liabilities</b>						
Non-interest bearing						
Trade accounts payable						
Related party	-	-	4,577,063,482	-	-	4,577,063,482
Third party	3,488,496,007	5,682,222,108	-	-	-	9,170,718,115
Other accounts payable						
Related party	-	467,824,695	-	-	-	467,824,695
Third party	1,931,428,272	2,760,724,262	5,245,840,000	-	-	9,937,992,534
Accrued expense	1,335,517,634	16,759,016,856	7,920,468,926	-	-	26,015,003,416
Floating interest rate instruments						
Bank loans	5.2% - 14.5%	683,484,338.00	1,433,854,159	114,289,889,353	-	116,407,227,850
Fixed interest rate instruments						
Bank loans	6.5%	783,507,486.00	1,561,419,392	8,381,139,326	16,069,185,166	26,795,251,370
Loan from a financial institution	3.72% - 5.52%	-	-	73,410,638,913	103,039,931,792	176,450,570,705
Loan from a shareholder	8.25%	-	-	7,526,640,000	121,338,560,000	128,865,200,000
<b>Total</b>		<u>8,222,433,737</u>	<u>28,665,061,472</u>	<u>221,351,680,000</u>	<u>240,447,676,958</u>	<u>498,686,852,167</u>
<b>Maturity GAP</b>		<u>13,409,861,389</u>	<u>(18,952,331,477)</u>	<u>(216,720,184,767)</u>	<u>(239,530,591,071)</u>	<u>(461,793,245,926)</u>

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### d. Fair value of financial instruments

Except as shown in the following table, management considers that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the financial statements approximate their fair values, either because of their short-term maturity of they carry the prevailing market rates.

	March 31, 2015		March 31, 2014	
	Carrying value	Estimated fair value	Carrying value	Estimated fair value
	Rp	Rp	Rp	Rp
Loan from a shareholder	103,911,505,584	99,022,921,507	79,828,000,000	83,222,732,632

### 31. OTHER MATTERS

The Company incurred a totalling comprehensive loss of Rp 137,252,380,008 during the year ended March 31, 2015 and, as of that date, the Company's current liabilities exceeded its current assets by Rp 137,180,651,689. Further, the Company incurred a deficit of Rp 1,179,589,215,106 as of March 31, 2015, as a result of recurring losses from operations due to gross losses and significant operating expenses. The Company was also unable to operate at expected capacity and incurred significant fixed costs. The Company is also still developing its market share and introducing its brand in Indonesia. In introducing their new brand, the Company has to compete with the existing wellknown brands. They are also developing their networks to distributors, dealers and consumer finance companies.

Nevertheless, the Company's management believes that they maintain considerable financial resources, including support from the Company's ultimate shareholder.

Management also implemented and continues to implement the following measures:

- Focus on increasing sales volume and improvement to gross margin;
- Focus on increasing brand awareness and conversion at dealerships;
- Expand the network at select areas;
- Introduce new products and ensure continued customer satisfaction;
- Thrust on exports; and
- Reduction in fixed cost

The Company's management also believes that it is well placed to manage the Company's business risks successfully despite the current condition and is able to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### 32. SUPPLEMENTAL DISCLOSURES ON NONCASH FINANCING ACTIVITIES

In 2014, the Company has noncash transaction for its financing activities which was not included in its statements of cash flows as follows:

	2014
	Rp
Conversion of debt to shares of stock	91,232,000,000

### 33. MANAGEMENT'S RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS

The preparation and fair presentation of the financial statements on pages 3 to 42 were the responsibilities of the management, and were approved by the Directors and authorized for issue on April 16, 2015.

**RE-STATED ACCOUNTS OF  
PT. TVS MOTOR COMPANY INDONESIA**

## PT. TVS MOTOR COMPANY INDONESIA

### BALANCE SHEET AS AT 31 MARCH 2015

Sl. No	Particulars	Note Number	IDR in Mn	Rupees in crores
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
1	Shareholders' funds			
	(a) Share capital	I	1,129,547.80	556.95
	(b) Reserves and surplus	II	(950,853.76)	(500.75)
2	Non-current liabilities			
	(a) Long-term borrowings	III	171,571.46	81.93
	(b) Deferred tax liabilities (Net)		-	-
	(c) Long-term provisions	IV	17,894.00	8.54
3	Current liabilities			
	(a) Short-term borrowings	V	130,889.64	62.50
	(b) Trade payables		71,165.74	33.99
	(c) Other current liabilities	VI	100,720.71	48.10
	(d) Short-term provisions		-	-
	<b>Total</b>		<u>670,935.59</u>	<u>291.26</u>
<b>II</b>	<b>ASSETS</b>			
	Non-current assets			
1	(a) Fixed assets			
	(i) Tangible assets	VII	497,134.45	208.28
	(ii) Intangible assets	VII	-	-
	(iii) Capital work-in-progress	VII	-	-
	(iv) Intangible assets under development		-	-
	(b) Non-current investments		-	-
	(c) Long-term loans and advances	VIII	1,127.42	0.54
	(d) Other non current assets		-	-
2	Current assets			
	(a) Current investments		-	-
	(b) Inventories	IX	82,685.39	39.47
	(c) Trade receivables	X	26,509.92	12.66
	(d) Cash and cash equivalents	XI	27,449.30	13.11
	(e) Short-term loans and advances	XII	30,948.09	14.77
	(f) Other current assets	XIII	5,081.02	2.43
	<b>Total</b>		<u>670,935.59</u>	<u>291.26</u>

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

	Note Number	IDR in Mn	Rupees in crores
I. Revenue from operations	XIV	229,331.73	116.15
II. Other income	XV	994.88	0.50
III. Total Revenue (I + II)		<u>230,326.61</u>	<u>116.65</u>
IV. Expenses:			
Cost of materials consumed	XVI	178,780.04	90.01
Purchases of Stock-in-trade	XVI	-	-
Changes in inventories of finished goods work-in-process and stock-in-trade	XVI	2,267.60	1.69
Employee benefits expense	XVII	63,727.31	32.27
Finance costs	XVIII	64,550.35	32.69
Depreciation and amortization expense		18,951.00	13.53
Other expenses	XIX	78,608.72	39.82
Total expenses		<u>406,885.02</u>	<u>210.01</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		(176,558.41)	(93.36)
VI. Exceptional items		113,352.64	57.41
VII. Profit before extraordinary items and tax		(63,205.77)	(35.95)
VIII. Extraordinary items - Income		-	-
IX. Profit before tax		(63,205.77)	(35.95)
X. Tax expense:			
(1) Current tax		6,481.85	3.28
(2) Deferred tax		-	-
XI. Profit (Loss) for the period (IX-X)		<u>(69,687.62)</u>	<u>(39.23)</u>

## PT. TVS MOTOR COMPANY INDONESIA

### Notes on Accounts

	IDR in Mn As at 31.03.2015	Rupees in crores As at 31.03.2015
<b>I SHARE CAPITAL</b>		
Details of authorised issued and subscribed share capital		
Authorised 12,500,000 Ordinary shares of IDR.97,400 each	1,217,500.00	645.02
Issued, subscribed and paid-up 11,597,000 Ordinary shares of IDR.97,400 each	1,129,547.80	556.95
	<u>1,129,547.80</u>	<u>556.95</u>
<b>II RESERVES AND SURPLUS</b>		
a. Capital reserve		
(i) Foreign currency translation reserve	9,911.02	(37.04)
b. Revaluation Reserve	195,262.08	93.24
c. General reserve		
Opening Balance	(3,815.51)	(0.81)
(+) Current Year Transfer from Statement of Profit and Loss	-	-
Closing Balance	(3,815.51)	(0.81)
d. Surplus - Profit and Loss Account		
Opening balance	(1,082,523.73)	(574.43)
(+) Net profit/( Loss) for the current year	(69,687.62)	(39.23)
(+) Transfer to Foreign currency translation reserve	-	57.52
Closing balance	(1,152,211.35)	(556.14)
Total (a + b + c+d)	<u>(950,853.76)</u>	<u>(500.75)</u>
<b>III LONG TERM BORROWINGS</b>		
Secured		
Term loans		
(a) From banks		
(i) External commercial borrowings	10,764.56	5.14
(ii) International Finance Corporation	56,895.39	27.17
Total (A)	67,659.95	32.31
Unsecured		
From related party	103,911.51	49.62
Total (B)	103,911.51	49.62
Total (A)+(B)	<u>171,571.46</u>	<u>81.93</u>

### Notes on Accounts (continued)

	IDR in Mn As at 31.03.2015	Rupees in crores As at 31.03.2015
<b>IV LONG TERM PROVISIONS</b>		
Provision for employee benefits:		
Pension and leave salary	17,894.00	8.54
Total	<u>17,894.00</u>	<u>8.54</u>
<b>V SHORT TERM BORROWINGS</b>		
Secured		
From banks	130,889.64	62.50
Unsecured		
From banks	-	-
From related parties	-	-
Total	<u>130,889.64</u>	<u>62.50</u>
<b>VI OTHER CURRENT LIABILITIES</b>		
(a) Current maturities of long-term borrowing's International Finance Corporation and Banks secured by a first charge on fixed assets	71,786.45	34.28
(b) Others		
Statutory dues payable	2,527.50	1.21
For expenses	26,086.09	12.46
Advance received from customers	320.67	0.15
Total	<u>100,720.71</u>	<u>48.10</u>

