

TVS MOTOR COMPANY LIMITED

Twenty First Annual Report 2012-2013





TVS MOTOR COMPANY LIMITED

Board of Directors

VENU SRINIVASAN
Chairman & Managing Director

SUDARSHAN VENU
Whole Time Director
(from 1st February 2013)

H. LAKSHMANAN

T. KANNAN

C. R. DUA

K. S. BAJPAI

R. RAMAKRISHNAN

PRINCE ASIRVATHAM

HEMANT KRISHAN SINGH
(from 1st February 2013)

Audit Committee

T. KANNAN
Chairman

C.R. DUA

R. RAMAKRISHNAN

PRINCE ASIRVATHAM

Investors' Grievance Committee

T. KANNAN
Chairman

VENU SRINIVASAN

R. RAMAKRISHNAN

President & CEO

K.N. RADHAKRISHNAN

Executive Vice President - Finance

S.G. MURALI

Company Secretary

K.S. SRINIVASAN

Auditors

SUNDARAM & SRINIVASAN
Chartered Accountants, Chennai.

Cost Auditor

A.N. RAMAN
Cost Accountant, Chennai .

Shares listed with

Madras Stock Exchange Ltd.,
Chennai.
BSE Ltd., Mumbai.
National Stock Exchange of India
Ltd., Mumbai.

Share Transfer Agent

Sundaram-Clayton Limited
"Jayalakshmi Estates", 1st Floor,
No.29 (Old No.8), Haddows Road,
Chennai - 600 006
Tamil Nadu, India.
Tel : 044 - 2828 4959; 2827 2233
Fax : 044 - 2825 7121

E-mail

kr.raman@scl.co.in
sclshares@gmail.com
investorscomplaintssta@scl.co.in
ks.srinivasan@scl.co.in

Bankers

STATE BANK OF INDIA
Corporate Accounts Group Branch,
Chennai.

STATE BANK OF MYSORE
Corporate Accounts Branch,
Bengaluru.

Registered office

"Jayalakshmi Estates", 29 (Old No.8), Haddows Road,
Chennai - 600 006, Tamil Nadu, India.
Tel : 044 - 2827 2233
Fax : 044 - 2825 7121

Factories

Post Box No. 4, Harita, Hosur - 635 109, Tamil Nadu, India.
Tel : 04344 - 276780
Fax : 04344 - 276016

Post Box No. 1, Byathahalli Village,
Kadakola Post, Mysore - 571 311, Karnataka, India.
Tel : 0821 - 2596242
Fax : 0821 - 2596550 / 2596551

Bhatian Village, Nalagarh Post & Taluk
Solani District - 174 101, Himachal Pradesh, India.
Tel : 01795 - 220494
Fax : 01795 - 220496

Website : www.tvsmotor.in

Subsidiary Companies

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

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Financial Highlights

Rupees in crores

Details	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Sales & other income	7089	7163	6324	4485	3741	3310	3921	3306	2955	2856
Profit before interest, depreciation, amortisation and tax*	461	520	491	304	247	219	254	318	332	316
Profit before tax*	254	316	248	76	31	35	91	168	200	215
Profit after tax	116	249	195	88	31	32	67	117	138	138
Net fixed assets	1048	1078	995	983	1036	1043	1003	794	770	704
Share capital	48	48	48	24	24	24	24	24	24	24
Reserves and surplus	1177	1122	952	842	786	798	786	742	655	551
Networth	1225	1170	999	835	735	769	751	673	614	562
Total borrowings	635	831	768	1003	906	666	634	385	187	119
Earnings per share# (Rs.)	2.44	5.24	4.10	1.86	0.66	0.67	1.40	2.47	2.90	2.92
Dividend per share (Rs.)	1.20	1.30	1.10	1.20	0.70	0.70	0.85	1.30	1.30	1.30
Book value per share# (Rs.)	25.52	24.38	20.81	17.40	15.32	16.02	15.65	14.02	12.79	11.71
EBITDA/turnover (%)	6.5	7.3	7.4	6.8	6.6	6.6	6.5	9.6	11.2	11.1
Profit before tax/turnover (%)	3.6	4.4	3.9	1.7	0.8	1.1	2.3	5.1	6.8	7.5
Return on capital employed (%)	14.7	19.0	16.4	8.0	5.6	2.8	10.4	18.3	23.8	30.1
Return on net worth (%)	9.7	23.0	21.3	11.2	4.1	4.1	9.2	18.0	23.4	28.1

Notes:

The figures from 2010-11 are based on the Revised Schedule VI classifications. The figures upto 2009-10 are based on the respective year's reported results.

* Figures for 2012-13 are before exceptional and extraordinary items.

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

Notice to Shareholders

NOTICE is hereby given that the twenty first annual general meeting of the Company will be held at 'The Music Academy', New No. 168 (Old No. 306) T.T.K. Road, Royapettah, Chennai - 600 014 on Friday, the 19th July 2013, at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT the audited balance sheet as at 31st March 2013, the statement of profit and loss and cash flow statement for the year ended on that date, together with the directors' report and the auditors' report thereon as presented to the meeting, be and the same are hereby, approved and adopted.

2. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT Mr H Lakshmanan, director, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the Company.

3. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT Mr R Ramakrishnan, director, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the Company.

4. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT M/s V Sankar Aiyar & Co., Chartered Accountants, Mumbai, having Firm Registration No. 109208W allotted by The Institute of Chartered Accountants of India, be and are hereby appointed as statutory auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company, on such remuneration as may be fixed in this behalf by the board of directors of the Company.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT Mr Hemant Krishan Singh, who was appointed as an additional director and who holds office upto the date of this annual general meeting as per the provisions of the Companies Act, 1956, be and is hereby appointed as a director of the Company, subject to retirement by rotation.

6. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT Mr Sudarshan Venu, who was appointed as an additional director and who holds office upto the date of this annual general meeting as per the provisions of the Companies Act, 1956, be and is hereby appointed as a director of the Company, subject to retirement by rotation.

By order of the board

Bengaluru
30th April 2013

K S SRINIVASAN
Company Secretary

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

Notes:

- 1) **A member, entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy or proxies so appointed need not be a member or members, as the case may be, of the Company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or other authority shall be deposited at the registered office of the Company, not later than 48 hours before the time fixed for holding the meeting.**
- 2) The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special businesses as set out in the notice is annexed hereto.
- 3) The register of members and the share transfer register will remain closed for a period of three days viz., 17th July 2013 to 19th July 2013 for the purpose of annual general meeting of the Company.
- 4) In terms of Section 205A read with Section 205C of the Companies Act, 1956, the dividends declared by the Company, which remain unclaimed for a period of seven years will be transferred on due dates to the Investor Education and Protection Fund (IEPF), established by the Central Government. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished in the report on corporate governance, forming part of the annual report.

Members who have not encashed their dividend warrants in respect of the above period are requested to make their claim(s) by surrendering the unencashed warrants immediately to the Company.

Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules 2012, the Company shall provide / host the required details of unclaimed amounts referred to under Section 205C (2)

of the Act on its website and also in the website of the Ministry of Corporate Affairs (MCA) in the relevant form every year.

- 5) Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.
- 6) Members are requested to notify any change in their address to the Company immediately. Members holding shares in electronic form are requested to advise change of address to their depository participants.
- 7) As a measure of economy, copies of the annual report will not be distributed at the annual general meeting. Members are, therefore, requested to bring their copies of the annual report to the meeting.
- 8) Members are requested to affix their signature at the space provided on the attendance slip annexed to proxy form and hand over the slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the board resolution / power of attorney authorizing their representative to attend and vote at the annual general meeting.
- 9) In terms of clause 49(IV)(G) of the Listing Agreement with the Stock Exchanges, a brief profile of directors, who are proposed to be re-appointed / appointed in this meeting, nature of their expertise in specific functional areas, their other directorships and committee memberships, their shareholdings and relationships with other directors in the Company are given below:

I. Mr H Lakshmanan

Born on 14th August 1933, Mr H Lakshmanan is a company executive with vast experience. He joined the TVS Group in 1953. He rose to the position of executive director of Sundaram-Clayton Limited in 1982 and continues to hold the position. He has rich experience, expertise and knowledge in areas such as banking, finance, business administration and human resources.

He holds 56,870 equity shares in the Company and he is not related to any director of the Company. Details of his other directorships and memberships/chairmanships of committees are given below:

S. No	Name of the Company	Position held	Committee membership / Chairmanship
1.	Harita Seating Systems Limited	Chairman	Chairman - Audit Committee Chairman - Investors' Grievance Committee
2.	Sundaram Auto Components Limited	Chairman	Chairman - Audit Committee

S. No	Name of the Company	Position held	Committee membership / Chairmanship
3.	TVS Electronics Limited	Director	Member - Audit Committee Member - Investors' Grievance Committee
4.	TVS Finance and Services Limited	Director	Member - Audit Committee
5.	TVS Investments Limited	Director	Chairman - Audit Committee
6.	TVS Capital Funds Limited	Director	
7.	Harita-NTI Limited	Director	
8.	Harita Techserv Limited	Director	Chairman - Audit Committee
9.	TVS Motor Services Limited	Director	
10.	Harita Fehrer Limited	Director	Member - Audit committee
11.	TVS Energy Limited	Director	
12.	TVS Housing Limited	Director	
13.	TVS Training and Services Limited	Director	
14.	Sundaram Investment Limited	Director	
15.	TVS Motor (Singapore) Pte Limited	Director	
16.	TVS Motor Company (Europe) B.V.	Director	
17.	PT TVS Motor Company Indonesia	Commissioner	
18.	Harita Properties Private Limited	Director	
19.	Harita Interiors Private Limited	Director	
20.	Lakson Technology Private Limited	Director	

II. Mr R Ramakrishnan

Born on 26th March 1946, Mr R Ramakrishnan, is a Graduate in Commerce and holds a Master degree in Economics. He stood first in the University and was a Gold Medalist. Mr Ramakrishnan joined Indian Express Group of newspapers in 1965 where he rose to become its Chief Executive till he was elected to Parliament (Rajya Sabha) in 1980.

He was appointed as Sherriff of Madras in 1974-75. He enjoys the distinction of having been invited to address the 40th General Assembly of United Nations in 1985.

He was a member of several Parliamentary Committees including the prestigious COPU (Committee of Public Undertakings), Joint Select Committee of Chit Funds etc. He was also a member of the Press Council of India for two terms and also Coffee Board of India (2 terms) and he represented India at the World Coffee Conference held in September 2005.

He was appointed as Governing Council Member of the Rajaji Institute of Public Affairs and Administration by the President of India and was also the Chairman of Sir C P Ramaswamy Aiyer Educational Trust.

He was the Chairman of Madras Race Club and he still continues to serve in the Committee of Madras Race Club. He had been the Governor for Rotary Club of Rotary District 3230, (the largest District in India extending from Hosur, Chennai to Vedaranyam (Sri Lankan Coast). He is a recipient of several awards including the highest Rotary "Service Above Self" award.

He is a member of the audit committee and investors' grievance committee of directors of the Company. He holds 1,08,000 equity shares in the Company and he is not related to any other directors of the Company. Details of his other directorships / memberships / chairmanships of committees are given below:

S. No	Name of the Company / Firm	Position held	Committee membership / Chairmanship
1	Madras Race Club	Director	
2	Ennore Coke Limited	Director	Chairman - Audit Committee
3	Premier Energy and Infrastructure Limited	Director	Chairman - Audit Committee
4	TVS Credit Services Limited	Director	Member - Audit Committee
5	Swetha Enterprises Private Limited	Managing Director	
6	Simply Sofas Private Limited	Director	
7	Designo Lifestyle Solutions Private Limited	Director	
8	Designo India Furnitures Private Limited	Director	
9	Stanley Boutique Private Limited	Director	
10	Haldia Coke and Chemicals Private Limited	Director	
11	Thansa Inspirations Private Limited	Director	
12	Cantata Home Furnitures Private Limited	Director	

S. No	Name of the Company / Firm	Position held	Committee membership / Chairmanship
13	Thansa Home Furnitures Private Limited	Director	
14	Asia Coke Limited	Director	
15	PT.TVS Motor Company Indonesia	Commissioner	

III. Mr Hemant Krishan Singh

Born on 6th October 1950, Ambassador Hemant Krishan Singh holds a Masters Degree from Delhi University where he attended and later taught at St. Stephen's College before serving in the Indian Foreign Service from 1974-2010.

He was Deputy Permanent Representative of India to the UN in Geneva from 1995-99; Ambassador of India to Colombia, Ecuador and Costa Rica from 1999-2002; Ambassador to Indonesia and Timor Leste from 2003-2006; and Ambassador to Japan from 2006-2010. Ambassador Singh holds the ICRIER-Wadhvani Chair in India-US Policy Studies at ICRIER, New Delhi, since September 2011.

He doesn't hold any shares in the Company and he is not related to any director of the Company. He doesn't hold directorship in any other Company.

IV. Mr Sudarshan Venu

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

He also pursued a Bachelor of Science Degree in Mechanical Engineering and Bachelor of Science in Economics from the Wharton School, University of Pennsylvania which maintains a long tradition of educating visionary business leaders and academicians.

He completed his Masters in International Technology Management from the Warwick Manufacturing Group, an academic department at the University of Warwick in the United Kingdom.

He was earlier appointed as Vice President of the Company effective 1st December 2011. In terms of Section 314 of the Companies Act, 1956, the said appointment was also approved by the shareholders of the Company at the annual general meeting held on 12th September 2012.

He relinquished his office as Vice President of the Company consequent upon his appointment as a director and also in the rank of whole-time director of the Company, for a period of five years commencing from 1st February 2013, as per the terms and conditions

approved by the shareholders through Postal ballot on 18th March 2013.

He is also a director of the holding company viz., Sundaram-Clayton Limited.

He does not hold any share in the Company and is related to Mr Venu Srinivasan, chairman and managing director of the Company. Details of his other directorships /

memberships / chairmanships of committees are given below:

S. No	Name of the Company	Position held	Committee membership / Chairmanship
1	Sundaram-Clayton Limited	Director	-
2	TVS Credit Services Limited	Director	-

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 (the Act)

The following explanatory statement sets out all material facts relating to the ordinary / special business mentioned in the accompanying notice dated 30th April 2013 and shall be taken as forming part of the notice.

Item No.4

M/s Sundaram & Srinivasan, Chartered Accountants, Chennai were re-appointed as statutory auditors at the last annual general meeting held on 12th September 2012 to hold office till the conclusion of the ensuing annual general meeting.

M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, the retiring auditors of the Company have advised that they do not wish to be re-appointed as the statutory auditors of the Company at the ensuing annual general meeting. In view thereof, the directors recommend that M/s V Sankar Aiyar & Co, Chartered Accountants, Mumbai, be appointed as the Company's auditors to hold office from the conclusion of the ensuing annual general meeting until the conclusion of the next following annual general meeting.

The Company has also received a letter from M/s V Sankar Aiyar & Co, Chartered Accountants, Mumbai expressing their willingness and stating that their appointment, if made, will be within the prescribed limit under Section 224(1B) of the Act,

Accordingly, the resolution is placed before the shareholders for their approval.

The directors recommend the resolution, as set out in item no. 4 of the accompanying notice, to be approved as an ordinary resolution by the shareholders. This may also be treated as special notice in terms of sub-section (1) of Section 225 of the Companies Act, 1956.

None of the directors is deemed to be concerned or interested in the resolution.

Item No.5

Mr Hemant Krishan Singh was appointed as an additional director of the Company with effect from 1st February 2013. In terms of Section 260 of the Companies Act, 1956, Mr Hemant Krishan Singh holds office only upto the date of this annual general meeting.

A notice has been received from a member of the Company under Section 257 of the Companies Act, 1956, along with a deposit of Rs. 500/- signifying the intention to propose the candidature of Mr Hemant Krishan Singh and to move the resolution set out in Item No. 5 of this notice.

The directors recommend the resolution, as set out in item no. 5, to be adopted as an ordinary resolution by the Shareholders.

Except Mr Hemant Krishan Singh, none of the other directors is deemed to be concerned or interested in the resolution.

Item No.6

Mr Sudarshan Venu was appointed as an additional director of the Company with effect from 1st February 2013. In terms of Section 260 of the Companies Act, 1956, Mr Sudarshan Venu holds office only upto the date of this annual general meeting.

A notice has been received from a member of the Company under Section 257 of the Companies Act, 1956, along with a deposit of Rs. 500/- signifying the intention to propose the candidature of Mr Sudarshan Venu and to move the resolution set out in Item No. 6 of this notice.

The directors recommend the resolution, as set out in item no. 6 to be adopted as an ordinary resolution by the Shareholders.

None of the directors of the Company except Mr Sudarshan Venu, Mr Venu Srinivasan, chairman and managing director of the Company, being the relative of Mr. Sudarshan Venu, is concerned or interested in the resolution.

By order of the board

Bengaluru
30th April 2013

K S SRINIVASAN
Company Secretary

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

Directors' report to the Shareholders

The directors have pleasure in presenting the twenty first annual report and the audited accounts for the year ended 31st March 2013.

1. FINANCIAL HIGHLIGHTS

Details	Year ended 31-03-2013	Year ended 31-03-2012
SALES:		
Quantitative	(Numbers in lakhs)	
Motorcycles	7.56	8.44
Mopeds	7.93	7.78
Scoters	4.46	5.25
Three wheelers	0.49	0.40
Total vehicles sold	20.44	21.87
Financial	(Rupees in crores)	
Motorcycles	2794.98	2901.15
Mopeds	1547.07	1461.43
Scoters	1441.54	1625.82
Spares & Accessories	741.70	696.64
Three Wheelers	440.11	324.25
Other Operating Income	99.60	132.23
Other Income	23.84	21.71
Sales (Net of Excise duty & other income)	7088.84	7163.23
EBITDA	460.62	519.86
Finance charges & Interest (Gross)	48.04	57.09
Amortisation	27.75	28.78
Depreciation	130.41	117.53
Profit before tax and exceptional item	254.42	316.46
Exceptional item	(91.63)	-
Profit before tax after exceptional item	162.79	316.46
Extraordinary items	0.79	-
Profit before tax after extraordinary item	163.58	316.46
Provision for tax	47.56	67.39
Profit for the year after tax	116.02	249.07

2. DIVIDEND

The board of directors of the Company at its meeting held on 1st February 2013, declared a first interim dividend of Re.0.60 per share (60%) for the year 2012-13 absorbing a sum of Rs. 32.85 Cr including dividend distribution tax. The same was paid to the shareholders on 12th February 2013.

The board of directors of the Company at its meeting held on 30th April 2013 declared a second interim dividend of Re. 0.60 per share (60%) for the year 2012-13 absorbing a sum of Rs. 32.66 Cr including dividend distribution tax. The same will be paid to the shareholders on or after 10th May 2013. Hence, the total amount of dividend including the second interim dividend payable, for the year ended 31st March 2013 will aggregate to Rs.1.20 per share (120%) on 47,50,87,114 equity shares of Re.1/- each.

The board of directors of the Company do not recommend any further dividend for the year under consideration.

3. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Two wheeler industry growth for 2012-13 was lower at 2.4% compared to 15% growth of 2011-12 mainly due to weak macro economic factors.

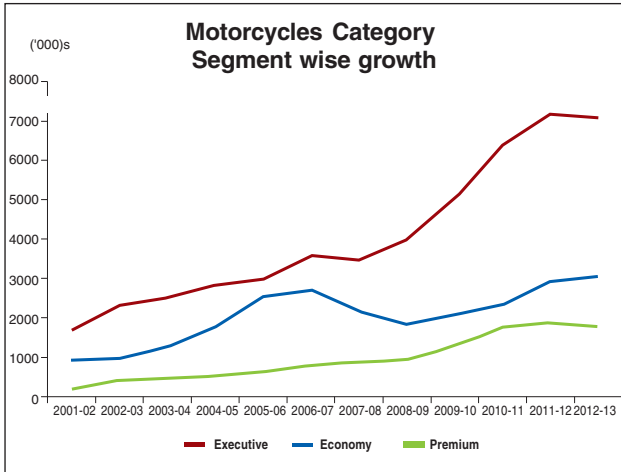
Inflation continued to remain high during the year and GDP growth declined significantly eroding the purchasing power of the consumer. Reduced corporate and infrastructure investment affected industrial production. Deficit monsoon and reduced agricultural income dampened the sentiments further. Added to this, petrol prices and interest rates remained at higher levels.

The slowdown experienced in two wheeler industry during 2012-13, has been across all segments. Growth in motorcycles slowed to 0.1% (119.5 lakh numbers) in 2012-13 from 14% (119.4 lakh numbers) of 2011-12. Despite significant new launches, growth in scooters slowed to 13.6% (30.14 lakh numbers) from 25% (26.5 lakh numbers). Interestingly, Scooters as a category continued to gain share from motorcycles in the total two wheeler industry. Mopeds registered a marginal growth of 0.8%.

Industry sales of two wheelers (Domestic plus Export)

Particulars	2011-12			2012-13		
	Sales in lakh (nos.)	Growth	Category share	Sales in lakh (nos.)	Growth	Category share
Motorcycles	119.4	14%	78%	119.5	0.1%	76%
Un-Geared scooters	26.5	25%	17%	30.1	13.6%	19%
Mopeds	7.8	12%	5%	7.9	0.8%	5%
Total two wheelers	153.7	15%	100%	157.5	2.4%	100%

Within the motorcycle category, Economy segment grew by 7% while Executive segment declined by 1% and Premium segment declined by 4%.



The Petrol Passenger three wheeler segment (3 plus 1 segment) declined by 9% during 2012-13 to 4.20 lakh units. This was mainly due to 16% decline in exports (from 3.38 lakhs in 2011-12 to 2.85 lakhs in 2012-13). Domestic sales grew by 9% (from 1.24 lakhs in 2011-12 to 1.35 lakhs in 2012-13).

BUSINESS OUTLOOK AND OVERVIEW

The uncertainty witnessed in 2012-13 is likely to continue during 2013-14. Global economy showed no signs of recovery during 2012-13 and is expected to be more uncertain. This may result in volatile crude and commodity prices and fluctuations in foreign exchange rates. In domestic economy, continued inflationary pressures, lower private consumption and high interest rates are likely to affect sentiments. The two wheeler industry growth is also consequently expected to be around -3% to +3%.

COMPANY PERFORMANCE

The Company's overall two wheeler sales declined by 7% mainly due to overall sluggish performance of the industry. Mopeds grew at 1.9% while motorcycles declined by 10.5% and scooters by 15%. Three wheeler sales of the Company increased by 22.3% from 0.40 lakh in 2011-12 to 0.49 lakh in 2012-13. Sales of spare parts grew by 6.5%.

Economic Times conducts an annual survey to select most trusted brands across categories, based on attributes of quality, reputation, pride and recommendation among others. The Company was awarded with the coveted title of "India's most trusted brand in the 2W category for the year 2012" and the Company was also conferred "CII-ITC Sustainability award for 2012" by the President of India.

The Company's total revenue including other income marginally fell from Rs.7,163.23 Cr in the previous year to Rs.7,088.84 Cr in the current year 2012-13. The Profit before tax (PBT) (before exceptional and extraordinary items) for the year 2012-13 was Rs.254.42 Cr compared to Rs.316.46 Cr achieved in the previous year. Similarly Profit After Tax (PAT) for the year 2012-13 was Rs.116.02 Cr compared to Rs.249.07 Cr achieved in the previous year, after considering the extraordinary and exceptional items.

New Product Launches and Initiatives

During the year 2012-13, the following new products and variants were launched.

TVS Sport:

In August 2012, TVS Sport with attractive graphics were launched in 2 new colours a) White and b) Mercury Grey. TVS Sport became the first Economy Segment motorcycle to come in these attractive colours.

TVS Phoenix 125:

TVS Phoenix 125 was launched in December 2012 with a unique combination of unbeatable style, engineering designed to delight and a host of premium features. With bold dual-tone graphics, LED Pilot lamps and Roto Petal Disc Brake the TVS Phoenix 125 is a definite head turner. The highly refined 125cc EcoThrust Engine with 11PS combined with the Series Spring Suspension and Padded Compound Seat helps in delivering unmatched ride comfort. The first in class car-like features of Fully Digital Speedometer with Service Reminder and Low Battery Indicator along with Hazard Lights make the riding of new TVS Phoenix 125 an unparalleled experience. With two Motorcycle of The Year (Upto 125cc) awards from NDTV Car & Bike and from Car India & Bike India, TVS Phoenix 125 is truly a stand out vehicle in its class.

TVS Apache:

The all-new re-designed TVS Apache was launched during April 2012. The precise racing ergonomics, hard angles, sculpted lines and lithe design come together in harmony. TVS Apache RTR's sporty, chiselled looks, unmatched performance endowed with superior engine technology and Highest Power to Weight Ratio makes Apache RTR a clear Class leader in terms of performance and styling.

TVS Scooty: Starlet Series

The festive season saw the launch of two new colors under the name of Starlet series - Vivacious Purple and Frosted Black. The launch was to create festive excitement and buzz. Initially launched as limited edition, the success of the colors made it part of the Scooty portfolio.

In 2012-13 Scooty Pep+ donned a completely new look which was stylish, refreshing and in tune with what the target audience wanted. The new range offered five new colors - Red, pink, purple, green and blue with a white base to give prominence to the bright colors. It not only came with refreshing new graphics but also with better aesthetics. The launch was followed by a Scootygirl Campaign which embodied the characteristics of Company's target audience and established a strong brand connect with its customers.

Two wheeler operations:

Domestic:

The Company's sales declined by 4.9% in the domestic market. In motorcycle category, the decline was higher at 8%. This was due to the absence in Executive Segment for a greater part of the year, which will be addressed by the recently launched TVS Phoenix 125.

Category shift from motorcycles to scooters continued in 2012-13 also, bringing more male buyers into the category. The shift in the scooter consumer preferences towards bigger scooters resulted in drop of TVS Scooty sales. Consolidation of TVS Wego will address this issue. Overall sales of scooters in the domestic market declined by 13.1%.

Mopeds grew by 2.7% despite weak macro economy and deficit monsoon affecting the rural economy.

The Company's products are distributed by network of authorized dealers across India. The Company has strong distribution network in the 2W industry and it continuously seeks to increase its distribution reach.

Exports:

The Company's two wheeler exports declined by 22.1% in 2012-13 due to demand contraction and trade barriers created in some major export markets. The scenario however is expected to improve during 2013-14.

Tie-up with BMW Motorrad:

The Company entered into a long-term 'cooperation agreement' with BMW Motorrad, Germany. This agreement inter alia is to source technological know-how for jointly developing and producing high-end motorcycles, that will cater to the segment below 500 cc.

Both the Companies intend to leverage each other's strengths to deliver a new series of products offering cutting edge technology to the customers.

Three wheeler operations:

Domestic sales of three wheelers increased by 8.1%. TVS three wheeler exports grew by 30.2% during 2012-13.

Opportunities and Threats:

Long term prospects for 2W industry continue to be attractive. The favourable demographic profile, low penetration of 2W,

the rising income of the Indian middle class, significant portion of Indian population having no or limited access to decent transportation infrastructure and congestion in large cities work in favour of Indian 2W industry. Preference of owning a personal transport has gone up over the last few years. These trends are expected to continue in the medium to long term, though 2013-14 may suffer due to weak economic growth.

With launch of Phoenix in the executive segment, the Company will have presence in all segments of Two Wheeler industry.

To address the growing need of scooter usage by men, the Company will be launching a new scooter in the coming year. This new launch would further significantly strengthen the Company's presence in the scooter segment.

The Company will continue to leverage its in-house retail finance arm to contribute to growth and increase the retail finance penetration.

