



WABCO-TVS (INDIA) LIMITED

(A public limited company initially incorporated as Auto (India) Engineering Limited on 18th November 2004 under the Companies Act, 1956. It obtained a Certificate of Commencement of Business on 15th December 2004. The name of the Company was changed to WABCO-TVS (INDIA) Limited with the approval of the shareholders and with the approval of the Central Government. The Registrar of Companies issued a fresh certificate of incorporation consequent to the change in name of the Company on 3rd May 2007.)

Registered Office:

No.29, Haddows Road, Chennai – 600 006
Tel : 91-44-28272233.Fax : 91-44-28257121

Website: www.wabco-tvs.com **Email:** madhavan.rajagopalan@wabco-tvs.co.in

Contact Person: Mr R. Madhavan, Company Secretary

INFORMATION MEMORANDUM FOR LISTING OF 1,89,67,584 EQUITY SHARES OF RS. 5/- EACH
NO EQUITY SHARES OF WABCO-TVS (INDIA) LIMITED ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM FOR LISTING OF 1,89,67,584 EQUITY SHARES OF RS. 5/- EACH FULLY PAID UP ISSUED AND ALLOTTED TO THE SHAREHOLDERS OF SUNDARAM-CLAYTON LIMITED IN TERMS OF THE SCHEME OF ARRANGEMENT BETWEEN SUNDARAM-CLAYTON LIMITED AND WABCO-TVS (INDIA) LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS SANCTIONED BY THE HON'BLE HIGH COURT OF MADRAS VIDE ITS ORDER DATED 20 TH FEBRUARY 2008
GENERAL RISKS
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the equity shares of WABCO-TVS (INDIA) LIMITED unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision to invest in the shares of WABCO-TVS (INDIA) LIMITED. For taking an investment decision, investors must rely on their own examination of the Company and the investment in the equity shares of WABCO-TVS (INDIA) LIMITED, including the risks involved. The equity shares of WABCO-TVS (INDIA) LIMITED have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of the investors is invited to the statement of Risk Factors described from page nos.8 to 9 of this Information Memorandum.
ISSUER'S ABSOLUTE RESPONSIBILITY
WABCO-TVS (INDIA) LIMITED having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to WABCO-TVS (INDIA) LIMITED and the equity shares of WABCO-TVS (INDIA) LIMITED, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions, expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
LISTING
The equity shares of WABCO-TVS (INDIA) LIMITED are proposed to be listed on the National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange Limited (MSE). The Company has submitted this Information Memorandum to NSE, BSE & MSE and the same has been made available on the Company's website viz. www.wabco-tvs.com . This Information Memorandum would also be made available on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

SHARE TRANSFER AGENTS

Sundaram-Clayton Limited,
 New No.22, Old No. 31, Railway Colony, 3rd Street,
 Mehta Nagar, Chennai – 600 029
 Tel : 91-44-23741889/23742939 Fax : 91-44-23741889
Email : kr.raman@scl.co.in, sclshares@gmail.com.

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I. DEFINITIONS:

Act	The Companies Act, 1956 (1 of 1956) and includes any statutory modification or re-enactment thereof for the time being in force
Appointed Date	1 st January 2007
Articles	Articles of Association of the Company
Audit Committee	Committee constituted by the Board in compliance with Clause 49 of the Listing Agreement
Board	Board of Directors of the Company
Brakes Business	The development, manufacture, sale and after market service of (i) air assist control systems and elements thereof; (ii) full air control systems and elements thereof; (iii) air assist actuation systems and elements thereof; (iv) full air actuation systems and elements thereof; for automotive and non-automotive applications and software development in relation to the above
CDH	Clayton Dewandre Holdings Limited, a company incorporated in the United Kingdom and having its registered office at Wilberforce Court, High Street, Hull, East Yorkshire, HU1 1YJ, United Kingdom.
Certificate of Incorporation	Certificate dated 18 th November 2004 received from the ROC
Certificate of Commencement of Business	Certificate dated 15 th December 2004 received from the ROC
Code of Conduct	The Code of Business Conduct and Ethics adopted by the Board vide its resolution dated 7 th May 2008
Company	WABCO-TVS (India) Limited, a public limited company incorporated under the Act
Demerger	The transfer of the Demerged Undertaking to the Company, in consideration of the issue and allotment of fully paid equity shares by the Company to the shareholders of the Demerged Company in proportion to their respective shareholding in the Demerged Company as set out in Parts II and IV hereof in compliance with the provisions of section 2(19AA) of the I T Act
Demerged Company	Sundaram-Clayton Limited (SCL)
Demerged Undertaking	The Brakes Business of SCL, on a going concern basis, and shall in relation thereto mean and include (without limitation) (i) all assets and property of and required for the Brakes Business, wherever situate, whether movable or immovable, tangible or intangible (excluding trademarks), land, plant and machinery, buildings, offices, capital work-in-progress, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), copyrights, patents and all other intellectual property, cash balances, bank balances, bank accounts, vehicles, furniture, fixtures, office equipment, appliances and accessories, and (ii) all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, expressions of interest, approvals, consents, permissions, subsidies, tenancies in relation to office and/or residential properties for the employees, offices, investments, the benefit of any deposits, all other rights including sales tax deferrals and exemptions and other sales tax benefits, lease rights, privileges, all other rights and benefits, licences, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefit of all

	agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking; and (iii) all earnest moneys and/or security deposits paid or received by the Demerged Company in connection with or relating to the Demerged Undertaking; (iv) and all necessary records, files, papers, engineering and process information, computer programmes, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical or electronic form, in connection with or relating to the Demerged Undertaking; and (v) all present and future liabilities (including contingent liabilities and the Transferred Liabilities (as hereinafter defined) and shall further include any obligation under any licences or permits and more particularly the obligations under any export scheme or any other scheme which the Brakes Business is obliged to fulfill or entitled to enjoy, in connection with or relating to the Demerged Undertaking
Directors	Directors on the Board and Director shall mean any one of them
Effective Date	The date on which the Scheme became effective upon filing with the ROC i.e. 28 th March 2008
Equity Oriented Fund	A fund – (a) where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and (b) which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the IT Act
Equity Shares	Fully paid-up equity shares of Rs.5/- each of the Company
Equity Shareholders	Equity shareholders of the Company
Information Memorandum	This Information Memorandum filed with the Stock Exchanges
Investor Grievance Committee	Committee constituted by the Board in compliance with Clause 49 of the Listing Agreement
IT Act	Income Tax Act, 1961 and includes any statutory amendment or re-enactment thereof for the time being in force
Listing Agreements	The Agreements entered into by the Company with the Stock Exchanges
Long Term Specified Asset	Any bond, redeemable after three years and issued on or after the 1st day of April 2006: (a) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette; or (b) by the Rural Electrification Corporation Limited, a company formed and registered under the Act and notified by the Central Government in the Official Gazette for the purpose of section 54EC of the IT Act
MOA	Memorandum of Association of the Company
Non Brakes Business	Manufacture and sale of non-ferrous aluminum castings i.e. the foundry business, together with investments held by it in several manufacturing and investment companies
Promoter	TVS Group (the Indian Promoter) or CDH (the foreign promoter) and Promoters shall mean TVS Group and CDH
Record Date	2 nd May 2008 i.e., the date fixed by the Board of Directors of the Demerged Company for the purpose of determining the shareholders of the Demerged Company, to whom fully paid