**PT. TVS MOTOR COMPANY INDONESIA**

VII FIXED ASSETS											Rupees in crores
Description	Tangible						Total as at 31.03.2015	Intangible		Total (tangible and intangible) As at 31.03.2015	
	Land		Buildings	Plant & machinery tools, dies and jigs	Furniture & fixtures Equipments	Vehicles		Software*	Total as at 31.03.2015		
	Free hold	Lease hold									
Cost of assets											
As at 01-04-2014	168.15	-	46.06	146.92	4.91	0.42	366.46	-	-	366.46	
Additions	0.02	-	0.22	1.30	0.26		1.80	-	-	1.80	
Foreign exchange translation reserve adjustments	0.06		(1.50)	(6.02)	(0.50)	(0.05)	(8.01)	-	-	(8.01)	
Sub-total	168.23	-	44.78	142.20	4.67	0.37	360.25	-	-	360.25	
Sales / deletion	61.78	-	0.26	0.34	0.01	-	62.39	-	-	62.39	
Total	106.45	-	44.52	141.86	4.66	0.37	297.86	-	-	297.86	
Depreciation / Amortisation											
Upto 31-03-2014	-	-	14.49	63.18	4.51	0.26	82.44	-	-	82.44	
For the year	-	-	2.28	11.00	0.21	0.04	13.53	-	-	13.53	
Foreign exchange translation reserve adjustments			(1.51)	(4.10)	(0.46)	(0.02)	(6.09)	-	-	(6.09)	
Sub-total	-	-	15.26	70.08	4.26	0.28	89.88	-	-	89.88	
Withdrawn on assets sold / deleted			0.03	0.26	0.01	-	0.30	-	-	0.30	
Total	-	-	15.23	69.82	4.25	0.28	89.58	-	-	89.58	
Written down value											
As at 31-03-2015	106.45	-	29.29	72.04	0.41	0.09	208.28	-	-	208.28	
As at 31-03-2014	168.15	-	31.57	83.74	0.40	0.16	284.02	-	-	284.02	
CAPITAL WORK-IN-PROGRESS (AT COST)											
(a) Building										-	
(b) Machinery										-	
Total										-	

VII FIXED ASSETS											IDR mn
Description	Tangible						Total as at 31.03.2015	Intangible		Total (tangible and intangible) As at 31.03.2015	
	Land		Buildings	Plant & machinery tools, dies and jigs	Furniture & fixtures Equipments	Vehicles		Software*	Total as at 31.03.2015		
	Free hold	Lease hold									
Cost of assets											
As at 01-04-2014	317,400.00	-	87,783.97	289,168.98	9,240.41	780.00	704,373.36	-	-	704,373.36	
Additions	34,912.20	-	6,079.78	10,456.20	537.75	-	51,985.93	-	-	51,985.93	
Sub-total	352,312.20	-	93,863.75	299,625.18	9,778.16	780.00	756,359.29	-	-	756,359.29	
Sales / deletion	129,383.34	-	547.36	719.93	22.88	-	130,673.51	-	-	130,673.51	
Total	222,928.86	-	93,316.39	298,905.25	9,755.28	780.00	625,685.78	-	-	625,685.78	
Depreciation / Amortisation											
Upto 31-03-2014	-	-	27,777.55	73,443.68	8,508.76	502.47	110,232.46	-	-	110,232.46	
For the year	-	-	4,543.08	13,914.32	409.86	83.74	18,951.00	-	-	18,951.00	
Sub-total	-	-	32,320.63	87,358.00	8,918.62	586.21	129,183.46	-	-	129,183.46	
Withdrawn on assets sold / deleted			64.15	545.10	22.88	-	632.13	-	-	632.13	
Total	-	-	32,256.48	86,812.90	8,895.74	586.21	128,551.33	-	-	128,551.33	
Written down value											
As at 31-03-2015	222,928.86	-	61,059.91	212,092.35	859.54	193.79	497,134.45	-	-	497,134.45	
As at 31-03-2014	317,400.00	-	60,006.42	215,725.30	731.65	277.53	594,140.90	-	-	594,140.90	
CAPITAL WORK-IN-PROGRESS (AT COST)											
(a) Building										-	
(b) Machinery										-	
Total										-	

# PT. TVS MOTOR COMPANY INDONESIA

## Notes on Accounts (continued)

	IDR in Mn	Rupees in crores
	As at/ Year ended 31.03.2015	As at/ Year ended 31.03.2015
<b>VIII LONG TERM LOANS AND ADVANCES</b>		
(a) Capital advances	-	-
(b) Deposits made	1,127.42	0.54
(c) Loans to related parties	-	-
(d) Advance payment of tax less provisions	-	-
Total	<u>1,127.42</u>	<u>0.54</u>
<b>IX INVENTORIES</b> (at cost or net realisable value whichever is less)		
Raw materials and components	72,939.21	34.82
Finished goods	9,279.11	4.43
Stores and spares	467.07	0.22
Total	<u>82,685.39</u>	<u>39.47</u>
<b>X TRADE RECEIVABLES</b>		
(a) Unsecured debts outstanding for a period exceeding six months		
(i) Considered good	-	-
(ii) Considered doubtful	582.40	0.29
	<u>582.40</u>	<u>0.29</u>
Less: Provision for doubtful debts	582.40	0.29
	<u>-</u>	<u>-</u>
(b) Other unsecured debts	26,509.92	12.66
Total	<u>26,509.92</u>	<u>12.66</u>
<b>XI CASH AND CASH EQUIVALENTS</b>		
(a) Balances with banks	10,195.61	4.87
(b) Balances with banks in Fixed Deposits	17,167.20	8.20
(c) Cheques/drafts on hand	-	-
(d) Cash on hand	86.49	0.04
(e) Earmarked balances with banks : Unpaid dividend	-	-
Total	<u>27,449.30</u>	<u>13.11</u>
<b>XII SHORT TERM LOANS AND ADVANCES</b>		
(a) Loans and advances to related parties Unsecured, considered good	-	-
(b) Others		
(i) Employee related advance	-	-
(ii) Excise current account	-	-
(iii) Vendor advance	2,891.76	1.38
(iv) Advance payment of tax less provisions	888.07	0.42
(v) Advance payment of Sales tax/VAT	27,168.26	12.97
Total	<u>30,948.09</u>	<u>14.77</u>
<b>XIII OTHER CURRENT ASSETS</b>		
(a) Interest accrued on deposits/investments	-	-
(b) Claims receivable	-	-
(c) Others	5,081.02	2.43
Total	<u>5,081.02</u>	<u>2.43</u>
<b>XIV REVENUE FROM OPERATION</b>		
Sale of products	225,908.16	114.42
Sale of services	-	-
Other operating revenues	3,423.57	1.73
	<u>229,331.73</u>	<u>116.15</u>
Less:Excise duty and service tax	-	-
Total	<u>229,331.73</u>	<u>116.15</u>

## Notes on Accounts (continued)

	IDR in Mn	Rupees in crores
	Year ended 31.03.2015	Year ended 31.03.2015
<b>XV OTHER INCOME</b>		
Interest	994.88	0.50
Dividend		
(i) From subsidiaries	-	-
(ii) From others	-	-
Net gain on sale of investments	-	-
Profit on sale of fixed assets	-	-
Other Non operating income	-	-
Total	<u>994.88</u>	<u>0.50</u>
<b>XVI MATERIAL COST</b>		
Cost of Materials consumed		
Opening stock of of raw materials and components	52,054.66	27.58
Add: Purchases	199,664.59	97.25
	<u>251,719.25</u>	<u>124.83</u>
Less:Closing stock of raw materials	72,939.21	34.82
Consumption of raw materials	<u>178,780.04</u>	<u>90.01</u>
Purchases of stock in trade	0.00	0.00
Changes in inventory		
Opening stock:		
Work-in-progress	-	-
Stock in trade	-	-
Finished goods	11,546.71	6.12
Total (A)	<u>11,546.71</u>	<u>6.12</u>
Closing stock:		
Work-in-progress	-	-
Stock in trade	-	-
Finished goods	9,279.11	4.43
Total (B)	<u>9,279.11</u>	<u>4.43</u>
Total (A)-(B)	<u>2,267.60</u>	<u>1.69</u>
<b>XVIIEMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	55,617.88	28.17
Contribution to provident and other funds	4,309.67	2.18
Staff welfare expenses	3,799.76	1.92
Total	<u>63,727.31</u>	<u>32.27</u>
<b>XVIII FINANCE COSTS</b>		
Interest expense	29,835.30	15.11
External commercial borrowing upfront fees written off	-	-
Amortisation of foreign currency monetary item translation difference account	-	-
Other borrowing cost	34,715.05	17.58
Total	<u>64,550.35</u>	<u>32.69</u>
<b>XIX OTHER EXPENSES</b>		
Consumption of stores and tools	-	-
Power and fuel	2,295.73	1.16
Rent	9,252.51	4.69
Repairs - buildings	1,763.51	0.89
Repairs - machinery	890.71	0.45
Insurance	1,697.03	0.86
Rates and taxes, excluding, taxes on income	1,001.11	0.51
Audit fees	696.17	0.35
Packing and freight charges	6,924.83	3.51
Advertisement and publicity	25,091.23	12.71
Other marketing expenses	6,987.43	3.54
Loss on impairment of assets	582.40	0.29
Miscellaneous expenses	21,426.06	10.86
Total	<u>78,608.72</u>	<u>39.82</u>

# SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

## AUDIT REPORT

SCSS [2014] No. 26

Sundaram Business Development Consulting (Shanghai) Co., Ltd.