RISKS AND CONCERNS

The continuing uncertainty in global and domestic economy is a key concern. High current account deficit, slow down of investments and constraints in infrastructure pose significant challenges to economic growth. Good monsoon is essential for recovery in agricultural growth and improved consumer sentiment. The success of planned launches in the scooter category and Phoenix achieving steady state sales are important to maintain the momentum for the Company.

OPERATIONS REVIEW

Total Quality Management (TQM):

The Company has been using the philosophies of TQM as the cornerstone of its management. More than 450 executives & managers were trained on awareness, understanding & application of "TVS Way". As part of continuous improvement in capability of employees on problem solving, Design for Six Sigma (DFSS) training was provided to executives & managers from product design, development and program teams. The improvement projects have also won awards in national and state level competitions. Focus on VA/VE activities continued to support cost reduction initiative.

The Company has continued to benefit from 100% participation of employees in TQM activities. During 2012-13, all the QC Circles of the organisation implemented a minimum of 2 projects per team. The teams completed 1350 projects through QC Circles and Cross Functional Teams during 2012-13. Our QCC teams participated in state / national / international level conventions and were recognized with "par excellence" awards. The Company received and implemented an average of 57 suggestions per employee during 2012-13. Indian National Suggestion Scheme Association (INSSAN), Mumbai, recognised the Company's efforts in promoting suggestion scheme and awarded the first place for "Excellence in suggestion scheme" at National level in this Segment.

Cost management:

The Company continues its focus on its costs through an effective deployment system. With global economy slowing down, the commodity prices were lower. But the advantage was partially lost due to weak currency rates. The Company will pursue platform commonisation and Value engineering to reduce material costs during this year.

Research and Development:

The Company's strong Research and Development (R&D) team is supported by modern computer aided design and laboratory, capable of developing new and innovative products. It has state-of-art facilities for engine testing, Noise, Vibration and Harshness (NVH) measurements and life testing. The Company also works with leading technological research laboratories and institutions. Along with new product development and other technology-incubation, the Company is also working on development of fuel-efficient technologies and CO₂ reduction.

R&D has designed and developed Hybrid scooter with Gen 3 technology, reduction of emission, reduction of CO₂ and improvement of fuel economy and R&D team has designed, developed and launched Automatic transmission Technology for new 125cc motorcycle with innovative features and excellent engine smoothness. R&D has designed, developed and launched new variants of TVS Apache RTR 160 & 180cc. R&D has designed and developed new variant for TVS Pep & TVS Sport model.

R&D team has so far published 83 technical papers in national and international conferences.

Information technology:

The Company uses ERP to integrate the various business processes within the Company and its supply chain partners. Several projects have been implemented in supply chain to improve its transparency, effectiveness and efficiency. The Company leverages Product cycle management solutions to reduce the product development lead time.

Dealer management system has been deployed at all its domestic dealerships and major international dealerships. The Company has also started providing dealer management system services on cloud from the current financial year.

The Company has added many new reports and dashboards on mobile devices for its executives and dealers to manage business effectively.

The Company has taken several initiatives to improve information security. During the current year, the Company has been certified under ISO/IEC 27001:2005 security standard by BVCI.

INTERNAL CONTROL AND THEIR ADEQUACY

The Company has a proper and adequate internal control system to ensure that all the assets of the Company are

safeguarded and protected against any loss, that all the transactions are properly authorized and recorded, that the Information provided to management is reliable and timely and statutory obligations are adhered to.

Occupational Health & Safety (OHS):

The Company bagged the "Gold Award" in automobile sector from the Greentech Foundations for outstanding achievements in Safety management and the "First place" in State Safety Awards for longest accident free period from the Government of Tamil Nadu.

As a continual improvement this year, 1378 hazard control measures have been implemented, which focused on hazard controls in machining and assembly. The Company also sustained 100% safety training. About 4584 employees have been trained on safety this year. This has resulted in reduction of injury rate by 32% compared to last year.

Simulated safety training center was incorporated to emphasize practical knowledge on safety. Apart from 'on the job' safety, 'off the job' safety was also focused continually through various campaigns and education.

HUMAN RESOURCE DEVELOPMENT

Human resource development happens through the overall HRD framework developed with its constituents as Employee engagement, Resourcing, Performance & compensation management, Competency based development, Career & succession planning and Organisation building. Each of these constituents has a structured approach and process to deliver consistent results.

Leadership development continues to be one of the key initiatives of the Company. Globally acclaimed programs are taken up on regular basis under this initiative and exposure given to identified talents.

Collaborative education program has been taken up as long term strategy of the Company to develop role ready engineers. Towards this, collaboration with premier institutes in the country has been entered into to provide a pipeline of talent for the business needs. HR development of our extended partners viz., dealer staff was continued during last year to support the field activities. Focus on assisting suppliers in their HR development based on need was initiated this year.

The Company continues to maintain its record on industrial relations without any interruption in work. As on 31st March 2013, the Company had 4556 employees on its rolls.

CORPORATE SOCIAL RESPONSIBILITY

Srinivasan Services Trust (SST), co-sponsored by the Company with the vision of building self-reliant rural community, was established in 1996. Over 17 years of service, SST has played a pivotal role in changing lives of people in rural India by creating self-reliant communities that are models of sustainable development.

At present, SST is working in 1,124 villages spread across Tamil Nadu, Karnataka, Maharashtra, Himachal Pradesh and Andhra Pradesh. Its major focus areas are: Economic development, Health, Education, Environment and Infrastructure. Its significant achievements are:

- Through partnership with the community, helped to form over 3,744 self Help Groups (SHG)
- 100% enrolment of children in schools achieved and over 48,237 adult women made literate.
- Proper solid and liquid waste management practices adopted in 1,068 villages.
- Over 1,75,205 hectares of degraded forests reforested and 10,766 hectares of dry lands covered by watershed development activities.
- Over 57,010 families have taken up income generation activities. They earn an additional income from Rs.2,500/- to Rs.5,000/- per month.
- SHG members have a group savings of Rs.16.57 Cr
- Over 1,05,099 families living in these villages have a monthly income around Rs.12,000/- per family.

CAUTIONARY STATEMENT

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

4. SUBSIDIARY COMPANIES

As on the date of this report, the following are the subsidiaries of the Company

Name of the Company	Subsidiary of
Sundaram Auto Components Limited TVS Energy Limited TVS Housing Limited TVS Motor Company (Europe) B.V. TVS Motor (Singapore) Pte. Limited Sundaram Business Development Consulting (Shanghai) Company Limited	TVS Motor Company Limited
PT. TVS Motor Company Indonesia	TVS Motor (Singapore) Pte. Limited
TVS Wind Power Limited TVS Wind Energy Limited	TVS Energy Limited

5. PERFORMANCE OF SUBSIDIARIES

PT.TVS Motor Company Indonesia (PT TVS)

During the year under review, PT TVS's sales, was lower at 19,000 nos. compared to 23,000 nos. sold during 2011-12, consequent to steep fall in the sales of Bebek category in Indonesia, where its current products are focused. However, improved margin resulted in lower EBITDA loss at Rs.37.53 Cr, compared to EBITDA loss of Rs.49 Cr of 2011-12.

During the year, PT TVS sold its surplus land of 200,000 sq.meters bought in 2008 for a sale consideration of USD 23.4 million, generating a profit of USD 16.9 million. Consequently, PBT for the year was Rs.7.57 Cr compared to loss of Rs.87.72 Cr in 2011-12. The sale of surplus land does not affect the manufacturing facilities of PT TVS.

The Motorcycle industry in Indonesia declined by 10%, during the year, mainly due to the introduction of new regulations on the down payment for consumer financing. The total two wheelers sold during 2012-13 was 7.2 mn. The category share of bebek, which was dominant for five years, came down from 39% to 27% during 2012-13.

The scooter (skubek) category grew by 5% and its category share went up from 53% to 61%. The sports motorcycle category, witnessed a significant growth of 28%, with the category share moving to 12%, indicating the new preference of Indonesian customers.

During the year, PT TVS successfully launched a new style Apache 160 cc and 180 cc, which were received well by the customers. PT TVS grew by 15% in this category over the last year. It is planning to launch a new skubek and a new motorcycle during 2013-14. Both these products are expected to perform well and increase the sales during 2013-14.

Presently, PT TVS has around 100 dealers and has plans to expand the network to 150 dealers by the end of March 2014. PT TVS also plans to tie-up with multi-finance companies, to leverage retail finance and grow the sales during 2013-14.

TVS Motor Company (Europe) B.V (TVSM Europe)

It has been proposed by the board of directors of TVSM Europe to close down the investment outfit considering the general down turn in the business environment in Europe and across other parts of the world. It has also been proposed, as part of their closing down the activities, distribution of assets and liabilities to the Company's another overseas subsidiary, namely TVS Motor (Singapore) Pte. Limited, in the manner they now appear in their books of accounts.

By way of a provision for diminution in the value of investment viz. to the tune of Rs.91.63 Cr. representing the investment in the share capital of PT TVS Motor Company, Indonesia by TVSM Europe impairment has also been provided for in the books of the Company in the current financial year.

Way back in March 2011, TVSM Europe has taken this investment value at nil in their books.

Sundaram Auto Components Limited (SACL)

During the year, SACL achieved a turnover of Rs.298 Cr in Rubber and Plastics component business. SACL earned a profit after tax of Rs.13.62 Cr during the year 2012-13 including the profit from sale of rubber business.

Focused improvement in material productivity resulted in 10% improvement in contribution compared to previous year even with increase in energy cost. During the year, the Company has also productionised 107 new parts for various customers. The current product profile of Rubber component business is limited. Therefore, the board of directors of SACL, after obtaining the approval of its shareholders, divested the Rubber Component business at a value of Rs.21 Cr. This will help SACL to focus and expand the Plastic business.

SACL was awarded "Best Supplier award for delivery" by the Company for the year 2012-13.

SACL declared an interim dividend of Rs.2.50 per share (25%) for the year ended 31st March 2013.

TVS Energy Limited (TVS Energy)

During the year, TVS Energy commissioned the remaining 15 turbines of the 25.5 MW project in Maharashtra and executed Energy Purchase Agreement with the state utility Maharashtra State Electricity Distribution Company Limited for sale of energy from this project.

It had also successfully registered all the wind energy projects with UNFCCC under Clean Development Mechanism (CDM) for Carbon credits.

TVS Energy, in order to tide over the power evacuation issues faced during 2011 high wind season by the turbines in Tamil Nadu, identified improvement actions based on study of the grid infrastructure and pursued implementation of improvement actions with the state utility to minimize back down of generation. Consequently, the grid availability for the turbines improved significantly during 2012-13 and this resulted in a substantial increase in energy generation by the turbines during the year under review.

The revenue earned by TVS Energy for the year is Rs.43.62 Cr and EBITDA is Rs.39.68 Cr. After providing for interest of Rs.21.89 Cr and depreciation of Rs.12.89 Cr, the PBT is Rs.4.90 Cr for the year 2012-13, compared to loss of Rs.6.87 Cr for the year 2011-12. The PAT for the year 2012-13 is Rs.4.50 Cr compared to loss of Rs.7.34 Cr for the year 2011-12.

Investment in subsidiaries:

During the year under review, the Company has made additional investment of Rs.0.61 Cr equivalent to USD 110,000 in equity capital of Sundaram Business Development Consulting (Shanghai) Company Limited.

6. CONSOLIDATED FINANCIAL STATEMENTS

As required under the Listing Agreement with the Stock Exchanges, the consolidated financial statements of the Company are attached.

The Ministry of Corporate Affairs (MCA) vide its circular No. 2 in file No. 51/12/2007-CL-III dated: 8th February 2011 has granted general exemption from attaching annual reports of subsidiaries along with the annual report of the holding companies without seeking any approval of the Central Government, subject to the conditions laid down therein.

The board of directors at its meeting held on 30th April 2013 passed necessary resolution for complying with all the conditions enabling the circulation of annual report of the Company without attaching all the documents referred to in Section 212(1) of the Act, of the subsidiary companies to the shareholders of the Company.

The annual accounts, reports and other documents of the subsidiary companies will be made available to the shareholders, on receipt of a request from them. If any member or investor wishes to inspect the same, it will be available at the registered office of the Company during the business hours of any working day of the Company.

A statement giving the following information in aggregate of each subsidiary including subsidiaries of subsidiaries consisting of (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in the subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend has been attached with the consolidated balance sheet of the Company in compliance with the conditions of the said circular issued by MCA.

A statement referred to in clause (e) of sub-section 1 of Section 212 of the Act, disclosing the Company's interest in subsidiaries and other information as required is attached.

7. DIRECTORS

Mr Hemant Krishan Singh who was appointed as an additional director effective 1st February 2013 will vacate his office in terms of Section 260 of the Companies Act, 1956 at the ensuing annual general meeting and is eligible for appointment, as a Non executive and Independent director of the Company.

Mr Sudarshan Venu who was appointed as an additional director effective 1st February 2013 will vacate his office in terms of Section 260 of the Companies Act, 1956 at the ensuing annual general meeting and is eligible for appointment, as a director of the Company.

Mr Sudarshan Venu was also appointed in the rank of whole time director for a period of five years effective 1st February 2013 and the terms and conditions of appointment and remuneration payable to him were approved by the shareholders by way of special resolution through Postal Ballot on 18th March 2013.

Notices in terms of Section 257 of the Companies Act, 1956 have been received from the members of the Company signifying their proposals for the appointment of Mr Hemant Krishan Singh and Mr Sudarshan Venu as directors, at the ensuing annual general meeting.

In terms of the Articles of Association of the Company, Mr H Lakshmanan, and Mr R Ramakrishnan, directors of the Company, are liable to retire by rotation at the ensuing annual general meeting of the Company, and being eligible, offer themselves for re-appointment.

The brief resume of these directors and other information have been detailed in the notice convening the annual general meeting of the Company. Appropriate resolutions for their re-appointment / appointment are being placed for approval of the shareholders at the ensuing annual general meeting. The directors recommend their appointment / re-appointment as directors of the Company.

8. AUDITORS

M/s Sundaram & Srinivasan, Chartered Accountants, Chennai were re-appointed as statutory auditors at the last annual general meeting held on 12th September 2012 to hold office till the conclusion of the ensuing annual general meeting.

M/s Sundaram & Srinivasan, Chartered Accountants, Chennai have informed that they do not wish to be re-appointed as the statutory auditors of the Company at the ensuing Annual General Meeting.

In view of this, the board of directors have recommended the appointment of M/s V Sankar Aiyar & Co., Chartered Accountants, Mumbai as the statutory auditors of the Company, subject to the approval of the shareholders at the ensuing Annual General Meeting. The Company has received consent from M/s V Sankar Aiyar & Co., Chartered Accountants, Mumbai to serve as statutory auditors of the Company, if they are so appointed.

They have also furnished necessary certificate u/s 224(1B) of the Companies Act, 1956 conveying their eligibility in terms of the number of company audits.

Directors place on record their sincere appreciation of the valuable services rendered by M/s Sundaram & Srinivasan, Chartered Accountants, Chennai since inception of the Company as statutory auditors of the Company.

9. COST AUDITOR

As per the Companies (Cost Accounting Records) Rules 2011, the Company filed the Cost Audit Report along with Cost Compliance Report for the financial year 2011-12 in XBRL format.

The board of directors, subject to the approval of the Central Government, re-appointed Mr A N Raman, Cost Accountant, holding certificate of practice No.5359, as a Cost Auditor for conducting the Cost Audit for the financial year 2013-14. Subject to the compliance with all the requirements as stipulated in circular no.15/2011

dated 11th April 2011 and No. 36/2012 dated 6th November 2012 issued by the MCA, the audit committee of directors recommended his re-appointment.

The Company has also received a letter from the Cost Auditor, stating that the appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

10. CORPORATE GOVERNANCE

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

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

The chairman and managing director and the executive vice president - finance of the Company have certified to the board on the financial statements and other matters in accordance with the clause 49 (V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March 2013.

11. STATUTORY STATEMENTS

Conservation of energy, technology absorption and foreign exchange earnings and outgo

As per the requirements of Section 217(1)(e) of the Companies Act, 1956 (the Act) read with the Companies (Disclosure of particulars in the report of board of directors) Rules 1988, the information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure I to this report.

Particulars of employees

The particulars required pursuant to Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975 as amended, are given in Annexure II to this report. However, in terms of the provisions of Section 219(1)(b)(iv) of the Act, the Directors' Report excluding Annexure II is being sent to all the shareholders of the Company. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the registered office of the Company.

Public Deposits

The Company has not accepted any deposit from the public within the meaning of Section 58A of the Act, for the year ended 31st March 2013.

Directors' Responsibility Statement

In accordance with the provisions of Section 217(2AA) of the Act, with respect to Directors' Responsibility Statement, it is hereby stated -

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

ACKNOWLEDGEMENT

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

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

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

For and on behalf of the Board

Bengaluru
30th April 2013

VENU SRINIVASAN
Chairman

Annexure I to directors' report to the shareholders

Information pursuant to Section 217(1)(e) of the Companies Act, 1956

A. CONSERVATION OF ENERGY

1. Measures taken in the year 2012-13

- i. Optimal utilization of plant and equipments;
- ii. Solar water heater for hot water application;
- iii. Light Emitting Diode (LED) / Induction lamps for gangways and service bays;
- iv. Provision of Variable Frequency Drives (VFDs) for higher rating motors and pumps and EE motors;
- v. Optimization of compressed air pressure and consumption; and
- vi. Implementation of other miscellaneous energy efficient projects.

The above measures have resulted in an annual saving of approximately Rs.3.1 Cr.

2. Proposed measures during the year 2013-14

- i. Optimal utilization of plant and equipments;
- ii. Solar water heater for hot water application;
- iii. Optimization of compressed air pressure and consumption; and
- iv. Implementation of other miscellaneous energy efficient projects;

These measures are expected to yield an annual saving of approximately Rs.2.1 Cr.

B. TECHNOLOGY ABSORPTION FOR 2012-13

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

- i. Designed, developed and launched new 125cc 4stroke motorcycle with innovative features and low Noise, Vibration and Harshness (NVH) for domestic market.
- ii. Developed 1st batch of vehicles of new hybrid scooter with Gen3 technology for reduction of emission, reduction of CO₂ and improvement of fuel economy.
- iii. Designed and developed new variant of TVS Apache RTR 180cc.
- iv. Developed concept design of a high efficiency scooter engine.
- v. Designed, developed and launched new variants of TVS Sport, TVS Pep models.

2. Future plan of action

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

3. Expenditure on R&D

	(Rs. in Cr)
Capital expenditure	30.28
Revenue expenditure	96.87
Total	<u>127.15</u>
Total expenditure as a percentage of turnover	1.79%

4. Data relating to imported technology

(Technology imported during the last 5 years reckoned from the beginning of the financial year) Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Export activities

During the year, export of two wheelers was 2.11 lakh units and three wheelers was 0.34 lakh units. The Company has its presence in 52 countries.

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

2. Total foreign exchange earned and used

	(Rs. in Cr)
Foreign exchange used	659.56
Foreign exchange earned	1185.84

For and on behalf of the Board

Bengaluru
30th April 2013

VENU SRINIVASAN
Chairman

Report on Corporate Governance

1. Company's philosophy on code of governance

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

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

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

2. Board of directors

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

2.1 Composition and category of directors:

As on 31st March 2013, the total strength of the board of directors (the board) is nine. As the Company has an executive chairman viz., Mr Venu Srinivasan who is the chairman and managing director, the board is required, in terms of Clause 49 of the Listing Agreement, to have fifty per cent of its directors as non-executive and independent directors.

On 1st February 2013, Mr Hemant Krishan Singh was appointed as an additional and non-executive independent director of the Company and Mr Sudarshan Venu was appointed as an additional director in the rank of whole time director for a period of five years effective 1st February 2013. The terms and conditions of appointment and remuneration payable to him was approved by the shareholders by way of a special resolution through Postal Ballot on 18th March 2013.

Accordingly, the board has five non-executive and independent directors viz., M/s T Kannan, C R Dua, K S Bajpai, Prince Asirvatham and Hemant Krishan Singh and two non-executive and non-independent directors, viz., M/s H Lakshmanan and R Ramakrishnan. Mr Sudarshan Venu is the executive and non-independent director, being a relative of Chairman and Managing Director. Thus, the composition of the Company's board is in conformity with the Listing Agreement.

2.2 Board meetings:

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

The Company regularly places, before the board for its review, the information as required under Annexure 1A to clause 49 of the Listing Agreement such as annual operating plans, capex budget and its quarterly updates, quarterly results, minutes of meetings of board, audit committee and other committees of the board, quarterly details of foreign exchange exposures, risk management and mitigation/minimisation measures, report on compliance with all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any, etc.

Comprehensively drafted notes for each agenda item along with back ground materials, wherever necessary, are circulated well in advance to the committee / board, to enable them making value addition as well as exercising their business judgment in the committee / board meetings.

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

During the year 2012-2013, the board met five times on 11th April 2012, 24th May 2012, 27th July 2012, 31st October 2012 and 1st February 2013 and the gap between two meetings did not exceed four months.

2.3 Attendance and other directorships:

The details of attendance of the directors at the board meetings during the year and at the last

annual general meeting held on 12th September 2012 and also the number of other directorships and committee memberships / chairmanships as on 31st March 2013 are as follows:

Name of the Director (M/s)	Category	Attendance particulars		Number of other directorships and committee memberships / chairmanships		
		Board meetings	Last annual general meeting	Other directorships*	Committee memberships**	Committee chairmanships
Venu Srinivasan	CMD	5	Yes	16	4	1
H Lakshmanan	NE-NI	4	Yes	20	9	5
T Kannan	NE-I	3	Yes	8	5	2
C R Dua	NE-I	5	No	22	4	1
K S Bajpai	NE-I	3	Yes	–	–	–
R Ramakrishnan	NE-NI	5	Yes	15	5	2
Prince Asirvatham	NE-I	4	Yes	1	1	–
Hemant Krishan Singh (Appointed w.e.f. 01.02.2013)	NE-I	1	N/A	–	–	–
Sudarshan Venu (Appointed w.e.f. 01.02.2013)	WTD	1	N/A	2	–	–

CMD : Chairman & Managing Director

NE-I: Non-Executive - Independent

NE-NI : Non-Executive - Non-Independent

WTD : Whole-Time Director

* includes private companies and companies incorporated outside India.

** includes committees where the director holds the position of chairman.

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

2.4 Access to information and updation to directors:

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

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

Decisions taken at the meetings of the board / committee are communicated to the functional heads. Action taken report on decisions of previous meetings is placed at every succeeding meeting of the board / committee for reporting the compliance.

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

The Company has in place the Code of Business Conduct and Ethics for member of the board and senior management personnel (the Code) approved by the board. The Code has been communicated to directors and the senior management personnel. The Code has also been displayed on the Company's website www.tvsmotor.in.

All the members of the board and senior management personnel have confirmed compliance with the Code for the year ended 31st March 2013. The annual report contains a declaration to this effect signed by the chairman and managing director and company secretary as compliance officer for the Code.

2.6 Appointment / Re-appointment of directors:

In terms of clause 49(IV)(G) of the Listing Agreement with the Stock Exchanges, a brief resume of directors, proposed to be re-appointed / appointed, nature of their expertise in specific functional areas, their other directorships and committee

memberships, their shareholdings and their relationships, if any, with other directors are provided in the notice convening the ensuing annual general meeting of the Company.

3. Audit Committee

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

3.1 Brief description of terms of reference:

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

- a. Overseeing the Company's financial reporting process and the disclosure of financial information.
- b. Reviewing with the management quarterly and annual financial statements before submission to the board for approval with particular reference to the matters specified in the Listing Agreement.
- c. Reviewing the statement of related party transactions and transactions with companies in which one or more director(s) of the Company is / are deemed to be interested / concerned.
- d. Discussing the nature and scope of audit including internal audit prior to the commencement of the audit and areas of concern, if any, arising post audit.
- e. Reviewing the reports of internal auditors and ensuring that adequate follow-up action is taken by the management on the observations and recommendations made by the internal auditors.
- f. Reviewing the findings of any internal investigations by the internal auditors into matters of suspected fraud or irregularity or failure of internal control systems, of a material nature, if any.
- g. Recommending to the board the appointment / re-appointment / replacement of the statutory auditors and cost auditors and the fees payable for audit and approving the payment for any other services rendered by the statutory auditors.
- h. Reviewing the adequacy of internal audit functions and systems, structure, reporting process, audit coverage and frequency of internal audit.
- i. Reviewing the management discussion, analysis of financial conditions and results of operations and other matters specified under clause 49 of the Listing Agreement.
- j. Reviewing the financial statements, in particular the investments made by the unlisted subsidiaries.
- k. Reviewing the cost audit report.
- l. Reviewing with the management the annual financial statements before submission to the board, in particular:
 - a. Any change in accounting policies and practices;
 - b. Major accounting entries passed, based on exercise of judgment by management;
 - c. Significant adjustments arising out of audit;
 - d. Compliance with accounting standards; and
 - e. Disclosure of contingent liabilities.
- m. Approving the appointment of the Chief Financial Officer after assessing the qualifications, experience, background, etc. of the candidate.
- n. In addition, reviewing of such other functions as envisaged under Section 292A of the Act and Clause 49 of the Listing Agreement with Stock Exchanges.

The subjects reviewed and recommended in the meetings of the Audit Committee are being apprised to the board by the Chairman of the Audit Committee, for its approval.

3.2 Composition, names of members and the chairman:

As at 31st March 2013, the audit committee consists of the following non-executive independent / non-independent directors:

Names of the directors (M/s)	Status
T Kannan C R Dua Prince Asirvatham	Non-executive and Independent director
R Ramakrishnan	Non-executive and Non-Independent director

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

Chairman of the audit committee was present at the last annual general meeting held on 12th September 2012.

The composition of the committee is in accordance with the requirements of Clause 49 of the Listing Agreement read with Section 292A of the Act.

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

Date of the Meeting	Members present (M/s)
11.04.2012	C R Dua, Prince Asirvatham and R Ramakrishnan
23.05.2012	C R Dua, Prince Asirvatham and R Ramakrishnan
26.07.2012	T Kannan, C R Dua, Prince Asirvatham and R Ramakrishnan
30.10.2012	T Kannan, C R Dua, Prince Asirvatham and R Ramakrishnan
31.01.2013	T Kannan, C R Dua and R Ramakrishnan

4. Subsidiary companies

- (i) The Company's Indian subsidiary companies do not fall under the definition of "material non listed Indian subsidiary".
- (ii) The audit committee of directors however reviews the financial statements and in particular the investments made by the major unlisted Indian subsidiary companies.
- (iii) The minutes of the board meetings of direct unlisted Indian subsidiary companies are periodically placed before the board. The board is periodically informed about all significant transactions and arrangements entered into by these unlisted subsidiaries.

5. Disclosures

5.1 Materially significant related party transactions:

During the year, the Company has not entered into any transaction of material nature with the directors, their relatives or management, which is in conflict with the interests of the Company.

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

The Audit Committee also reviews, *inter alia*, the following aspects:

- (i) related party transactions undertaken by the Company in the ordinary course of business;
- (ii) material individual transactions, if any, which were not in the normal course of business; and
- (iii) material individual transactions, if any, with related parties or others, which were not at arm's length basis.

5.2 Disclosure of accounting treatment:

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

The Central Government has issued a notification on 29th December 2011 amending the existing AS11 relating to 'The effects of changes in foreign exchange rates' and extending the same upto 31st March 2020. By this amendment, companies are permitted to add / deduct from the carrying cost of depreciable assets, exchange differences arising out of exchange rate fluctuations with corresponding adjustments in general reserves and provision for depreciation. In order to give effect to the aforesaid amendment, companies are required to exercise their option in this regard. The option once exercised is irrevocable.

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

5.3 Risk Management:

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

The Company has constituted a Risk Mitigation committee with members including the Chief Executive Officer and the Chief Financial Officer of the Company. The Committee meets periodically to review the risk management and mitigation plans.