	Equity Shares will be issued and allotted pursuant to the Scheme
Register of Members	The statutory register of members maintained by SCL in accordance with the provisions of the Act
Share Transfer Agent	Sundaram-Clayton Limited, Share Transfer Department
Scheme	Scheme of Arrangement between Sundaram-Clayton Limited and the Company and their respective shareholders and creditors as approved by the Hon'ble High Court of Madras on 20 th February 2008 and which became effective from the Effective Date i.e. on filing the Certified copy of the High Court Order with the ROC
SEBI Act	Securities and Exchange Board of India Act, 1992 includes any statutory amendment or re-enactment thereof for the time being in force
SEBI Guidelines	Existing Guidelines for Disclosure and Investor Protection issued by Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992 (as amended), called Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, as amended, including instructions and clarifications issued by SEBI from time to time
Stock Exchange	BSE or NSE or MSE and Stock Exchanges shall mean BSE, NSE and MSE
Transfer Amount	The price per equity share of the Company or the Demerged Company, as the case may be, on a recognized Stock Exchange where the shares of the Company and of the Demerged Company are listed on the day on which the transfer is made in accordance with applicable regulations
Transferred Liabilities	<ol style="list-style-type: none"> 1. The liabilities which arose out of the activities or operation of the Demerged Undertaking; and 2. Such of the general or multipurpose borrowings of the Demerged Company as are identified by the Board of the Demerged Company and relating to the activities or operations of the Demerged Undertaking which in the aggregate stand in the same proportion as far as is practicable in which the value of the assets transferred to the Resulting Company bear to the assets of the Demerged Company on the Appointed Date
TVS	T V Sundram Iyengar and Sons Limited, a company incorporated under the Indian Companies Act, 1913 and having its registered office at TVS Building, West Veli Street, Madurai 625 001, Tamilnadu
TVS Group	TVS Group means the group, comprising TVS, Southern Roadways Limited, Sundaram Industries Limited and Sundaram Finance Limited
WABCO	WABCO Holdings Inc., a Delaware company and its subsidiaries and affiliates including WABCO Europe BVBA, the latter having its headquarters at Chaussée de Wavre 1789, box 15, Brussels, Belgium, one of the world's leading providers of electronic braking, stability, suspension and transmission automation systems for heavy duty commercial vehicles
WABCO Division	The division of erstwhile American Standard Companies Inc. producing electronic braking, stability, suspension and transmission automation systems for heavy duty commercial vehicles.
Whole-time Director	A Director in the whole-time employment of the Company.

ABBREVIATIONS:

9T GVW	9 Tonne Gross Vehicle Weight
APAC	Asia Pacific
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CII	Confederation of Indian Industry
CIN	Corporate Identity Number
DSE	Designated Stock Exchange
CRR	Cash Reserve Ratio
DRs	Depository Receipts
EMEA	Europe Middle East Africa
EPS	Earnings Per Share
FII	Foreign Institutional Investor
HR/HRD	Human Resource / Human Resource Development
HUF	Hindu Undivided Family
ISIN	International Securities Identification Number
ISO	Indian Standards Organisation
IT	Information Technology
LPS	Lean Production System
MAT	Minimum Alternate Tax
MBA	Masters in Business Administration
MSE	Madras Stock Exchange Limited
NA	Not applicable
NSDL	National Securities Depository Limited
NRI	Non Resident Indian
NSE	National Stock Exchange of India Limited
RBI	Reserve Bank of India
R&D	Research and Development
ROC	Registrar of Companies, Chennai, Tamil Nadu
SEBI	Securities and Exchange Board of India
SEZ	Special Economic Zone
TPM	Total Productive Maintenance
TQM	Total Quality Management
UK	United Kingdom
US	United States (of America)
USD	United States Dollar
UTI	Unit Trust of India

In the Information Memorandum all reference to one gender also refers to the other gender and the word "lakh" or "lac" means "one hundred thousand" and the word "million" means "ten lacs" and the word "crore" means "ten million".

Certain conventions; Use of Market data:

Unless stated otherwise, the financial data in the Information Memorandum is derived from the Company's restated financial statements pursuant to the Scheme. The fiscal year commences on April 1 and ends on March 31 of each year, so all references to a particular "fiscal year" are to the twelve-month period ended March 31 of that year. In the Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off of such amounts.

All references to "India" contained in the Information Memorandum are to the Republic of India. All references to "Rupees" or "Rs." are to Indian rupees, the official currency of India.

For additional definitions, please see the section titled "Definitions / Abbreviations" of the Information Memorandum.

Unless stated otherwise, industry data used in the Information Memorandum has been obtained from the published data and industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company believes that industry data used in the Information Memorandum is reliable, it has not been independently verified.

The information included in the Information Memorandum about various other companies is based on their respective audited annual reports for the latest financial years and information made available by the respective companies.

Forward-looking statements:

Statements in the Information Memorandum which contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" "will help", "will develop", "will be sustained" and similar expressions or variations of such expressions, are "forward looking statements". Similarly, statements that describe the Company's objectives, plans or goals also are forward-looking statements, actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with the Company's expectations with respect to, but not limited to:

- General economic and business conditions in India and other countries;
- Regulatory changes and the Company's ability to respond to them;
- Ability to successfully implement the Company's strategy, growth and expansion plans;
- Ability to meet the Company's capital expenditure requirements;
- Technological changes;
- Exposure to market risks, general economic and political conditions in India which have an impact on the Company's business activities or investments;
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in the industry.
- Fluctuations in operating costs;
- The Company's ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that the Company may enter, and
- Any adverse outcome in the legal proceedings in which the Company is involved.

For further discussion of factors that could cause the Company's actual results to differ, see the section titled "Risk Factors", "The Company's Business", "Management's Discussion and Analysis" beginning on page nos.60 to 63 of the Information Memorandum respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

The Company does not have any obligation to, and does not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not materialize. In accordance with SEBI requirements, the Company will ensure that investors are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

II. RISK FACTORS AND MANAGEMENT PERCEPTIONS THEREOF:

An investment in equity shares involves a high degree of risk.

Investors should carefully consider all of the information in the Information Memorandum, including the risks and uncertainties described below, before making an investment in the Equity Shares. Occurrence of any of the following risks as well as the other risks and uncertainties discussed in the Information Memorandum could have a material adverse effect on the Company's business, financial condition and results of operations and could cause the trading price of the Company's Equity Shares to decline, which could result in loss to the investor.

The investor(s) should consider the following risk factors carefully in evaluating the Company and its business before making any investment decision.

Internal Risks:

- The Company's ability to generate revenues and pay dividends is dependent on a number of factors and may vary significantly from quarter to quarter.
- The Company's growth depends on acquiring new customers apart from increasing business from existing customers.
- The Company operates in a highly competitive environment and this competitive pressure on the business is likely to continue. This competition may adversely affect the Company's business and operations materially in the future.
- The Company's success depends largely upon its senior management and key personnel and the Company's ability to attract and retain them.
- The Company's cost of producing and acquiring parts for the brake systems may increase and this could adversely affect its results of operation, if the customers of the Company do not compensate the Company for such increases.
- The Company is subject to regulation by central, state and local governments / bodies, which may impose costs and restrictions. Central, state and local governments/bodies extensively regulate the automotive industry and when required for the proper control of the road safety. The Government may consider new legislative requirements, which potentially can affect the Company's businesses. The results of these legislative, judicial and administrative actions may materially affect the business operations.
- The Company may face increased competition because of technological advances and new regulatory requirements, which could adversely affect the results of operations in future.

- The Company may be involved in various litigation matters, including those arising in the ordinary course of business. While the Company does not believe that any of these litigation matters alone or in the aggregate will have a material adverse effect on the financial position, an adverse outcome in one or more of these matters could be material to the results of operations for any one period.
- The Company may be exposed to interest rate fluctuations.

External Risks:

- Vulnerability to business cycles could affect the Company's capacity to sustain a growth in income, profits and shareholders' value.
- Terrorist attacks and other acts of violence or war, including those involving India or other countries could adversely affect operations of the Company resulting in a loss of business confidence.
- There has been no public market for the Equity Shares till now. The prices of the Equity Shares may fluctuate after listing due to a wide variety of factors, including volatility in the Indian and global securities markets; the Company's operational performance, financial results and capacity expansion; developments in India's economic liberalization and deregulation policies, particularly in the automotive sector; and changes in Indian laws and regulations impacting the Company's business. There is no assurance that an active trading market for the Equity Shares will develop or be sustained after listing.
- This section should also be read in conjunction with the section titled "Outstanding Litigation and Material Developments".

III. INTRODUCTION:

This is only a summary. Investors should read the following summary with the Risk Factors mentioned and the more detailed information about the Company and the Company's financial statements included elsewhere in the Information Memorandum.

General Information:**Brief particulars of the Company:**

The Company was initially incorporated as Auto (India) Engineering Limited on 18th November 2004 under the Companies Act, 1956. It obtained a Certificate of Commencement of business on 15th December 2004. The Registration Number of the Company is U34103TN2004PLC054667.