We have audited the attached financial statements of Sundaram Business Development Consulting (Shanghai) Co., Ltd. (hereinafter referred to as "the company") in 2012, 2013 and from Jan. 1, 2014 to Oct. 31, 2014. It is the responsibility of the Management of your company to work out these financial statements, while ours is to advice on auditing on the basis of auditing such statements.

### (I) Management's Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Accounting Standards for Business Enterprises and the Accounting System for Business Enterprises. This responsibility includes (1) designing, implementing and maintaining the internal control relevant to the preparation and the true and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error; (2) selecting and applying appropriate accounting policies; and (3) making accounting estimates that are reasonable in the circumstances.

### (II) Responsibilities of Certified Public Accountants

Our responsibilities are to give auditing opinions on the financial statements based on the implementation of auditing work. We carried out auditing procedures in accordance with the terms under Auditing Criterion for Chinese Registered Accountants. Auditing Criterion for Chinese Registered Accountants require us respect the professional ethics, design and implement the auditing procedures to audit whether the financial statements are free from major reporting errors.

Auditing work involves implementation of auditing procedures so as to collect audit evidence of relevant figures in financial statements and disclosure. It is the judgment of certified public accountants that decides the selections of the auditing procedures, including assessment of risks of material misstatement in financial statements due to fraud or error. During the risk evaluation, we take into consideration the internal controls related to preparation of financial statements to design an appropriate auditing procedure, but the purpose is not to make comments on the effectiveness of the internal control. Auditing work shall also include the evaluation of appropriateness of the accounting policies selected by the Management and the legitimacy of the accounting estimation, and evaluate the overall reporting of the financial statements.

We believe the auditing evidence collected by us is abundant and appropriate to provide foundation of the auditing opinions.

## I. Company Profile

Sundaram Business Development Consulting (Shanghai) Co., Ltd. is a limited liability company (foreign legal person sole proprietorship) established with the investment from TVS MOTOR COMPANY LIMITED and has obtained No. 310000400661127 (Changning District) Legal Person Business License issued by Shanghai Administration of Industry and Commerce on Nov. 21, 2011. The company has a registered capital of USD 222,000 and a same amount of paid-in capital. Scope of business: business information consultation, investment consulting, management consulting, international economic information consulting, trade information consulting, technological information consulting and marketing planning (excluding advertising) consulting, (business involving administrative licensing shall be run with license).

## II. Audit Results

### (I) Settlement Situation of Tax Payable

#### 1. Business Tax

- (1) The annual revenue in 2012 is 698,384.07 Yuan with the applicable tax rate of 5%. The business tax payable at the start of the period is 0.00 Yuan. The amount payable for the period is 34,919.21 Yuan and an amount of 17,103.90 Yuan has already been paid. And the unpaid tax amount of 17,815.31 Yuan has been paid to National Treasury Shanghai Changning District Sub-treasury on Jan. 14, 2013. The amount has been verified to be consistent.

According to state regulations, the policy of "replacing business tax with value-added tax" will be implemented starting from Mar. 1, 2013. Under the new policy, a value-added tax will be paid and the tax rate is lowered to 3% from 5%.

#### 2. VAT

- (1) The revenue subject to VAT in 2013 is 1,831,863.56 Yuan with the applicable tax rate of 3%. The VAT payable is 54,955.91 Yuan with an amount of 0.00 Yuan payable at the start of the period. The amount payable for the period is 54,955.91 Yuan and an amount of 27,101.69 Yuan has already been paid. And the unpaid tax amount at the end of period is 27,854.22 Yuan. The amount has been verified to be consistent.
- (2) The revenue subject to VAT in the period from Jan. 2014 to Oct. 2014 is 0.00 Yuan with the applicable tax rate of 3%. The VAT payable is 0.00 Yuan with an amount of 27,854.22 Yuan payable at the start of the period. The amount payable for the period is 27,854.22 Yuan and an amount of 27,854.22 Yuan has already been paid and the unpaid amount at the end of period is 0.00 Yuan. The amount has been verified to be consistent.

#### 3. River Management Fee

- (1) The business tax generated from items subject to business tax in 2012 is 34,919.21 Yuan with an applicable tax rate of 1%. 349.19 Yuan river management fee shall be paid. The amount payable at the start of the period is 0.00 Yuan and the amount payable for the entire period is 349.19 Yuan. Among the amount, 171.04 Yuan has already been paid and the unpaid amount at the end of period is 178.15 Yuan. The amount has been verified to be consistent.
- (2) The business tax generated from items subject to business tax in 2013 is 54,955.91 Yuan with an applicable tax rate of 1%. 549.55 Yuan river management fee shall be paid. The amount payable at the start of the period is 178.15 Yuan and the amount payable for the entire period is 727.70 Yuan. Among the amount, 449.16 Yuan has already been paid and the unpaid amount at the end of period is 278.54 Yuan. The amount has been verified to be consistent.
- (3) The business tax generated from items subject to business tax in the period from Jan. 2014 to Oct. 2014, is 0.00 Yuan with an applicable tax rate of 1%. 0.00 Yuan river management fee shall be paid. The amount payable at the start of the period is 278.54 Yuan and the amount payable for the entire period is 278.54 Yuan. Among the amount, 278.54 Yuan has already been paid and the unpaid amount at the end of period is 0.00 Yuan. The amount has been verified to be consistent.

#### 4. City Maintenance and Construction Tax

- (1) The business tax generated from items subject to business tax in 2012 is 34,919.21 Yuan with an applicable tax rate of 7%. 2,444.34 Yuan city maintenance and construction tax shall be paid. The amount payable at the start of the period is 0.00 Yuan and the amount payable for the entire period is 2,444.34 Yuan. Among the amount, 1,197.27 Yuan has already been paid and the unpaid amount at the end of period is 1,247.07 Yuan. The amount has been verified to be consistent.
- (2) The business tax generated from items subject to business tax in 2013 is 54,955.91 Yuan with an applicable tax rate of 7%. 3,846.92 Yuan city maintenance and construction tax shall be paid. The amount payable at the start of the period is 1,247.07 Yuan and the amount payable for the entire period is 5,093.99 Yuan. Among the amount, 3,144.19 Yuan has already been paid and the unpaid amount at the end of period is 1,949.80 Yuan. The amount has been verified to be consistent.
- (3) The business tax generated from items subject to business tax in the period from Jan. 2014 to Oct. 2014 is 0.00 Yuan with an applicable tax rate of 7%. 0.00 Yuan city maintenance and construction tax shall be paid. The amount payable at the start of the period is 1,949.80 Yuan and the amount payable for the entire period is 1,949.80 Yuan. Among the amount, 1,949.80 Yuan has already been paid and the unpaid amount at the end of period is 0.00 Yuan. The amount has been verified to be consistent.

## SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

### 5. Educational Surcharge

- (1) The business tax generated from items subject to business tax in 2012 is 34,919.21 Yuan with an applicable tax rate of 3%. 1,047.58 Yuan educational surcharge shall be paid. The amount payable at the start of the period is 0.00 Yuan and the amount payable for the entire period is 1,047.58 Yuan. Among the amount, 513.12 Yuan has already been paid and the unpaid amount at the end of period is 534.46 Yuan. The amount has been verified to be consistent.
- (2) The business tax generated from items subject to business tax in 2013 is 54,955.91 Yuan with an applicable tax rate of 3%. 1,648.68 Yuan educational surcharge shall be paid. The amount payable at the start of the period is 534.46 Yuan and the amount payable for the entire period is 2,183.14 Yuan. Among the amount, 1,347.51 Yuan has already been paid and the unpaid amount at the end of period is 835.63 Yuan. The amount has been verified to be consistent.
- (3) The business tax generated from items subject to business tax in the period from Jan. 2014 to Oct. 2014 is 0.00 Yuan with an applicable tax rate of 3%. 0.00 Yuan educational surcharge shall be paid. The amount payable at the start of the period is 835.63 Yuan and the amount payable for the entire period is 835.63 Yuan. Among the amount, 835.63 Yuan has already been paid and the unpaid amount at the end of period is 0.00 Yuan. The amount has been verified to be consistent.