5.4 Instances of non-compliances, if any:

There was no instance of non-compliance by the Company, penalty and stricture imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets, during the last three years.

5.5 Disclosure by senior management personnel:

The senior management personnel have made disclosures to the board relating to all material,

financial and other transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.

5.6 CEO and CFO Certification:

The chairman and managing director (CEO) and executive vice president - finance (CFO) of the Company have certified to the board on financial and other matters in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March 2013.

5.7 Compliance with mandatory / non-mandatory requirements:

The Company has complied with all applicable mandatory requirements in terms of clause 49 of the Listing Agreement. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

5.8 Code of Conduct for Prevention of Insider Trading:

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

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

5.9 Management discussion and analysis report:

The management discussion and analysis report forms part of the directors' report.

6. Remuneration Committee

The board has not constituted a remuneration committee as the need for forming such committee has not arisen.

6.1 Remuneration to directors:

The remuneration payable to the chairman and managing director is fixed by the board within the limits approved by the shareholders in terms of the relevant provisions of the Act.

During the year, the board determined the commission payable to CMD at Rs.2.62 Cr, being 1% of the net profit computed in accordance with Section 349 of the Act.

During the year, Mr Sudarshan Venu was appointed as whole time director and eligible to draw a commission at the rate of 1% of the net profit, Rs.0.44 Cr, towards commission, proportionate to the period of appointment computed in accordance with Section 349 of the Act along with his monthly remuneration of Rs.0.14 Cr. The total emoluments to Mr Sudarshan Venu is within the statutory limit of 5% of the Net profits of the Company computed as aforesaid and approved by the shareholders.

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

As approved by the shareholders at the annual general meeting of the Company held on 14th August 2008, Non-executive and Independent directors are being paid commission, not exceeding 1% of the net profits of the Company, in aggregate, subject to a maximum, as determined by the board, for each such director for every financial year for a period of five years from 1st April 2008 to 31st March 2013.

The approval of the shareholders was also obtained at the previous annual general meeting held on 12th September 2012, for payment of such commission for a further period of five years, commencing from 1st April 2013.

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

6.2 Particulars of sitting fees / commission paid to the non-executive and independent / non-independent directors, during the financial year 2012-2013, are as follows:

(Rs. in lakhs)

Name of the Director (M/s.)	Sitting fees	Commission	Total
H Lakshmanan	1.40	-	1.40
T Kannan	2.20	15.00	17.20
C R Dua	2.00	15.00	17.00
K S Bajpai	0.60	12.00	12.60
R Ramakrishnan	2.80	-	2.80
Prince Asirvatham	1.60	15.00	16.60
Hemant Krishan Singh	0.20	2.00	2.20

6.3 Details of shareholdings of Non-executive directors in the Company as on 31st March 2013:

S.No	Name of the Director (M/s)	No. of Equity shares held
1.	T Kannan	1,31,180
2.	H Lakshmanan	56,870
3.	R Ramakrishnan	1,08,000
4.	C R Dua	–
5.	K S Bajpai	–
6.	Prince Asirvatham	10,000
7.	Hemant Krishan Singh	–

7. Investors' Grievance Committee

7.1 The Investors' Grievance Committee consists of three members viz., M/s T Kannan, non-executive and independent director, Venu Srinivasan, executive and non-independent director and R Ramakrishnan, non-executive and non-independent director. Mr T Kannan is the chairman of the committee.

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

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

7.4 Complaints received and redressed during the year 2012-2013:

S.No	Nature of complaints	No. of complaints
1.	Non-receipt of share certificates	1
2.	Non-receipt of dividend warrants	34
3.	Non-receipt of annual reports	7
	TOTAL	42

7.5 All the queries and complaints received during the financial year ended 31st March, 2013, were duly

redressed and no queries are pending at the year end.

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

7.6 Reconciliation of Share Capital Audit:

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

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

8. General body meeting

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

Year	Location	Date	Time
2009-10	Sathguru Gnanananda Hall, Naradha Gana Sabha Trust, No.314, T.T.K. Road, Chennai - 600 018	08.9.2010	10.00 AM
2010-11	The Music Academy, New No.168, (Old No.306), T.T.K. Road, Royapettah, Chennai 600 014	14.09.2011	10.00 AM
2011-12	The Music Academy, New No.168, (Old No.306), T.T.K. Road, Royapettah, Chennai 600 014	12.9.2012	10.00 AM

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

During the last three years approvals of the shareholders were obtained by passing special resolutions as follows:

Year	Subject	Date of AGM
2009-10	Nil	08.09.2010
2010-11	Nil	14.09.2011
2011-12	i) Appointment of Mr Sudarshan Venu, a relative of Chairman, to hold office or place of profit as vice president of the Company effective 1 st December 2011 ii) Approving the payment of commission to independent directors of the Company for a further period of five years from 1 st April 2013	12.09.2012

8.3 None of the subjects placed before the shareholders in the last / ensuing annual general meeting required / requires approval by a Postal Ballot.

8.4 Postal Ballot:

The board sought the consent of shareholders of the Company by way of special resolutions through Postal Ballot as per the notice issued to the shareholders on 1st February 2013, for

Resl. No.	Subject
(i)	approving the appointment, terms and remuneration payable to Mr Sudarshan Venu in the rank of whole-time director of the Company;
(ii)	amending the Articles of Association of the Company to enable the Company for appointing the same individual to hold and occupy both the positions of Chairman and Managing Director /Chief executive officer (CEO) / such other equivalent managerial position thereof in the Company; and
(iii)	keeping the statutory registers and documents at the place of the share transfer agent (STA), in terms of Section 163(1) and other applicable provisions of the Act.

These special resolutions were passed by the shareholders of the Company with overwhelming majority.

The results of the Postal Ballot are given below.

Particulars	No. / % of votes cast in favour		No. / % of votes against	
	No.	%	No.	%
Resolution (i)	35,45,49,653	99.97	1,16,142	0.03
Resolution (ii)	35,22,42,960	99.33	23,59,622	0.67
Resolution (iii)	35,45,52,754	99.99	34,496	0.01

8.5 Declaration of results of Postal Ballot:

The procedures prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 and clause 35(b) of the Listing Agreement were duly followed for conducting postal ballot process both physical and e-voting, during the year to approve the resolutions mentioned above.

The results of the Postal Ballot were published in the newspapers, namely Business Line and Dinamani on 19th March 2013 and also on the notice board at the registered office of the Company on 18th March 2013 and the same were also published in the official web-site of the Company.

9. Means of communication to shareholders

The board believes that effective communication of information is an essential component of corporate

governance. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, media releases, Company's website and specific communications to Stock Exchanges, where the Company's shares are listed.

9.1 Quarterly results:

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

9.2 Newspapers wherein results are normally published:

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

9.3 Website:

The Company has in place a website addressed as www.tvsmotor.in. This website contains the basic information about the Company, e.g. details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, such other details as may be required under clause 54 of the Listing Agreement. The Company ensures that the contents of this website are periodically updated. In addition, the Company makes use of this website for publishing official news releases and presentations, if any, made to institutional investors / analysts.

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

10. General shareholder information

10.1 Annual general meeting:

Date and time : Friday, 19th July 2013, 10.00 A.M.
 Venue : The Music Academy, New No.168 (Old No.306), T.T.K. Road, Royapettah, Chennai - 600 014.

10.2 Financial year : 1st April to 31st March

Financial calendar : 2013-2014 (Tentative)
 Annual general meeting : During July / August 2014

Financial reporting : Financial calendar for the quarter ending

30th June 2013 : between 15th July and 14th August 2013

30th September 2013 : between 15th October and 14th November 2013

31st December 2013 : between 15th January and 14th February 2014

31st March 2014 : between 15th April and 30th May 2014

10.3 Dates of Book Closure : 17th July 2013 and 19th July 2013 (3 days)

10.4 Particulars of dividend payments:

The board of directors at its meeting held on 1st February 2013, declared first interim dividend of Re.0.60 per share (60%) for the year 2012-2013, absorbing a sum of Rs.32.85 Cr including dividend distribution tax. It was paid to the shareholders on 12th February 2013.

The board of directors of the Company at its meeting held on 30th April 2013 declared a second interim dividend of Re. 0.60 per share (60%) for the year 2012-13 absorbing a sum of Rs.32.66 Cr including dividend distribution tax. The record date fixed as 6th May 2013 and dividend amount will be paid on or after 10th May 2013. Hence, the total amount of dividend including the second interim dividend payable, for the year ended 31st March 2013 will aggregate to Rs.1.20/- per share (120%) on 47,50,87,114 equity shares of Re.1/- each.

10.5 Listing on Stock Exchanges:

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

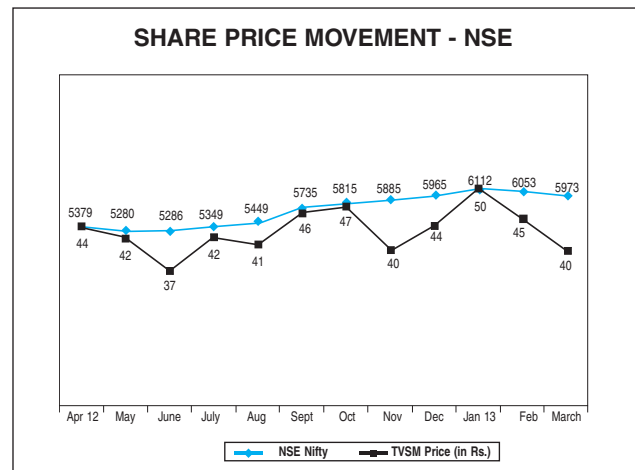
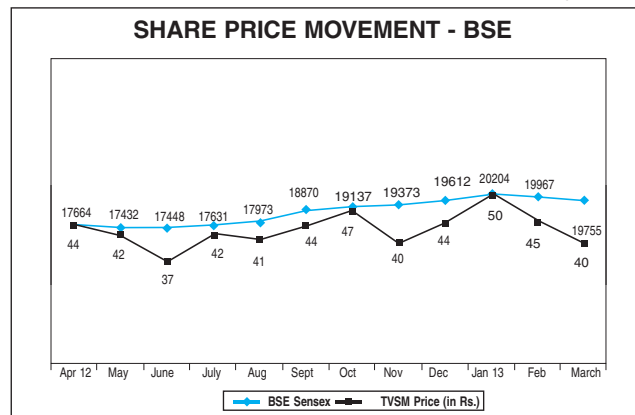
(Note: Annual listing fees and custodial charges for the year 2013-2014 were duly paid to the above Stock Exchanges and depositories)

10.6 Market Price Data:

(in Rs.)

Month	NSE (Monthly)		BSE (Monthly)	
	High price	Low price	High price	Low price
April 2012	44	38	44	38
May 2012	42	32	42	32
June 2012	37	32	37	32
July 2012	42	35	42	35
August 2012	41	37	41	37
September 2012	46	36	44	36
October 2012	47	38	47	38
November 2012	40	37	40	37
December 2012	44	38	44	38
January 2013	50	35	50	42
February 2013	45	38	45	39
March 2013	40	31	40	32

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



10.8 Share Transfer Agents and share transfer system:

- a. Sundaram-Clayton Limited (SCL), the holding Company, which has been registered with SEBI as share transfer agents in Category II, has been appointed as the STA of the Company with a view to rendering prompt and efficient service to the investors. The shareholders have also been advised about this appointment of STA to handle share registry work pertaining to both physical and electronic segments of the Company effective 1st October 2004.
- b. They were handling the share registry activities relating to the Company from No. 22 (Old 31), Railway Colony 3rd Street, Mehta Nagar, Chennai - 600 029 all along. However, for administrative reasons, they have transferred these activities to the premises, where the registered office of the Company is also located after obtaining the approval of the shareholders of the Company the terms of Section 163(1) of the Act through postal ballot process. The shareholders have also been advised about this change and are requested to correspond with STA at this new location mentioned elsewhere in this report.
- c. All matters connected with the share transfer, dividends and other matters are being handled by the STA located at the address mentioned elsewhere in this report.
- d. Shares lodged for transfers are normally processed within 10 days from the date of lodgment, if the documents are clear and complete in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 7 days. Grievances received from investors and other miscellaneous correspondences relating to change of address, mandates, etc., are processed by the STA within 7 days.
- e. Certificates are being obtained and submitted to Stock Exchanges, on half-yearly basis, from a Company Secretary-in-practice towards due compliance of share transfer formalities by the Company within the due dates, in terms of clause 47(c) of the Listing Agreement with Stock Exchanges.
- f. Certificates have also been received from a Company Secretary-in-practice and submitted to the Stock Exchanges, on a quarterly basis, for timely dematerialization of shares of the Company and for reconciliation of the share capital of the Company, as required under SEBI (Depositories and Participants) Regulations, 1996.

- g. The Company, as required under clause 47(f) of the Listing Agreement, has designated the following e-mail IDs, namely investorscomplaintssta@scl.co.in / ks.srinivasan@scl.co.in for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.
- h. Shareholders are, therefore, requested to correspond with the STA for transfer / transmission of shares, change of address and queries pertaining to their shareholding, dividend, etc., at their address given in this report.

10.9 Shareholding pattern as on 31st March 2013:

Category of Shareholder	No. of shares held	%
Promoter and Promoter Group		
Bodies Corporate	27,26,82,786	57.40
Public Shareholding		
Mutual Funds	5,20,51,091	10.96
Banks	4,46,307	0.09
Insurance Companies	3,38,91,070	7.13
Foreign Institutional Investors	86,94,536	1.83
Total Institutions	9,50,83,004	20.01
Bodies Corporate	2,26,55,115	4.77
Individuals holding nominal capital in excess of Rs. 1 lakh	88,36,737	1.86
Individuals holding nominal capital upto Rs. 1 lakh	6,99,79,009	14.73
NRI Repatriable	12,89,309	0.27
NRI Non- Repatriable	6,14,206	0.13
Overseas Body Corporate	136	0.00
Foreign National	500	0.00
Directors & relatives	39,46,312	0.83
Total Non-Institutions	10,73,21,324	22.59
Total Public Shareholding	20,24,04,328	42.60
Grand Total	47,50,87,114	100.00

10.10 Distribution of Shareholding as on 31st March 2013:

Shareholding (Range)	No. of shares	%	No. of members	%
Upto 5000	5,39,26,930	11.35	135957	98.66
5001 - 10000	85,19,002	1.79	1142	0.83
10001 - 20000	59,66,749	1.26	411	0.30
20001 - 50000	55,63,293	1.17	177	0.12
50001 - 100000	35,47,585	0.75	52	0.04
100001 & above	39,75,63,555	83.68	70	0.05
Total	47,50,87,114	100.00	137809	100.00

10.11 Dematerialization of shares and liquidity:

All the promoters holding consisting of 27,26,82,786 equity shares of Re.1/- each have been fully dematerialised. Out of 20,24,04,328 equity shares of Re.1/- each held by persons other than promoters 19,38,41,650 shares have been dematerialized as on 31st March, 2013 accounting for 95.77%.

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

10.13 Plant Locations:

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

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

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

10.14 Address for investor correspondence:

- (i) For transfer / dematerialization of shares, payment of dividend on shares and any other query relating to the shares of the Company : Sundaram-Clayton Limited
Share Transfer Agent (STA)
Unit: TVS Motor Company Limited
"Jayalakshmi Estates",
I Floor, No. 29 (Old No.8),
Haddows Road,
Chennai - 600 006.
- (ii) For any query on annual report : Email: kr.raman@scl.co.in
sclshares@gmail.com
- (iii) For investors' grievance & general correspondence : Email :
ks.srinivasan@scl.co.in
investorscomplaintssta@scl.co.in

11. Non-mandatory disclosures

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

11.1 The Board:

As the Company has an executive chairman, the implementation of this non-mandatory requirement does not arise.

The Non-executive directors of the Company are liable to retire by rotation and if eligible, offer themselves for re-appointment. No specific tenure has been fixed for the independent directors.

11.2 Remuneration Committee:

The board has not constituted a Remuneration Committee, as the need for forming such committee has not arisen.

11.3 Shareholder rights:

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

11.4 Audit qualifications:

The statutory financial statements of the Company are unqualified.

11.5 Training of Board Members / Mechanism for evaluating non-executive directors:

The present board consists of well-experienced and responsible members of society. All the directors are well aware of business model as well as the risk profile of the business parameters of the Company and their responsibilities as directors. Hence, in the opinion of the board, they do not require any further training. There is also no specific mechanism for evaluating the performance of the Non-executive directors of the Company.

11.6 Whistle Blower Policy:

The Company has not adopted whistle blower policy. However, the Company has not denied access to any personnel, to approach the management on any issue.

12. Request to shareholders

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

Demat of Shares:

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

Registration of Electronic Clearing Service (ECS) mandate:

The Securities Exchange Board of India has made it mandatory for all companies to use the bank account

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

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

Transfer of shares in physical mode:

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

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

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

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

Consolidation of Multiple Folios:

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

Registration of Nominations:

Section 109A of the Companies Act, 1956 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the Will, etc.

It would therefore be in the best interest of the shareholders holding shares in physical form registered as a sole holder to make such nominations. Shareholders, who have not availed nomination facility,

are requested to avail the same by submitting the nomination in Form 2B. This form will be made available on request. Investors holding shares in demat form are advised to contact their DPs for making nominations.

Updation of address:

Shareholders are requested to update their address registered with the Company, directly through the STA located at the address mentioned elsewhere in the annual report, to receive all communications promptly.

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

SMS Alerts:

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

Timely encashment of dividends:

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

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

Shareholders, who have not encashed their dividend warrants, in respect of dividends declared for the year ended 31st March, 2006 and, for any financial year thereafter may contact the Company/STA and surrender their warrants for payment.

Shareholders are requested to note that the dividends, not claimed for a period of seven years from the date they first became due for payment, shall be transferred to IEPF in terms of Section 205C of the Act. Accordingly a sum of Rs.10.36 lakhs, being unclaimed dividend, was transferred to IEPF during the year. Shareholders are requested to note that as per the applicable provisions of the Act, unclaimed dividends, once transferred to IEPF, will not be refunded.

TVS MOTOR COMPANY LIMITED

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

PARTICULARS OF UNCLAIMED DIVIDEND OF THE COMPANY

Financial Year	Date of declaration	Date of transfer to special account	Due date for transfer to IEPF
2005-2006 2 nd Interim	26.06.2006	01.08.2006	01.08.2013
2006-2007 1 st Interim	26.10.2006	02.12.2006	02.12.2013
2006-2007 Final	17.08.2007	22.09.2007	22.09.2014
2007-2008 Final	14.08.2008	19.09.2008	19.09.2015
2008-2009 (Interim)	26.06.2009	01.08.2009	01.08.2016
2009-2010 1 st Interim	20.01.2010	25.02.2010	25.02.2017
2009-2010 2 nd Interim	21.07.2010	26.08.2010	26.08.2017
2010-2011 1 st Interim	20.01.2011	25.02.2011	25.02.2018
2010-2011 2 nd Interim	29.07.2011	03.09.2011	03.09.2018
2011-2012 1 st Interim	14.03.2012	19.04.2012	19.04.2019
2011-2012 2 nd Interim	24.05.2012	22.06.2012	22.06.2019
2012-2013 1 st Interim	01.02.2013	02.03.2013	02.03.2020

Unclaimed share certificates:

In terms of the provisions of clause 5A of the Listing Agreement (introduced vide SEBI circular dated 16th December, 2010), the unclaimed share certificates will be dematerialized and transferred to "Unclaimed Suspense Account". As required under this clause of the Listing Agreement, the Company sent two reminder letters to the shareholders, whose share certificates were returned undelivered or unclaimed. It is also proposed to send the third and final reminder letter during the year

2013-14 as required. Action will be taken thereafter to transfer the shares so unclaimed to "Unclaimed Suspense Account" to comply with the requirement of this clause of the Listing Agreement.

Green initiative in corporate governance:

MCA has undertaken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and issued circulars stating that service of notice / documents including annual reports can be sent by e-mail to its members. The advantages of sending such documents in electronic mode are to:

- Receive communication promptly;
- Reduce paper consumption and save trees;
- Eliminate wastage of paper;
- Avoid loss of document in postal transit; and
- Save costs on paper and on postage.

Accordingly, the annual report for the year 2012-13, notice for the annual general meeting, etc. of the Company are being sent in electronic mode to such of the members of the Company whose e-mail addresses are registered with the Company / DP and who have not opted to receive the same in physical form.

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

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

To
The Shareholders of TVS Motor Company Limited
Chennai

compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company, as laid down by the board for the year ended 31st March 2013.

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

VENU SRINIVASAN
Chairman & Managing Director

K S SRINIVASAN
Company Secretary

Place : Bengaluru
Date : 30th April 2013

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

To

The shareholders of TVS Motor Company Limited,
Chennai

We have examined the compliance of conditions of Corporate Governance by TVS Motor Company Limited, Chennai - 600 006 for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company

has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investors' Grievances Committee.

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

For Sundaram & Srinivasan
Chartered Accountants
Firm Regn. No.: 004207S

M. BALASUBRAMANIAM
Partner
Membership No.: F7945

Place : Bengaluru

Date : 30th April 2013

Independent Auditors' Report to the shareholders of TVS Motor Company Limited, Chennai for the year ended 31st March 2013

To the Members of
TVS Motor Company Limited
'Jayalakshmi Estates', 29 Haddows Road, Chennai - 600006.

Report on the Financial Statements

We have audited the accompanying financial statements of TVS Motor Company Limited, Chennai ("the Company"), which comprise of the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date along with Notes on accounts.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the 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 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
 - e) on the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For Sundaram & Srinivasan
Chartered Accountants
Firm Regn. No.: 004207S

Place: Bengaluru
Date : 30th April 2013

M. BALASUBRAMANIAM
Partner
Membership No.: F7945

Annexure referred to in our report of even date on the accounts for the year ended 31st March 2013.

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets are physically verified by the management 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.
- (c) The assets disposed off during the year are not substantial and therefore do not affect the going concern status of the Company.
- (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.
- (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 book stocks were not material and have been properly dealt with in the books of account.
- (iii) (a) During the year, the Company has granted loans and advances to two Companies covered in the register maintained under Section 301 of the Companies Act, 1956 amounting to Rs.5.10 crore. (Balance due as at the year end is Rs.46.77 crore from three companies).
- (b) In our opinion, the rate of interest and other terms and conditions on which such loans and advances are made are not prima facie prejudicial to the interest of the Company. Interest is not charged on loan advanced to a wholly owned subsidiary of the Company.
- (c) The recovery of principal amount and interest thereon were in accordance with the terms of loan.
- (d) As on the date of Balance Sheet, there was no overdue amount recoverable on the said loan.
- (e) During the year, the Company has not taken loan from any party covered in the register maintained under Section 301 of the Companies Act, 1956.
- (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 minor or major continuing failure has been noticed in the internal control system.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion, that the contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been properly entered in the said register.
- (b) In our opinion and according to the information and explanations given to us, transactions entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value by rupees five lakhs during the year in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from the public.
- (vii) The Company has an Internal Audit System, which in our opinion is commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government under section 209(1)(d) of the Companies Act, 1956 for maintenance of cost records in respect of automotive two and three wheelers and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) According to the records provided to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess and other statutory dues with the appropriate authorities. However, there have been marginal delays in respect of Profession Tax, Employees' Provident fund, Service Tax and Income Tax deducted at source.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears as at 31st March 2013 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the following are the details of the disputed dues that were not deposited with the authorities concerned.

Name of the Statute	Nature of dues	Amount (Rs. in Cr)	Forum where dispute is pending
Central Excise Act, 1944	Cenvat / Excise dues	A 28.50	Central Excise and Service Tax Appellate Tribunal, Chennai
		B 18.83	Assistant / Deputy / Commissioner of Central Excise, Hosur and Mysore
		C 0.24	Hon'ble High Court of Karnataka
		D 7.98	Hon'ble Supreme Court
Finance Act, 1994	Service Tax	A 4.26	Assistant / Deputy / Commissioner of Central Excise, Hosur and Mysore
		B 0.77	Central Excise and Service Tax Appellate Tribunal, Chennai
Customs Act, 1962	Customs Duty	A 0.06	Assistant / Deputy / Commissioner of Central Excise, Hosur and Mysore
		B 1.87	High Court of Judicature at Madras
The Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003 read with Amendment Act, 2007	Electricity Tax	A 4.61	High Court of Judicature at Madras
Sales Tax / VAT Laws	Sales tax	A 0.32	Department Authorities
		B 0.38	Tribunals
		C 0.05	Hon'ble High Court of Orissa
		D 0.60	Hon'ble Supreme Court
Income Tax Act, 1961	Income Tax & Interest thereon	A 34.24	Commissioner of Income Tax (Appeals)
		B 5.20	High Court of Judicature at Madras

- (x) 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.
- (xi) 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 banks.
- (xii) Based on our examination and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit/nidhi/mutual benefit fund/society and as such this clause of the Order is not applicable.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments other than in mutual fund investments. Proper records have been maintained in respect of these transactions and contracts and timely entries have been made therein. The investments have been held by the Company in its own name except to the extent of exemption granted under Section 49 of the Act, in respect of shares held in subsidiary companies through the nominees.
- (xv) In our opinion, the terms and conditions of guarantees given by the Company for loans taken by others are not prejudicial to the interest of the Company.
- (xvi) The term loans availed by the Company were utilised for the purpose for which the loans were obtained.
- (xvii) On the basis of our examination, the Company has not used funds raised on short-term basis for long term investments.
- (xviii) During the year, the Company has not allotted any shares on preferential basis to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) During the year, the Company has not issued any secured debentures.
- (xx) During the year, the Company has not raised any money by public issue.
- (xxi) 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

Place: Bengaluru
Date : 30th April 2013

M. BALASUBRAMANIAM
Partner
Membership No.: F7945

TVS MOTOR COMPANY LIMITED

Balance Sheet as at 31st March 2013

Rupees in crores

	Note number	As at 31-03-2013	As at 31-03-2012
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	I	47.51	47.51
(b) Reserves and surplus	II	1,177.16	1,122.06
2 Non-current liabilities			
(a) Long-term borrowings	III	494.14	479.93
(b) Deferred tax liabilities (Net)		93.12	97.55
(c) Long-term provisions	IV	53.17	48.54
3 Current liabilities			
(a) Short-term borrowings	V	51.72	235.53
(b) Trade payables		822.80	711.67
(c) Other current liabilities	VI	326.23	313.95
(d) Short-term provisions	VII	53.42	57.73
Total		<u>3,119.27</u>	<u>3,114.47</u>
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	VIII	1,006.85	1,019.64
(ii) Intangible assets	VIII	4.63	5.93
(iii) Capital work-in-progress	VIII	36.09	52.51
(b) Non-current investments	IX	868.84	930.92
(c) Long-term loans and advances	X	73.35	57.33
2 Current assets			
(a) Inventories	XI	509.66	584.56
(b) Trade receivables	XII	300.52	208.04
(c) Cash and cash equivalents	XIII	17.45	13.03
(d) Short-term loans and advances	XIV	178.44	142.76
(e) Other current assets	XV	123.44	99.75
Total		<u>3,119.27</u>	<u>3,114.47</u>
Accounting standards, additional disclosures and notes on accounts	XXII		

VENU SRINIVASAN
Chairman & Managing Director

H. LAKSHMANAN
Director

As per our report annexed
For Sundaram & Srinivasan
Chartered Accountants
Firm Regn. No.: 004207S