Registered Office:

No.29, Haddows Road, Chennai – 600 006
Tel : 91-44-28272233 Fax : 91-44-28257121
Website: www.wabco-tvs.com Email: madhavan.rajagopalan@wabco-tvs.co.in

Address of the Registrar of Companies:

The Registrar of Companies
Block No.6, B Wing, II Floor
Shastri Bhawan, 26 Haddows Road
CHENNAI- 600006, Tamilnadu
Phone: 044-28277182/28272676 Fax: 044-28234298
Email: ns.ponnunambi@mca.gov.in

Change of name:

The Company was incorporated on 18th November 2004 as a public limited company under the name "Auto (India) Engineering Limited" and obtained a Certificate of Commencement of Business on 15th December 2004. The name of the Company was changed to WABCO-TVS (INDIA) LIMITED with effect from 3rd May 2007.

Board:

The Board consists of M/s.Venu Srinivasan, H Lakshmanan, D E Udwadia, C N Prasad, Vice Admiral P J Jacob (Retd.), Narayan K Seshadri, Leon Liu, Nikhil Madhukar Varty and Trevor Lucas (alternate director to Mr Leon Liu).

Mr Venu Srinivasan is the Chairman of the Company and Mr C N Prasad is the Whole-time Director of the Company. Brief particulars of the Directors, Whole-time Director and the Chairman are given separately.

Auditors:

Sundaram & Srinivasan,
Chartered Accountants
23, Sir C P Ramaswamy Road,
Alwarpet, Chennai – 600 018.
Tel No: 91-44 - 24988762/24988463/42106952
Fax No:91-44 - 2498 8463
E-mail : yessendes@vsnl.net
Website: www.sundaramandsrinivasan.com

Share Transfer Agent:

Sundaram-Clayton Limited,
New No.22, Old No. 31, Railway Colony, 3rd Street,
Mehta Nagar, Chennai – 600 029
Tel: 91-44-23741889/23472939 Fax: 91-44-23741889
Email: kr.raman@scl.co.in, sclshares@gmail.com.

Bankers to the Company:

State Bank of India,
Corporate Accounts Group Branch,
Greams Road, Chennai – 600 006.

Compliance Officer and Company Secretary:

Mr R Madhavan,
Company Secretary
Registered Office:
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madhavan.rajagopalan@wabco-tvs.co.in

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 Email: yourwakil@vsnl.net

IV. CAPITAL STRUCTURE:**A. Pre Scheme:**

Number of Equity Shares	Amount (Rs.)
Authorized Capital	
1,00,000 Equity Shares of Rs. 5/- each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid up Capital	
1,00,000 Equity Shares of Rs. 5/- each	5,00,000
Total	5,00,000

B. Post Scheme:

In terms of the Scheme the Company has issued and allotted on 7th May 2008, 1,89,67,584 Equity Shares of Rs.5/- each fully paid up to the equity shareholders of SCL.

Number of Equity Shares	Amount (Rs.)
Authorized Capital	
2,00,00,000 Equity Shares of Rs.5/- each	10,00,00,000
Total	10,00,00,000
Issued, Subscribed and Paid up Capital	
1,89,67,584 Equity Shares of Rs. 5/- each	9,48,37,920
Total	9,48,37,920

Share premium:

As per the Scheme, the capital structure of the Company has been set out in page no.45 of the Information Memorandum. The capital structure consists of share capital, general reserves and surplus in profit and loss account, and does not have any share premium account.

Notes to Capital Structure:**Authorised Share Capital:**

The Company was incorporated with an authorized share capital of Rs. 5 Lacs divided into 1,00,000 Equity Shares of Rs. 5/- each. In terms of the Scheme, the authorised share capital of the Company stood enhanced to Rs.10,00,00,000/- divided into 2,00,00,000 Equity Shares of Rs.5/- each from the Effective Date.

Issued, Subscribed & Paid up Share Capital:

The signatories to the MOA and Articles subscribed 1,00,000 Equity Shares of Rs.5/- each for cash at par aggregating to Rs.5 Lacs on 18th November 2004. In terms of the Scheme, the Company has issued and allotted on 7th May 2008, 1,89,67,584 Equity Shares fully paid up to the equity shareholders of SCL. Thus, the issued, subscribed and paid up capital of the Company is Rs.9,34,87,920/-.

On and from the Effective Date, 1,00,000 Equity Shares of Rs.5/- each held by SCL and its nominees stood cancelled and extinguished in terms of the Scheme and consequently the Company ceased to be a wholly owned subsidiary of SCL.

Shareholding Pattern:

PRE ARRANGEMENT						
Statement showing shareholding pattern as on: 2 nd May 2008						
Category Code	Category of Equity Shareholder	No. of Equity Shareholders	Total No. of Equity Shares	No. of Equity Shares held in dematerialised form	Total shareholding as % of total no. of Equity Shares	
					As % of (A+B)	As % of (A+B+C)
(A)	Shareholding of the Promoter and Promoter group companies					
(1)	Indian					
(a)	Individuals/Hindu Undivided Family	-	-	-	-	-
(b)	Central Government/State Government(s)	-	-	-	-	-
(c)	Bodies Corporate	1	1,00,000	-	100	100
(d)	Financial Institutions/Banks	-	-	-	-	-
(e)	Any other (Specify)	-	-	-	-	-
	SUB TOTAL (A)(1)	1	1,00,000		100	100
(2)	Foreign					
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-
(c)	Institutions/FII	-	-	-	-	-
(d)	Any other (Specify)	-	-	-	-	-
	SUB TOTAL (A)(2)	-	-	-	-	-
	Total Shareholding of Promoter and Promoter group companies (A)=(A)(1)+(A)(2)	1	1,00,000	-	100	100
(B)	Public shareholding					
(1)	Institutions					
(a)	Mutual Funds / U T I	-	-	-	-	-
(b)	Financial Institutions/Banks	-	-	-	-	-
(c)	Central Government/State Government(s)	-	-	-	-	-
(d)	Venture Capital Fund	-	-	-	-	-

PRE ARRANGEMENT						
Statement showing shareholding pattern as on: 2 nd May 2008						
Category Code	Category of Equity Shareholder	No. of Equity Shareholders	Total No. of Equity Shares	No. of Equity Shares held in dematerialised form	Total shareholding as % of total no. of Equity Shares	
					As % of (A+B)	As % of (A+B+C)
(e)	Insurance Companies	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-
(h)	Any other (Specify)	-	-	-	-	-
	Sub-Total(B) (1)	-	-	-	-	-
(2)	Non-Institutions					
(a)	Bodies Corporate	-	-	-	-	-
(b)	Individuals	-	-	-	-	-
	(i) Individual shareholders holding nominal share Capital up to Rs.1 lakh	-	-	-	-	-
	(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-
(c)	Overseas Body Corporates	-	-	-	-	-
(d)	Non Resident Indians	-	-	-	-	-
(e)	Trust	-	-	-	-	-
(f)	Any other (Specify)	-	-	-	-	-
	Sub-Total (B) (2)	-	-	-	-	-
	Total Public Shareholding (B) = (B) (1) + (B) (2)	-	-	-	-	-
	Total (A)+(B)	-	-	-	-	-
(C)	Shares held by Custodians and against which DRs have been issued	-	-	-	-	-
	GRAND TOTAL (A)+(B)+C)	1	1,00,000	-	100.00	100.00

(1) (b) Statement showing shareholding of persons belonging to the category "Promoter and Promoter group companies".

Sr. No.	Name of the Equity Shareholder	No. of Equity Shares	Equity Shares held as percentage of total no. of Equity Shares {i.e. Grand Total(A)+(B)+C indicated in statement at paragraph(1)(a) above}
1	SCL	1,00,000	100.00
	TOTAL	1,00,000	100.00

The Company having allotted Equity Shares on the Record Date, the question of directors of Promoters selling or buying Equity Shares over the last six months does not arise.