### 6. Local Educational Surcharge

- (1) The business tax generated from items subject to business tax in 2012 is 34,919.21 Yuan with an applicable tax rate of 2%. 698.39 Yuan local educational surcharge shall be paid. The amount payable at the start of the period is 0.00 Yuan and the amount payable for the entire period is 698.39 Yuan. Among the amount, 342.08 Yuan has already been paid and the unpaid amount at the end of period is 356.31 Yuan. The amount has been verified to be consistent.
- (2) The business tax generated from items subject to business tax in 2013 is 54,955.91 Yuan with an applicable tax rate of 2%. 1,099.12 Yuan local educational surcharge shall be paid. The amount payable at the start of the period is 356.31 Yuan and the amount payable for the entire period is 1,455.43 Yuan. Among the amount, 898.35 Yuan has already been paid and the unpaid amount at the end of period is 557.08 Yuan. The amount has been verified to be consistent.
- (3) The business tax generated from items subject to business tax in the period from Jan. 2014 to Oct. 2014 is 0.00 Yuan with an applicable tax rate of 2%. 0.00 Yuan local educational surcharge shall be paid. The amount payable at the start of the period is 557.08 Yuan and the amount payable for the entire period is 557.08 Yuan. Among the amount, 557.08 Yuan has already been paid and the unpaid amount at the end of period is 0.00 Yuan. The amount has been verified to be consistent.

### 7. Personal Income Tax

- (1) Personal income tax payable at the start of 2012 is 0.00 Yuan and an amount of 112,739.94 Yuan's personal income tax shall be withheld and deducted for this period. Among the amount, 99,076.86 Yuan has been paid and the unpaid amount at the end of period is 13,663.08 Yuan. The amount has been verified to be consistent.
- (2) Personal income tax payable at the start of 2013 is 13,663.08 Yuan and an amount of 169,318.98 Yuan's personal income tax shall be withheld and deducted for this period. Among the amount, 168,939.20 Yuan has been paid and the unpaid amount at the end of period is 14,042.86 Yuan. The amount has been verified to be consistent.
- (3) Personal income tax payable at the start of the period from Jan. 2014 to Oct. 2014 is 14,042.86 Yuan and an amount of 40,673.99 Yuan's personal income tax shall be withheld and deducted for this period. Among the amount, 54,716.85 Yuan has been paid and the unpaid amount at the end of period is 0.00 Yuan. The amount has been verified to be consistent.

### 8. Corporate Income Tax

- (1) The total profit recorded in 2012 is -532,970.83 Yuan and 0.00 Yuan corporate income tax has been paid. At annual tax declaration, the taxable income is adjusted to increase by 21,159.20 Yuan, making the taxable income -511,811.63 Yuan after the adjustment. No items needing adjustment is found in the investigation. The taxable income is 0.00 Yuan with an applicable tax rate of 25% and the tax payable is 0.00. The amount has been verified to be consistent.
- (2) The total profit recorded in 2013 is 94,998.38 Yuan and 0.00 Yuan corporate income tax has been paid. At annual tax declaration, the taxable income is first adjusted to increase by 280.40 Yuan and then decrease by 3,000.00 Yuan, making the declared taxable income 92,278.78 Yuan, which is used to make up the loss of 92,278.78 Yuan of previous years. No items needing adjustment is found in the investigation. The taxable income is 0.00 Yuan with an applicable tax rate of 25% and the tax payable is 0.00. The amount has been verified to be consistent.
- (3) The total profit recorded in the period from Jan. 2014 to Oct. 2014 is -769,781.81 Yuan and 0.00 Yuan corporate income tax has been paid. It's found in the audit that your company has an accounting profit of -769,781.81 Yuan from Jan. 2014 to Oct. 2014. The taxable income is adjusted to increase by 237,009.57 Yuan, making the taxable income -532,772.24 Yuan after the adjustment (see details at reconciliation statement of taxable income from Jan. 2014 to Oct. 2014). The applicable tax rate is 25% and the tax payable is 0.00. The amount has been verified to be consistent.

### 9. Stamp Duty

After investigation, the company needs to stick stamp duty of 697.00 Yuan for paid-in capital and a stamp duty of 60 Yuan for annual books in 2012, 2013 and 2014 (cash journals, bank journals and subsidiary ledgers and ledgers in 2012, 2013 and 2014). You should also stick 5 Yuan stamp duty of business license. In total, the company needs to stick stamp duty of 762.00 Yuan, of which 762.00 Yuan has been done, so 0.00 Yuan stamp duty shall be made up.

### III. Audit Conclusions

0.00 Yuan tax payment shall be made up .

### IV. Notes on Other Matters

1. This Report shall be only be used by Sundaram Business Development Consulting (Shanghai) Co., Ltd. as reference when handling tax cancellation procedures. Specific tax figures shall be those verified by competent tax authorities.
2. According to your company's shareholder resolution, the surplus assets (monetary funds) of your company after liquidation shall be returned to the original investor TVS MOTOR COMPANY LIMITED.

### Annexes:

- (1) Balance sheets of Sundaram Business Development Consulting (Shanghai) Co., Ltd. on Dec. 31, 2012, Dec. 31, 2013 and from Jan. 2014 to Oct. 2014;
- (2) Income Statement of Sundaram Business Development Consulting (Shanghai) Co., Ltd. in 2012, 2013 and from Jan. 2014 to Oct. 2014;
- (3) Reconciliation statement of taxable income of Sundaram Business Development Consulting (Shanghai) Co., Ltd. from Jan. 2014 to Oct. 2014;
- (4) Duplicate of the Business License of Shanghai ChangHao Certified Public Accountants (special general partnership).

Shanghai ChangHao Certified, Public Accountants  
(Special general partnership)

CPA:

CPA:

Shanghai, China Nov. 28, 2014

# SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

## Balance Sheet for the year 2012

Prepared by : Sundaram Business Development Consulting (Shanghai) Co., Ltd. As on December 31, 2012

Monetary unit: RMB

Item	Line no.	December 31, 2012	January 1, 2012	Item	Line no.	December 31, 2012	January 1, 2012
Current assets:	1			Current liabilities	65	-	-
Monetary capital	2	368,031.44	210,696.60	Short-term borrowings	66		
Deposit reservation for balance	3			Borrowing from central bank	67		
Lending funds	4			Deposits from customers and interbank	68		
Trading financial assets	5			Borrowing funds	69		
Notes receivable	6			Trading financial liabilities	70		
Accounts receivable	7			Notes payable	71		
Prepaid	8	8,000.00		Accounts payable	72		
Premiums receivable	9			Advance payment	73		
Cession premiums receivable	10			Financial assets sold for repurchase	74		
Provision of cession receivable	11			Handling charges and commissions payable	75		
Interests receivable	12			Employee payroll payable	76		
Other receivables	13	23,000.00	7,000.00	Including: payroll payable	77		
Redemptory monetary capital for sale	14			Welfare payable	78		
Inventories	15			Including: Employee reward and welfare fund	79		
Including: Material	16			Taxes payable	80	33,794.38	
Products	17			Including: taxes payable	81		
Non-current assets due within a year	18			Interest payable	82		
Other current assets	19	52,520.57	16,091.86	Other payables	83	21,080.00	
<b>Total Current Assets</b>	20	<b>451,552.01</b>	<b>233,788.46</b>	Dividend payable for reinsurance	84		
Non-current assets:	21	-	-	Reserve fund for insurance contracts	85		
Loans and payments	22			Receivings from vicariously traded securities	86		
Financial assets available for sale	23			Acting underwriting securities	87		
Held-to-maturity investment	24			Non-current liabilities due within one year	88		
Long-term receivables	25			Other current liabilities	89		
Long-term equity investment	26			<b>Total Current Liabilities</b>	90	<b>54,874.38</b>	-
Investment real estates	27			Non-current Liabilities	91	-	-
Fixed assets – cost	28			Long-term borrowings	92		
Less: accumulated depreciation	29			Bonds payable	93		
Fixed assets – net value	30			Long-term payable	94		
Less: Fixed assets depreciation reserves	31			Special accounts payable	95		
Net fixed assets	32		-	Estimated liabilities	96		
Construction in progress	33			Deferred income tax liabilities	97		
Engineering material	34			Other non-current liabilities	98		
Disposal of fixed assets	35			Including: Specially permitted reserve fund	99		
Productive biological assets	36			<b>Total of non-current liabilities</b>	100	-	-
Oil and natural gas assets	37			<b>Total liabilities</b>	101	<b>54,874.38</b>	-
Intangible assets	38			OWNERS' EQUITY:	102		
Development costs	39			Paid-in Capital	103	949,604.00	253,744.00
Goodwill	40			National capital	104		
Long-term prepaid expenses	41			Collective capital	105		
Deferred income tax assets	42			Legal person's capital	106		
Other long-term assets	43			Including: State-owned legal entity capital	107		
Including: special allow to reserve assets	44			Collective legal entity capital	108		
Total non-Current assets	45			Personal capital	109		
	46			Foreign capital	110	949,604.00	253,744.00
	47			Less: Investment returned	111		
	48			Net value of paid-in capital (stock)	112	949,604.00	253,744.00
	49			Capital reserve	113		
	50			Less: treasury stock	114		
	51			Special reserve	115		
	52			Earned surplus	116		
	53			Including: Legal accumulation fund	117		
	54			Optional accumulation fund	118		
	55			Reserve funds	119	-	-
	56			Enterprise development fund	120	-	-
	57			Capital redemption	121		
	58			Generic risk reserve	122		
	59			Undistributed profit	123	-552,926.37	-19,955.54
	60			Translation reserve	124		
	61			Total of owner's equity attributable to the parent company	125	396,677.63	233,788.46
	62			Minority stockholder's interest	126		
	63			Total of owner's equity	127	396,677.63	233,788.46
<b>Total assets</b>	64	<b>451,552.01</b>	<b>233,788.46</b>	<b>Total of liabilities and owner's equity</b>	128	<b>451,552.01</b>	<b>233,788.46</b>

# SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

## Balance Sheet for the year 2013

Prepared by : Sundaram Business Development Consulting (Shanghai) Co., Ltd. As on December 31, 2013

Monetary unit: RMB

Item	Line no.	December 31, 2013	January 1, 2013	Item	Line no.	December 31, 2013	January 1, 2013
<b>Current assets:</b>	1			<b>Current liabilities</b>	65	-	-
Monetary capital	2	709,841.79	368,031.44	Short-term borrowings	66		
Deposit reservation for balance	3			Borrowing from central bank	67		
Lending funds	4			Deposits from customers and interbank	68		
Trading financial assets	5			Borrowing funds	69		
Notes receivable	6			Trading financial liabilities	70		
Accounts receivable	7			Notes payable	71		
Prepaid	8		8,000.00	Accounts payable	72		
Premiums receivable	9			Advance payment	73		
Cession premiums receivable	10			Financial assets sold for repurchase	74		
Provision of cession receivable	11			Handling charges and commissions payable	75		
Interests receivable	12			Employee payroll payable	76		
Other receivables	13	272,839.75	23,000.00	Including: payroll payable	77		
Redemptory monetary capital for sale	14			Welfare payable	78		
Inventories	15			Including: Employee reward and welfare fund	79		
Including: Material	16			Taxes payable	80	45,518.13	33,794.38
Products	17			Including: taxes payable	81		
Non-current assets due within a year	18			Interest payable	82		
Other current assets	19	17,008.48	52,520.57	Other payables	83		21,080.00
<b>Total Current Assets</b>	20	<b>999,690.02</b>	<b>451,552.01</b>	Dividend payable for reinsurance	84		
<b>Non-current assets:</b>	21	-	-	Reserve fund for insurance contracts	85		
Loans and payments	22			Receivings from vicariously traded securities	86		
Financial assets available for sale	23			Acting underwriting securities	87		
Held-to-maturity investment	24			Non-current liabilities due within one year	88		
Long-term receivables	25			Other current liabilities	89	18,080.00	
Long-term equity investment	26			<b>Total Current Liabilities</b>	90	<b>63,598.13</b>	<b>54,874.38</b>
Investment real estates	27			<b>Non-current Liabilities</b>	91	-	-
Fixed assets – cost	28			Long-term borrowings	92		
Less: accumulated depreciation	29			Bonds payable	93		
Fixed assets – net value	30			Long-term payable	94		
Less: Fixed assets depreciation reserves	31			Special accounts payable	95		
Net fixed assets	32		-	Estimated liabilities	96		
Construction in progress	33			Deferred income tax liabilities	97		
Engineering material	34			Other non-current liabilities	98		
Disposal of fixed assets	35			Including: Specially permitted reserve fund	99		
Productive biological assets	36			<b>Total of non-current liabilities</b>	100	-	-
Oil and natural gas assets	37			<b>Total liabilities</b>	101	<b>63,598.13</b>	<b>54,874.38</b>
Intangible assets	38			<b>OWNERS' EQUITY:</b>	102	-	-
Development costs	39			Paid-in Capital	103	1,393,908.80	949,604.00
Goodwill	40			National capital	104		
Long-term prepaid expenses	41			Collective capital	105		
Deferred income tax assets	42			Legal person's capital	106		
Other long-term assets	43			Including: State-owned legal entity capital	107		
Including: special allow to reserve assets	44			Collective legal entity capital	108		
Total non-Current assets	45			Personal capital	109		
	46			Foreign capital	110		
	47			Less: Investment returned	111		
	48			Net value of paid-in capital (stock)	112	1,393,908.80	949,604.00
	49			Capital reserve	113	111.08	
	50			Less: treasury stock	114		
	51			Special reserve	115		
	52			Earned surplus	116		
	53			Including: Legal accumulation fund	117		
	54			Optional accumulation fund	118		
	55			Reserve funds	119	-	-
	56			Enterprise development fund	120	-	-
	57			Capital redemption	121		
	58			Generic risk reserve	122		
	59			Undistributed profit	123	-457,927.99	-552,926.37
	60			Translation reserve	124		
	61			Total of owner's equity attributable to the parent company	125	936,091.89	396,677.63
	62			Minority stockholder's interest	126		
	63			Total of owner's equity	127	936,091.89	396,677.63
<b>Total assets</b>	64	<b>999,690.02</b>	<b>451,552.01</b>	<b>Total of liabilities and owner's equity</b>	128	<b>999,690.02</b>	<b>451,552.01</b>

# SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

## Balance Sheet

Prepared by : Sundaram Business Development Consulting (Shanghai) Co., Ltd. January 1, 2014 October 31, 2014

Monetary unit: RMB

Item	Line no.	October 31, 2014	January 1, 2014	Item	Line no.	October 31, 2014	January 1, 2014
Current assets:	1			Current liabilities	65	-	-
Monetary capital	2	166,310.08	709,841.79	Short-term borrowings	66		
Deposit reservation for balance	3			Borrowing from central bank	67		
Lending funds	4			Deposits from customers and interbank	68		
Trading financial assets	5			Borrowing funds	69		
Notes receivable	6			Trading financial liabilities	70		
Accounts receivable	7			Notes payable	71		
Prepaid	8			Accounts payable	72		
Premiums receivable	9			Advance payment	73		
Cession premiums receivable	10			Financial assets sold for repurchase	74		
Provision of cession receivable	11			Handling charges and commissions payable	75		
Interests receivable	12			Employee payroll payable	76		
Other receivables	13		272,839.75	Including: payroll payable	77		
Redemptory monetary capital for sale	14			Welfare payable	78		
Inventories	15			Including: Employee reward and welfare fund	79		
Including: Material	16			Taxes payable	80		45,518.13
Products	17			Including: taxes payable	81		
Non-current assets due within a year	18			Interest payable	82		
Other current assets	19		17,008.48	Other payables	83		
<b>Total Current Assets</b>	20	166,310.08	999,690.02	Dividend payable for reinsurance	84		
Non-current assets:	21	-	-	Reserve fund for insurance contracts	85		
Loans and payments	22			Receivings from vicariously traded securities	86		
Financial assets available for sale	23			Acting underwriting securities	87		
Held-to-maturity investment	24			Non-current liabilities due within one year	88		
Long-term receivables	25			Other current liabilities	89		18,080.00
Long-term equity investment	26			<b>Total Current Liabilities</b>	90		63,598.13
Investment real estates	27			Non-current Liabilities	91	-	-
Fixed assets – cost	28			Long-term borrowings	92		
Less: accumulated depreciation	29			Bonds payable	93		
Fixed assets – net value	30			Long-term payable	94		
Less: Fixed assets depreciation reserves	31			Special accounts payable	95		
Net fixed assets	32		-	Estimated liabilities	96		
Construction in progress	33			Deferred income tax liabilities	97		
Engineering material	34			Other non-current liabilities	98		
Disposal of fixed assets	35			Including: Specially permitted reserve fund	99		
Productive biological assets	36			<b>Total of non-current liabilities</b>	100	-	-
Oil and natural gas assets	37			<b>Total liabilities</b>	101		63,598.13
Intangible assets	38			OWNERS' EQUITY:	102		
Development costs	39			Paid-in Capital	103	1,393,908.80	1,393,908.80
Goodwill	40			National capital	104		
Long-term prepaid expenses	41			Collective capital	105		
Deferred income tax assets	42			Legal person's capital	106		
Other long-term assets	43			Including: State-owned legal entity capital	107		
Including: special allow to reserve assets	44			Collective legal entity capital	108		
Total non-Current assets	45			Personal capital	109		
	46			Foreign capital	110		
	47			Less: Investment returned	111		
	48			Net value of paid-in capital (stock)	112	1,393,908.80	1,393,908.80
	49			Capital reserve	113	111.08	111.08
	50			Less: treasury stock	114		
	51			Special reserve	115		
	52			Earned surplus	116		
	53			Including: Legal accumulation fund	117		
	54			Optional accumulation fund	118		
	55			Reserve funds	119	-	-
	56			Enterprise development fund	120	-	-
	57			Capital redemption	121		
	58			Generic risk reserve	122		
	59			Undistributed profit	123	-1,227,709.80	-457,927.99
	60			Translation reserve	124		
	61			Total of owner's equity attributable to the parent company	125	166,310.08	936,091.89
	62			Minority stockholder's interest	126		
	63			Total of owner's equity	127	166,310.08	936,091.89
Total assets	64	166,310.08	999,690.02	Total of liabilities and owner's equity	128	166,310.08	999,690.02

# SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

## INCOME STATEMENT FOR THE YEAR 2012

Prepared by: Sundaram Business Development Consulting (Shanghai) Co., Ltd.		As on December 31, 2012		Monetary unit: RMB			
Line no.	Items	Amount of This period	Amount of Last period	Line no.	Items	Amount of This period	Amount of Last period
1	<b>I. Gross operating income</b>	698,384.07	-	29	Others		
2	Including: Operating income	698,384.07	-	30	Plus: Gains from changes in the fair value ("-" for loss)		
3	Including: Main operating income	698,384.07	-	31	Income from investment ("-" for loss)		
4	Other operating income			32	Including: Investment income of associates and joint ventures		
5	Interest income			33	Exchange earning ("-" for loss)		
6	Earned premium			34	<b>III. Operating Profit ("-" for loss)</b>	-532,970.83	-19,955.54
7	Handling fee and commission income			35	Plus: Non-operating profit	-	-
8	<b>II. Total operating cost</b>	1,231,354.90	19,955.54	36	Including: Income from disposal of non-current assets		
9	Including: Operating cost			37	Gains from exchange of non-monetary assets		
10	Including: Main operating income			38	Governmental subsidy		
11	Other operating cost			39	Gains from debt restructuring		
12	Interest expense			40	Minus: Non-operating expenditure	-	-
13	Handling fee and commission expense			41	Including: Loss from disposal of non-current assets		
14	Surrender value			42	Loss from exchange of non-monetary assets		
15	Net payments for insurance claims			43	Loss from debt restructuring		
16	Net provision for insurance contracts			44	<b>IV. Total profit ("-" for total loss)</b>	-532,970.83	-19,955.54
17	Bond insurance expense			45	Minus: Income tax expense		
18	Reinsurance expenditures			46	<b>V. Net profit ("-" for net loss)</b>	-532,970.83	-19,955.54
19	Business tax and surcharges			47	Net profit attributable to parent company	-532,970.83	-19,955.54
20	Selling expenses			48	Minority interest income		
21	Administration expense	1,180,443.37	18,630.82	49	<b>VI. Earnings per share:</b>		
22	Including: entertainment fee			50	Basic earnings per share		
23	Research and development expenses			51	Diluted earnings per share		
24	Financial expenses	11,452.82	1,324.72	52	<b>VII. Other consolidated income</b>	-	-
25	Including: Interest expenses			53	<b>VIII. Total consolidated income</b>	-532,970.83	-19,955.54
26	Interest income			54	Consolidated income attributable to parent company owners		
27	Exchange net loss ("-" for net profit)			55	Total consolidated income attributable to minority shareholders		
28	Loss from asset devaluation						

SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

INCOME STATEMENT FOR THE YEAR 2013

Prepared by: Sundaram Business Development Consulting (Shanghai) Co., Ltd.		As on December 31, 2013		Monetary unit: RMB			
Line no.	Items	Amount of This period	Amount of Last period	Line no.	Items	Amount of This period	Amount of Last period
1	<b>I. Gross operating income</b>	1,831,863.56	698,384.07	29	Others		
2	Including: Operating income	1,831,863.56	698,384.07	30	Plus: Gains from changes in the fair value ("-" for loss)		
3	Including: Main operating income	1,831,863.56	698,384.07	31	Income from investment ("-" for loss)		
4	Other operating income			32	Including: Investment income of associates and joint ventures		
5	Interest income			33	Exchange earning ("-" for loss)		
6	Earned premium			34	<b>III. Operating Profit ("-" for loss)</b>	94,998.38	-532,970.83
7	Handling fee and commission income			35	Plus: Non-operating profit		
8	<b>II. Total operating cost</b>	1,736,865.18	1,231,354.90	36	Including: Income from disposal of non-current assets		
9	Including: Operating cost	-	-	37	Gains from exchange of non-monetary assets		
10	Including: Main operating income			38	Governmental subsidy		
11	Other operating cost			39	Gains from debt restructuring		
12	Interest expense			40	Minus: Non-operating expenditure		
13	Handling fee and commission expense			41	Including: Loss from disposal of non-current assets		
14	Surrender value			42	Loss from exchange of non-monetary assets		
15	Net payments for insurance claims			43	Loss from debt restructuring		
16	Net provision for insurance contracts			44	<b>IV. Total profit ("-" for total loss)</b>	94,998.38	-532,970.83
17	Bond insurance expense			45	Minus: Income tax expense		
18	Reinsurance expenditures			46	<b>V. Net profit ("-" for net loss)</b>	94,998.38	-532,970.83
19	Business tax and surcharges	7,144.27	39,458.71	47	Net profit attributable to parent company	94,998.38	-532,970.83
20	Selling expenses			48	Minority interest income		
21	Administration expense	1,707,163.73	1,180,443.37	49	<b>VI. Earnings per share:</b>		
22	Including: entertainment fee			50	Basic earnings per share		
23	Research and development expenses			51	Diluted earnings per share		
24	Financial expenses	22,557.18	11,452.82	52	<b>VII. Other consolidated income</b>		
25	Including: Interest expenses			53	<b>VIII. Total consolidated income</b>	94,998.38	-532,970.83
26	Interest income			54	Consolidated income attributable to parent company owners		
27	Exchange net loss ("-" for net profit)			55	Total consolidated income attributable to minority shareholders		
28	Loss from asset devaluation						

# SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

## INCOME STATEMENT

Prepared by: Sundaram Business Development Consulting (Shanghai) Co., Ltd.		January 1, 2014 - October 31, 2014		Monetary unit: RMB			
Line no.	Items	Amount of This period	Amount of Last period	Line no.	Items	Amount of This period	Amount of Last period
1	<b>I. Gross operating income</b>	-	1,831,863.56	29	Others		
2	Including: Operating income	-	1,831,863.56	30	Plus: Gains from changes in the fair value ("-" for loss)		
3	Including: Main operating income	-	1,831,863.56	31	Income from investment ("-" for loss)		
4	Other operating income			32	Including: Investment income of associates and joint ventures		
5	Interest income			33	Exchange earning ("-" for loss)		
6	Earned premium			34	<b>III. Operating Profit ("-" for loss)</b>	-533,692.24	94,998.38
7	Handling fee and commission income			35	Plus: Non-operating profit	920.00	-
8	<b>II. Total operating cost</b>	533,692.24	1,736,865.18	36	Including: Income from disposal of non-current assets		
9	Including: Operating cost	-	-	37	Gains from exchange of non-monetary assets		
10	Including: Main operating income			38	Governmental subsidy		
11	Other operating cost			39	Gains from debt restructuring		
12	Interest expense			40	Minus: Non-operating expenditure	237,009.57	-
13	Handling fee and commission expense			41	Including: Loss from disposal of non-current assets		
14	Surrender value			42	Loss from exchange of non-monetary assets		
15	Net payments for insurance claims			43	Loss from debt restructuring		
16	Net provision for insurance contracts			44	<b>IV. Total profit ("-" for total loss)</b>	-769,781.81	94,998.38
17	Bond insurance expense			45	Minus: Income tax expense		
18	Reinsurance expenditures			46	<b>V. Net profit ("-" for net loss)</b>	-769,781.81	94,998.38
19	Business tax and surcharges			47	Net profit attributable to parent company	-769,781.81	94,998.38
20	Selling expenses		7,144.27	48	Minority interest income		
21	Administration expense	538,307.42	1,707,163.73	49	<b>VI. Earnings per share:</b>		
22	Including: entertainment fee			50	Basic earnings per share		
23	Research and development expenses			51	Diluted earnings per share		
24	Financial expenses	-4,615.18	22,557.18	52	<b>VII. Other consolidated income</b>		
25	Including: Interest expenses			53	<b>VIII. Total consolidated income</b>	-769,781.81	94,998.38
26	Interest income			54	Consolidated income attributable to parent company owners		
27	Exchange net loss ("-" for net profit)			55	Total consolidated income attributable to minority shareholders		
28	Loss from asset devaluation						

**SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD**

**Reconciliation Statement of Taxable Income From Jan. 2014 to Oct. 2014**

Unit: RMB Yuan

Period	Abstract	Related Item	Income from adjustment		Note
			Increase	Decrease	
Jan. 1, 2014 - Oct. 31, 2014	Bad debt	Non-operating expense	237,009.57		
Total of income from adjustment			237,009.57	0.00	
Net Income from increase (decrease)				237,009.57	
Total profit recorded in accounting statement from Jan. 1, 2014 to Oct. 31, 2014				-769,781.81	
Taxable income after adjustment from Jan. 1, 2014 to Oct. 31, 2014				-532,772.24	

Note:

This table only reflects the adjustment made to noticed tax matters and is only for reference in tax liquidation.

Shanghai ChangHao Certified Public Accountants (special general partnership).

# SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

## LIQUIDATION AUDIT REPORT

SCSS (2014) No. 26-1

Sundaram Business Development Consulting (Shanghai) Co., Ltd.