S.G. MURALI
Executive Vice President – Finance

K.S. SRINIVASAN
Company Secretary

M. BALASUBRAMANIAM
Partner
Membership No.: F7945

Place : Bengaluru
Date : April 30, 2013

Statement of Profit and Loss for the year ended 31st March 2013

Rupees in crores

	Note number	Year ended 31-03-2013	Year ended 31-03-2012
I Revenue from operations	XVI	7,065.00	7,141.52
II Other income	XVII	23.84	21.71
III Total Revenue (I + II)		<u>7,088.84</u>	<u>7,163.23</u>
IV Expenses:			
Cost of materials consumed	XVIII	4,912.32	5,132.28
Purchases of stock-in-trade	XVIII	151.49	143.91
Changes in inventories of finished goods, work-in-process and stock-in-trade	XVIII	32.70	(15.14)
Employee benefits expense	XIX	407.13	370.11
Finance costs	XX	48.04	57.09
Depreciation and amortization expense		130.41	117.53
Other expenses	XXI	1,152.33	1,040.99
Total expenses		<u>6,834.42</u>	<u>6,846.77</u>
V Profit before exceptional and extraordinary items and tax (III-IV)		254.42	316.46
VI Exceptional items - Provision for diminution in value of investments		91.63	–
VII Profit before extraordinary items and tax (V-VI)		162.79	316.46
VIII Extraordinary items - Insurance recovery vide note on AS 5		0.79	–
IX Profit before tax (VII+VIII)		163.58	316.46
X Tax expense:			
(1) Current tax		52.00	65.50
(2) Deferred tax		(4.44)	1.89
XI Profit/(Loss) for the period (IX-X)		<u>116.02</u>	<u>249.07</u>
XII Earnings per equity share (Refer note no.XXII 1 (t) under AS 20)			

Accounting standards, additional disclosures and notes on accounts

XXII

VENU SRINIVASAN
Chairman & Managing Director

H. LAKSHMANAN
Director

As per our report annexed
For Sundaram & Srinivasan
Chartered Accountants
Firm Regn. No.: 004207S

S.G. MURALI
Executive Vice President – Finance

K.S. SRINIVASAN
Company Secretary

M. BALASUBRAMANIAM
Partner
Membership No.: F7945

Place : Bengaluru
Date : April 30, 2013

Notes on accounts

	As at 31-03-2013		As at 31-03-2012	
	Number	Rupees in crores	Number	Rupees in crores
I SHARE CAPITAL				
(a) Authorised, issued and subscribed				
Authorised:				
Equity shares of Re.1/- each	50,00,00,000	50.00	50,00,00,000	50.00
Issued, subscribed and paid up:				
Equity shares of Re.1/- each	47,50,87,114	47.51	47,50,87,114	47.51
Out of the above:				
Equity shares allotted as fully paid up by way of bonus shares in the five years immediately preceding the date of Balance Sheet:				
(i) Number of shares - 23,75,43,557				
(ii) Year of allotment - Year ended 31 st March 2011				
	47,50,87,114	47.51	47,50,87,114	47.51
(b) Reconciliation of equity shares outstanding at the beginning and at the end of the year				
Shares outstanding at the beginning of the year	47,50,87,114	47.51	47,50,87,114	47.51
Shares issued during the year	—	—	—	—
Shares outstanding at the end of the year	47,50,87,114	47.51	47,50,87,114	47.51
(c) (i) Rights and preferences attached to equity share:				
Every shareholder is entitled to such rights as to attend the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the assets of the Company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 1956.				
(ii) There are no restrictions attached to equity shares.				
(d) Shares held by holding / ultimate holding / subsidiaries / associates of holding company at the end of the year				

Name of shareholder	Class of share	As at 31-03-2013		As at 31-03-2012	
		No. of shares held	% of holding	No. of shares held	% of holding
Sundaram-Clayton Limited, Chennai (Holding Company)	Equity	27,26,82,786	57.40	4,20,00,000	8.84
Anusha Investments Limited, Chennai (Subsidiary of Holding Company)	Equity	—	—	23,06,82,786	48.56

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

Name of shareholder	Class of share	As at 31-03-2013 No. of shares held	As at 31-03-2012 No. of shares held
Reliance Capital Trustee Company Limited, Mumbai	Equity	3,92,04,556	—
Life Insurance Corporation of India, Mumbai	Equity	2,46,37,470	2,68,20,617

TVS MOTOR COMPANY LIMITED

Notes on accounts – (continued)

	Rupees in crores	
	As at 31-03-2013	As at 31-03-2012
II RESERVES AND SURPLUS		
(a) Capital reserves		
(i) On shares forfeited (Rs.55,200/-)	–	–
(ii) On surplus arising out of amalgamation	6.43	6.43
(iii) Government grant	0.30	0.30
Closing balance	<u>6.73</u>	<u>6.73</u>
(b) General reserve		
Opening balance	835.00	810.00
Add: Transfer from the Statement of Profit and Loss	11.60	25.00
Closing balance	<u>846.60</u>	<u>835.00</u>
(c) Hedging reserve		
Opening balance	(4.84)	–
Add: Created during the year	0.02	(4.84)
	<u>(4.82)</u>	<u>(4.84)</u>
Less: Utilised during the year	4.84	–
Closing balance	<u>0.02</u>	<u>(4.84)</u>
(d) Foreign Currency Monetary Item Translation Difference Account		
Opening balance	0.27	–
Add: Created during the year	–	0.54
	<u>0.27</u>	<u>0.54</u>
Less: Transfer to Finance costs	0.27	0.27
Closing balance	<u>–</u>	<u>0.27</u>
(e) Surplus i.e., balance in Statement of Profit and Loss		
Opening Balance	284.90	135.47
Add: Net profit for the current year	116.02	249.07
	<u>400.92</u>	<u>384.54</u>
Less: Tax relating to earlier years	–	2.86
First interim dividend paid	28.51	28.51
Second interim dividend payable	28.51	33.26
Dividend tax paid on first interim dividend	4.34	4.62
Dividend tax payable on second interim dividend	4.15	5.39
Transfer to general reserve	<u>11.60</u>	<u>25.00</u>
	<u>77.11</u>	<u>99.64</u>
Closing balance	<u>323.81</u>	<u>284.90</u>
Total (a) + (b) + (c) + (d) + (e)	<u>1,177.16</u>	<u>1,122.06</u>
III LONG-TERM BORROWINGS		
(A) Secured		
Term loans		
(a) From banks	102.15	184.45
(b) Soft loan from a state owned corporation viz., State Industries Promotion Corporation of Tamil Nadu Ltd. (SIPCOT)	152.63	77.23
	<u>254.78</u>	<u>261.68</u>
(B) Unsecured		
Sales tax deferral loan from Karnataka Government	239.36	218.25
	<u>239.36</u>	<u>218.25</u>
	<u>494.14</u>	<u>479.93</u>

Notes on accounts – (continued)

III LONG-TERM BORROWINGS – (continued)

Repayment terms of long-term loans

Rupees in crores

Total of loans repayable	*Current maturity i.e. loans repayable in 2012-13	Balance long-term loans as at 31-03-2012	Description	Frequency	No. of instalments due	Maturity	Total of loans repayable	*Current maturity i.e. loans repayable in 2013-14	Balance long-term loans as at 31-03-2013
14.70	14.70	–	External commercial borrowings	Half-yearly	–	May 2012	–	–	–
192.95	45.40	147.55	Term Loan I	Quarterly	13	Apr 2016	147.55	45.40	102.15
86.10	49.20	36.90	Term Loan II	Quarterly	3	Nov 2013	36.90	36.90	–
			Sales Tax Deferral:						
63.29	6.33	56.96	Phase - 1	Yearly	9	2020–21	56.96	6.33	50.63
161.29	–	161.29	Phase - 2	Yearly	12	2026–27	188.73	–	188.73
77.23	–	77.23	State owned corporation	Yearly	3	2022–25	152.63	–	152.63
595.56	115.63	479.93	Total				582.77	88.63	494.14

* Grouped under "Other current liabilities".

Details of securities created:

- (i) External commercial borrowings secured by exclusive charge by way of hypothecation of specific movable properties including movable plant and equipment.
- (ii) Term loans
 - (a) First and exclusive charge on specific plant and equipment.
 - (b) Charge on pari-passu basis on the movable plant and equipment, spares, tools and accessories and other movables, both present and future situated in all plants, with the existing term loan lenders.
- (iii) Soft loan - State owned corporation viz., SIPCOT
 First charge on the specific plant and equipment and also secured by equitable mortgage created by way of deposit of title deeds of lands.

Amount payable in each instalments:

Description	Currency	Amount
External commercial borrowings	USD	3.00 million half yearly
Term Loan I	INR	11.35 crores per quarter
Term Loan II	INR	12.30 crores per quarter
Sales tax deferral Phase - 1	INR	6.33 crores per annum
Sales tax deferral Phase - 2	INR	15.73 crores per annum
State owned corporation	INR	10.00, 67.23 and 75.40 crores (three instalments between 2022 and 2025)

Rupees in crores
As at 31-03-2013 As at 31-03-2012

IV LONG-TERM PROVISIONS

Employee benefits

(a) Pension	45.71	43.09
(b) Leave salary	7.46	5.45
	53.17	48.54

TVS MOTOR COMPANY LIMITED

Notes on accounts – (continued)

	Rupees in crores	
	As at 31-03-2013	As at 31-03-2012
V SHORT-TERM BORROWINGS		
Repayable on demand		
(a) From banks		
Secured	20.64	95.02
Unsecured	31.08	125.66
	<u>51.72</u>	<u>220.68</u>
(b) From related parties (unsecured)	–	14.85
	<u>51.72</u>	<u>235.53</u>
Details of securities created for loans availed and referred to in V(a) above: First charge by way of hypothecation and / or pledge of current assets viz., stocks of raw materials, semi finished and finished goods, stores and spares not relating to plant and machinery, bills receivable, book debts and all other movable assets located in all plants.		
VI OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt		
(i) Term loans from banks	82.30	109.30
(ii) Sales tax deferral loan from Karnataka Government	6.33	6.33
(b) Unpaid dividends	2.49	1.99
(c) Others		
(i) Tax deducted at source payable into Government	3.08	3.36
(ii) Sales tax payable	9.52	5.82
(iii) Employee related	19.56	18.17
(iv) For expenses	184.81	152.79
(v) Trade deposits received	18.14	16.19
	<u>326.23</u>	<u>313.95</u>
VII SHORT-TERM PROVISIONS		
(a) Employee benefit - Leave salary	1.11	2.44
(b) Warranty	17.72	15.23
(c) Second interim dividend payable	28.51	33.26
(d) Dividend tax	4.15	5.39
(e) Other provisions for expenses	1.93	1.41
	<u>53.42</u>	<u>57.73</u>

Notes on accounts – (continued)
VIII NON-CURRENT ASSETS - FIXED ASSETS

Rupees in crores

Description	Tangible							Intangible* (Software)		Total (tangible and intangible)			
	Land		Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Total as at		As at			
	Free hold	Lease hold						31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Cost of assets													
As at 01-04-2012	30.55	10.94	303.99	1,721.29	10.36	49.23	10.14	2,136.50	1,961.17	17.95	11.08	2,154.45	1,972.25
Additions	0.85	–	10.28	95.87	2.11	10.20	0.83	120.14	200.69	4.33	6.87	124.47	207.56
Sub-total	31.40	10.94	314.27	1,817.16	12.47	59.43	10.97	2,256.64	2,161.86	22.28	17.95	2,278.92	2,179.81
Sales / deletion	–	–	0.04	28.81	0.02	1.62	0.50	30.99	25.36	–	–	30.99	25.36
Total	31.40	10.94	314.23	1,788.35	12.45	57.81	10.47	2,225.65	2,136.50	22.28	17.95	2,247.93	2,154.45
Depreciation / Amortisation													
Upto 31-03-2012	–	0.44	70.32	1,001.58	5.61	33.58	5.33	1,116.86	1,025.86	12.02	8.80	1,128.88	1,034.66
For the year	–	0.09	9.87	105.44	1.05	6.97	1.36	124.78	114.31	5.63	3.22	130.41	117.53
Sub-total	–	0.53	80.19	1,107.02	6.66	40.55	6.69	1,241.64	1,140.17	17.65	12.02	1,259.29	1,152.19
Withdrawn on assets sold / deleted	–	–	0.01	20.81	0.02	1.58	0.42	22.84	23.31	–	–	22.84	23.31
Total	–	0.53	80.18	1,086.21	6.64	38.97	6.27	1,218.80	1,116.86	17.65	12.02	1,236.45	1,128.88
Written down value													
As at 31-03-2013	31.40	10.41	234.05	702.14	5.81	18.84	4.20	1,006.85		4.63		1,011.48	
As at 31-03-2012	30.55	10.50	233.67	719.71	4.75	15.65	4.81		1,019.64		5.93		1,025.57
CAPITAL WORK-IN-PROGRESS (AT COST)													
(a) Building												0.56	0.46
(b) Plant & equipment												35.53	52.05
Total												36.09	52.51

* Vide note XXII 1(z)

Addition is net of gain arising on account of restatement of external commercial borrowing attributable to acquisition of plant and machinery - vide notes on accounts note XXII 1(k) under AS11

 Rupees in crores
 As at 31-03-2013 As at 31-03-2012

IX NON-CURRENT INVESTMENTS
Trade Investments

(a) Investments in equity instruments	509.02	508.41
Less: Provision for diminution in the value of investments	91.63	–
	<u>417.39</u>	<u>508.41</u>
(b) Investments in preference shares	417.51	392.51
	<u>834.90</u>	<u>900.92</u>

Other Investments

(a) Investments in bonds	15.00	15.00
(b) Employees pension related investments	16.91	15.00
	<u>31.91</u>	<u>30.00</u>
Investment property	2.03	–
	<u>868.84</u>	<u>930.92</u>

(A) + (B) + (C)

Notes on accounts – (continued)

IX NON-CURRENT INVESTMENTS – (continued)

Sl. No.	Name of the body corporate	Subsidiary/ Associate/ JV/Controlled Entity/Others	No. of shares/ units		Partly paid/ fully paid	Extent of holding (%)		Rupees in crores	
			As at 31-03-2013	As at 31-03-2012		As at 31-03-2013	As at 31-03-2012	As at 31-03-2013	As at 31-03-2012
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A.	TRADE INVESTMENTS								
(a)	Investment in Equity Instruments:								
	Quoted:								
(i)	Suprajit Engineering Limited, Bengaluru	Others	28,92,000	28,92,000	Fully paid			0.08	0.08
(ii)	Ucal Fuel Systems Limited, Chennai	Others	91,760	91,760	Fully paid			0.25	0.25
	Unquoted:								
(iii)	Sundaram Auto Components Limited, Chennai	Subsidiary	1,15,50,000	1,15,50,000	Fully paid	100	100	60.90	60.90
(iv)	TVS Motor Company (Europe) B.V., Amsterdam	Subsidiary	2,25,301	2,25,301	Fully paid	100	100	126.52	126.52
(v)	TVS Motor (Singapore) Pte. Limited, Singapore	Subsidiary	6,43,64,301	6,43,64,301	Fully paid	100	100	201.20	201.20
(vi)	TVS Energy Limited, Chennai	Subsidiary	7,67,50,000	7,67,50,000	Fully paid	94.5	94.5	76.75	76.75
(vii)	TVS Housing Limited, Chennai	Subsidiary	50,000	50,000	Fully paid	100	100	0.05	0.05
(viii)	Sundaram Business Development Consulting (Shanghai) Co. Ltd., Shanghai	Subsidiary	1,500	400	Fully paid	100	100	0.81	0.20
(ix)	Emerald Haven Realty Limited, Chennai (formerly known as Green Earth Homes Limited)	Associate	4,00,00,000	4,00,00,000	Fully paid	48.8	48.8	40.00	40.00
(x)	TVS Lanka (Private) Limited, Colombo	Others	50,00,000	50,00,000	Fully paid			2.08	2.08
(xi)	TVS Motor Services Limited, Chennai	Others	3,80,000	3,80,000	Fully paid			0.38	0.38
	Total							509.02	508.41
	Less: Provision for diminution in the value of investments in TVS Motor Company (Europe) B.V. Amsterdam							91.63	-
	Total (a)							417.39	508.41
(b)	Investments in Preference Shares - Unquoted:								
(i)	PT.TVS Motor Company Indonesia, Jakarta	Subsidiary	31,00,000	31,00,000	Fully paid	100	100	146.50	146.50
(ii)	TVS Motor Services Limited, Chennai	Others	27,10,10,000	24,60,10,000	Fully paid			271.01	246.01
	Total (b)							417.51	392.51
	Total (a)+(b)							834.90	900.92

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

B.	OTHER INVESTMENTS (Unquoted) :								
(a)	Investments in Bonds:								
(i)	Power Finance Corporation Limited, New Delhi	Others	150	150	Fully paid			15.00	15.00
	Total (a)							15.00	15.00
(b)	Other non-current investments:								
(i)	ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai	Others			Fully paid			9.23	9.23
(ii)	Life Insurance Corporation Pension Policy, Mumbai	Others			Fully paid			7.68	5.77
(iii)	National Savings Certificates (Rs.37,100/- deposited with Sales Tax authorities)	Others			Fully paid			-	-
	Total (b)							16.91	15.00
	Total (a)+(b)							31.91	30.00

Investment summary

Rupees in crores

Particulars	As at 31-03-2013		As at 31-03-2012	
	Cost	Market value	Cost	Market value
Quoted investments	0.33	10.11	0.33	6.37
Unquoted investments	866.48	-	930.59	-

TVS MOTOR COMPANY LIMITED

Notes on accounts – (continued)

		Rupees in crores	
		As at 31-03-2013	As at 31-03-2012
X	LONG-TERM LOANS AND ADVANCES		
	Unsecured, considered good		
	(a) Capital advances	9.68	0.35
	(b) Deposits made	15.31	7.12
	(c) Loans to related parties	40.27	39.64
	(d) Advance payment of Income Tax less provisions	8.09	10.22
		<u>73.35</u>	<u>57.33</u>
XI	INVENTORIES (at weighted average cost or net realisable value whichever is less)		
	(a) Raw materials and components*	189.00	205.77
	(b) Goods-in-transit - Raw materials and components	29.93	47.62
	(c) Work-in-process*	39.00	55.63
	(d) Finished goods*	167.57	182.40
	(e) Stock-in-trade*	26.62	27.86
	(f) Stores and spares*	25.51	27.69
	(g) Dies, moulds & tools*	32.03	37.59
		<u>509.66</u>	<u>584.56</u>
	Note: Work-in-process comprises of:		
	Vehicles pending testing	3.69	2.56
	Semi finished vehicles and sub-assemblies thereto	35.31	53.07
		<u>39.00</u>	<u>55.63</u>
	* (as certified by Chairman & Managing Director)		
XII	TRADE RECEIVABLES		
	(a) Unsecured debts outstanding for a period exceeding six months		
	(i) Considered good	18.62	11.95
	(ii) Considered doubtful	3.44	2.67
		<u>22.06</u>	<u>14.62</u>
	Less: Provision for doubtful debts	3.44	2.67
		<u>18.62</u>	<u>11.95</u>
	(b) Other unsecured debts (considered good)	<u>281.90</u>	<u>196.09</u>
		<u>300.52</u>	<u>208.04</u>
XIII	CASH AND CASH EQUIVALENTS		
	(a) Balances with banks (includes Rs.0.03 crore with more than 12 months maturity - Last year Rs.0.03 crore)	10.99	5.58
	(b) Cheques/drafts on hand	3.78	5.23
	(c) Cash on hand	0.19	0.23
	(d) Earmarked balances with banks (for unpaid dividends)	2.49	1.99
		<u>17.45</u>	<u>13.03</u>
XIV	SHORT-TERM LOANS AND ADVANCES		
	Unsecured, considered good		
	(a) Inter corporate deposits made	12.47	3.00
	(b) Employee related	10.62	10.25
	(c) Rent advance	2.87	2.55
	(d) VAT receivable	42.47	38.25
	(e) Excise current account	63.37	47.76
	(f) Prepaid expense	5.32	4.85
	(g) Vendor advance	30.13	28.33
	(h) Advance payment of Income Tax less provisions	11.19	7.77
		<u>178.44</u>	<u>142.76</u>
XV	OTHER CURRENT ASSETS		
	(a) Interest accrued on deposits/investments	2.06	1.56
	(b) Claims receivable	121.36	98.19
	(c) Others	0.02	–
		<u>123.44</u>	<u>99.75</u>

TVS MOTOR COMPANY LIMITED

Notes on accounts – (continued)

	Rupees in crores	
	Year ended 31-03-2013	Year ended 31-03-2012
XVI REVENUE FROM OPERATIONS		
(a) Sale of products	7,625.63	7,586.82
(b) Sale of services	7.65	8.60
(c) Other operating revenues	99.60	132.23
	<u>7,732.88</u>	<u>7,727.65</u>
Less : Excise duty and service tax	667.88	586.13
	<u>7,065.00</u>	<u>7,141.52</u>
XVII OTHER INCOME		
(a) Interest income	19.09	16.35
(b) Dividend:		
(i) From subsidiaries	1.73	2.22
(ii) From others	1.38	0.20
(c) Gain on sale of investments	0.07	–
(d) Profit on sale of fixed assets (net of loss of Rs.0.45 Crore)	0.37	1.97
(e) Other non-operating income	1.20	0.97
	<u>23.84</u>	<u>21.71</u>
XVIII MATERIAL COST		
Cost of Materials consumed:		
Opening stock of raw materials and components	205.77	184.69
Add: Purchases	4,895.55	5,153.36
	<u>5,101.32</u>	<u>5,338.05</u>
Less: Closing stock of raw materials and components	189.00	205.77
Consumption of raw materials and components	<u>4,912.32</u>	<u>5,132.28</u>
Purchases of stock-in-trade:		
Spare parts	109.25	105.77
Engine oil	42.24	38.14
	<u>151.49</u>	<u>143.91</u>
Changes in inventories of finished goods, work-in-process and stock-in-trade:		
Opening stock:		
Work-in-process	55.63	46.90
Stock-in-trade (spare parts)	27.86	29.51
Finished goods	182.40	174.34
	<u>265.89</u>	<u>250.75</u>
	(A)	
Closing stock:		
Work-in-process	39.00	55.63
Stock-in-trade (spare parts)	26.62	27.86
Finished goods	167.57	182.40
	<u>233.19</u>	<u>265.89</u>
	(B)	
	(A)-(B)	<u>32.70</u>
		<u>(15.14)</u>

Refer note no.XXII 11 (1) for broad head of raw materials consumed.

TVS MOTOR COMPANY LIMITED

Notes on accounts – (continued)

	Rupees in crores	
	Year ended 31-03-2013	Year ended 31-03-2012
XIX EMPLOYEE BENEFITS EXPENSE		
(a) Salaries and wages	347.47	309.79
(b) Contribution to provident and other funds	23.36	23.98
(c) Welfare expenses	36.30	36.34
	<u>407.13</u>	<u>370.11</u>
XX FINANCE COSTS		
(a) Interest expense	51.74	57.10
(b) Amortisation of foreign currency monetary item translation difference account	(0.27)	(0.27)
(c) Others - Exchange fluctuation	(3.43)	0.26
	<u>48.04</u>	<u>57.09</u>
XXI OTHER EXPENSES		
(a) Consumption of stores, spares and tools*	49.47	54.24
(b) Power and fuel*	90.45	89.77
(c) Rent*	14.38	16.05
(d) Repairs - buildings	6.76	8.34
(e) Repairs - plant and equipment	56.08	49.84
(f) Insurance	2.66	2.37
(g) Rates and taxes (excluding taxes on income)	3.49	3.09
(h) Audit fees	0.35	0.29
(i) Packing and freight charges*	236.93	231.83
(j) Advertisement and publicity*	202.93	138.82
(k) Other marketing expenses*	257.55	201.90
(l) Loss on sale of investments (Net of gain of Rs.0.01 crores)	–	0.09
(m) Loss on sale of fixed assets	–	1.46
(n) Foreign exchange loss (Refer note XXII 1 (i)(c))	13.31	23.91
(o) Miscellaneous expenses* (under this head there is no expenditure which is in excess of 1% of revenue from operations or Rs.1 lakh, whichever is higher)	217.97	218.99
	<u>1,152.33</u>	<u>1,040.99</u>

* Net of recoveries

Refer Note no.XXII 1(e) on AS5 for prior period items.

XXII Accounting standards, additional disclosures and notes on accounts

Rupees in crores

	As at/ Year ended 31-03-2013	As at/ Year ended 31-03-2012
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1 ACCOUNTING STANDARDS

(a) AS - 1 Disclosure of accounting policies

The accounts are maintained on accrual basis. The revenue and expenditure are accounted on a going concern basis.

(b) AS - 2 Valuation of inventories

Inventories are valued in accordance with the method of valuation prescribed by The Institute of Chartered Accountants of India at weighted average cost or net realisable value, whichever is less.

(c) AS - 3 Cash flow statements

The cash flow statement is prepared under "indirect method" and the same is annexed.

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

The interim dividend declared in April 2013 by the wholly owned subsidiary viz., Sundaram Auto Components Limited, Chennai for the year ended 31st March 2013 is recognised as revenue only in the year 2013-14.

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

I Prior period items:

Expenses:

(i) Freight charges	–	0.02
(ii) Repairs and maintenance - Office equipments (Last year Rs.27,233/-)	–	–
(iii) Rent	–	0.01
(iv) Input cost	–	0.01
(v) Selling Agency Commission	0.17	–
(vi) Warranty Expenses	0.37	–

II Extraordinary items:

A fire accident occurred at a Paint Shop in the Hosur Plant of the Company on 29th July 2012. The total damage to the various assets like building, plant & equipment, stock, etc., was estimated at Rs.37.09 crore. Other expenditure connected with salvage operations and rehabilitation was estimated at Rs.3.15 crore. Thus, a claim for Rs.40.24 crore was lodged with the insurer. Till the date of Balance sheet, a sum of Rs.10 crore had been received as 'on account payment' and the balance of Rs.30.24 crore is subject to completion of reinstatement. This is recognised as contingent asset under AS-29

Payment received from the insurer (on account)	10.00	–
Less: WDV of assets damaged by fire	7.54	–
	2.46	–
Less: Repairs and maintenance expenses incurred	1.08	–
Less: Salvage expenses incurred	0.59	–
Net amount recognised as extraordinary item (income) in the Statement of Profit and Loss	0.79	–

The accident did not affect the operating results of the Company.

III Changes in accounting policies:

There is no change in accounting policy during the current year.

(f) AS - 6 Depreciation accounting

Depreciation has been provided under the straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956 with the applicable shift allowance. Depreciation in respect of computers, vehicles, furniture & fixtures, mobile phones and office equipments has been charged at 30%, 18%, 10%, 50% and 10% respectively, which is higher than the rates prescribed under Schedule XIV.

XXII Accounting standards, additional disclosures and notes on accounts – (continued)

Rupees in crores
As at/
Year ended
31-03-2013 As at/
Year ended
31-03-2012

(f) AS - 6 Depreciation accounting (continued)

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

Depreciation in respect of tools and dies has been provided based on the quantity of components manufactured and the life of tools and dies (subject to a maximum of 3 years).

Tools and dies relating to three wheeler operations have been capitalised and applicable depreciation provided thereon, considering the lower volume as compared to two wheelers.

Depreciation in respect of assets acquired during the year whose cost does not exceed Rs. 5,000/- has been provided at 100%.

(g) AS - 7 Construction contracts

This Accounting Standard is not applicable.

(h) AS - 8 Research & Development

This Accounting Standard is withdrawn.

(i) AS - 9 Revenue recognition

a) The income of the Company is derived from sale (net of trade discounts) of automotive vehicles, parts thereof, lubricant oil, machinery and equipment and provision of technical know-how.

b) Sale of goods is recognised on despatch of goods to customers.

c) During the year the Company incurred a foreign exchange fluctuation loss of Rs.35.52 crore while gain under this head amounted to Rs.22.21 crore. The net loss of Rs.13.31 crore is grouped in other expenses.