(1) (c) Statement showing shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of Equity Shares

Sr. No.	Name of the Equity Shareholder	No. of Equity Shares	Equity Shares held as percentage of total no. of Equity Shares {i.e. Grand Total(A)+(B)+C indicated in statement at paragraph(1)(a) above}
NOT APPLICABLE			
	Total		

(1) (d) Statement showing details of locked in Equity Shares

Sr. No.	Name of Equity Shareholder	No. of locked in Equity Shares	Locked-in Equity Shares as percentage of total no. of Equity Shares {i.e. Grand Total(A)+(B)+C} indicated in statement at paragraph(1)(a) above}
NOT APPLICABLE			
	TOTAL		

(II) (a) Statement showing details of DRs

Sr. No.	Type of outstanding DRs (ADRs, GDRs, SDRs, etc)	No. of Equity Shares	No. of Equity Shares underlying outstanding DRs	Equity Shares underlying outstanding DRs as a percentage of total no. of Equity Shares {I.e. Grand Total (A)+(B)+C} indicated in Statement at paragraph (1)(a)above}
NOT APPLICABLE				
	TOTAL			

(II) (b) Statement showing holding of DRs where underlying Equity Shares are in excess of 1% of the total number of Equity Shares

Sr. No.	Name of the DRs Holder	Type of outstanding DRs(ADRs, GDRs, SDRs, etc.)	No. of Equity Shares underlying outstanding DRs	Equity Shares underlying outstanding DRs as a percentage of total no. of Equity Shares {I.e. Grand Total (A)+(B)+C} indicated in Statement at paragraph (1)(a)above}
NOT APPLICABLE				
	TOTAL			

POST ARRANGEMENT						
Statement showing shareholding pattern as on: 07.05.2008						
Category Code	Category of Equity Shareholder	No. of Equity Shareholders	Total No. of Equity Shares	No of Equity Shares held in dematerialised form	Total shareholding as % of total no. of Equity Shares	
					As % of (A+B)	As % of (A+B+C)
(A)	Shareholding of 'Promoter and Promoter group companies					
1)	Indian					
(a)	Individuals/Hindu Undivided Family	-	-	-	-	-
(b)	Central Government/State Government(s)	-	-	-	-	-
(c)	Bodies Corporate	4	7744064	-	40.83	40.83
(d)	Financial Institutions/Banks	-	-	-	-	-
(e)	Any other (Specify)	-	-	-	-	-
	SUB TOTAL (A)(1)	4	7744064		40.83	40.83
(2)	Foreign					
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	-	-	-	-	-
(b)	Bodies Corporate	1	7430000	-	39.17	39.17
(c)	Institutions/FII	-	-	-	-	-
(d)	Any other (Specify)	-	-	-	-	-
	SUB TOTAL (A)(2)	1	7430000	-	39.17	39.17
	Total Shareholding of Promoter and Promoter group companies (A)=(A)(1)+(A)(2)	5	15174064	-	80.00	80.00
(B)	Public shareholding					

POST ARRANGEMENT						
Statement showing shareholding pattern as on: 07.05.2008						
Category Code	Category of Equity Shareholder	No. of Equity Shareholders	Total No. of Equity Shares	No of Equity Shares held in dematerialised form	Total shareholding as % of total no. of Equity Shares	
					As % of (A+B)	As % of (A+B+C)
(1)	Institutions	-	-	-	-	-
(a)	Mutual Funds / U T I	12	1111424	1111424	5.86	5.86
(b)	Financial Institutions/Banks	4	26967	26967	0.14	0.14
(c)	Central Government/State Government(s)	-	-	-	-	-
(d)	Venture Capital Fund	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-
(f)	Foreign Institutional Investors	8	160305	160262	0.85	0.85
(g)	Foreign Venture Capital Investors	-	-	-	-	-
	Sub-Total(B) (1)	24	1298696	1298653	6.85	6.85
(2)	Non-Institutions					
(a)	Bodies Corporate	286	329762	327033	1.74	1.74
(b)	Individuals					
	(i) Individual shareholders holding nominal Share Capital up to Rs.1 lakh	17090	1901398	1443731	10.02	10.02
	(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	5	230888	230888	1.22	1.22
(c)	Any Others (Specify)					
(C1)	NRI Repatriable	98	18449	18349	0.10	0.10
(C2)	NRI Non-Repatriable	75	14327	14046	0.07	0.07
	Sub-Total (B) (2)	17554	2494824	2034047	13.15	13.15
	Total Public Shareholding (B) = (B) (1) + (B) (2)	17578	3793520	3332700	20.00	20.00
	Total (A)+(B)	17583	18967584	3332700	100.00	100.00
(C)	Shares held by Custodians and against which DRs have been issued	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	17583	18967584	3332700	100.00	100.00

(1) (b) Statement showing shareholding of persons belonging to the category "Promoter and Promoter group companies".

Sr. No.	Name of the Equity Shareholder	No. of Equity Shares	Equity Shares as percentage of total no. of shares {i.e. Grand Total(A)+(B)+C indicated in statement at paragraph(1)(a) above}
1	TVS	1943066	10.24
2	Sundaram Industries Limited	3094000	16.31
3	Southern Roadways Limited	1546932	8.16
4	Sundaram Finance Limited	1160066	6.12
5	CDH	7430000	39.17
	TOTAL	15174064	80.00

Note: Please refer to the observations at page no.13 under paragraph 1(b) of the pre arrangement – Shareholding Pattern.

(1) (c) Statement showing shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of Equity Shares:

Sr. No.	Name of the Equity Shareholder	No. of Equity	Equity Shares as percentage of total no of Equity Shares {i.e. Grand Total (A)+(B)+C}
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		Shares	indicated in statement at paragraph (1)(a) above}
1.	Sundaram BNP Paribas Mutual Fund	266661	1.406
2.	ICICI Prudential Tax Plan	200000	1.054
	Total	466661	2.460

(1) (d) Statement showing details of locked in Equity Shares:

Sr. No.	Name of Equity Shareholder	No. of locked in Equity Shares	Locked-in Equity Shares as percentage of total no. of Equity Shares {i.e. Grand Total(A)+(B)+C} indicated in statement at paragraph (1)(a) above}
NA			
	TOTAL		

(II) (a) Statement showing details of DRs

Sr. No.	Type of outstanding DRs (ADRs, GDRs, SDRs, etc)	No of shares	No of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total no. of shares {I.e. Grand Total (A)+(B)+C} indicated in Statement at paragraph (1)(a)above}
NA				
	TOTAL			

(II) (b) Statement showing holding of DRs where underlying Equity Shares are in excess of 1% of the total number of Equity Shares

Sr. No.	Name of the DR Holder	Type of outstanding DRs (ADRs, GDRs, SDRs, etc.)	No. of Equity Shares underlying outstanding DRs	Equity Shares underlying outstanding DRs as a percentage of total no. of Equity Shares {I.e. Grand Total (A)+(B)+C} indicated in Statement at paragraph (1)(a)above}
NA				
	TOTAL			

(III) Statement showing the top ten Equity Shareholders as on 7th May 2008

Sr. No.	Name of the Equity Shareholder	No. of Equity Shares	% to the paid-up capital	Nature of interest in the Company
1	CDH	74,30,000	39.17	Promoter
2	Sundaram Industries Limited	30,94,000	16.31	Promoter
3	TVS	19,43,066	10.24	Promoter
4	Southern Roadways Limited	15,46,932	8.16	Promoter
5	Sundaram Finance Limited	11,60,066	6.12	Promoter
6	Sundaram BNP Paribas Mutual Fund	2,66,661	1.41	-
7	ICICI Prudential Tax Plan	2,00,000	1.05	-
8	Principal Trustee Company Private Limited	1,74,055	0.92	-
9	Birla Sun Life Trustee Company Private Limited	1,04,836	0.55	-
10	ICICI Prudential Services Industries Fund	85,300	0.45	-

Notes:

- As on date of the Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares.
- There will be no further issue of capital by the Company whether by way of issue of bonus shares, preferential allotment of shares and by way of a rights issue or in any other manner during the period commencing from the date of sanction of the Scheme by the Hon'ble High Court of Madras till listing of the Equity Shares as per the Scheme.
- The face value of the Equity Shares is Rs. 5/- and there shall be only one denomination for the Equity Shares, subject to applicable regulations and the Company shall comply with such disclosure and accounting norms specified by SEBI, from time to time.

4. The Company has 17,544 members as on the date of filing the Information Memorandum.

V. OBJECTS OF THE SCHEME:

1. SCL was incorporated in 1962 with an initial paid up equity capital of Rs.82 lakhs of which 51% was contributed by the TVS Group and 49% was contributed by CDH. The primary businesses of SCL were (a) Brakes Business and (b) Non-Brakes Business.
2. SCL offered its shares to the public through a prospectus and from October 1983, the shareholding pattern of SCL has been as follows:

Particulars	Shareholding %
TVS Group	40.83
CDH	39.17
Public shareholders	20.00

The shares of SCL are listed and regularly traded on the Stock Exchanges.