We have carefully audited the affiliated balance sheet and property distribution sheet of Sundaram Business Development Consulting (Shanghai) Co., Ltd. (hereinafter referred to as "the company") on Dec. 31, 2014, and the liquidation income statement from Nov. 1, 2014 to Dec. 31, 2014. It is the responsibility of the liquidation committee of your company to work out the liquidation accounting statements, while ours is to advice on auditing on the basis of auditing such statements.

We plan and exercise auditing under the guideline of *CPA Auditing Standard* to obtain reasonable assurance whether the liquidation accounting statements are free from material misstatement. The auditing work includes studying the evidence that supports the amount in and the disclosure of the accounting statement through selective examination, analyze the counting policy that the liquidation committee might adopt in working out these statements as well as major accounting assessment on the accounting made, and evaluate the overall indication of the statements. We believe that our auditing work functioned as a rational ground for offering advices.

We think that the above liquidation accounting statement is in line with relevant rules of *Accounting Standards for Business Enterprises* and the Accounting System for Enterprises, and has fairly reflected the financial status of your company on Dec. 31, 2014 and the liquidation profit and loss from Nov. 1, 2014 to Dec. 31, 2014.

- Annex I : Liquidation Balance Sheet;
- Annex II : Liquidation Income Statement;
- Annex III : Liquidation Property Distribution Sheet;
- Annex IV : Statement of Other Receivables;
- Annex V : Notes on Liquidation Matters;
- Annex VI : The Disposal of Assets Income Schedule;
- Annex VII : Schedule of Profit and Loss in Liabilities Disposal;
- Annex VIII : Schedule of Calculation and Apportionment of Residual Properties;
- Annex IX : Declaration Form of the People's Republic of China on Corporate Liquidation Income Tax Return;
- Annex X : Copy of the Business License of Shanghai ChangHao Certified Public Accountants (special general partnership)

Shanghai ChangHao Certified Public Accountants  
(Special general partnership)

China CPA:

China CPA:

Shanghai, China

Dec. 31,2014

## Annex I

### Liquidation Balance Sheet ( - )

Unit: RMB				Unit: RMB			
	Line no.	Nov. 1, 2014	Dec. 31, 2014		Line no.	Nov. 1, 2014	Dec. 31, 2014
Current assets:	1			Non-current assets:	21	-	-
Monetary capital	2	166,310.08	166,310.08	Loans and payments	22		
Deposit reservation for balance	3			Financial assets available for sale	23		
Lending funds	4			Held-to-maturity investment	24		
Trading financial assets	5			Long-term receivables	25		
Notes receivable	6			Long-term equity investment	26		
Accounts receivable	7			Investment real estates	27		
Prepaid	8			Fixed assets – cost	28		
Premiums receivable	9			Less: accumulated depreciation	29		
Cession premiums receivable	10			Fixed assets – net value	30		
Provision of cession receivable	11			Less: Fixed assets depreciation reserves	31		
Interests receivable	12			Net fixed assets	32		-
Other receivables	13			Construction in progress	33		
Redemptory monetary capital for sale	14			Engineering material	34		
Inventories	15			Disposal of fixed assets	35		
Including: Material	16			Productive biological assets	36		
Products	17			Oil and natural gas assets	37		
Non-current assets due within a year	18			Intangible assets	38		
Other current assets	19			Development costs	39		
				Goodwill	40		
				Long-term prepaid expenses	41		
				Deferred income tax assets	42		
				Other long-term assets	43		
				Including: special allow to reserve assets	44		
				Total non-Current assets	45	-	-
<b>Total Current Assets</b>	<b>20</b>	<b>166,310.08</b>	<b>166,310.08</b>	<b>Total assets</b>	<b>64</b>	<b>166,310.08</b>	<b>166,310.08</b>

## SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

### Annex I

### Liquidation Balance Sheet ( - )

Unit: RMB				Unit: RMB			
	Line no.	Nov. 1, 2014	Dec. 31, 2014		Line no.	Nov. 1, 2014	Dec. 31, 2014
Current liabilities	65	-	-	<b>Total liabilities</b>	101	-	-
Short-term borrowings	66			OWNERS' EQUITY:	102	-	-
Borrowing from central bank	67			Paid-in Capital	103	1,393,908.80	1,393,908.80
Deposits from customers and interbank	68			National capital	104		
Borrowing funds	69			Collective capital	105		
Trading financial liabilities	70			Legal person's capital	106		
Notes payable	71			Including: State-owned legal entity capital	107		
Accounts payable	72			Collective legal entity capital	108		
Advance payment	73			Personal capital	109		
Financial assets sold for repurchase	74			Foreign capital	110	1,393,908.80	1,393,908.80
Handling charges and commissions payable	75			Less: Investment returned	111		
Employee payroll payable	76			Net value of paid-in capital (stock)	112	1,393,908.80	1,393,908.80
Including: payroll payable	77			Capital reserve	113	111.08	111.08
Welfare payable	78			Less: treasury stock	114		
Including: Employee reward and welfare fund	79			Special reserve	115		
Taxes payable	80			Earned surplus	116		
Including: taxes payable	81			Including: Legal accumulation fund	117		
Interest payable	82			Optional accumulation fund	118		
Other payables	83			Reserve funds	119	-	-
Dividend payable for reinsurance	84			Enterprise development fund	120	-	-
Reserve fund for insurance contracts	85			Capital redemption	121		
Receivings from vicariously traded securities	86			Generic risk reserve	122		
Acting underwriting securities	87			Undistributed profit	123	-1,227,709.80	-1,227,709.80
Non-current liabilities due within one year	88			Translation reserve	124		
Other current liabilities	89			Total of owner's equity attributable			
<b>Total Current Liabilities</b>	90	-	-	to the parent company	125	166,310.08	166,310.08
Non-current Liabilities	91	-	-	Minority stockholder's interest	126		
Long-term borrowings	92			<b>Total of owner's equity</b>	127	166,310.08	166,310.08
Bonds payable	93			<b>Total of liabilities and owner's equity</b>	128	166,310.08	166,310.08
Long-term payable	94						
Special accounts payable	95						
Estimated liabilities	96						
Deferred income tax liabilities	97						
Other non-current liabilities	98						
Including: Specially permitted reserve fund	99						
<b>Total of non-current liabilities</b>	100	-	-				



# SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

## Annex V

### Notes on Liquidation Matters

#### I. Profile

Sundaram Business Development Consulting (Shanghai) Co., Ltd. is a limited liability company (foreign legal person sole proprietorship) established with the investment from TVS MOTOR COMPANY LIMITED and has obtained No. 310000400661127 (Changning District) Legal Person Business License issued by Shanghai Administration of Industry and Commerce on Nov. 21, 2011. The company has a registered capital of USD 222,000 and a same amount of paid-in capital. The company now decides to conduct liquidation due to dissolution. The liquidation period shall start on Nov. 1, 2014 and end on Dec. 31, 2014.

#### II. Accounting Policies of Liquidation

1. Liquidation Basis  
The liquidation is conducted mainly under *Accounting Standards for Business Enterprises*.
2. Liquidation Period  
From Nov. 1, 2014 to Dec. 31, 2014.
3. Evaluation and Pricing of Liquidated Property  
The evaluation and pricing of liquidated property is done via negotiation between two parties of the joint venture and shall report to the liquidation committee and submit to Shanghai Foreign Trade Office for approval.
4. Priority shall be given to liquidation expense payment, which may include:

- (1) Expenses generated from the management, sales and allocation of corporate liquidating assets;
- (2) Notice, litigation and arbitration costs;
- (3) Other payments required in the process of liquidation.
5. Liquidation orders of liquidating property
  - (1) Employee wages and labour insurance;
  - (2) State taxes;
  - (3) Other debts.
6. The method of allocation of surplus property  
The surplus property after paying liquidation costs and paying off all debts shall be allocated according to the actual investment proportion.

#### III. Liquidation Information

All liquidation work of the company is done with approved liquidation principles and procedures, which has been finished as of Dec. 31, 2014. Liquidation results: Owner's equity on the end day of completion is 166,310.08 Yuan.

#### IV. Notes on Other Matters

This liquidation accounting report and all other accounting documents, books, reports and other accounting materials are handed over to TVS MOTOR COMPANY LIMITED for file keeping and custody.