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

e) Dividend from investments in shares / units is recognised when the Company / Mutual Fund, in which they are held, declares the dividend and the right to receive the same is established.

(j) 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 lands includes lands acquired under lease.

10.94

10.94

Cost of buildings includes buildings constructed on leasehold lands.

17.74

16.41

(k) AS - 11 Accounting for effects of changes 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 rate prevailing on the date of the Balance Sheet. Net exchange difference debited to Statement of Profit and Loss is Rs.0.56 crore (Last year credited to Statement of Profit and Loss Rs.0.27 crore)

In terms of the Companies (Accounting Standards) Amendment Rules, 2009, and Companies (Accounting Standards) Amendment Rules, 2011 on Accounting Standard - 11, notified by the Government of India, the Company has opted to adjust the changes in foreign exchange rates relating to long term foreign currency monetary items to the carrying cost of fixed assets and to Foreign Currency Monetary Item Translation Difference Account. The impact is set out below:

XXII Accounting standards, additional disclosures and notes on accounts – (continued)

Rupees in crores
As at/
Year ended
31-03-2013 As at/
Year ended
31-03-2012

(k) AS - 11 Accounting for effects of changes in foreign exchange rates (continued)

Gains / (Losses) arising from changes in foreign exchange rates relating to depreciable capital assets added to / deducted from carrying cost of such assets. Nil (1.76)

Gains / (Losses) arising from changes in foreign exchange rates relating to other long term foreign currency monetary items (not relating to acquisition of depreciable assets) credited / debited to "Foreign Currency Monetary Item Translation Difference Account". Nil 0.55

Amortisation of "Foreign Currency Monetary Item Translation Difference Account" by debiting / (crediting) Statement of Profit and Loss. (0.27) (0.27)

Derivative Instruments

Derivative contracts are entered into by the Company based on underlying exposures. The Company has not entered into any derivative contracts of a speculative nature.

Currency swaps - The Company had earlier entered into seven currency swap contracts covering the total external commercial borrowings of USD 100 mn. (last year seven contracts covering USD 100 mn.), fixing the repayment liability of the Company in Indian Rupees. Consequent to repayment of part of the above loans as per the agreed schedule, no currency swap contracts are outstanding at year end. (last year outstanding USD 3 mn.)

Interest Rate Swap (IRS) - The Company had earlier entered into seven derivative contracts in respect of total external commercial borrowings amounting to USD 100 mn. (last year seven contracts in respect of USD 100 mn.) to convert floating interest rate to fixed interest. Consequent to repayment of the above loans as per the agreed schedule no interest rate swap contracts are outstanding at the end of the year. (last year outstanding USD 3 mn.)

(l) AS - 12 Accounting for Government Grants

The Company received capital subsidy for Effluent Treatment Plant from State Industries Promotion Corporation of Tamil Nadu Limited, a Government of Tamil Nadu undertaking and the same has been credited to respective assets. 0.25 –

Last year subsidy was received from Himachal Pradesh Government under capital subsidy scheme and the same has been credited to capital reserves. – 0.30

(m) AS - 13 Accounting for Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost or realisable value determined on individual basis. Long term investments are carried at cost. Provision for diminution in value, if any, is made to recognise a decline other than temporary in the value of investments. Refer to the note no. IX for aggregate amount of quoted and unquoted investments.

The Company evaluated its investment in TVS Motor Company (Europe) B.V., Amsterdam, a wholly owned subsidiary (TVSM Europe), for the purpose of determination of potential diminution in value on account of proposed closure of its operations. Based on such evaluation, the Company has recognised a provision for diminution in the value of investment in TVSM Europe as at 31st March 2013 amounting to Rs.91.63 crores. This appears as an exceptional item in the Statement of Profit and Loss.

Apart from the above provision, in the opinion of the management, no further provision is necessary for diminution in value of investment, as the decline in value is considered temporary and PT TVS Motor Company Indonesia, Jakarta (PT TVS) has reported a profit for the current financial year ended 31st March 2013.

The Company holds in PT TVS through wholly owned subsidiaries viz., TVS Motor Company (Europe) B.V., Amsterdam and TVS Motor (Singapore) Pte. Limited, Singapore, 65,00,000 nos. of Class A shares of USD 10/- each (Equity shares). The Company directly holds 31,00,000 nos. of Class B shares of USD 10/- each

XXII Accounting standards, additional disclosures and notes on accounts – (continued)

Rupees in crores

	As at/ Year ended 31-03-2013	As at/ Year ended 31-03-2012
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(m) AS - 13 Accounting for Investments (continued)

(Preference shares) in PT TVS. The aggregate cost of investments in PT TVS (a wholly owned subsidiary) is detailed below:

Cost of investment in equity shares (net of provision for diminution in value)	236.09	327.72
Cost of investment in preference shares	146.50	146.50
Total cost of investments	382.59	474.22

(n) AS - 14 Accounting for amalgamations

During the year there was no amalgamation.

(o) 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 plan

Contribution to provident fund is in the nature of defined contribution plan and is made to a recognised Trust. The Company's Provident Fund is exempted under Section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Exemption was granted subject to the condition that the employer shall make good deficiency, if any, in the interest rate declared by the Trust vis-à-vis statutory rate. If any such deficiency is determined, the same will be made good by the employer.

B Defined benefit plans

(i) The Company extends defined benefit plan in the form of leave salary to employees. In addition, the Company also extends defined benefit plan in the form of pension to senior managers of the Company. Provision for leave salary and pension is made on actuarial valuation basis.

(ii) 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 scheme framed by the Corporation.

C Disclosure as required by Accounting Standard 15

Rupees in crores

	Leave salary	Pension	Gratuity
(a) Expenses recognised in the Statement of Profit and Loss			
(i) Current service cost	1.90	–	2.69
(ii) Interest cost	0.54	3.37	3.03
(iii) Expected return on plan assets	–	–	(3.73)
(iv) Net actuarial loss / (gain) recognised in the year	0.65	1.16	2.66
Total	3.09	4.53	4.65
(b) Change in defined benefit obligation during the year ended 31-03-2013			
(i) Present value of obligation as at the beginning of the year (01-04-2012)	7.89	43.09	37.84
(ii) Interest cost	0.54	3.37	3.03
(iii) Current service cost	1.90	–	2.69
(iv) Benefits paid	(2.41)	(1.91)	(3.11)
(v) Actuarial loss on obligation	0.65	1.16	2.66
(vi) Present value of obligation as at the end of the year (31-03-2013)	8.57	45.71	43.11
(c) Change in fair value of plan assets during the year ended 31-03-2013			
(i) Fair value of plan assets at the beginning of the year (01-04-2012)	–	–	40.95
(ii) Expected return on plan assets	–	–	3.73
(iii) Contributions made during the year	–	–	4.79
(iv) Benefits paid	–	–	(3.11)
(v) Actuarial gain on plan assets	–	–	–
(vi) Fair value of plan assets as at the end of the year (31-03-2013)	–	–	46.36

XXII Accounting standards, additional disclosures and notes on accounts – (continued)

(o) AS - 15 Accounting for Employee benefits (continued)

C Disclosure as required by Accounting Standard 15 (continued)

Rupees in crores

	Leave salary	Pension	Gratuity
(d) Balance Sheet movements			
(i) Value of benefit obligations / (net assets) at the beginning of the year (01-04-2012)	7.89	43.09	(3.11)
(ii) Contributions made during the year	–	–	(4.79)
(iii) Expenses	3.09	4.53	4.65
(iv) Benefits paid	(2.41)	(1.91)	–
(v) Value of benefit	8.57	45.71	(3.25)
Note: The net asset in respect of gratuity plan is not recognised as it is lying in irrevocable trust fund approved by Income tax authorities.			
(e) Actuarial assumptions			
(i) Discount rate used	8.00%	8.00%	8.00%
(ii) Expected return on plan assets	NA	NA	9.40%
Estimates of future salary increases considered in actuarial valuation takes into account the inflation, seniority, promotions and other relevant factors.			

Rupees in crores

As at/ Year ended 31-03-2013	As at/ Year ended 31-03-2012
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(p) AS - 16 Borrowing costs

Amount of borrowing costs attributable to qualifying assets capitalised during the year.

– –

(q) AS - 17 Segment reporting

The Company operates in only one segment viz., automotive vehicles. Hence the Accounting Standard on segment reporting is not applicable.

(r) AS - 18 Related party disclosures

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

List of Related Parties as per clause 3(a) of the standard where control exists:

Reporting entity : TVS Motor Company Limited, Chennai

	Period	
	From	To
Holding company: Sundaram-Clayton Limited, Chennai	01-04-2012	31-03-2013
Ultimate holding company: T V Sundram Iyengar & Sons Limited, Madurai	01-04-2012	31-03-2013
Subsidiaries: Sundaram Auto Components Limited, Chennai	01-04-2012	31-03-2013
TVS Motor Company (Europe) B.V, Amsterdam	01-04-2012	31-03-2013
TVS Motor (Singapore) Pte. Limited, Singapore	01-04-2012	31-03-2013
PT. TVS Motor Company Indonesia, Jakarta	01-04-2012	31-03-2013

XXII Accounting standards, additional disclosures and notes on accounts – (continued)
(r) AS - 18 Related party disclosures - (continued)

	Period	
	From	To
TVS Energy Limited, Chennai	01-04-2012	31-03-2013
TVS Housing Limited, Chennai	01-04-2012	31-03-2013
TVS Wind Power Limited, Chennai	01-04-2012	31-03-2013
TVS Wind Energy Limited, Chennai	01-04-2012	31-03-2013
Sundaram Business Development Consulting (Shanghai) Co. Ltd, Shanghai	01-04-2012	31-03-2013
Fellow subsidiaries:		
TVS Investments Limited, Chennai	01-04-2012	31-03-2013
Sundaram Investment Limited, Chennai	01-04-2012	31-03-2013
TVS Electronics Limited, Chennai	01-04-2012	31-03-2013
Tumkur Property Holdings Limited, Chennai	01-04-2012	31-03-2013
Prime Property Holdings Limited, Chennai	01-04-2012	31-03-2013
TVS-E Access (India) Limited, Chennai	01-04-2012	31-03-2013
TVS-E Servicetec Limited, Chennai	01-04-2012	31-03-2013
TVS Capital Funds Limited, Chennai	01-04-2012	31-03-2013
Southern Roadways Limited, Madurai	01-04-2012	31-03-2013
Sundaram Industries Limited, Madurai	01-04-2012	31-03-2013
The Associated Auto Parts Limited, Mumbai	01-04-2012	31-03-2013
TVS Interconnect Systems Limited, Madurai	01-04-2012	31-03-2013
Lucas-TVS Limited, Chennai	01-04-2012	31-03-2013
Sundaram Textiles Limited, Madurai	01-04-2012	31-03-2013
TVS Automobile Solutions Limited, Madurai	01-04-2012	31-03-2013
Sundaram Lanka Tyres Limited, Colombo	01-04-2012	31-03-2013
NSM Holdings Limited, Madurai	01-04-2012	31-03-2013
TOR Projects & Services Limited, Madurai	01-04-2012	31-03-2013
NK Telecom Products Limited, Madurai	01-04-2012	31-03-2013
NK Telesystems Limited, Madurai	01-04-2012	31-03-2013
Lucas Indian Service Limited, Chennai	01-04-2012	31-03-2013
TVS Automotive Systems Limited, Chennai	01-04-2012	31-03-2013
Rajgarhia Automobile Solution Limited, Kolkata	01-04-2012	31-03-2013
Pusam Rubber Products Limited, Madurai	28-02-2013	31-03-2013
Sundaram-Clayton (USA) Limited, USA	15-06-2012	31-03-2013
Essex Automobile Solutions Limited, Gujarat	09-04-2012	31-03-2013
Navaratna Insurance Broking Limited, Coimbatore	08-01-2013	31-03-2013
Focuz Automobile Services Limited, Kerala	09-08-2012	31-03-2013
GS Automotive Service Equipments (Chennai) Private Limited, Madurai	01-04-2012	31-03-2013
SANRAV Automobile Solutions (Chennai) Private Limited, Madurai	18-02-2013	31-03-2013
Sundaram Engineering Products Services Limited, Chennai	01-04-2012	20-02-2013
TVS Training and Services Limited, Chennai	20-02-2013	31-03-2013

TVS MOTOR COMPANY LIMITED

XXII Accounting standards, additional disclosures and notes on accounts – (continued)

(r) AS - 18 Related party disclosures - (continued)

	Period	
	From	To
Associate company:		
Emerald Haven Realty Limited, Chennai (Formerly known as Green Earth Homes Limited)	01-04-2012	31-03-2013
Sundaram Engineering Products Services Limited, Chennai	21-02-2013	31-03-2013
List of Related Parties as per clause 3(c) of the Standard:		
Key Management Personnel:		
Mr Venu Srinivasan, Chairman & Managing Director	01-04-2012	31-03-2013
Mr Sudarshan Venu, Whole-time Director	01-02-2013	31-03-2013
Relative of Key Management Personnel:		
Mr Sudarshan Venu, Vice President	01-04-2012	31-01-2013
Enterprise over which key management personnel and his relative have significant influence:		
Harita-NTI Limited, Chennai	01-04-2012	31-03-2013

Particulars of transactions with related parties	Rupees in crores	
	As at/ Year ended 31-03-2013	As at/ Year ended 31-03-2012
(a) Purchase of goods		
– ultimate holding company (T V Sundram Iyengar & Sons Limited, Madurai)	0.43	0.38
– holding company (Sundaram-Clayton Limited, Chennai)	174.59	164.22
– subsidiary companies		
Sundaram Auto Components Limited, Chennai	173.51	162.28
PT. TVS Motor Company Indonesia, Jakarta	0.62	0.26
– fellow subsidiaries		
TVS Electronics Limited, Chennai	0.02	0.03
Sundaram Industries Limited, Madurai	0.49	0.60
Lucas-TVS Limited, Chennai	37.50	32.45
Lucas Indian Service Limited, Chennai	0.86	0.90
– enterprises over which key management personnel and his relatives have significant influence (Harita-NTI Limited, Chennai)	0.65	2.22
(b) Sale of goods		
– holding company (Sundaram-Clayton Limited, Chennai)	–	0.10
– subsidiary companies		
Sundaram Auto Components Limited, Chennai	987.42	695.03
PT. TVS Motor Company Indonesia, Jakarta	34.93	51.17

TVS MOTOR COMPANY LIMITED

XXII Accounting standards, additional disclosures and notes on accounts – (continued)

Rupees in crores

	As at/ Year ended 31-03-2013	As at/ Year ended 31-03-2012
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(r) **AS - 18 Related party disclosures - (continued)**

(c) Rendering of services (including interest received)		
– holding company (Sundaram-Clayton Limited, Chennai)	1.30	1.95
– subsidiary companies		
Sundaram Auto Components Limited, Chennai	0.49	2.27
TVS Motor Company (Europe) B.V, Amsterdam	3.33	3.37
PT. TVS Motor Company Indonesia, Jakarta	4.55	2.02
TVS Energy Limited, Chennai	–	1.11
– fellow subsidiaries		
TVS Electronics Limited, Chennai	–	0.19
Southern Roadways Limited, Madurai	0.01	0.01
– enterprise over which key management personnel and his relatives have significant influence (Harita-NTI Limited, Chennai)	–	0.34
(d) Availing of services (includes sub-contract charges paid)		
– holding company (Sundaram-Clayton Limited, Chennai)	38.16	38.45
– subsidiary companies		
Sundaram Auto Components Limited, Chennai	0.33	0.24
Sundaram Business Development Consulting (Shanghai) Co. Ltd, Shanghai	1.28	–
– fellow subsidiaries		
TVS Electronics Limited, Chennai	0.88	–
Southern Roadways Limited, Madurai	2.28	2.21
TVS E-Servicetec Limited, Chennai	–	0.62
(e) Trade advances made during the year		
– subsidiary companies		
Sundaram Business Development Consulting (Shanghai) Co. Ltd, Shanghai	1.14	–
Sundaram Auto Components Limited, Chennai	–	11.00
TVS Energy Limited, Chennai	–	30.80
TVS Housing Limited, Chennai	–	5.00
(f) Other advances made during the year		
– enterprises over which key management personnel and his relatives have significant influence (Harita-NTI Limited, Chennai)	–	3.50
(g) Trade advances received back during the year		
– subsidiary companies		
Sundaram Business Development Consulting (Shanghai) Co. Ltd, Shanghai	1.14	–
TVS Motor Company (Europe) B.V, Amsterdam	1.83	33.45
Sundaram Auto Components Limited, Chennai	–	35.96
TVS Energy Limited, Chennai	–	30.80
TVS Housing Limited, Chennai	–	37.00
(h) Other advances received back during the year		
– enterprises over which key management personnel and his relatives have significant influence (Harita-NTI Limited, Chennai)	–	3.50

TVS MOTOR COMPANY LIMITED

XXII Accounting standards, additional disclosures and notes on accounts – (continued)

	Rupees in crores	
	As at/ Year ended 31-03-2013	As at/ Year ended 31-03-2012
(r) AS - 18 Related party disclosures - (continued)		
(i) Amount outstanding as at Balance Sheet date:		
(i) Trade receivables		
– subsidiary companies		
Sundaram Auto Components Limited, Chennai	79.78	22.02
PT. TVS Motor Company Indonesia, Jakarta	15.67	27.05
(ii) Loans and advances receivable		
– subsidiary companies		
TVS Motor Company (Europe) B.V. Amsterdam	40.17	39.64
TVS Motor (Singapore) Pte. Limited, Singapore	0.10	–
(iii) Trade payables		
– ultimate holding company (T V Sundram Iyengar & Sons Limited, Madurai)	–	0.03
– holding company (Sundaram-Clayton Limited, Chennai)	11.28	23.22
– subsidiary companies		
Sundaram Auto Components Limited, Chennai	3.45	14.77
PT. TVS Motor Company Indonesia, Jakarta	0.58	–
– Fellow subsidiaries		
Lucas-TVS Limited, Chennai	5.87	4.44
Lucas Indian Service Limited, Chennai	0.14	–
Sundaram Industries Limited, Madurai	0.06	0.09
TVS Electronics Limited, Chennai	–	0.01
TVS-E Servicetec Limited, Chennai	–	0.03
– enterprise over which key management personnel and his relatives have significant influence (Harita-NTI Limited, Chennai)	0.01	0.03
(j) Investments made during the year		
– subsidiary companies		
Sundaram Auto Components Limited, Chennai	–	24.90
TVS Motor Company (Europe) B.V., Amsterdam	–	34.89
TVS Energy Limited, Chennai	–	25.00
PT. TVS Motor Company Indonesia, Jakarta	–	86.94
Sundaram Business Development Consulting (Shanghai) Co. Ltd, Shanghai	0.61	0.20
– associate company		
Emerald Haven Realty Limited, Chennai (Formerly known as Green Earth Homes Limited)	–	40.00
(k) Obligation arising out of agreements facilitating credit to subsidiary company (PT. TVS Motor Company Indonesia, Jakarta)	53.88	53.88
(l) Remuneration to key management personnel	3.20	3.23
(m) Remuneration to relative of key management personnel	0.20	0.07

XXII Accounting standards, additional disclosures and notes on accounts – (continued)

Rupees in crores
As at/
Year ended
31-03-2013
As at/
Year ended
31-03-2012

(s) **AS - 19 Accounting for Leases**

All the lease agreements entered into during the year are cancellable. Hence, no disclosure is required under this standard.

(t) **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 after tax before extraordinary items	115.23	249.07
Profit after tax after extraordinary items	116.02	249.07
Number of equity shares	47,50,87,114	47,50,87,114
Face value of the share (in rupees)	1.00	1.00
Weighted average number of equity shares	47,50,87,114	47,50,87,114
Earnings per share before extraordinary items (in rupees)	2.43	5.24
Diluted earnings per share before extraordinary items (in rupees)	2.43	5.24
Earnings per share after extraordinary items (in rupees)	2.44	5.24
Diluted earnings per share after extraordinary items (in rupees)	2.44	5.24

(u) **AS - 21 Consolidated financial statements**

Consolidated financial statements of the Company and its subsidiaries are enclosed.

(v) **AS - 22 Accounting for taxes on income**

Current tax is calculated under section 115JB of the Income Tax Act, 1961.

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	123.21	122.23
- tax on amortisation of dies and moulds	8.06	11.14
- tax on expenses admissible on payment basis under Income Tax Act, 1961	28.29	29.09
(A)	<u>159.56</u>	<u>162.46</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	49.11	55.69
- unabsorbed capital loss	17.33	9.22
(B)	<u>66.44</u>	<u>64.91</u>

Deferred tax liability (net of deferred tax asset) (A)-(B) - refer Balance Sheet	<u>93.12</u>	<u>97.55</u>
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(w) **AS - 23 Accounting for investments in associates in consolidated financial statements**

The Company holds 48.8% of equity share capital in Emerald Haven Realty Limited (formerly known as Green Earth Homes Limited), Chennai, an associate company.

Sundaram Engineering Products Services Limited, Chennai, is an associate company from 21.02.2013, as the Company's subsidiary viz., Sundaram Auto Components Limited, Chennai, holds 25.5% of its equity share capital.

(x) **AS - 24 Discontinuing operations**

During the year, the Company has not discontinued any of its operations.

(y) **AS - 25 Interim financial reporting**

The Company has elected to publish quarterly financial results which were subject to limited review by the statutory auditors.

XXII Accounting standards, additional disclosures and notes on accounts – (continued)

Rupees in crores
As at/
Year ended
31-03-2013 As at/
Year ended
31-03-2012

(z) AS - 26 Accounting for Intangible assets

During the year the Company acquired the following assets falling under the definition of intangible assets as per the Accounting Standard and the following disclosure is made in respect of those assets:

Software

– Estimated useful life of the asset	2 years	2 years
– Amortisation rates used	50% each year as depreciation	50% each year as depreciation
– Gross carrying amounts at the beginning and at the end of the period together with additions and deletions during the year		
Opening balance (Gross)	17.95	11.08
Additions during the year	4.33	6.87
Total	22.28	17.95
Amortised as depreciation	17.65	12.02
Closing written down value	4.63	5.93

(aa) AS - 27 Financial Reporting of interests in joint venture

There is no Joint venture as on 31.03.2013.

(ab) AS - 28 Impairment of assets

In respect of tools and dies meant for manufacture of certain slow moving models, accelerated depreciation amounting to Rs.8.62 crores (last year Rs.1.53 crores) has been provided during the year.

(ac) AS - 29 Provisions, contingent liabilities and contingent assets

(i) Provisions

In respect of warranty obligations, provision is made in accordance with terms of sale of vehicles vide note VII (b) (short term provision) to the Balance Sheet.

(ii) Contingent liabilities

The amount for which the Company is contingently liable is disclosed in note no. 6.

(iii) Contested liabilities are detailed in note no. 7.

(iv) Contingent asset

Insurance claim recoverable

30.24 –

(ad) AS 30 - Financial instruments: Recognition and Measurement

The Company adopts the Accounting Standard 30 "Financial Instruments: Recognition and Measurement" and has applied the hedge accounting principles to the foreign currency forward contracts and non-derivative financial liability to hedge its risks associated with the foreign currency fluctuations relating to highly probable forecast transactions. The Company does not hold derivative financial instruments for speculative purposes.

XXII Accounting standards, additional disclosures and notes on accounts – (continued)

Rupees in crores
As at/
Year ended
31-03-2013 As at/
Year ended
31-03-2012

(ad) AS 30 - Financial instruments: Recognition and Measurement - (continued)

Changes in the fair value of the contracts that are designated and effective as hedges of future cash flows are taken directly to the Hedging Reserve Account and the ineffective portion is recognised in the Statement of Profit and Loss.

Accordingly, the designated and effective hedge instruments are marked to market and the net gain aggregating to Rs.4.86 crore (last year loss Rs.4.84 crore) has been taken directly to the Hedging Reserve Account.

2 LAND

Title deed in respect of land acquired near Ahmedabad in Gujarat at a cost of Rs.0.01 crore is yet to be received from the registering authority.

3 TRADE PAYABLES INCLUDES:

(a)	Amount due to Small Scale Industrial units	38.44	35.55
(b)	Amount due to other industrial units	758.05	618.70

Disclosure under Micro, Small and Medium Enterprises Development Act, 2006.

(i)	The principal amount and interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year:		
(a)	Principal (all are within agreed credit period and not due for payment)	38.44	35.55
(b)	Interest (as no amount is overdue)	Nil	Nil
(ii)	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil

(c)	Interest accrued but not due on secured loans (included in current liabilities)	1.75	3.05
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4 CONTRIBUTION TO PROVIDENT AND OTHER FUNDS INCLUDES:

(a)	Contribution towards gratuity as per scheme framed by Life Insurance Corporation of India	5.02	4.54
(b)	Contribution towards pension fund	2.67	5.09

TVS MOTOR COMPANY LIMITED

XXII Accounting standards, additional disclosures and notes on accounts – (continued)

		Rupees in crores	
		As at/ Year ended 31-03-2013	As at/ Year ended 31-03-2012
5	PAYMENT TO AUDITORS COMPRISES:		
(a)	As statutory auditors	0.25	0.20
(b)	Taxation matters	0.02	0.04
(c)	Certification matters	0.04	0.03
(d)	Cost audit fees	0.04	0.02
(e)	Miscellaneous expenses include travel and stay expenses of auditors	0.17	0.19
		<u>0.52</u>	<u>0.48</u>
6	CONTINGENT LIABILITY NOT PROVIDED FOR:		
(a)	On counter guarantee given to banks	24.14	22.28
(b)	On letters of credit	112.08	97.21
(c)	On guarantee to Housing Development Finance Corporation Limited, Mumbai, on loans granted to employees of the Company	1.25	1.25
(d)	On bills discounted with banks	61.51	31.08
(e)	Capital commitment towards capital expenditure	78.47	58.92
(f)	On obligation arising out of agreements facilitating credit to a company	41.66	41.66
(g)	On obligation arising out of agreements facilitating credit to subsidiary company (PT.TVS Motor Company Indonesia, Jakarta)	53.88	53.88
(h)	On import of capital goods under Export Promotion Capital Goods Scheme	22.08	19.63
7	LIABILITY CONTESTED AND NOT PROVIDED FOR:		
(a)	Excise	56.55	58.23
(b)	Service tax	5.03	8.27
(c)	Customs	1.93	1.87
(d)	Sales tax	2.44	2.91
(e)	Electricity tax	–	0.18
(f)	Income tax	16.76	47.93
(g)	Others	4.60	1.87
8	RESEARCH AND DEVELOPMENT EXPENDITURE INCURRED AND CLAIMED UNDER INCOME TAX ACT, 1961		
(a)	R&D Revenue expenditure eligible for weighted deduction	83.52	79.52
(b)	Other R&D revenue expenditure	13.35	13.13
(c)	Capital Expenditure:		
(i)	Land and Building	1.31	1.07
(ii)	Others (including work-in-progress)	28.97	26.68
		<u>127.15</u>	<u>120.40</u>
9	Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.		

XXII Accounting standards, additional disclosures and notes on accounts – (continued)

10 DISCLOSURE MADE IN TERMS OF CLAUSE 32 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

Rupees in crores

Sl. No.	Particulars	Name of the company		Amount outstanding as on 31-03-2013	Amount outstanding as on 31-03-2012
(a)	Loans and advances				
(i)	Loans and advances in the nature of loans made to subsidiary company	Sundaram Auto Components Limited, Chennai Maximum amount due at any time During the year During the previous year	– – 27.96	–	–
		TVS Motor Company (Europe) B.V., Amsterdam Maximum amount due at any time During the year During the previous year	– 40.17 71.30	40.17	39.64
		TVS Motor (Singapore) Pte. Limited, Singapore Maximum amount due at any time During the year During the previous year	– 0.10 –	0.10	–
		TVS Energy Limited, Chennai Maximum amount due at any time During the year During the previous year	– – 30.00	–	–
		TVS Housing Limited, Chennai Maximum amount due at any time During the year During the previous year	– – 32.00	–	–
(ii)	Loans and advances in the nature of loans made to firms / companies in which directors of the Company are interested	Harita-NTI Limited, Chennai Maximum amount due at any time During the year During the previous year	– – 3.50	–	–
(iii)	Loans and advances where there is no repayment schedule but interest is charged to companies in which directors of the Company are interested	Harita Seating Systems Limited, Chennai Maximum amount due at any time During the year During the previous year	– 8.00 18.00	6.50	3.00

Notes: (a) The above loans are subject to repayment schedule as agreed between the Company and its loanee. The loans are repayable within seven years.