3. The TVS Group has been diversifying the operations of SCL by investing in the manufacture of two wheelers and computer peripherals.
4. CDH is an indirectly wholly owned subsidiary of WABCO Europe BVBA which is in turn, an indirectly wholly owned subsidiary of WABCO Holdings Inc., one of the world's leading providers of electronic braking, stability, suspension and transmission automation systems for heavy duty commercial vehicles, while the TVS Group is a leading producer of automotive components, two-wheelers, electronic hardware and major distributors of automotives and spare parts in addition to operating goods transport and financial services.
5. Both Promoters of SCL, namely the TVS Group and CDH, were of the opinion that the Brakes Business required focused attention as a separate entity to make it more competitive under the present economic environment in view of *inter alia* (a) the business opportunities available (b) the significant increase of road and highway infrastructure and (c) regulations to be announced by the Government for improved safety and environmental compliance.
6. The Brakes Business also required new and latest technology to maintain its market leadership position and respond to the future needs of the Indian commercial vehicle markets for enhanced braking and advanced safety and performance systems and to improve its competitiveness against the recent entry of globally positioned competitors and to develop future markets both in India and overseas. On the other hand, the Non Brakes Business, especially the foundry business comprised therein, required increased attention to external operations and developing export markets.
7. Under the circumstances, the Company was promoted by SCL as its wholly owned subsidiary with an authorized and paid-up capital of Rs.5,00,000/- consisting of 1,00,000 Equity Shares with a view to demerge the Brakes Business of SCL by the Scheme under sections 391 to 394 of the Act. The Equity Shareholders and the equity shareholders of SCL approved the Scheme unanimously and the Hon'ble High Court of Madras also sanctioned the Scheme without any modification on 20th February 2008.
8. The Scheme was approved with a view to achieve the business purposes and objectives of, *inter alia*, enabling greater management focus on the respective businesses of the two Promoters, permitting them to focus their resources on their respective businesses, permitting independent decisions regarding the use

of cash flows for dividends, capital expenditure or other reinvestment in their respective businesses.

9. The public shareholders of SCL from the Effective Date, apart from continuing to be the equity shareholders of SCL are also now the Equity Shareholders.

Brief financial details of the Demerged Company:

(Rs.in crores except for per share data)

Particulars	*2007	2006	2005	2004
	Audited			
Total Income	864.81	674.60	568.83	445.78
Profits Before Tax and Exceptional Items	128.08	106.31	76.33	66.36
Net Profits After Tax and Exceptional Items	91.16	74.47	53.26	46.87
Equity Share Capital	18.97	18.97	18.97	18.97
EPS	48.06	39.26	28.08	24.25
Return on Capital Employed	27.80%	28.10%	25.70%	29.20%

* Includes Pre Demerger data of the Demerged Undertaking

VI. SALIENT FEATURES OF THE SCHEME :

- The Demerged Undertaking was transferred to and vested in the Company with effect from the Appointed Date in terms of the Scheme.
- The particulars of assets and liabilities of the Brakes Business transferred to the Company, in terms of the Scheme, as on the Appointed Date are furnished below:

(Rs.in Lakhs)

Particulars	Amount
<i>Assets</i>	
Fixed Assets	10126.79
Leasehold Land	351.59
Capital Work in Progress	332.61
Investments	820.02
Current Assets, Loans and Advances	9,842.59
Total Assets (A)	21,473.60
<i>Liabilities</i>	
Loan Funds – Unsecured loans	1,204.99
Current Liabilities and Provisions	8,273.53
Total Liabilities (B)	9,478.52
Surplus (A) – (B)	11,995.08

- The surplus amount representing the excess of the Total Assets (A) over the Total Liabilities (B) of the Brakes Business of SCL was also transferred to the Company as detailed below:

(Rs. in Lakhs)

Share Capital	948.38
General Reserve	7832.12
Profit and Loss (Surplus)	3214.58
Total	11995.08

- The Scheme inter alia also provided for the reduction in the face value of equity shares of SCL from Rs. 10/- to Rs. 5 each. In lieu thereof, the equity shareholders of SCL whose names stood in the Register of Members as on the Record Date were allotted one Equity Share of Rs.5/- each in the Company credited as fully paid for every one equity share of Rs.10/- each held by them in SCL as on that date.

5. The Equity Shares so allotted by the Company in pursuance of the Scheme would also be listed on the Stock Exchanges where the equity shares of SCL were listed.
6. 1,00,000 Equity Shares held by SCL and its nominees in the Company were cancelled and extinguished on the Effective Date.
7. During the period of two (2) years from the date of listing of the Equity Shares on a recognised Indian stock exchange (a) CDH shall, subject to prior mutual written agreement between CDH and TVS, transfer, and the TVS Group shall obtain, in one or more transactions the entire equity shareholding held by CDH in the Demerged Company at the Transfer Amount, and (b) the TVS Group shall, subject to prior mutual written agreement between CDH and TVS, transfer, and CDH shall obtain, in one or more transactions the entire equity shareholding of the TVS Group in the Company at the Transfer Amount.
8. Upon acquisition of more than 54.17% of the issued and paid up equity share capital of the Company by CDH and consequent management control of the Company by CDH, the Board shall be reconstituted by CDH.
9. SCL will enter into an agreement with the Company for use of the brand name "Sundaram" and "TVS" by it for such period and on such terms and conditions, as may be mutually agreed between SCL and the Company.

VII. STATEMENT OF POSSIBLE TAX BENEFITS:

Based on the understanding of current laws applicable, the following tax benefits shall be available to the Company and the Equity Shareholders / prospective Equity Shareholders under the current direct tax laws.

A. Under the I.T Act, 1961:

I. Benefits available to the Company:

1. As per section 10(33) of the IT Act, any income arising from a transfer of a capital asset, being a unit of the Unit Scheme, 1964 referred to in Schedule I to the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002) is not liable to tax where transfer of such asset takes place on or after the 1st Day of April, 2002.
2. As per section 10(34) of the IT Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1st April, 2003 by domestic companies) received on the shares of any Company is exempt from tax.
3. As per section 10(35) of the IT Act, the following income will be exempt in the hands of the Company:
 - a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
 - b. Income received in respect of units from the Administrator of the specified undertaking; or
 - c. Income received in respect of units from the specified Company: However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be. For this purpose (i)

"Administrator" means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002) and (ii) "Specified Company" means a Company as referred to in section 2(h) of the said Act.

4. As per section 10(38) of the IT Act, any income arising from the transfer of a long term capital asset, being an equity share in a Company or a unit of an Equity Oriented Fund where the transaction of sale of such equity share or unit is entered into on or after the date on which Chapter VII of the Finance Act, 2004 comes into force and such transaction is chargeable to securities transaction tax under that chapter shall not be included in the total income of the assessee. However, while calculating the book profits for the purpose of Section 115 JB of the IT Act, the long term capital gains to which the provisions of Section 10(38) of the IT Act apply will have to be included and the company will be required to pay, on book profits, MAT @ 10% plus applicable surcharge viz., 10% of the tax payable and education cess of 3% on the tax and surcharge.
5. The Company is entitled to claim additional depreciation @ 20% (10% if the assets are used for less than 182 days) of the actual cost in accordance with provisions of section 32(1)(iia) for the purchase of specified new plant and machinery acquired and installed after 31st March 2005.
6. In accordance with and subject to the provisions of Section 35 of the IT Act, the Company would be entitled to deduction in respect of expenditure laid out or expended on scientific research related to the business and on any amount paid to any scientific research association which has as its object the undertaking of scientific research or to a university, college or other institution to be used for scientific research.
7. In accordance with the provisions of section 35DD of the IT Act, expenditure incurred wholly or exclusively for the purpose of amalgamation or demerger of an undertaking, after 1st April 1999 the Company shall be allowed a deduction of an amount equal to one fifth of such expenses for each of the five consecutive previous years beginning with the previous year in which the amalgamation or demerger takes place.
8. As per section 54EC of the IT Act and subject to the conditions and to the extent specified therein, where the capital gain arises from the transfer of a long term capital asset (the capital asset so transferred being hereafter in this section referred to as the original asset) and the assessee has, at any time within a period of six months after the date of such transfer, invested the whole or any part of capital gains in the Long Term Specified Asset, the capital gain shall be dealt with in accordance with the following provisions of this section: if the cost of the Long Term Specified Asset is not less than the capital gain arising from the transfer of the original asset, the whole of such capital gains shall not be charged u/s 45 and if the cost of the long term capital asset is less than the capital gains arising from the transfer of the original asset, so much of the capital gain as bears to the whole of the capital gain the same proportion as the cost of acquisition of the long term capital asset bears to the whole of the capital gain, shall not be charged u/s 45. Provided that the investment made on or after the 1st day of April 2007, in the Long Term Specified Asset by an assessee during any financial year does not exceed fifty lakh rupees.
9. As per section 74 of the IT Act, Where in respect of any assessment year, the net result of the computation under the head "Capital gains" is a loss to the assessee, the whole loss shall, subject to the other provisions of this Chapter, be carried forward to the following assessment year, and in so far as such loss relates to a short-term capital asset, it shall be set off against income, if any,