## Annex VI

### The Disposal of Assets Income Schedule

Filing Time: Dec. 31, 2014

Unit: Yuan (RMB)

Line no.	Item	Book Value	The Value Of Tax Base	Realizable Value or Transaction Value of the Assets	Disposal of assets' profit and loss
		(1)	(2)	(3)	(4) = (3) - (2)
1	Monetary capital	166,310.08	166,310.08	166,310.08	0.00
2	Short-term investment				
3	Trading financial assets				
4	Notes receivable				
5	Accounts receivable				
6	Advances to suppliers				
7	Interests receivable				
8	Shares receivable				
9	Allowance receivable				
10	Other receivable				
11	Inventories				
12	Prepaid expenses				
13	Non-current assets due within a year				
14	Other current assets				
15	Financial assets available for sale				
16	Held-to-maturity investment				
17	Long-term receivable				
18	Long-term equity investment				
19	Long-term debt investment				
20	Investment real estates				
21	Fixed assets				
22	Construction in progress				
23	Engineering material				
24	Disposal of fixed assets				
25	Productive biological assets				
26	Oil and natural gas assets				
27	Intangible assets				
28	Development costs				
29	Goodwill				
30	Long-term prepaid expenses				
31	Other non-current assets				
32	Total	166,310.08	166,310.08	166,310.08	0.00

Signature of operator

Seal of taxpayer

**SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD**

**Annex VII**

**Schedule of Profit and Loss in Liabilities Disposal**

Filing Time: Dec. 31, 2014

Unit: Yuan (RMB)

Line no.	Item	Book Value	The Value Of Tax Base	The Value of Liabilities Disposal	profit and loss in Liabilities Disposal
		(1)	(2)	(3)	(4) = (3) - (2)
1	Short-term borrowings				
2	Translation financial liabilities				
3	Notes payable				
4	Accounts payable				
5	Advances from customers				
6	Employee payroll payable				
7	Accrued payroll				
8	Welfare benefits payable				
9	Taxes and dues payable				
10	Interest payable				
11	Shares payable				
12	Other accounts payables				
13	Dividends payable				
14	Accrued expenses				
15	Non-current liabilities due within one year				
16	Other current liabilities				
17	Long-term borrowings				
18	Bonds payable				
19	Long-term payable				
20	Special accounts payable				
21	Estimated liabilities				
22	Other non-current liabilities				
23	Total	0.00	0.00	0.00	0.00

Signature of operator

Seal of taxpayer

**Annex VIII**

**Schedule of Calculation and Apportionment of Residual Properties**

Filing Time: Dec. 31, 2014

Monetary Unit: Yuan (accurate to Jiao and Fen)

Categories	Line No.	Items	Amounts			
Calculation of Residual Properties	1	Realizable Value or Transaction Value of the Assets	166,310.08			
	2	Liquidation Expenses				
	3	Staff Salaries				
	4	Social Insurance Expenditure				
	5	Statutory Compensation				
	6	Liquidation Taxes and Surcharges				
	7	Liquidation Income Tax				
	8	Tax Arrears of Previous years				
	9	Other Debts	0.00			
	10	Residual Properties ( 1-2-... -9)	166,310.08			
	11	Thereinto: Accumulative Surplus Reserves				
	12	Accumulative Undistributed Profit				
Apportionment of Residual Properties		Shareholder Names	Proportion Held of Equity Investment	Amounts of Investments	Property Amounts Distributed	Thereinto: confirmed as Dividend Amounts
	13	TVS MOTOR COMPANY LIMITED	100%	1,393,908.80	166,310.08	
	14					
	15					
	16					
	17					
	18					
	19					
20						

Signature of operator

Seal of taxpayer

**SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD**

**Annex IX**

**Declaration Form of the People's Republic of China on  
Corporate Liquidation Income Tax Return**

Liquidation Period : From Nov. 1, 2014 to Dec. 31, 2014.

Name of Taxpayer : Sundaram Business Development Consulting (Shanghai) Co., Ltd.

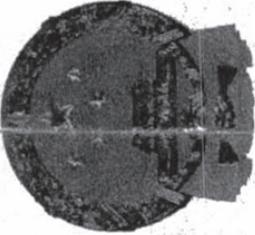
Taxpayer ID No.: 310105157005399

Unit: Yuan (two decimal places)

Category	Line No.	Items	Amounts
Calculation of taxable income	1	Profit and loss in asset disposal (fill in Schedule I)	0.00
	2	Profit and loss in liability repayment (fill in Schedule II)	0.00
	3	Liquidation costs	0.00
	4	Liquidation tax and surcharges	
	5	Other income and expenditure	0.00
	6	Income from liquidation (1 + 2 - 3 - 4 + 5)	0.00
	7	Tax-exempt income	
	8	Tax free income	
	9	Other tax-exempt income	
	10	Make up the annual losses of previous years	0.00
	11	Taxable income (6 - 7 - 8 - 9 - 10)	0.00
Calculation of assessed income tax	12	Tax rate (25%)	25%
	13	Taxable income (11 x 12)	
Calculation of income tax that should be made up (refunded)	14	Exemption and reduction of enterprise income tax	
	15	Overseas income tax that should be made up	
	16	Domestic and overseas income tax payable (13 - 14 + 15)	
	17	Income tax that should be made up (refunded) of the previous tax years	
18	Income tax that actually needs to be made up) refunded (16 + 17)		

Seal of taxpayer:	Seal of declaration agent:	Special business seal of competent tax authority:
Seal of liquidation group:	Signature of operator and practicing certificate No.:	Signature of responsible tax officer:
Signature of operator:		
Declaration date:	Date of agent declaration:	Accepting date:

Annex X  
Copy of Business license of Shanghai Changho, certified public accountants (special general partnership)



# 合伙企业营业执照

注册号 310105000353055

名称 上海长浩会计师事务所(特殊普通合伙)  
 主要经营场所 上海市长宁区延安路20号瑞泰大厦208室  
 执行事务合伙人 伍宏坤  
 合伙企业类型 特殊的普通合伙企业

**经营范围**  
 审查企业会计报表，出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关报告；基本建设年度财务决算审计；代理记账；会计咨询、税务咨询、管理咨询、会计培训；法律、法规规定的其他业务。  
 【企业经营范围及行政许可的，凭许可证件经营】登记机关

证照编号 05000000200812010012  
 企业标识 0500000632008120100049  
 执照有效期：2008年12月1日 至 2028年11月30日  
 合伙期限：自 2008年十二月一日 至 2028年十一月三十日

2008年 十二月 日




中华人民共和国国家工商行政管理总局制

**RE-STATED ACCOUNTS OF**  
SUNDARAM BUSINESS DEVELOPMENT CONSULTING  
(SHANGHAI) CO., LTD

# SUNDARAM BUSINESS DEVELOPMENT CONSULTING (SHANGHAI) CO., LTD

## BALANCE SHEET AS AT 31<sup>ST</sup> DECEMBER 2014

Particulars	Note Number	Rmb ¥ in Mn	Rupees in crores
		As at 31.12.2014	As at 31.12.2014
1	2	3	4
<b>I EQUITY AND LIABILITIES</b>			
1 Shareholders' funds			
(a) Share capital	I	1.39	1.25
(b) Reserves and surplus	II	(1.23)	(1.08)
2 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Long-term provisions		-	-
3 Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities		-	-
(d) Short-term provisions		-	-
Total		<u>0.16</u>	<u>0.17</u>
<b>II ASSETS</b>			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Long-term loans and advances		-	-
(d) Other non current assets		-	-
2. Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	III	0.16	0.17
(e) Short-term loans and advances		-	-
(f) Other current assets		-	-
Total		<u>0.16</u>	<u>0.17</u>

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2014

Particulars	Note Number	Rmb ¥ in Mn	Rupees in crores
		As at 31.12.2014	As at 31.12.2014
I. Revenue from operations		-	-
II. Other income		-	-
III. Total Revenue (I + II)		<u>-</u>	<u>-</u>
IV. Expenses:			
Cost of materials consumed		-	-
Purchases of Stock-in-trade		-	-
Change in inventories of finished goods work-in-process and stock-in-trade		-	-
Employee benefits expense		-	-
Finance costs		-	-
Depreciation and amortization expense		-	-
Other expenses	IV	0.77	0.77
Total expenses		<u>0.77</u>	<u>0.77</u>
V. Profit before tax (III - IV)		<u>(0.77)</u>	<u>(0.77)</u>
VI. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
VII. Profit / (Loss) for the period (V - VI)		<u>(0.77)</u>	<u>(0.77)</u>

	Rmb ¥ in Mn	Rupees in crores
<b>III CASH AND CASH EQUIVALENTS</b>		
Balances with banks	0.16	0.17
Total	<u>0.16</u>	<u>0.17</u>
<b>IV OTHER EXPENSES</b>		
Rates and taxes, excluding, taxes on income	0.24	0.24
Miscellaneous expenses	0.53	0.53
Total	<u>0.77</u>	<u>0.77</u>

### Notes on Accounts

	Rmb ¥ in Mn	Rupees in crores
<b>I SHARE CAPITAL</b>		
Details of authorised, issued and subscribed share capital		
<b>Authorised</b>		
2,200 Ordinary shares of US \$ 100/- each	1.39	1.25
<b>Issued, subscribed &amp; paid up</b>		
2,200 Ordinary shares of US \$ 100/- each	1.39	1.25
	<u>1.39</u>	<u>1.25</u>
<b>II RESERVES AND SURPLUS</b>		
a. Capital reserve		
(i) Foreign currency translation reserve	-	0.08
b. Surplus - Profit and Loss Account		
Opening balance	(0.46)	(0.39)
(+) Net profit/( Loss) for the current year	(0.77)	(0.77)
Closing balance	<u>(1.23)</u>	<u>(1.16)</u>
Total (a + b)	<u>(1.23)</u>	<u>(1.08)</u>