(b) All the above loans carry interest [except loan to TVS Motor (Singapore) Pte. Limited which is interest free] at agreed rates which are not less than the interest stipulated in section 372A of the Companies Act, 1956.

(c) Investment by the loanee in the shares of the parent company and subsidiary company when the Company has made a loan or advance in the nature of loan - Nil.

(d) The subsidiaries and associate companies listed above also fall under the category of company in which Directors of the Company are interested.

XXII Accounting standards, additional disclosures and notes on accounts – (continued)

10 DISCLOSURE MADE IN TERMS OF CLAUSE 32 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES – (continued)

Rupees in crores

Sl. No.	Particulars	Name of the company	Amount outstanding as on 31-03-2013	Amount outstanding as on 31-03-2012
(b)	Investments by the Company			
(i)	In subsidiary companies			
		Sundaram Auto Components Limited, Chennai [1,15,50,000 (last year-1,15,50,000) Equity shares of Rs.10/- each fully paid up] Maximum amount held at any time	60.90	60.90
		During the year	60.90	
		During the previous year	60.90	
		TVS Motor Company (Europe) B.V., Amsterdam [2,25,301 (last year-2,25,301) Ordinary shares of Euro 100/- each fully paid up] Maximum amount held at any time	34.89 *	126.52
		During the year	126.52	
		During the previous year	126.52	
		* net of provision for diminution in value		
		TVS Motor (Singapore) Pte. Limited, Singapore [6,43,64,301 (last year 6,43,64,301) Ordinary shares of Singapore \$ 1/- each fully paid up] Maximum amount held at any time	201.20	201.20
		During the year	201.20	
		During the previous year	201.20	
		TVS Energy Limited, Chennai [7,67,50,000 (last year 7,67,50,000) Equity shares of Rs.10/- each fully paid up] Maximum amount held at any time	76.75	76.75
		During the year	76.75	
		During the previous year	76.75	
		TVS Housing Limited, Chennai [50,000 (last year - 50,000) Equity Shares of Rs.10/- each fully paid up] Maximum amount held at any time	0.05	0.05
		During the year	0.05	
		During the previous year	0.05	

XXII Accounting standards, additional disclosures and notes on accounts – (continued)

10 DISCLOSURE MADE IN TERMS OF CLAUSE 32 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES – (continued)

Rupees in crores					
Sl. No.	Particulars	Name of the company		Amount outstanding as on 31-03-2013	Amount outstanding as on 31-03-2012
(b)	Investments by the Company (continued)				
(i)	In subsidiary companies (continued)	PT. TVS Motor Company Indonesia, Jakarta [31,00,000 (Last year - 31,00,000) Class B shares of Indonesian Rp.97,400/- each fully paid up] Maximum amount held at any time		146.50	146.50
		During the year	146.50		
		During the previous year	146.50		
		Sundaram Business Development Consulting (Shanghai) Co. Ltd, Shanghai [1,500 (Last year - 400) Equity shares of of USD 100/- each fully paid up] Maximum amount held at any time		0.81	0.20
		During the year	0.81		
		During the previous year	0.20		
(ii)	In associate company	Emerald Haven Realty Limited, Chennai, (Formerly known as Green Earth Homes Limited,) [4,00,00,000 (Last year - 4,00,00,000) Equity shares of Rs. 10/- each fully paid up] Maximum amount held at any time		40.00	40.00
		During the year	40.00		
		During the previous year	40.00		
(c)	Investments by the holding company	Sundaram-Clayton Limited, Chennai holds 27,26,82,786 Equity shares of Re.1/- each fully paid (Last year 27,26,82,786 Equity shares were held by Sundaram-Clayton Limited, Chennai, together with its subsidiary Anusha Investments Limited, Chennai and its nominees) Maximum amount held at any time		13.63	13.63
		During the year	13.63		
		During the previous year	13.63		

TVS MOTOR COMPANY LIMITED

XXII Accounting standards, additional disclosures and notes on accounts – (continued)

		Rupees in crores			
		As at/ Year ended 31-03-2013		As at/ Year ended 31-03-2012	
11	RAW MATERIALS CONSUMED				
(1)	(a) Basic raw materials				
	Steel sheets, coils, strips and bars	47.32		53.87	
	Steel tubes	0.02		0.03	
	Aluminium alloys and ingots	64.40		72.40	
	(b) Intermediates and components (which individually do not account for more than 10% of the total value of consumption)	4,952.07		5,149.89	
		<u>5,063.81</u>		<u>5,276.19</u>	
(2)	Consumption of raw materials and components		% of total consumption		% of total consumption
	(a) Imported	697.62	13.8	662.51	12.6
	(b) Indigenous	4,366.19	86.2	4,613.68	87.4
		<u>5,063.81</u>	<u>100.0</u>	<u>5,276.19</u>	<u>100.0</u>
12	CONSUMPTION OF MACHINERY SPARES				
	(a) Imported	0.91	7.4	2.86	35.4
	(b) Indigenous	11.44	92.6	5.23	64.6
		<u>12.35</u>	<u>100.0</u>	<u>8.09</u>	<u>100.0</u>
13	IMPORTS (CIF VALUE)				
	(a) Raw materials	41.85		63.52	
	(b) Spare parts and components	499.21		572.89	
	(c) Capital goods	14.38		32.48	
14	OTHER EXPENDITURE IN FOREIGN CURRENCY				
	(a) Travel	11.35		8.86	
	(b) Subscriptions	0.03		0.13	
	(c) Welfare expenses - training	0.91		1.95	
	(d) Consultancy	22.36		20.39	
	(e) Advertisement and publicity	20.99		14.99	
	(f) Other marketing expenses	0.01		0.07	
	(g) Procurement / selling commission	22.33		30.66	
	(h) Research and development	20.49		16.86	
	(i) Warranty cost reimbursement	1.54		1.43	
	(j) Interest on foreign currency loan	0.62		1.94	
	(k) Overseas representative office expenses including salary	3.45		3.62	
	(l) Membership fee	0.04		0.07	

TVS MOTOR COMPANY LIMITED

XXII Accounting standards, additional disclosures and notes on accounts – (continued)

	Rupees in crores	
	As at/ Year ended 31-03-2013	As at/ Year ended 31-03-2012
15 PAYMENT TO NON-RESIDENT SHAREHOLDERS		
(a) No. of shareholders	Nil	Nil
(b) No. of shares held	Nil	Nil
(c) Net dividend	Nil	Nil
16 EARNINGS IN FOREIGN EXCHANGE		
(a) Exports (on FOB basis)	1,155.85	1,107.51
(b) Others:		
(i) Freight and insurance	22.11	12.15
(ii) Interest income	3.33	2.93
(iii) Technical know-how	4.55	7.60
	<u>1,185.84</u>	<u>1,130.19</u>
17 SALE BY CLASS OF GOODS		
(a) Motorcycles	2,794.98	2,901.15
(b) Mopeds	1,547.07	1,461.43
(c) Scooters	1,441.54	1,625.82
(d) Three wheelers	440.11	324.25
(e) Spares and accessories, provision of technical know-how and plant & equipment	741.70	696.64
	<u>6,965.40</u>	<u>7,009.29</u>
18 STOCK OF FINISHED GOODS		
(a) Motorcycles	96.44	106.70
(b) Mopeds	11.09	15.26
(c) Scooters	49.56	42.32
(d) Three wheelers	10.48	18.12
(e) Components which do not individually account for 10% or more of the total value of stock	26.62	27.86
	<u>194.19</u>	<u>210.26</u>

VENU SRINIVASAN
Chairman & Managing Director

H. LAKSHMANAN
Director

As per our report annexed
For Sundaram & Srinivasan
Chartered Accountants
Firm Regn. No.: 004207S

S.G. MURALI
Executive Vice President – Finance

K.S. SRINIVASAN
Company Secretary

M. BALASUBRAMANIAM
Partner
Membership No.: F7945

Place : Bengaluru
Date : April 30, 2013

Cash Flow Statement

Rupees in crores

	Year ended 31-03-2013	Year ended 31-03-2012
A. Cash flow from operating activities		
Net profit before extraordinary items and tax	162.79	316.46
Add: Depreciation and amortisation for the year	130.41	117.53
Depreciation on sale/scraping of assets	(22.84)	(23.31)
Amortisation of Foreign Currency Monetary Item Translation Difference Account	(0.27)	(0.27)
Loss on sale of fixed assets	–	1.46
Profit on sale of fixed assets	(0.37)	(1.97)
Net (profit) / loss on sale of investments	(0.07)	0.09
Provision for diminution in value of investments	91.63	–
Dividend income	(3.11)	(2.42)
Interest income	(19.09)	(16.35)
Interest expenditure	51.74	57.10
	<u>228.03</u>	<u>131.86</u>
Operating profit before working capital changes	390.82	448.32
Adjustments for:		
Trade receivables	(92.48)	62.58
Inventories	74.90	(56.64)
Other current assets	(23.69)	(4.93)
Short term loans and advances	(35.68)	56.53
Trade payables	111.13	42.56
Other current liabilities (excluding current maturity of long term loans)	44.14	(40.05)
Short term provisions	1.69	2.50
	<u>80.01</u>	<u>62.55</u>
Cash generated from operations (before extraordinary items)	470.83	510.87
Proceeds from fire claim settlement (net)	0.79	–
Direct taxes paid	(53.50)	(70.02)
Net cash from operating activities (A)	418.12	440.85
B. Cash flow from investing activities		
Purchase of fixed assets	(124.47)	(207.56)
Sale of fixed assets	31.36	25.87
Capital work-in-progress	16.42	4.88
Long term loans and advances	(14.52)	47.07
Purchase of investments	(59.55)	(281.54)
Sale of investments	30.07	11.66
Interest received	19.09	16.35
Dividends received	3.11	2.42
	<u>(98.49)</u>	<u>(380.85)</u>
Net cash from / (used in) investment activities	(98.49)	(380.85)

TVS MOTOR COMPANY LIMITED

Cash Flow Statement – (continued)

		Rupees in crores	
		Year ended 31-03-2013	Year ended 31-03-2012
C. Cash flow from financing activities			
Term loan availed / (repaid)	(109.30)		(126.20)
Unsecured loan availed / (repaid)	(14.85)		14.85
Government grant	–		0.30
Long term provisions	4.63		5.91
Soft loan from a state owned corporation	75.40		–
Sales tax deferral loan availed	21.11		33.57
Interest paid	(51.74)		(57.10)
Dividend and dividend tax paid	(71.50)		(65.90)
		<u>(146.25)</u>	<u>(194.57)</u>
Net cash used in financing activities	(C)	(146.25)	(194.57)
D. Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)			
Cash and cash equivalents at the beginning of the year		173.38	(134.57)
Cash & bank	13.03		6.01
Cash credit - balance	(220.68)		(79.09)
		(207.65)	(73.08)
Cash and cash equivalents at the end of the year			
Cash & bank	17.45		13.03
Cash credit - balance	(51.72)		(220.68)
		(34.27)	(207.65)

Notes: 1. The above statement has been prepared in indirect method except in case of interest, dividend and purchase and sale of investments which have been considered on the basis of actual movement of cash.

2. Cash and cash equivalents represent cash and bank balances.

venu srinivasan
Chairman & Managing Director

H. LAKSHMANAN
Director

As per our report annexed
For Sundaram & Srinivasan
Chartered Accountants
Firm Regn. No.: 004207S

S.G. MURALI
Executive Vice President – Finance

K.S. SRINIVASAN
Company Secretary

M. BALASUBRAMANIAM
Partner
Membership No.: F7945

Place : Bengaluru
Date : April 30, 2013

TVS MOTOR COMPANY LIMITED

Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiaries

Sl. No.	Particulars	Name of the Subsidiaries								
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Financial year of the subsidiary	Sundaram Auto Components Limited, Chennai	TVS Energy Limited, Chennai	TVS Wind Energy Limited, Chennai	TVS Wind Power Limited, Chennai	TVS Housing Limited, Chennai	TVS Motor Company (Europe) B.V., Amsterdam	TVS Motor (Singapore) Pte. Limited, Singapore	PT. TVS Motor Company Indonesia, Jakarta	Sundaram Business Development Consulting (Shanghai) Co., Ltd. Shanghai
		01-04-2012 -31-03-2013	01-04-2012 -31-03-2013	01-04-2012 -31-03-2013	01-04-2012 -31-03-2013	01-04-2012 -31-03-2013	01-04-2012 -31-03-2013	01-04-2012 -31-03-2013	01-04-2012 -31-03-2013	01.01.2012 -31.12.2012
2	Shares of the subsidiary held by the Company on the above date									
(a)	Number and face value	1,15,50,000 Equity shares of Rs.10/- each fully paid up	7,67,50,000 Equity shares of Rs.10/- each fully paid up	1,31,50,000 Equity shares of Rs.10/- each fully paid up	41,00,000 Equity shares of Rs.10/- each fully paid up	50,000 Equity shares of Rs.10/- each fully paid up	2,25,301 Ordinary shares of Euro 100/- each fully paid up	6,43,64,301 Ordinary shares of Singapore \$ 1/- each fully paid up	65,00,000 Ordinary shares of US \$ 10 each fully paid up	1500 Ordinary shares of US \$ 100 each fully paid up
(b)	Extent of holding	100.00%	94.50%	21.58% by (1) and 73.02% by (2)	73.21% by (2)	100.00%	100.00%	100.00%	31.85% by (6) and 68.15% by (7)	100.00%
3	Net aggregate amount of profits / losses of the subsidiary for the above financial year of the subsidiary not dealt with in the Company's accounts									
(a)	for the financial year of the subsidiary - profit / (loss)	Rs.13.62 crores	Rs.4.21 crores	Rs.2.92 crores	Rs.0.93 crores	-	(Rs.89.22 crores)	(Rs.0.05 crores)	(Rs.24.50 crores)	(Rs.0.46 crores)
(b)	for the previous financial years since it became a subsidiary - profit / (loss)	Rs.17.54 crores	(Rs.10.92 crores)	(Rs.0.97 crores)	(Rs.0.20 crores)	-	(Rs.0.69 crores)	(Rs.1.39 crores)	(Rs.388.74 crores)	(Rs.0.01 crores)
4	Net aggregate amount of profits / losses of the subsidiary for the above financial year of the subsidiary dealt with in the Company's accounts									
(a)	for the financial year of the subsidiary - profit	-	-	-	-	-	-	-	-	-
(b)	for the previous financial years since it became a subsidiary - profit	Rs.11.09 crores	-	-	-	-	-	-	-	-

VENU SRINIVASAN
Chairman & Managing Director

H. LAKSHMANAN
Director

S.G. MURALI
Executive Vice President – Finance

K.S. SRINIVASAN
Company Secretary

Bengaluru
April 30, 2013

**CONSOLIDATED ACCOUNTS
OF
TVS MOTOR COMPANY LIMITED
AND ITS SUBSIDIARIES**

Independent Auditors' report on consolidated accounts of TVS Motor Company Limited, Chennai for the year ended 31st March 2013

To the Members of

TVS Motor Company Limited

'Jayalakshmi Estates', 29 Haddows Road, Chennai - 600006.

We have audited the accompanying consolidated financial statements of TVS Motor Company Limited, Chennai ("the Company") and its subsidiaries, which comprise of the consolidated Balance Sheet as at 31st March 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit.

We did not audit the financial statements of subsidiaries viz. (1) TVS Motor Company (Europe) B.V., Amsterdam (2) TVS Motor (Singapore) Pte. Limited, Singapore (3) PT. TVS Motor Company Indonesia, Jakarta (4) Sundaram Business Development Consulting (Shanghai) Company Limited, Shanghai (5) TVS Energy Limited, Chennai (6) TVS Wind Energy Limited, Chennai (7) TVS Wind Power Limited, Chennai (8) TVS Housing Limited, Chennai and associate company viz. Emerald Haven Reality Limited, Chennai.

The financial statements and other information of the subsidiaries and associate have been audited by other auditors whose reports have been furnished to us and our opinion, in so far it relates to the amounts included in respect of these subsidiaries and associate is based solely on the report of the other auditors.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For Sundaram & Srinivasan
Chartered Accountants
Firm Regn. No.: 004207S

M. BALASUBRAMANIAM
Partner
Membership No.: F7945

Place: Bengaluru
Date : 30th April 2013

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Balance Sheet as at 31st March 2013

Rupees in crores

	Note number	As at 31-03-2013	As at 31-03-2012
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	I	47.51	47.51
(b) Reserves and surplus	II	850.77	674.73
2 Share application money pending allotment		–	–
3 Minority interest	III	6.89	5.96
4 Non-current liabilities			
(a) Long-term borrowings	IV	845.68	874.46
(b) Deferred tax liabilities (Net)		81.80	55.06
(c) Long-term provisions	V	60.61	53.45
5 Current liabilities			
(a) Short-term borrowings	VI	71.87	270.82
(b) Trade payables		866.82	762.29
(c) Other current liabilities	VII	472.79	512.43
(d) Short-term provisions	VIII	59.86	59.85
Total		<u>3,364.60</u>	<u>3,316.56</u>
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	IX	1,588.09	1,466.27
(ii) Intangible assets	IX	4.93	5.95
(iii) Capital work-in-progress	IX	36.16	185.72
(b) Non-current investments	X	347.71	318.43
(c) Long-term loans and advances	XI	39.48	28.70
2 Current assets			
(a) Inventories	XII	635.79	681.38
(b) Trade receivables	XIII	302.40	223.29
(c) Cash and cash equivalents	XIV	79.60	137.48
(d) Short-term loans and advances	XV	192.83	166.71
(e) Other current assets	XVI	137.61	102.63
Total		<u>3,364.60</u>	<u>3,316.56</u>
Accounting standards, additional disclosures and notes on accounts	XXIII		

VENU SRINIVASAN
Chairman & Managing Director

H. LAKSHMANAN
Director

As per our report annexed
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K.S. SRINIVASAN
Company Secretary

M. BALASUBRAMANIAM
Partner
Membership No.: F7945

Place : Bengaluru
Date : April 30, 2013

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statement of Profit and Loss for the year ended 31st March 2013

Rupees in crores			
	Note number	Year ended 31-03-2013	Year ended 31-03-2012
I Revenue from operations	XVII	7,406.22	7,435.16
II Other income	XVIII	24.17	14.40
III Total Revenue (I + II)		7,430.39	7,449.56
IV Expenses:			
Cost of materials consumed	XIX	5,010.35	5,222.40
Purchases of stock-in-trade	XIX	243.02	203.94
Changes in inventories of finished goods, work-in-process and stock-in-trade	XIX	(9.47)	(23.80)
Employee benefits expense	XX	473.88	430.46
Finance costs	XXI	103.41	88.26
Depreciation and amortization expense		175.60	158.29
Other expenses	XXII	1,250.10	1,143.05
Total expenses		7,246.89	7,222.60
V Profit before exceptional and extraordinary items and tax (III-IV)		183.50	226.96
VI Exceptional items (Profit on sale of land)		92.78	–
VII Profit before extraordinary items and tax (V+VI)		276.28	226.96
VIII Extraordinary items - Income (Refer note on AS 5)		13.43	–
IX Profit before tax (VII+VIII)		289.71	226.96
X Tax expense:			
(1) Current tax		64.62	67.18
(2) Deferred tax		26.74	27.45
XI Profit/(Loss) for the period (IX-X)		198.35	132.33
XII Earnings per equity share (Refer note no.XXIII 2 (q) under AS 20)			
Accounting standards, additional disclosures and notes on accounts	XXIII		

VENU SRINIVASAN
Chairman & Managing Director

H. LAKSHMANAN
Director

As per our report annexed
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Chartered Accountants
Firm Regn. No.: 004207S

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Executive Vice President – Finance

K.S. SRINIVASAN
Company Secretary

M. BALASUBRAMANIAM
Partner
Membership No.: F7945

Place : Bengaluru
Date : April 30, 2013

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated notes on accounts

Particulars	As at 31-03-2013		As at 31-03-2012		
	Number	Rupees in crores	Number	Rupees in crores	
I SHARE CAPITAL					
(a) Authorised, issued and subscribed					
Authorised:					
Equity shares of Re.1/- each	50,00,00,000	50.00	50,00,00,000	50.00	
Issued, subscribed and paid up:					
Equity shares of Re.1/- each	47,50,87,114	47.51	47,50,87,114	47.51	
Out of the above:					
Equity shares allotted as fully paid up by way of bonus shares in the five years immediately preceding the date of Balance Sheet:					
(a) Number of shares - 23,75,43,557					
(b) Year of allotment - Year ended 31 st March 2011					
	47,50,87,114	47.51	47,50,87,114	47.51	
(b) Statement showing reconciliation of equity shares outstanding at the beginning and at the end of the year					
Shares outstanding at the beginning of the year	47,50,87,114	47.51	47,50,87,114	47.51	
Shares issued during the year (by way of issue of bonus equity shares)	—	—	—	—	
Shares outstanding at the end of the year	47,50,87,114	47.51	47,50,87,114	47.51	
(c) (i) Rights and preferences attached to equity share:					
Every shareholder is entitled to such rights as to attend the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the assets of the Company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 1956.					
(ii) There are no restrictions attached to equity shares.					
(d) Shares held by holding / ultimate holding / subsidiaries / associates of holding company at the end of the year					
Name of shareholder	Class of share	As at 31-03-2013		As at 31-03-2012	
		No. of shares held	% of holding	No. of shares held	% of holding
Sundaram-Clayton Limited, Chennai (Holding Company)	Equity	27,26,82,786	57.40	4,20,00,000	8.84
Anusha Investments Limited, Chennai (Subsidiary of Holding Company)	Equity	—	—	23,06,82,786	48.56
(e) Shareholders holding more than five percent at the end of the year (other than I (d))					
Name of shareholder	Class of share	As at 31-03-2013 No. of shares held		As at 31-03-2012 No. of shares held	
Reliance Capital Trustee Company Limited, Mumbai	Equity	3,92,04,556		—	
Life Insurance Corporation of India, Mumbai	Equity	2,46,37,470		2,68,20,617	

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated notes on accounts – (continued)

	Rupees in crores	
	As at 31-03-2013	As at 31-03-2012
II RESERVES AND SURPLUS		
(a) Capital reserves		
(i) On shares forfeited (Rs.55,200/-)	–	–
(ii) On surplus arising out of amalgamation	6.51	6.51
(iii) Government grant	0.30	0.30
(iv) Foreign currency translation reserve	(1.52)	(39.38)
Closing Balance	<u>5.29</u>	<u>(32.57)</u>
(b) General reserve		
Opening Balance	843.32	817.72
Add: Current Year Transfer from Statement of Profit and Loss	12.96	25.60
Closing Balance	<u>856.28</u>	<u>843.32</u>
(c) Other reserves - Hedging reserve		
Opening balance	(4.71)	–
Add: Created during the year	0.03	(4.71)
	<u>(4.68)</u>	<u>(4.71)</u>
Less: Utilised during the year	4.71	–
Closing balance	<u>0.03</u>	<u>(4.71)</u>
(d) Foreign Currency Monetary Item Translation Difference Account		
Opening balance	(3.04)	–
Add: Created during the year	–	(6.08)
	<u>(3.04)</u>	<u>(6.08)</u>
Less: Transfer to Finance costs	3.04	3.04
Closing balance	<u>–</u>	<u>(3.04)</u>
(e) Surplus i.e. balance in Statement of Profit and Loss		
Opening balance	(128.27)	(160.70)
Add: Net profit for the current year	198.35	132.33
Minority interest - share of (profit)/loss	(0.96)	0.46
Share of profit/(loss) of associate	0.33	(0.23)
Dividend received from subsidiary (for previous year)	1.73	2.22
	<u>71.18</u>	<u>(25.92)</u>
Less: Tax relating to earlier years	0.18	2.86
FCMITD capitalised (pertaining to earlier year)	–	0.10
First interim dividend paid	28.51	28.51
Second interim dividend payable	28.51	33.26
Proposed dividend	2.89	1.73
Dividend tax	8.96	10.29
Transfer to general reserves	12.96	25.60
Closing balance	<u>(10.83)</u>	<u>(128.27)</u>
(a)+(b)+(c)+(d)+(e)	<u>850.77</u>	<u>674.73</u>
III MINORITY INTEREST		
Share capital	6.75	6.78
Add: Share of profit / (loss)	0.14	(0.82)
	<u>6.89</u>	<u>5.96</u>

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated notes on accounts – (continued)

		Rupees in crores	
		As at 31-03-2013	As at 31-03-2012
IV LONG-TERM BORROWINGS			
(A) Secured			
Term Loans			
(a) From banks		375.93	475.86
(b) From International Finance Corporation		77.76	103.12
(c) Soft loan from a state owned corporation viz., State Industries Promotion Corporation of Tamil Nadu Ltd. (SIPCOT)		152.63	77.23
		(A) 606.32	656.21
(B) Unsecured			
Sales tax deferral loan from Karnataka Government		239.36	218.25
		(B) 239.36	218.25
		(A) + (B) 845.68	874.46

Repayment terms of long-term loans

Rupees in crores									
Total of loans repayable	*Current maturity i.e. loans repayable in 2012-13	Balance long-term loans as at 31-03-2012	Description	Frequency	No. of instalments due	Maturity	Total of loans repayable	*Current maturity i.e. loans repayable in 2013-14	Balance long-term loans as at 31-03-2013
14.70	14.70	–	External commercial borrowings	Half-yearly	–	May 2012	–	–	–
197.46	6.55	190.91	External commercial borrowings	Half-yearly	37	Feb 2022	190.91	14.20	176.71
192.95	45.40	147.55	Term Loan I	Quarterly	13	Apr 2016	147.55	45.40	102.15
86.10	49.20	36.90	Term Loan II	Quarterly	3	Nov 2013	36.90	36.90	–
29.69	4.69	25.00	Term Loan IV	Quarterly	12	Mar 2017	38.00	6.24	31.76
53.16	5.16	48.00	Term Loan V	Quarterly	28	Sep 2018	48.00	6.86	41.14
127.73	24.61	103.12	Financial institution	Half-yearly	14	Sep 2018	109.07	31.31	77.76
30.00	2.50	27.50	Term Loan VI	Quarterly	33	Aug 2023	27.50	3.33	24.17
			Sales Tax Deferral:						
63.29	6.33	56.96	Phase - 1	Yearly	9	2020-21	56.96	6.33	50.63
161.29	–	161.29	Phase - 2	Yearly	12	2026-27	188.73	–	188.73
77.23	–	77.23	State owned corporation	Yearly	3	2022-25	152.63	–	152.63
1,033.60	159.14	874.46	Total				996.25	150.57	845.68

* Grouped under "Other current liabilities".