- under the head "Capital gains" assessable for that assessment year in respect of any other capital asset; in so far as such loss relates to a long-term capital asset, it shall be set off against income, if any, under the head "Capital gains" assessable for that assessment year in respect of any other capital asset not being a short-term capital asset; if the loss cannot be wholly so set off, the amount of loss not so set off shall be carried forward to the following assessment year and so on. No loss shall be carried forward under this section for more than eight assessment years immediately succeeding the assessment year for which the loss was first computed.
10. As per section 111A of the IT Act, where the total income of an assessee includes any income chargeable under the head "capital gains" arising from the transfer of a short term capital asset, being an equity share in a Company or a unit of an Equity Oriented Fund and the transaction of sale of such equity share or unit is entered into on or after the date on which Chapter VII of the Finance Act, 2004 comes into force and such transaction is chargeable to securities transaction tax under that chapter, then the tax payable by the assessee shall be the amount of income tax calculated on such short term capital gains at the rate of 15%. As per section 112 of the IT Act, taxable long-term capital gains, if any, on sale of listed securities or units or zero coupon bonds which have not suffered Securities transaction tax will be charged to tax at the concessional rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the IT Act or at 10% (plus applicable surcharge and education cess) without indexation benefits whichever is beneficial to the assessee. Under section 48 of the IT Act, the long term capital gains arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition/ improvement.
11. Under section 115JAA(1A) of the IT Act, where any amount of tax is paid under sub-section (1) of section 115JB, by an assessee, being a Company, for the assessment year commencing on the 1st day of April 2006, and any subsequent assessment year, then, credit in respect of tax so paid shall be allowed to him in accordance with the provisions of this section. The tax credit to be allowed under sub-section (1A) shall be the difference of the tax paid for any assessment year under sub-section (1) of section 115 JB and the amount of tax payable by the assessee on his total income computed in accordance with the other provisions of this Act. Such MAT credit is allowed to be carried forward for set off purposes for up to 7 years succeeding the year in which the tax was paid under MAT.

II. Benefits available to Resident Shareholders:

- 1) As per section 10(34) of the IT Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by the domestic companies) received on the Equity Shares is exempt from tax.
- 2) As per section 10(38) of the IT Act, any income arising from the transfer of a long term capital asset, being an equity share in a Company or a unit of an equity oriented fund where the transaction of sale of such equity share or unit is entered into on or after the date on which Chapter VII of the Finance Act, 2004 comes into force and such transaction is chargeable to securities transaction tax under that chapter shall not be included in the total income of the assessee.
- 3) As per section 54EC of the IT Act and subject to the conditions and to the extent specified therein, where the capital gain arises from the transfer of a long term capital asset (the capital asset so transferred being hereafter in this section referred to as the original asset) and the assessee has, at any time within a period of six months after the date of such transfer, invested the whole or any

part of capital gains in the Long Term Specified Asset, the capital gain shall be dealt with in accordance with the following provisions of this section: if the cost of the Long Term Specified Asset is not less than the capital gain arising from the transfer of the original asset, the whole of such capital gains shall not be charged u/s 45 and if the cost of the long term capital asset is less than the capital gains arising from the transfer of the original asset, so much of the capital gain as bears to the whole of the capital gain the same proportion as the cost of acquisition of the long term capital asset bears to the whole of the capital gain, shall not be charged u/s 45. Provided that the investment made on or after the 1st day of April 2007, in the Long Term Specified Asset by an assessee during any financial year does not exceed fifty-lakh rupees. Where the Long Term Specified Asset is transferred or converted (otherwise than by transfer) into money at any time within a period of three years from the date of its acquisition, the amount of capital gains arising from the transfer of the original asset not charged under section 45 on the basis of the cost of such Long Term Specified Asset shall be deemed to be the income chargeable under the head "Capital gains" relating to long-term capital asset of the previous year in which the Long Term Specified Asset is transferred or converted (otherwise than by transfer) into money.

- 4) As per section 54F of the IT Act, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the Equity Shares held by an individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years. Such benefit will not be available:
 - i) if the individual or Hindu Undivided Family owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or purchases another residential house , other than the new residential house within a period of one year after the date of transfer of the Equity Shares; or constructs another residential house , other than the new residential house within a period of three years after the date of transfer of the Equity shares; and
 - ii) the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property". If only a part of the net consideration is so invested, so much of the capital gain as bears to the whole of the capital gain, the same proportion as the cost of the new residential house bears to the net consideration, will be exempt. If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.
- 5) As per section 74 of the IT Act, Where in respect of any assessment year, the net result of the computation under the head "Capital gains" is a loss to the assessee, the whole loss shall, subject to the other provisions of this Chapter, be carried forward to the following assessment year, and in so far as such loss relates to a short-term capital asset, it shall be set off against income, if any, under the head "Capital gains" assessable for that assessment year in respect of any other capital asset; in so far as such loss relates to a long-term capital asset, it shall be set off against income, if any, under the head "Capital gains" assessable for that assessment year in respect of any other capital asset not being a short-term capital asset; if the loss cannot be wholly so set off, the amount of loss not so set off shall be carried forward to the following assessment

year and so on. No loss shall be carried forward under this section for more than eight assessment years immediately succeeding the assessment year for which the loss was first computed.

- 6) As per section 111A of the IT Act, where the total income of an assessee includes any income chargeable under the head "capital gains" arising from the transfer of a short term capital asset, being an equity share in a Company or a unit of an equity oriented fund and the transaction of sale of such equity share or unit is entered into on or after the date on which Chapter VII of the Finance Act, 2004 comes into force and such transaction is chargeable to securities transaction tax under that chapter, then the tax payable by the assessee shall be the amount of income tax calculated on such short term capital gains at the rate of 15%.
- 7) As per section 112 of the IT Act, taxable long-term capital gains, if any, on sale of listed securities or units or zero coupon bonds which have not suffered Securities transaction tax will be charged to tax at the rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits or at 10% (plus applicable surcharge and education cess) without indexation benefits, whichever is beneficial to the assessee. Under section 48 of the IT Act, the long term capital gains arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition/ improvement.

III. Benefits available to Non-Resident Indians/Non-Resident Shareholders (Other than FIIs and Venture Capital Companies / Funds):

1. As per section 10(34) of the IT Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by the Company) received on the Equity Shares of the Company is exempt from tax.
2. As per section 10(38) of the IT Act, any income arising from the transfer of a long term capital asset, being an equity share in a Company or a unit of an equity oriented fund where the transaction of sale of such equity share or unit is entered into on or after the date on which Chapter VII of the Finance Act, 2004 comes into force and such transaction is chargeable to securities transaction tax under that chapter shall not be included in the total income of the assessee.
3. As per first proviso to section 48 of the IT Act, in case of a non resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively incurred in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost Indexation benefit will not be available in such a case. As per section 112 of the IT Act, taxable long-term capital gains, if any, on sale of long term capital assets of the Company will be charged to tax at the rate of 20% (plus applicable surcharge and education cess).
4. As per section 54EC of the IT Act and subject to the conditions and to the extent specified therein, where the capital gain arises from the transfer of a long term capital asset (the capital asset so transferred being hereafter in this section referred to as the original asset) and the assessee has, at any time within a period of six months after the date of such transfer, invested the whole or any part of capital gains in the Long Term Specified Asset, the capital gain shall be dealt with in accordance with the following provisions of this section: if the cost of the Long Term Specified Asset is not less than the capital gain arising from the transfer of the original asset, the whole of such capital gains shall not be charged

u/s 45 and if the cost of the long term capital asset is less than the capital gains arising from the transfer of the original asset, so much of the capital gain as bears to the whole of the capital gain the same proportion as the cost of acquisition of the long term capital asset bears to the whole of the capital gain, shall not be charged u/s 45. Provided that the investment made on or after the 1st day of April 2007, in the Long Term Specified Asset by an assessee during any financial year does not exceed fifty lakh rupees. Where the Long Term Specified Asset is transferred or converted (otherwise than by transfer) into money at any time within a period of three years from the date of its acquisition, the amount of capital gains arising from the transfer of the original asset not charged under section 45 on the basis of the cost of such Long Term Specified Asset shall be deemed to be the income chargeable under the head "Capital gains" relating to long-term capital asset of the previous year in which the Long Term Specified Asset is transferred or converted (otherwise than by transfer) into money.