Details of securities created:

- (i) External commercial borrowings secured by exclusive charge by way of hypothecation of specific movable properties including movable plant and equipment.
- (ii) Term loans
 - (a) First and exclusive charge on specific plant and equipment.
 - (b) Charge on pari-passu basis on the movable plant and equipment, spares, tools and accessories and other movables, both present and future situated in all plants, with the existing term loan lenders.
- (iii) Soft loan - State owned corporation viz., SIPCOT
First charge on the specific plant and equipment and also secured by equitable mortgage created by way of deposit of title deeds of lands.
Amount payable in each instalments:

Description	Currency	Amount
External commercial borrowings	USD	3 million
External commercial borrowings	USD & JPY	0.60, 1.80, 2.40, 1.19 million USD & 45.46 million JPY
Term Loan I	INR	11.35 crores
Term Loan II	INR	12.30 crores
Term Loan IV	INR	1.56 crores
Term Loan V	INR	1.72 crores
Term Loan VI	INR	0.83 crores
Financial institution	USD	1.80, 5.80, 2.20 and 1.10 million
Sales tax deferral Phase-1	INR	6.33 crores
Sales tax deferral Phase-2	INR	15.73 crores
State owned corporation	INR	10.00 crores, 67.23 crores and 75.40 crores

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated notes on accounts – (continued)

	Rupees in crores	
	As at 31-03-2013	As at 31-03-2012
V LONG-TERM PROVISIONS		
Employee benefits		
(a) Pension	52.88	47.86
(b) Leave salary	7.73	5.59
	<u>60.61</u>	<u>53.45</u>
VI SHORT-TERM BORROWINGS		
Repayable on demand:		
(a) From banks		
(i) Cash credit / Packing credit		
- Secured	26.76	106.64
- Unsecured	31.08	125.66
	<u>57.84</u>	<u>232.30</u>
(ii) Others		
- Secured	13.80	17.47
- Unsecured	0.23	6.19
	<u>14.03</u>	<u>23.66</u>
	(i)+(ii)	255.96
(b) From related parties (unsecured)	–	14.86
	<u>71.87</u>	<u>270.82</u>
Details of securities created for loans availed and referred to in VI(a) above:		
First charge by way of hypothecation and / or pledge of current assets viz., stocks of raw materials, semi finished and finished goods, stores and spares not relating to plant and machinery, bills receivable, book debts and all other movable assets located in all plants.		
VII OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt		
(i) Term loans	144.24	152.81
(ii) Sales tax deferral loan from Karnataka Government	6.33	6.33
(b) Unpaid dividends	2.49	1.99
(c) Others		
(i) Tax deducted at source payable into Government	4.31	4.28
(ii) Sales tax payable	21.11	20.30
(iii) Employee related	19.58	20.45
(iv) For expenses	210.10	168.46
(v) Trade deposits received	48.14	46.19
(vi) For project expenditure	16.49	91.62
	<u>472.79</u>	<u>512.43</u>
VIII SHORT-TERM PROVISIONS		
(a) Leave salary	1.26	2.55
(b) Warranty	17.72	15.23
(c) Second interim dividend payable	28.51	33.26
(d) Proposed dividend	2.89	1.73
(e) Dividend tax	4.62	5.67
(f) Other provisions for expenses	4.86	1.41
	<u>59.86</u>	<u>59.85</u>

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated notes on accounts – (continued)

IX NON-CURRENT ASSETS - FIXED ASSETS

Rupees in crores

Description	Tangible							Intangible* (Software)		Total (tangible and intangible)			
	Land		Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Total as at		As at			
	Free hold	Lease hold						31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Cost of assets													
As at 01-04-2012	81.89	13.91	376.15	2,189.05	15.63	51.42	11.05	2,739.10	2,432.78	18.97	12.09	2,758.07	2,444.87
Additions #	20.69	8.52	13.08	252.71	3.23	10.36	0.90	309.49	331.96	4.70	6.88	314.19	338.84
Foreign exchange translation reserve adjustments	7.99	–	10.18	27.69	0.92	–	–	46.78	–	–	–	46.78	–
Sub-total	110.57	22.43	399.41	2,469.45	19.78	61.78	11.95	3,095.37	2,764.74	23.67	18.97	3,119.04	2,783.71
Sales / deletion	39.45	–	0.04	44.76	0.21	1.96	0.50	86.92	25.64	–	–	86.92	25.64
Total	71.12	22.43	399.37	2,424.69	19.57	59.82	11.45	3,008.45	2,739.10	23.67	18.97	3,032.12	2,758.07
Depreciation / Amortisation													
Upto 31-03-2012	0.38	0.60	84.27	1,137.21	9.61	34.99	5.77	1,272.83	1,141.31	13.02	9.80	1,285.85	1,151.11
For the year	–	0.18	13.33	146.24	1.50	7.14	1.49	169.88	155.07	5.72	3.22	175.60	158.29
Foreign exchange translation reserve adjustments	0.05	–	1.33	9.13	0.66	–	–	11.17	–	–	–	11.17	–
Sub-total	0.43	0.78	98.93	1,292.58	11.77	42.13	7.26	1,453.88	1,296.38	18.74	13.02	1,472.62	1,309.40
Withdrawn on assets sold / deleted	0.43	–	0.01	30.71	0.10	1.85	0.42	33.52	23.55	–	–	33.52	23.55
Total	–	0.78	98.92	1,261.87	11.67	40.28	6.84	1,420.36	1,272.83	18.74	13.02	1,439.10	1,285.85
Written down value													
As at 31-03-2013	71.12	21.65	300.45	1,162.82	7.90	19.54	4.61	1,588.09	–	4.93	–	1,593.02	–
As at 31-03-2012	81.51	13.31	291.88	1,051.84	6.02	16.43	5.28	–	1,466.27	–	5.95	–	1,472.22
CAPITAL WORK-IN-PROGRESS (AT COST)													
(a) Building												0.56	2.82
(b) Plant & equipment												35.60	182.90
Total												36.16	185.72

* Vide note no.XXIII 2(t).

Addition is net of gain/ loss arising on account of restatement of external commercial borrowing attributable to acquisition of assets - vide notes on accounts note no.XXIII (2)(h) under AS11.

X NON-CURRENT INVESTMENTS

Rupees in crores

	As at 31-03-2013	As at 31-03-2012
Trade Investments		
(a) Investments in equity instruments	42.96	42.95
Less: Pro-rata share in the losses	0.20	0.53
	42.76	42.42
(b) Investments in preference shares	271.01	246.01
(A)	313.77	288.43
Other Investments		
(a) Investments in bonds	15.00	15.00
(b) Employees pension related investments	16.91	15.00
(B)	31.91	30.00
Investment Property	2.03	–
(C)	2.03	–
(A) + (B) + (C)	347.71	318.43

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated notes on accounts – (continued)

X NON-CURRENT INVESTMENTS – (continued)

Sl. No.	Name of the body corporate	Subsidiary/ Associate/ JV/Controlled Entity/Others	No. of shares/ units		Partly paid/ fully paid	Extent of holding (%)		Rupees in crores	
			As at 31-03-2013	As at 31-03-2012		As at 31-03-2013	As at 31-03-2012	As at 31-03-2013	As at 31-03-2012
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A.	TRADE INVESTMENTS								
(a)	Investment in Equity Instruments:								
	Quoted:								
(i)	Suprajit Engineering Limited, Bengaluru	Others	28,92,000	28,92,000	Fully paid			0.08	0.08
(ii)	Ucal Fuel Systems Limited, Chennai	Others	91,760	91,760	Fully paid			0.25	0.25
(iii)	Bank of Baroda, Vadodara	Others	2,000	2,000	Fully paid			0.02	0.02
	Unquoted:								
(iv)	TVS Lanka (Private) Limited, Colombo	Others	50,00,000	50,00,000	Fully paid			2.08	2.08
(v)	TVS Motor Services Limited, Chennai	Others	3,80,000	3,80,000	Fully paid			0.38	0.38
(vi)	TVS Global Automobile Traders FZCO, Dubai	Others	1	1	Fully paid			0.14	0.14
(vii)	Emerald Haven Realty Limited, Chennai (formerly known as Green Earth Homes Limited)	Associate	4,00,00,000	4,00,00,000	Fully paid	48.8	48.8	40.00	40.00
(viii)	Sundaram Engineering Products Services Limited, Chennai	Associate	12,746	-	Fully paid	25.5	-	0.01	-
	Share in the loss of associates							(0.20)	(0.53)
	Total (a)							42.76	42.42
(b)	Investments in Preference Shares (Unquoted):								
(i)	TVS Motor Services Limited, Chennai	Others	27,10,10,000	24,60,10,000	Fully paid			271.01	246.01
	Total (b)							271.01	246.01
	Total (a)+(b)							313.77	288.43
B.	OTHER INVESTMENTS (Unquoted):								
(a)	Investments in Bonds:								
(i)	Power Finance Corporation Limited, New Delhi	Others	150	150	Fully paid			15.00	15.00
	Total (a)							15.00	15.00
(b)	Other non-current investments:								
(i)	ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai	Others			Fully paid			9.23	9.23
(ii)	Life Insurance Corporation Pension Policy, Mumbai	Others			Fully paid			7.68	5.77
(iii)	National Savings Certificates (Rs.37,100/- deposited with Sales Tax authorities)	Others			Fully paid			-	-
	Total (b)							16.91	15.00
	Total (a)+(b)							31.91	30.00

Investment summary

Rupees in crores

Particulars	As at 31-03-2013		As at 31-03-2012	
	Cost	Market value	Cost	Market value
Quoted investments	0.35	10.25	0.35	6.53
Unquoted investments	345.33	-	318.08	-

Note: All investments are carried at cost.

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated notes on accounts – (continued)

	Rupees in crores	
	As at 31-03-2013	As at 31-03-2012
XI LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
(a) Capital advances	9.91	2.10
(b) Deposits made	19.42	14.96
(c) Advance payment of Income Tax less provisions	10.15	11.64
	<u>39.48</u>	<u>28.70</u>
XII INVENTORIES (at weighted average cost or net realisable value whichever is less)		
(a) Raw materials and components	215.94	266.25
(b) Goods-in-transit - Raw materials and components	29.93	47.72
(c) Work-in-process	41.95	61.47
(d) Finished goods	163.91	191.57
(e) Stock-in-trade	98.74	42.09
(f) Goods-in-transit - stock-in-trade	27.41	5.87
(g) Stores and spares	25.88	28.82
(h) Dies, moulds & tools	32.03	37.59
	<u>635.79</u>	<u>681.38</u>
XIII TRADE RECEIVABLES		
(a) Unsecured debts outstanding for a period exceeding six months		
(i) Considered good	24.37	19.17
(ii) Considered doubtful	4.14	4.00
	<u>28.51</u>	<u>23.17</u>
Less: Provision for doubtful debts	4.14	4.00
	<u>24.37</u>	<u>19.17</u>
(b) Other unsecured debts (considered good)	278.03	204.12
	<u>302.40</u>	<u>223.29</u>
XIV CASH AND CASH EQUIVALENTS		
(a) Balances with banks (includes Rs.0.03 crore with more than 12 months maturity - Last year Rs.0.03 crore)	72.54	129.57
(b) Cheques/drafts on hand	4.31	5.60
(c) Cash on hand	0.26	0.32
(d) Earmarked balances with banks (for unpaid dividends)	2.49	1.99
	<u>79.60</u>	<u>137.48</u>
XV SHORT-TERM LOANS AND ADVANCES		
Unsecured considered good:		
(a) Inter corporate deposits made	12.47	3.00
(b) Employee related	10.62	13.59
(c) Rent advance	2.87	2.55
(d) VAT receivable	46.81	50.76
(e) Excise current account	63.39	47.77
(f) Prepaid expense	5.33	4.85
(g) Vendor advance	38.23	33.76
(h) Advance payment of Income Tax less provisions	13.11	10.43
	<u>192.83</u>	<u>166.71</u>
XVI OTHER CURRENT ASSETS		
(a) Interest accrued on deposits / investments	2.23	1.73
(b) Claims receivable	129.50	100.90
(c) Others	5.88	–
	<u>137.61</u>	<u>102.63</u>

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated notes on accounts – (continued)

	Rupees in crores	
	Year ended 31-03-2013	Year ended 31-03-2012
XVII REVENUE FROM OPERATIONS		
(a) Sale of products	8,006.86	7,909.39
(b) Sale of services	2.67	6.34
(c) Other operating revenues	104.97	137.41
	<u>8,114.50</u>	<u>8,053.14</u>
Less : Excise duty and service tax	708.28	617.98
	<u>7,406.22</u>	<u>7,435.16</u>
XVIII OTHER INCOME		
(a) Interest income	16.83	10.81
(b) Dividend	1.38	0.20
(c) Gain on sale of investments	0.07	0.16
(d) Profit on sale of fixed assets	0.42	1.97
(e) Other non operating income	5.47	1.26
	<u>24.17</u>	<u>14.40</u>
XIX MATERIAL COST		
Cost of Materials consumed		
Opening stock of raw materials and components	266.25	234.82
Add: Purchases	4,960.04	5,253.83
	<u>5,226.29</u>	<u>5,488.65</u>
Less: Closing stock of raw materials	215.94	266.25
Consumption of raw materials	<u>5,010.35</u>	<u>5,222.40</u>
Purchases of stock-in-trade	243.02	203.94
Changes in inventories of finished goods, work-in-process and stock-in-trade:		
Opening stock:		
Work-in-process	61.47	50.49
Stock-in-trade	42.09	45.40
Finished goods	191.57	175.44
	<u>(A) 295.13</u>	<u>271.33</u>
Closing stock:		
Work-in-process	41.95	61.47
Stock-in-trade	98.74	42.09
Finished goods	163.91	191.57
	<u>(B) 304.60</u>	<u>295.13</u>
	<u>(A)-(B) (9.47)</u>	<u>(23.80)</u>
XX EMPLOYEE BENEFITS EXPENSE		
(a) Salaries and wages	402.77	361.42
(b) Contribution to provident and other funds	27.95	26.27
(c) Welfare expenses	43.16	42.77
	<u>473.88</u>	<u>430.46</u>

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated notes on accounts – (continued)

	Rupees in crores	
	Year ended 31-03-2013	Year ended 31-03-2012
XXI FINANCE COSTS		
(a) Interest expense	93.13	83.23
(b) Amortisation of foreign currency monetary item translation difference account	3.03	4.17
(c) Other borrowing cost - exchange fluctuation and processing charges	7.25	0.86
	<u>103.41</u>	<u>88.26</u>
XXII OTHER EXPENSES		
(a) Consumption of stores, spares and tools*	51.96	56.37
(b) Power and fuel*	105.44	103.26
(c) Rent*	25.72	22.60
(d) Repairs - buildings	10.64	12.11
(e) Repairs - plant and equipment	62.47	56.74
(f) Insurance	4.28	3.66
(g) Rates and taxes (excluding taxes on income)	6.65	4.51
(h) Audit fees	1.02	0.90
(i) Packing and freight charges*	259.50	250.94
(j) Advertisement and publicity*	214.44	157.14
(k) Other marketing expenses*	261.71	209.60
(l) Loss on sale of investments	–	0.09
(m) Loss on sale/ impairment of assets	0.13	1.50
(n) Foreign exchange loss (Refer note XXIII 2 (f)(c))	13.31	23.91
(o) Miscellaneous expenses* (under this head there is no expenditure which is in excess of 1% of revenue from operations or Rs.1 lakh, whichever is higher)	232.83	239.72
	<u>1,250.10</u>	<u>1,143.05</u>

* Net of recoveries

Refer note no.XXIII 2(d) on AS5 for prior period items.

XXIII Accounting standards, additional disclosures and notes on accounts

1 CONSOLIDATION OF ACCOUNTS

A Basis of accounting

The financial statements are prepared under the historical cost convention and comply with the applicable accounting standards issued by The Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

B Translation of foreign currency statements

In translating the financial statements of foreign entities for incorporation in the consolidated financial statements, the assets and liabilities are translated at the exchange rates prevailing at the date of Balance Sheet of respective subsidiaries and income and expenditure items are translated at the average of exchange rates for the year. The resulting exchange differences are classified as foreign currency translation reserve.

C Principles of consolidation

(i) Consolidated financial statements relate to TVS Motor Company Limited, Chennai (the Company) and its subsidiaries.

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

- the financial statements of the Company and its subsidiaries have been prepared on a line by line consolidation by adding the book values of like items of assets, liabilities, income and expenditure as per the respective audited financial statements of the respective companies.

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

XXIII Accounting standards, additional disclosures and notes on accounts – (continued)

1 CONSOLIDATION OF ACCOUNTS – (continued)

C Principles of consolidation – (continued)

- the accounts of TVS Motor (Singapore) Pte. Limited, Singapore, TVS Motor Company (Europe) B.V., Amsterdam, PT. TVS Motor Company Indonesia, Jakarta and Sundaram Business Development Consulting (Shanghai) Co. Ltd., Shanghai, have been audited by the auditors qualified to conduct audit in accordance with the laws of the respective countries.
- the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the manner as the Company's individual financial statements.
- intra-group transactions and resulting unrealised profits have been eliminated.

(iii) The subsidiary companies and associates considered in the consolidated financial statements are:

Sl. No.	Name of the company	Country of incorporation	Proportion of ownership (interest / voting power - %)	Reporting date	Difference in reporting date
1.	Subsidiary companies:				
(a)	Sundaram Auto Components Limited, Chennai	India	100	31-03-2013	–
(b)	TVS Energy Limited, Chennai	India	94.5	31-03-2013	–
(c)	TVS Wind Power Limited, Chennai	India	73.21 by (b)	31-03-2013	–
(d)	TVS Wind Energy Limited, Chennai	India	73.02 by (b) & 21.58 by (a)	31-03-2013	–
(e)	TVS Housing Limited, Chennai	India	100	31-03-2013	–
(f)	TVS Motor (Singapore) Pte. Limited, Singapore	Singapore	100	31-03-2013	–
(g)	TVS Motor Company (Europe) B.V., Amsterdam	Netherlands	100	31-03-2013	–
(h)	PT. TVS Motor Company Indonesia, Jakarta	Indonesia	68.15 by (f) & 31.85 by (g)	31-03-2013	–
(i)	Sundaram Business Development Consulting (Shanghai) Co. Ltd, Shanghai	China	100	31-12-2012	90 days
2.	Associate Company:				
(a)	Emerald Haven Realty Limited, Chennai (Formerly known as Green Earth Homes Limited)	India	48.80	31-03-2013	–
(b)	Sundaram Engineering Products Services Limited, Chennai	India	25.5 by 1 (a)	31-03-2013	–

2 ACCOUNTING STANDARDS

(a) AS - 1 Disclosure of accounting policies

The disclosure of accounting policies is made in respect of the reporting entity and its Indian subsidiaries viz., Sundaram Auto Components Limited, Chennai, TVS Energy Limited, Chennai and its subsidiaries and TVS Housing Limited, Chennai. The accounts are maintained on accrual basis as a going concern.

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

XXIII Accounting standards, additional disclosures and notes on accounts – (continued)

		Rupees in crores	
		As at/ Year ended 31-03-2013	As at/ Year ended 31-03-2012
(b) AS - 2 Valuation of inventories			
Inventories are valued in accordance with the method of valuation prescribed by The Institute of Chartered Accountants of India at weighted average cost or net realisable value, whichever is less.			
(c) AS - 3 Cash flow statements			
The cash flow statement is prepared under "indirect method" and the same is annexed.			
(d) AS - 5 Net profit or loss for the period, prior period items and changes in accounting policies			
I Prior period items:			
Expenses:			
(i) Freight charges		–	0.02
(ii) Repairs and maintenance - others		–	0.03
(iii) Selling Agency Commission		0.17	–
(iv) Rent		–	0.01
(v) Warranty Expenses		0.37	–
(vi) Plant Performance Incentive		0.01	–
(vii) Carriage Inward		0.11	–
(viii) Bonus		0.02	–
(ix) Input cost		–	0.01
II Extraordinary items:			
a A fire accident occurred at a Paint Shop in the Hosur Plant of the Company on 29 th July 2012. The total damage to the various assets like building, plant & equipment, stock, etc., was estimated at Rs.37.09 crore. Other expenditure connected with salvage operations and rehabilitation was estimated at Rs.3.15 crore. Thus, a claim for Rs.40.24 crore was lodged with the insurer. Till the date of Balance sheet, a sum of Rs.10 crore had been received as 'on account payment' and the balance of Rs.30.24 crore is subject to completion of reinstatement. This is recognised as contingent asset under AS-29			
	Payment received from the insurer (on account)	10.00	–
	Less: WDV of assets damaged by fire	7.54	–
		<u>2.46</u>	–
	Less: Repairs and maintenance expenses incurred	1.08	–
	Less: Salvage expenses incurred	0.59	–
	Net amount recognised as extraordinary item (income) in the Statement of Profit and Loss (A)	<u>0.79</u>	–
b At the close of the financial year, one of the subsidiaries has sold certain assets of one of its divisions			
	Profit on sale of certain assets	8.64	–
	Transfer of right to manufacture and business rights	4.00	–
	Total recognised as extraordinary item (income) in the Statement of Profit and Loss (B)	<u>12.64</u>	–
	Total recognised as extraordinary item in statement of Profit and Loss (A) + (B)	<u>13.43</u>	–
III Changes in accounting policies:			
There is no change in accounting policy during the current year.			

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

XXIII Accounting standards, additional disclosures and notes on accounts – (continued)

	Rupees in crores	
	As at/ Year ended 31-03-2013	As at/ Year ended 31-03-2012
(e) AS - 6 Depreciation accounting		
Depreciation has been provided under the straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956 with the applicable shift allowance.		
In respect of wind mills, depreciation is charged on straight line method at rates notified under Electricity Act, 2003 based on general circular no.31/2011 dated 31 st May 2011 (issued by Ministry of Corporate Affairs).		
Depreciation in respect of computers, vehicles, furniture & fixtures, mobile phones and office equipments has been charged at 30%, 18%, 10%, 50% and 10% respectively, which is higher than the rates prescribed under Schedule XIV.		
In respect of assets added / assets sold during the year pro-rata depreciation has been provided.		
Depreciation in respect of tools and dies has been provided based on the quantity of components manufactured and the life of tools and dies. (Subject to a maximum of 3 years)		
Tools and dies relating to three wheeler operations have been capitalised and applicable depreciation provided thereon, considering the lower volume as compared to two wheelers.		
Depreciation in respect of assets acquired during the year whose actual cost does not exceed Rs.5,000/- has been provided at 100%.		
(f) AS - 9 Revenue recognition		
a) The income of the Company and its subsidiaries are derived from sale (net of trade discounts) of automotive vehicles, parts thereof, lubricant oil, wind energy, machinery and equipment, rubber and plastic components, and provision of technical know-how.		
b) Sale of goods is recognised on despatch of goods to customers. Sales revenue in respect of wind energy is recognised for the quantity generated as approved and certified by the specified authority.		
c) During the year the Company incurred a foreign exchange fluctuation loss of Rs.35.52 crore while gain under this head amounted to Rs.22.21 crore. The net loss of Rs.13.31 crore is grouped in other expenses.		
d) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.		
e) Dividend from investments in shares / units is recognised when the Company / Mutual Fund, in which they are held, declares the dividend and the right to receive the same is established.		
f) The revenue and expenditure are accounted on a going concern basis.		
(g) 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 lands includes lands acquired under lease.	22.43	13.91
Cost of buildings includes buildings constructed on leasehold land.	36.20	34.76
(h) AS - 11 Accounting for effects of changes 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 rate prevailing on the date of the Balance Sheet. Net exchange difference debited to Statement of Profit and Loss is Rs.1.16 crores.		
In terms of the Companies (Accounting Standards) Amendment Rules, 2009, and Companies (Accounting Standards) Amendment Rules, 2011 on Accounting		

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

XXIII Accounting standards, additional disclosures and notes on accounts – (continued)

	Rupees in crores	
	As at/ Year ended 31-03-2013	As at/ Year ended 31-03-2012
(h) AS - 11 Accounting for effects of changes in foreign exchange rates - (continued)		
Standard 11, notified by the Government of India, the Company has opted to adjust the changes in foreign exchange rates relating to long term foreign currency monetary items to the carrying cost of fixed assets and to Foreign Currency Monetary Item Translation Difference Account. The impact is set out below:		
Gains / (losses) arising from changes in foreign exchange rates relating to depreciable capital assets added to / deducted from carrying cost of such assets.	(4.56)	(5.77)
Gains / (losses) arising from changes in foreign exchange rates relating to other long term foreign currency monetary items (not relating to acquisition of depreciable assets) credited / debited to "Foreign Currency Monetary Item Translation Difference Account".	–	7.16
Amortisation of "Foreign Currency Monetary Item Translation Difference Account" by debiting / (crediting) to Statement of Profit and Loss.	(3.57)	(3.57)
Consequential charge / credit to depreciation has been effected in the current year.		
Derivative Instruments:		
Derivative contracts are entered into by the Company based on underlying exposures. The Company has not entered into any derivative contracts of a speculative nature.		
Currency swaps - The Company had earlier entered into seven currency swap contracts covering the total external commercial borrowings of USD 100 mn. (last year seven contracts covering USD 100 mn.), fixing the repayment liability of the Company in Indian Rupees. Consequent to repayment of part of the above loans as per the agreed schedule, no currency swap contracts are outstanding at year end (last year outstanding USD 3 mn.). One of the subsidiaries entered into currency swap contracts covering the external commercial borrowings of JPY 909.10 million and USD 28.70 million.		
Interest Rate Swap (IRS) - The Company had earlier entered into seven derivative contracts in respect of total external commercial borrowings amounting to USD 100 mn. (last year seven contracts in respect of USD 100 mn.) to convert floating interest rate to fixed interest. Consequent to repayment of the above loans as per the agreed schedule, no interest rate swap contracts are outstanding at the end of the year (last year outstanding USD 3 mn.). One of the subsidiaries entered into interest rate swap contracts covering the external commercial borrowings of JPY 909.10 million and USD 16.70 million.		
(i) AS - 12 Accounting for Government grants		
The Company received capital subsidy for Effluent Treatment Plant from State Industries Promotion Corporation of Tamil Nadu Limited, a Government of Tamil Nadu undertaking and the same has been credited to respective assets.	0.25	–
Last year subsidy was received from Himachal Pradesh Government under capital subsidy scheme and the same has been credited to capital reserves.	–	0.30
(j) AS - 13 Accounting for Investments		
Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost or realisable value determined on individual basis. Long term investments are carried at cost. Provision for diminution in value, if any, is made to recognise a decline other than temporary in the value of investments.		
(k) AS - 14 Accounting for amalgamations		
During the year there was no amalgamation.		

XXIII Accounting standards, additional disclosures and notes on accounts – (continued)

(I) 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 plan

Contribution to provident fund is in the nature of defined contribution plan and is made to a recognised Trust. The Company's Provident Fund is exempted under Section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Exemption was granted subject to the condition that the employer shall make good deficiency, if any, in the interest rate declared by the Trust vis-à-vis statutory rate. If any such deficiency is determined, the same will be made good by the employer.

B Defined benefit plans

(i) The Company extends defined benefit plan in the form of leave salary to employees. In addition, the Company also extends defined benefit plan in the form of pension to senior managers of the Company. Provision for leave salary and pension is made on actuarial valuation basis.

(ii) 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 scheme framed by the Corporation.