5. As per section 54F of the IT Act, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years. Such benefit will not be available if the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gain as bears to the whole of the capital gain, the same proportion as the cost of the new residential house bears to the net consideration, will be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

6. As per section 74, Where in respect of any assessment year, the net result of the computation under the head "Capital gains" is a loss to the assessee, the whole loss shall, subject to the other provisions of this Chapter, be carried forward to the following assessment year, and in so far as such loss relates to a short-term capital asset, it shall be set off against income, if any, under the head "Capital gains" assessable for that assessment year in respect of any other capital asset; in so far as such loss relates to a long-term capital asset, it shall be set off against income, if any, under the head "Capital gains" assessable for that assessment year in respect of any other capital asset not being a short-term capital asset; if the loss cannot be wholly so set off, the amount of loss not so set off shall be carried forward to the following assessment year and so on. No loss shall be carried forward under this section for more than eight assessment years immediately succeeding the assessment year for which the loss was first computed.
7. As per section 111A of the IT Act, where the total income of an assessee includes any income chargeable under the head "capital gains" arising from the transfer of a short term capital asset, being an equity share in a Company or a unit of an equity oriented fund and the transaction of sale of such equity share or unit is entered into on or after the date on which Chapter VII of the Finance Act, 2004 comes into force and such transaction is chargeable to securities transaction tax under that chapter, then the tax payable by the assessee shall be the amount of income tax calculated on such short term capital gains at the rate of 15%.

8. As per section 115E of the IT Act, in the case of a shareholder being a non-resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, long term capital gains arising on transfer of the shares of the Company (in cases not covered under section 10(38) of the IT Act) will be subject to tax at the rate of 10% (plus applicable surcharge and education cess),
9. As per section 115F of the IT Act and subject to the conditions specified therein, in the case of a shareholder being a non-resident Indian, gains arising on transfer of a long term capital asset being shares of the Company will not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the IT Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the IT Act then such gains would not be chargeable to tax on a proportionate basis. Further, if the specified asset or savings certificate in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.
10. As per section 115G of the IT Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the IT Act, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the IT Act.
11. As per section 115H of the IT Act, where Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the IT Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
12. As per section 115I of the IT Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing a declaration along with his return of income for that assessment year under section 139 of the IT Act, that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the IT Act.

Provisions of the Act vis-à-vis provisions of the Tax Treaty:

In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non resident.

IV. Benefits available to FII's:

1. As per section 10(34) of the IT Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1st April

2003 by the Company) received on the shares of the Company is exempt from tax.

2. As per section 10(38) of the IT Act, long-term capital gains arising from the transfer of long-term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt to tax in the hands of the FIIs.
3. As per section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the IT Act) arising upto a maximum of 50 Lakhs on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "Long Term Specified Asset" within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the Long Term Specified Asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the Long Term Specified Asset is transferred or converted into money.
4. As per section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.
5. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.
6. As per section 111A of the IT Act, short-term capital gains arising from the sale of Equity Shares transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess).
7. As per section 115AD of the IT Act, FIIs will be taxed on the capital gains in respect of securities that are not exempt under the provision of section 10(38) of the IT Act, at the following rates:

Nature of income	Rate of tax (%)
Long term capital gains	10
Short term capital gains - Non STT Suffered	30
Short Term Capital Gains - STT Suffered	15

The above tax rates have to be increased by the applicable surcharge and education cess.

In case of long term capital gains, (in cases not covered under section 10(38) of the IT Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

V. Benefits available to Mutual Funds:

As per section 10(23D) of the IT Act, any income of Mutual Funds registered under the SEBI Act or Regulations made thereunder, Mutual Funds set up by

public sector banks or public financial institutions and Mutual Funds authorised by the RBI will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

VI. Benefits available to Venture Capital Companies / Funds:

As per section 10(23FB) of the IT Act, all Venture Capital Companies / Funds registered with the SEBI, subject to the conditions specified, are eligible for exemption from income tax on their entire income, including income from the sale of Equity Shares. However, income received by a person out of investment made in a venture capital Company or in a venture capital fund shall be chargeable to tax in the hands of such person.

B. Benefits available under the Wealth Tax Act, 1957:

Asset as defined under section 2(ea) of the above Act, does not include shares in companies and hence, Equity Shares are not liable to wealth tax.

C. Benefits available under the Gift Tax Act:

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of Equity Shares will not attract gift tax. The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

NOTES:

- i. All the above benefits are as per the current tax laws.
- ii. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the Equity Shares.

VIII. ABOUT THE COMPANY:

Industry Overview:

The Indian auto component industry can grow to USD 33 – 40 billion by 2015 (Source: Vision 2015 for Indian Auto-components Industry prepared by ACMA – McKinsey). The industry generated sales of USD18 billion in the fiscal year 2007-08 (Source: ACMA), including USD 3.6 billion worth of exports. Figures of 2008-09 are also likely to be this magnitude.

The three main factors providing impetus to this industry are –

- Growing domestic automobile industry (two-wheelers, commercial vehicles, tractors and passenger cars),
- Aftermarket sales and servicing industry, and
- Outsourcing of component manufacturing to India and China by the vehicle manufacturers in the western hemisphere.

Even as the Indian auto component industry is making its presence felt in the global markets, Chinese component makers are also making a significant entry into all markets including India. Increase in input costs and constant appreciation of the rupee against the US dollar have put the margins under pressure for several Indian auto component manufacturers.

Business Overview:

The Demerged Undertaking having been transferred to and vested in the Company in accordance with the Scheme, the Company is the successor of the Brakes Business of SCL and continues to be the joint venture between CDH, which is an indirectly wholly owned subsidiary of WABCO Europe BVBA which is an indirectly wholly owned subsidiary of WABCO Holdings Inc., and the TVS Group in India.

The Company therefore continues to be a leading supplier of air and air assist actuation systems for brakes to the commercial vehicle industry in India. The products include air compressors, actuation systems, control valves, anti-lock brake systems and electronic brake systems.

All commercial vehicles above 9T GVW are fitted with air brake systems and the business growth of the Company is dependent on the production of commercial vehicles. The Company is also a leading supplier in the after market segment.

Location of the Project:

The Company has three manufacturing locations, two in Chennai, Tamil Nadu, India and one in Jamshedpur, Jharkhand, India.

The Ambattur facility in Chennai was established in 2005 at Plant I, Plot No.3 (SP), III Main Road, Ambattur Industrial Estate, Ambattur, Chennai 600 058 by SCL.

Similarly, in 2007, a new manufacturing facility was established by SCL in Jamshedpur, at Plant II, Large Sector, Adityapur Industrial Area, Gamharia, Seraikella-Kharsawan District, Jharkhand 832 108, closer to its biggest customer Tata Motors to cater their requirements.

The third facility in Mahindra World City, a Special Economic Zone, has been set up at Plant III, Plot No. AA8, Central Avenue, Auto Ancillary SEZ, Mahindra World City, Nathan Sub-Post, Chengalpet, Kancheepuram District, 603 002 to cater to the export requirements. This plant will cater to the requirements of WABCO exclusively.

Plant, machinery, technology, process, etc:

The facilities at the Ambattur plant include machining, assembly and testing of products for air brake actuation system with an annual capacity of 300,000 sets. The Jamshedpur plant currently has assembly operations only, while Mahindra city currently has capacity for machining only. Investments will be made in both the plants to augment the capacities depending upon the market conditions. All the plants use modern concepts like LPS, TQM and TPM and are acclaimed as best-in-class in the industry.

Collaborations, any performance guarantee or assistance in marketing by the collaborators:

The Company has access through licenses to the products and processes technology of WABCO and a strong manufacturing background on account of its association with the TVS Group. This combination will help to exploit the opportunities both in the domestic and export markets by offering the full range of brake actuation system aggregates of very high quality at competitive prices. All the products of the Company carry a warranty of 18 months trouble free service.

Infrastructure facilities for raw materials and utilities like water, electricity, etc:

The inputs used in the manufacture of the Company's products are aluminum die-castings, steel sheets and rounds, rubber and plastic products. These are sourced from domestic and overseas manufacturers, who are carefully selected and developed through a structured supplier identification and development process. This will ensure continuous supply of high quality products at competitive prices.