C Disclosure as required by Accounting Standard 15

Rupees in crores

	Leave Salary	Pension	Gratuity
(a) Expenses recognised in the Statement of Profit and Loss			
(i) Current service cost	2.07	–	2.86
(ii) Interest cost	0.54	3.42	3.15
(iii) Expected return on plan assets	–	–	(3.88)
(iv) Net actuarial loss / (gain) recognised in the year	1.14	1.63	2.82
Total	3.75	5.05	4.95
(b) Change in defined benefit obligation during the year ended 31-03-2013			
(i) Present value of obligation as at the beginning of the year (01-04-2012)	8.15	43.78	39.41
(ii) Interest cost	0.54	3.42	3.15
(iii) Current service cost	2.07	–	2.86
(iv) Benefits paid	(2.91)	(1.91)	(3.28)
(v) Actuarial loss on obligation	1.14	1.63	2.82
(vi) Present value of obligation as at the end of the year (31-03-2013)	8.99	46.92	44.96
(c) Change in fair value of plan assets during the year ended 31-03-2013			
(i) Fair value of plan assets at the beginning of the year (01-04-2012)	–	–	42.65
(ii) Expected return on plan assets	–	–	3.88
(iii) Contributions made during the year	–	–	5.03
(iv) Benefits paid	–	–	(3.28)
(v) Actuarial gain on plan assets	–	–	–
(vi) Fair value of plan assets as at the end of the year (31-03-2013)	–	–	48.28
(d) Balance Sheet movements			
(i) Value of benefit obligations / (net assets) at the beginning of the year (01-04-2012)	8.15	43.78	(3.24)
(ii) Contributions made during the year	–	–	(5.03)
(iii) Expenses	3.75	5.05	4.95
(iv) Benefits paid	(2.91)	(1.91)	–
(v) Value of benefit obligations / (net assets) at the close of the year (31-03-2013)	8.99	46.92	** (3.32)
** Note: The net asset in respect of gratuity plan is not recognised as it is lying in an irrevocable trust fund approved by Income tax authorities.			
(e) Actuarial assumptions			
(i) Discount rate used	8.00%	8.00%	8.00%
(ii) Expected return on plan assets	NA	NA	9.39%
Estimates of future salary increase considered in actuarial valuation taking into account inflation, seniority and other relevant factors.			

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

XXIII Accounting standards, additional disclosures and notes on accounts – (continued)

		Rupees in crores	
		As at/ Year ended 31-03-2013	As at/ Year ended 31-03-2012
(q)	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 after tax before extraordinary items	184.29	132.56
	Profit after tax after extraordinary items	197.72	132.56
	Number of equity shares	47,50,87,114	47,50,87,114
	Face value of the share (in rupees)	1.00	1.00
	Weighted average number of equity shares	47,50,87,114	47,50,87,114
	Earnings per share before extraordinary items (in rupees)	3.88	2.79
	Diluted earnings per share before extraordinary items (in rupees)	3.88	2.79
	Earnings per share after extraordinary items (in rupees)	4.16	2.79
	Diluted earnings per share after extraordinary items (in rupees)	4.16	2.79
(r)	AS - 22 Accounting for taxes on income		
	(i) Deferred tax liability consists of:		
	- tax on depreciation	146.91	135.75
	- tax on amortisation of dies and moulds	8.07	11.14
	- tax on expenses admissible on payment basis under Income-tax Act, 1961	28.29	29.10
	(A)	<u>183.27</u>	<u>175.99</u>
	(ii) Deferred tax asset consists of:		
	- tax on provision in respect of expenditure which will be allowed under the Income Tax Act, 1961 only on payment basis	53.41	59.09
	- unabsorbed capital loss	17.33	9.22
	- unabsorbed business loss	30.73	52.62
	(B)	<u>101.47</u>	<u>120.93</u>
	Deferred tax liability (net of deferred tax asset) (refer Balance Sheet) (A)-(B)	<u>81.80</u>	<u>55.06</u>
(s)	AS - 23 Accounting for investments in associates		
	The Company holds 48.8% of equity share capital in Emerald Haven Realty Limited (formerly known as Green Earth Homes Limited), Chennai, an associate company. Sundaram Engineering Products Services Limited, Chennai, is an associate company from 21.02.2013, as the Company's subsidiary viz., Sundaram Auto Components Limited, Chennai, holds 25.5% of its equity share capital.		
(t)	AS - 26 Accounting for intangible assets		
	During the year the Company acquired the following assets falling under the definition of intangible assets as per the Accounting Standard and the following disclosure is made in respect of those assets:		
	(i) 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
	- Gross carrying amounts at the beginning and at the end of the period together with additions and deletions during the year		
	Opening balance	18.97	12.09
	Additions during the year	4.70	6.88
	Total	<u>23.67</u>	<u>18.97</u>
	Amortised as depreciation	18.74	13.02
	Closing written down value	<u>4.93</u>	<u>5.95</u>
(u)	AS - 27 Financial reporting of interest in joint venture		
	There is no Joint venture as on 31.03.2013.		

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

XXIII Accounting standards, additional disclosures and notes on accounts – (continued)

		Rupees in crores	
		As at/ Year ended 31-03-2013	As at/ Year ended 31-03-2012
(v) AS - 28 Impairment of assets			
In respect of tools and dies meant for manufacture of certain slow moving models, accelerated depreciation amounting to Rs.8.62 crores (last year Rs.1.53 crores) has been provided during the year. Further, a sum of Rs.0.13 crore (last year Rs.0.03 crore) has been provided towards impairment of fixed assets. Other than the above, as on the Balance Sheet date, the carrying amounts of the assets net of accumulated depreciation is not less than the receivable amount of those assets.			
(w) AS - 29 Provisions, contingent liabilities and contingent assets			
(i) Provisions			
In respect of warranty obligations provision is made in accordance with terms of sale of vehicles vide note VIII (b) to the Balance Sheet.			
(ii) Contingent liabilities			
The amount for which the Company is contingently liable is disclosed in note no.7			
(iii) Contested liabilities are detailed in note no.8			
(iv) Contingent asset			
Insurance claim recoverable		30.24	–
(x) AS - 30 Financial Instruments: Recognition and Measurement			
The Company adopts Accounting Standard 30 "Financial Instruments: Recognition and Measurement" and has applied the hedge accounting principles to the foreign currency forward contracts and non-derivative financial liability to hedge its risks associated with the foreign currency fluctuations relating to highly probable forecast transactions. The Company does not hold derivative financial instruments for speculative purposes.			
Changes in the fair value of the contracts that are designated and effective as hedges of future cash flows are taken directly to the Hedging Reserve Account and the ineffective portion is recognised in the Statement of Profit and Loss.			
Accordingly, the designated and effective hedge instruments are marked to market and the net gain aggregating to Rs.4.74 crore (last year loss Rs.4.71 crore) has been taken directly to the Hedging Reserve Account.			
3 LAND:			
Title deeds in respect of land acquired near Ahmedabad in Gujarat at a cost of Rs.0.01 crores is yet to be received from the registering authority.			
4 TRADE PAYABLES INCLUDE:			
(a) Amount due to Small Scale Industrial units		39.35	36.40
(b) Amount due to other industrial units		784.27	696.58
(c) Interest accrued but not due on secured loans (included in current liabilities)		4.52	5.20
5 CONTRIBUTION TO PROVIDENT AND OTHER FUNDS INCLUDE:			
(a) Contribution towards gratuity as per scheme framed by Life Insurance Corporation of India		5.28	4.71
(b) Contribution towards pension fund		2.67	5.09
6 PAYMENT TO AUDITORS COMPRISE:			
(a) As statutory auditors		0.90	0.76
(b) Taxation matters		0.04	0.06
(c) Certification matters		0.04	0.06
(d) Cost audit fees		0.04	0.02
(e) Miscellaneous expenses include travel and stay expenses of auditors		0.18	0.21
		1.20	1.11

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

XXIII Accounting standards, additional disclosures and notes on accounts – (continued)

		Rupees in crores	
		As at/ Year ended 31-03-2013	As at/ Year ended 31-03-2012
7	CONTINGENT LIABILITY NOT PROVIDED FOR:		
	(a) On counter guarantee given to banks	24.62	22.58
	(b) On letters of credit	118.66	110.40
	(c) On guarantee to Housing Development Finance Corporation Limited, Mumbai, on loans granted to employees of the Company	1.25	1.25
	(d) On bills discounted	75.66	42.19
	(e) Capital commitments towards capital expenditure	78.47	77.47
	(f) On obligation arising out of agreements facilitating credit to a company	41.66	41.66
	(g) On obligation arising out of agreements facilitating credit to a subsidiary company (PT. TVS Motor Company Indonesia, Jakarta)	53.88	53.88
	(h) On import of capital goods under Export Promotion Capital Goods Scheme	22.48	20.03
8	LIABILITY CONTESTED AND NOT PROVIDED FOR:		
	(a) Excise	56.59	58.30
	(b) Service tax	5.30	8.52
	(c) Customs	1.93	1.87
	(d) Sales tax	2.44	2.91
	(e) Electricity tax	–	0.18
	(f) Income tax	16.96	48.12
	(g) Others	4.60	1.87
9	Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.		
10	RELATED PARTY DISCLOSURE		

	Period	
	From	To
List of related parties		
Reporting entities:		
TVS Motor Company Limited, Chennai	01-04-2012	31-03-2013
Sundaram Auto Components Limited, Chennai	01-04-2012	31-03-2013
TVS Motor Company (Europe) B.V, Amsterdam	01-04-2012	31-03-2013
TVS Motor (Singapore) Pte. Limited, Singapore	01-04-2012	31-03-2013
PT. TVS Motor Company Indonesia, Jakarta	01-04-2012	31-03-2013
TVS Energy Limited, Chennai	01-04-2012	31-03-2013
TVS Housing Limited, Chennai	01-04-2012	31-03-2013
TVS Wind Power Limited, Chennai	01-04-2012	31-03-2013
TVS Wind Energy Limited, Chennai	01-04-2012	31-03-2013
Sundaram Business Development Consulting (Shanghai) Co. Ltd, Shanghai	01-04-2012	31-03-2013
Holding company:		
Sundaram-Clayton Limited, Chennai	01-04-2012	31-03-2013
Ultimate holding company:		
T V Sundram Iyengar & Sons Limited, Madurai	01-04-2012	31-03-2013

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

XXIII Accounting standards, additional disclosures and notes on accounts – (continued)

10 RELATED PARTY DISCLOSURE (continued)

	Period	
	From	To
Fellow subsidiaries:		
TVS Investments Limited, Chennai	01-04-2012	31-03-2013
Sundaram Investment Limited, Chennai	01-04-2012	31-03-2013
TVS Electronics Limited, Chennai	01-04-2012	31-03-2013
Tumkur Property Holdings Limited, Chennai	01-04-2012	31-03-2013
Prime Property Holdings Limited, Chennai	01-04-2012	31-03-2013
TVS-E Access (India) Limited, Chennai	01-04-2012	31-03-2013
TVS-E Servicetec Limited, Chennai	01-04-2012	31-03-2013
TVS Capital Funds Limited, Chennai	01-04-2012	31-03-2013
Southern Roadways Limited, Madurai	01-04-2012	31-03-2013
Sundaram Industries Limited, Madurai	01-04-2012	31-03-2013
The Associated Auto Parts Limited, Mumbai	01-04-2012	31-03-2013
TVS Interconnect Systems Limited, Madurai	01-04-2012	31-03-2013
Lucas-TVS Limited, Chennai	01-04-2012	31-03-2013
Sundaram Textiles Limited, Madurai	01-04-2012	31-03-2013
TVS Automobile Solutions Limited, Madurai	01-04-2012	31-03-2013
Sundaram Lanka Tyres Limited, Colombo	01-04-2012	31-03-2013
NSM Holdings Limited, Madurai	01-04-2012	31-03-2013
TOR Projects & Services Limited, Madurai	01-04-2012	31-03-2013
NK Telecom Products Limited, Madurai	01-04-2012	31-03-2013
NK Telesystems Limited, Madurai	01-04-2012	31-03-2013
Lucas Indian Service Limited, Chennai	01-04-2012	31-03-2013
TVS Automotive Systems Limited, Chennai	01-04-2012	31-03-2013
Rajgarhia Automobile Solution Limited, Kolkata	01-04-2012	31-03-2013
Pusam Rubber Products Limited, Madurai	28-02-2013	31-03-2013
Sundaram-Clayton (USA) Limited, USA	15-06-2012	31-03-2013
Essex Automobile Solutions Limited, Gujarat	09-04-2012	31-03-2013
Navaratna Insurance Broking Limited, Coimbatore	08-01-2013	31-03-2013
Focuz Automobile Services Limited, Kerala	09-08-2012	31-03-2013
GS Automotive Service Equipments (Chennai) Private Limited, Madurai	01-04-2012	31-03-2013
SANRAV Automobile Solutions (Chennai) Private Limited, Madurai	18-02-2013	31-03-2013
Sundaram Engineering Products Services Limited, Chennai	01-04-2012	20-02-2013
TVS Training and Services Limited, Chennai	20-02-2013	31-03-2013
Associate companies:		
Emerald Haven Realty Limited, Chennai (formerly known as Green Earth Homes Limited)	01-04-2012	31-03-2013
Sundaram Engineering Products Services Limited, Chennai	21-02-2013	31-03-2013

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

XXIII Accounting standards, additional disclosures and notes on accounts – (continued)

10 RELATED PARTY DISCLOSURE (continued)

	Period	
	From	To
List of Related Parties as per clause 3(c) of the standard		
Key Management personnel:		
Mr. Venu Srinivasan, Chairman & Managing Director	01-04-2012	31-03-2013
Mr. Sudarshan Venu, Whole-time Director	01-02-2013	31-03-2013
Mr. P.S. Bashyam (Sundaram Auto Components Limited, Chennai, Manager within the meaning of Section 269 and 386 of the Companies Act, 1956)	01-4-2012	31-05-2012
Mr. Manojkumar V Patil (Sundaram Auto Components Limited, Chennai, Manager within the meaning of Section 269 and 386 of the Companies Act, 1956)	01-06-2012	31-03-2013
Mr. G.R.V. Rajan (TVS Energy Limited, Chennai, Manager within the meaning of Section 269 and 386 of the Companies Act, 1956)	01-04-2012	31-03-2013
Enterprise over which key management personnel and his relatives have significant influence:		
Harita-NTI Limited, Chennai		
Relative of key management personnel:		
Dr. Malini Srinivasan - subsidiary company (Sundaram Auto Components Limited, Chennai, sister of Mr. Venu Srinivasan)	01-04-2012	31-03-2013
Mr. Sudarshan Venu, Vice President (TVS Motor Company Limited, Chennai)	01-04-2012	31-01-2013

Rupees in crores

As at/ Year ended 31-03-2013	As at/ Year ended 31-03-2012
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11 PARTICULARS OF TRANSACTIONS WITH RELATED PARTIES

(a) Purchase of goods

- ultimate holding company (T V Sundram Iyengar & Sons Limited, Madurai)	0.43	0.38
- holding company (Sundaram-Clayton Limited, Chennai)	174.59	164.22
- fellow subsidiaries (Lucas -TVS Limited, Chennai, Lucas Indian Service Limited, Chennai, Sundaram Industries Limited, Madurai and TVS Electronics Limited, Chennai)	38.88	34.01
- enterprise over which key management personnel and his relatives have significant influence (Harita-NTI Limited, Chennai)	0.65	2.22

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

XXIII Accounting standards, additional disclosures and notes on accounts – (continued)

		Rupees in crores	
		As at/ Year ended 31-03-2013	As at/ Year ended 31-03-2012
11	PARTICULARS OF TRANSACTIONS WITH RELATED PARTIES – (continued)		
	(b) Sale of goods		
	- holding company (Sundaram-Clayton Limited, Chennai)	11.07	6.43
	- fellow subsidiaries (Lucas-TVS Limited, Chennai and Sundaram Industries Limited, Madurai)	0.19	0.40
	(c) Rendering of services (including interest received)		
	- holding company (Sundaram-Clayton Limited, Chennai)	2.05	2.06
	- fellow subsidiaries (TVS Electronics Limited, Chennai, and Southern Roadways Limited, Madurai)	0.01	0.20
	- enterprise over which key management personnel and his relatives have significant influence (Harita-NTI Limited, Chennai)	–	0.34
	(d) Availing of services (including sub-contract charges paid)		
	- holding company (Sundaram-Clayton Limited, Chennai)	42.13	42.38
	- fellow subsidiaries (TVS Electronics Limited, Chennai, TVS-E Servicetec Limited, Chennai and Southern Roadways Limited, Madurai)	3.21	2.88
	(e) Other advances made during the year		
	- enterprise over which key management personnel and his relatives have significant influence (Harita-NTI Limited, Chennai)	–	3.50
	(f) Other advances received back during the year		
	- enterprise over which key management personnel and his relatives have significant influence (Harita-NTI Limited, Chennai)	–	3.50
	(g) Amount outstanding as at Balance Sheet date:		
	(i) Trade receivables		
	- holding company (Sundaram-Clayton Limited, Chennai)	0.13	0.24
	- fellow subsidiary (Lucas-TVS Limited, Chennai)	0.07	0.19
	(ii) Trade payables		
	- ultimate holding company (TV Sundram Iyengar & Sons Limited, Madurai)	0.07	0.03
	- holding company (Sundaram-Clayton Limited, Chennai)	11.78	24.06
	- fellow Subsidiaries (TVS Electronics Limited, Chennai, TVS-E ServiceTec Limited, Chennai, Southern Roadways Limited, Madurai, Sundaram Industries Limited, Madurai, Lucas-TVS Limited, Chennai and Lucas Indian Service Limited, Chennai)	6.07	4.59
	- Enterprise over which key management personnel and his relatives have significant influence (Harita-NTI Limited, Chennai)	0.01	0.03

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

XXIII Accounting standards, additional disclosures and notes on accounts – (continued)

		Rupees in crores	
		As at/ Year ended 31-03-2013	As at/ Year ended 31-03-2012
11	PARTICULARS OF TRANSACTIONS WITH RELATED PARTIES – (continued)		
	(h) Investment made during the year		
	- subsidiary companies :		
	Sundaram Auto Components Limited, Chennai	–	24.90
	TVS Motor Company (Europe) B.V., Amsterdam	–	34.89
	TVS Energy Limited, Chennai	–	25.00
	PT. TVS Motor Company Indonesia, Jakarta	–	86.94
	Sundaram Business Development Consulting (Shanghai) Co. Ltd, Shanghai	0.61	0.20
	- associate company :		
	Emerald Haven Realty Limited, Chennai (formerly known as Green Earth Homes Limited)	–	40.00
	(i) Obligation arising out of agreements facilitating credit to		
	- subsidiary company (PT. TVS Motor Company Indonesia, Jakarta)	53.88	53.88
	(j) Remuneration to key management personnel	3.58	3.63
	(k) Remuneration to relatives of key management personnel	0.66	0.56

venu srinivasan
Chairman & Managing Director

H. LAKSHMANAN
Director

As per our report annexed
For Sundaram & Srinivasan
Chartered Accountants
Firm Regn. No.: 004207S

S.G. MURALI
Executive Vice President – Finance

K.S. SRINIVASAN
Company Secretary

M. BALASUBRAMANIAM
Partner
Membership No.: F7945

Place : Bengaluru
Date : April 30, 2013

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Cash Flow Statement

		Rupees in crores	
		Year ended 31-03-2013	Year ended 31-03-2012
A. Cash flow from operating activities			
Net profit before tax and extraordinary items		276.28	226.96
Add: Depreciation and amortisation for the year	175.60		158.29
Depreciation on sale/scraping of assets	(33.52)		(23.55)
Amortisation of Foreign Currency Monetary Item Translation Difference Account	3.04		4.17
Loss on sale of fixed assets	0.13		1.50
Profit on sale of fixed assets	(0.42)		(1.97)
Profit on sale of investments	(0.07)		(0.16)
Loss on sale of investments	–		0.09
Movement in foreign currency translation reserve	37.86		(10.28)
Dividend income	(1.38)		(0.20)
Interest income	(16.83)		(10.81)
Interest expenditure	93.13		83.23
		<u>257.54</u>	<u>200.31</u>
Operating profit before working capital changes		533.82	427.27
Adjustments for:			
Trade receivables	(79.11)		62.79
Inventories	45.59		(78.85)
Other current assets	(34.98)		3.03
Short term loans and advances	(26.30)		2.57
Trade payables	104.53		53.10
Other current liabilities (excluding current maturity of long-term loans)	(26.33)		88.44
Short-term provisions	4.65		2.36
		<u>(11.95)</u>	<u>133.44</u>
Cash generated from operations (before extraordinary items)		521.87	560.71
Proceeds from fire claim and sale of a division		13.43	–
Direct taxes paid		<u>(64.84)</u>	<u>(73.90)</u>
Net cash from operating activities (A)		470.46	486.81
B. Cash flow from investing activities			
Purchase of fixed assets	(349.80)		(338.94)
Sale of fixed assets	87.21		26.11
Capital work-in-progress	149.56		(128.11)
Long-term loans and advances	(10.56)		20.59
Purchase of investments	(58.98)		(109.61)
Sale of investments	30.07		11.82
Interest received	16.83		10.81
Dividends received	1.38		0.20
		<u>(134.29)</u>	<u>(507.13)</u>
Net cash from / (used in) investing activities (B)		(134.29)	(507.13)

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Cash Flow Statement – (continued)

	Rupees in crores	
	Year ended 31-03-2013	Year ended 31-03-2012
C. Cash flow from financing activities		
Proceeds from issue of share capital	–	0.03
Long-term loans availed / (repaid)	(133.86)	49.88
Short-term loans availed / (repaid)	(24.49)	23.19
Sales tax deferral loan availed	96.51	33.57
Government grant	–	0.30
Long-term provisions	7.16	6.98
Interest paid	(93.13)	(83.23)
Dividend and dividend tax paid	<u>(71.78)</u>	<u>(66.26)</u>
	<u>(219.59)</u>	<u>(35.54)</u>
Net cash used in financing activities (C)	(219.59)	(35.54)
<hr/>		
D. Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	116.58	(55.86)
Cash and cash equivalents at the beginning of the year		
Cash & bank	137.48	43.49
Cash credit - balance	<u>(232.30)</u>	<u>(82.45)</u>
	(94.82)	(38.96)
Cash and cash equivalents at the end of the year		
Cash & bank	79.60	137.48
Cash credit - balance	<u>(57.84)</u>	<u>(232.30)</u>
	21.76	(94.82)

Notes: 1. The above statement has been prepared in indirect method except in case of interest, dividend and purchase and sale of investments which have been considered on the basis of actual movement of cash.
2. Cash and cash equivalents represent cash and bank balances.

VENU SRINIVASAN
Chairman & Managing Director

H. LAKSHMANAN
Director

As per our report annexed
For Sundaram & Srinivasan
Chartered Accountants
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S.G. MURALI
Executive Vice President – Finance

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Company Secretary

M. BALASUBRAMANIAM
Partner
Membership No.: F7945

Place : Bengaluru
Date : April 30, 2013

CONSOLIDATED ACCOUNTS OF TVS MOTOR COMPANY LIMITED AND ITS SUBSIDIARIES

Disclosure of information relating to subsidiaries as required by the Central Government under Section 212(8) of the Companies Act, 1956

Sl. No.	Particulars	Name of subsidiaries												
		Sundaram Auto Components Limited, Chennai	TVS Energy Limited, Chennai	TVS Wind Energy Limited, Chennai	TVS Wind Power Limited, Chennai	TVS Housing Limited, Chennai	TVS Motor Company (Europe) B.V. Amsterdam	TVS Motor (Singapore) Pte. Limited, Singapore	PT. TVS Motor Company Indonesia, Jakarta	Sundaram Business Development Consulting (Shanghai) Co. Ltd. Shanghai				
		Rs. in crores	Rs. in crores	Rs. in crores	Rs. in crores	Rs. in crores	Rs. in crores	Rs. in crores	US \$ in Million	Singapore \$ in Million	Rs. in crores	Indonesian Rupiah in Million	Rs. in crores	in RMB ¥ in Million
(a)	Capital	11.55	81.25	13.90	5.60	0.05	126.52	28.59	201.20	64.36	434.28	9,35,040.00	0.81	0.95
(b)	Reserves	75.72	(7.23)	2.17	1.07	-	(81.16)	(20.41)	(5.15)	(0.42)	(419.81)	(8,53,407.31)	(0.46)	(0.55)
(c)	Total assets	281.52	335.38	45.73	16.86	30.10	86.19	15.70	196.17	63.98	239.36	4,50,251.59	0.40	0.45
(d)	Total liabilities	281.52	335.38	45.73	16.86	30.10	86.19	15.70	196.17	63.98	239.36	4,50,251.59	0.40	0.45
(e)	Details of investment	0.16	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Turnover including other income	1,368.34	41.51	11.12	4.58	0.08	6.81	1.25	-	-	101.03	1,75,705.64	0.60	0.70
(g)	Profit before taxation	21.87	4.90	4.71	2.17	-	(88.54)	(20.12)	(0.05)	(0.01)	7.57	19,726.70	(0.43)	(0.49)
(h)	Provision for taxation	8.25	0.45	1.49	0.83	-	0.68	0.13	-	-	32.07	56,594.57	0.03	0.04
(i)	Profit after taxation	13.62	4.45	3.22	1.34	-	(89.22)	(20.25)	(0.05)	(0.01)	(24.50)	(36,867.87)	(0.46)	(0.53)
(j)	Proposed dividend	2.89	-	-	-	-	-	-	-	-	-	-	-	-

Notes: 1. In the consolidation, the accounts of subsidiaries have been re-stated in line with Indian GAAP and as required by the Accounting Standard 21 issued by The Institute of Chartered Accountants of India, wherever applicable.

2. The financial statements of subsidiaries whose reporting currency are other than INR are converted into Indian rupees on the basis of following exchange rates:

Particulars	For Assets and Liabilities - at closing exchange rate	For Profit and Loss items - at daily average rate
US Dollar to INR	Rs. 54.36 / US \$	Rs. 54.31 / US \$
Indonesian Rupiah (IDR) to INR	Re. 0.005646 / IDR	Re. 0.005750/ IDR
Singapore Dollar to INR	Rs. 43.81/ Singapore \$	Rs. 43.70/ Singapore \$
RMB Yuan to INR	Rs. 8.65/ RMB ¥	Rs. 8.61/ RMB ¥

3. Investments exclude investment in subsidiaries.



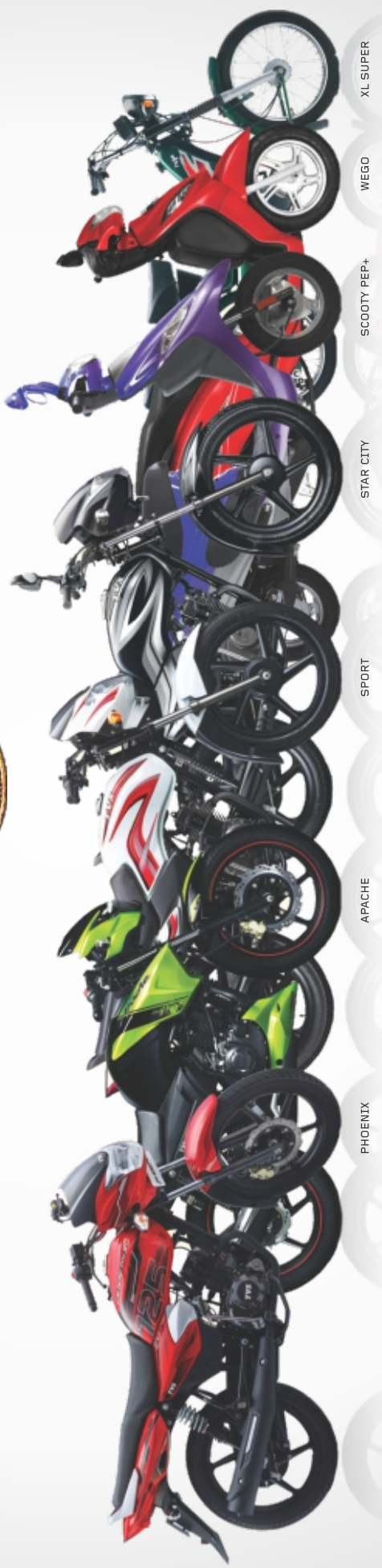
TVS



THANK YOU FOR YOUR TRUST!

INDIA'S No.1

MOST TRUSTED 2 WHEELER BRAND.



TVS Motor Company Limited

Jayalakshmi Estates, 29 Haddows Road, Chennai - 600006 | Toll-free number : 18004252077

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