Electric power is drawn from the state grid and all factories have adequate installed capacities for in-house generation at the time of power outages.

Adequate supply of water is also ensured for all factories either through ground water exploitation or external supply. The processes employed in all factories are environment friendly and the factories meet the current norm of "zero discharge" from pollution angle. The main factory at Ambattur, Chennai, has ISO 14001 certification for environmental standards and other factories will get this certification in the next two years.

Products / services:

Being the successor of the Brakes Business of SCL, the Brakes Business of the Company continues to be the pioneer in design and development of air brake actuation systems in India. Consequent upon the transfer of and vesting in the Company of the Demerged Undertaking in terms of the Scheme, the Company has acquired a full-fledged R & D department. The R & D department is equipped with state-of-the-art development and testing facilities for developing new products including an ultra modern test track, one of its kind in India.

The Company has a strong distribution network, taken over from SCL under the Scheme, to cater its products to the aftermarket. The Company also has more than 100 authorized service centers and certified workshops across the country to provide efficient in-service support.

The Company has software development centers in Chennai exclusively for WABCO and provides embedded software for advanced braking and vehicle stability systems. They are located in the following places, namely Ispahani Centre", 7th Floor, 123/124 Nungambakkam High Road, Chennai 600 034 and Module No – 1107, D Block, 11th Floor Tidel Park, No.04 Rajiv Gandhi Salai, Taramani, Chennai 600 113, Tamilnadu, India.

Business Strategy:**Brief Statement about Business Strategy:**

The Company's strategy:

- Cost leadership in conventional products,
- Leveraging WABCO technology to bring world class products at competitive prices to the Indian market,
- Use best practices like TQM, LPS, TPM for achieving manufacturing excellence.

Brief Statement about Future Prospects, including Capacity and Capacity Utilization and Projections:

The Company plans to double its production over the next four years and has initiated actions towards that end. New plants are being built for increasing capacity. The growth will come from export business with WABCO and the growing domestic Indian commercial vehicles (fitted with air brakes) market.

Competitive Strengths:

1. Capability to offer complete braking system solutions;
2. New product development through in-house R&D;
3. Manufacturing excellence through TQM and TPM; and
4. Wide sales and service network.

Key Industry Regulations:

Except for the normal regulations that are applicable to the engineering industry, there are no specific regulations governing the auto components industry.

History and Management:

The Company was incorporated under the Act as a public limited company bearing the name Auto (India) Engineering Limited (a wholly owned subsidiary of SCL) on 18th November 2004 with an authorised share capital of Rs. 5,00,000/- divided into 1,00,000 equity shares of Rs.5/- each registered under CIN No. U34103TN2004PLC054667. The Company obtained the required Certificate of Commencement of Business.

The name of the Company was changed to its present name i.e. WABCO-TVS (INDIA) Limited by a special resolution of the shareholders of the Company passed on 19th April 2007. The ROC issued a fresh Certificate of Incorporation consequent to the change in name of the Company on 3rd May 2007. The registered office of the Company is at No. 29, Haddows road, Chennai – 600 006.

The Company entered into the Scheme with SCL and their respective shareholders and creditors. The Scheme was sanctioned by Hon'ble High Court of Madras on 20th February 2008. In terms of the Scheme, the Company has taken over the Brakes Business of SCL from 28th March 2008 being the Effective Date.

Main Objects:

The main objects of the Company as stated in its MOA are reproduced below:

1. To carry on the business of manufacturers of, and merchants of accessories of vehicles of every kind and engines of every kind.
2. To manufacture, produce, repair, export, import, purchase, sell in and generally to carry on business in the manufacture, sale and supply of air assist and full air brake actuation systems and components and accessories thereof for automotive and non-automotive applications, besides other components for vehicles of every kind and for this purpose, to acquire the whole or any part of the undertaking and assets of any business, and to enter into any arrangement for reconstructing the company, by way of takeover, merger, demerger, amalgamation, acquisition or schemes, within the objects of the company.

3. To carry on the business of manufacturers and dealers in, hirers, repairers, cleaners, storers and warehouseers of motor cars, motor cycles, cycle cars, motor, scooters, cycles, bicycles and carriages, launches, boats and other conveyances of all descriptions, whether propelled or assisted, by means of petrol, spirit, steam, gas, electrical, or through power and all engines, chassis, bodies, component parts, accessories, fittings and other things used in or capable of being used in or in connection with vehicles and engines stationary or otherwise.
4. To carry on the business of iron and steel foundries and foundries of non-ferrous metals in all their branches and to carry on business of smelters and of casting, forming and shaping parts and components of plant, machinery and equipment and articles of every description of ferrous and non-ferrous metals and other materials.
5. To carry on in India or in any part of the world, business relating to the design, development, and testing of components of all kinds for use in automotive and non-automotive applications, manufacturing, producing, assembling, fitting up, repairing, servicing, converting, overhauling, maintaining, rendering services of all and every kind of descriptions, buying, selling, distributing, exporting, importing, exchanging, altering, hiring, letting on hire, improving, repairing and dealing in all kinds of electronic devices.
6. To conduct research in computer software and systems as well as computer programmes and programming languages and to develop, implement, manufacture, assemble, alter, convert, modify, buy, sell, import, export, give or take on lease or on licence or on hire, service or otherwise deal in software, programmes and programming languages, systems including expert systems and other packages for computers, computer hardware, calculators, computer peripherals and accessories, data processing including electronic data processing, printers, hard discs, floppy discs, magnetic tapes and other – data storage devices, integrated and micro electronic circuits, silicon and other electronic chips, voltage stabilizers and uninterrupted power supply systems – all relating to design and development of components for use in automotive and non-automotive applications which include providing consultancy in the areas of computer, computer hardware, software, systems including information systems and expert systems, artificial intelligence and robotics and acting as consultants and advisors on all kinds of electronic devices for business, commercial, industrial, scientific, professional, academic and all other kinds of applications and providing data processing and other allied clerical, supervisor and expert services and to supply to the users, systems help, know-how, programmes and other softwares, user and other manuals, drawings and designs, technical documentation and all other brochures and literature relating to the use of the aforesaid machines, equipments and apparatus; and providing training to individuals, business organizations and all types of customers in all the areas concerning the above including by establishing and running computer training centres.

Changes in the MOA:

Date	Particulars
19.4.2007	Name changed to WABCO-TVS (INDIA) Limited and the same was approved by the ROC effective 3 rd May 2007.
17.3.2008	Amendments made to the objects clause. Sub clauses 5 and 6 were added to Clause III (A) of the MOA.
28.3.2008	The authorised share capital of the Company was increased to Rs.10,00,00,000/- divided into 2,00,00,000 Equity Shares in terms of the Scheme.

Subsidiaries:

There are no subsidiaries of the Company.

Strategic / Financial Partners and other material contracts:

The Company does not have any strategic/financial partner other than technical and financial collaboration with the Promoters. There has been no material contract which is not in the ordinary course of business and which has devolved upon the Company in terms of the Scheme or which has been entered into by the Company after the Effective Date.

Board:

The Board comprises eight members.

The Company has reconstituted its Board by inducting new Directors to comply with the relevant Corporate Governance guidelines issued by SEBI.

The composition of the Board as of date, is as given below:

Sr. No.	Name, Designation, Father's Name, Address, DIN and Occupation	Nationality / Age	Other Directorships
1.	Mr Venu Srinivasan Chairman S/o.Mr T S Srinivasan No.3 Adyar Club Gate Rd Chennai 600 006 DIN:00051523 Industrialist	Indian 56	Sundaram-Clayton Limited TVS Motor Company Limited Harita-NTI Limited TVS Finance and Services Limited Lucas TVS Limited T V Sundram Iyengar & Sons Ltd Sundaram Textiles Limited Southern Roadways Limited Sundram Fasteners Limited Cummins India Limited Sundram Non-Conventional Energy Systems Limited TVS Lanka Private Limited TVS Motor (Singapore) PTE Ltd TVS Energy Private Limited TVS Investments Limited
2.	Mr H. Lakshmanan Director S/o Mr S Harihara Iyer "Palacio" Apartment No.D1 (First Floor) No.408 (Old No.216) TTK Road Alwarpet, Chennai 600 018 DIN:00057973 Company Executive	Indian 75	TVS Motor Company Limited Harita Seating Systems Limited Anusha Investments Limited Sundaram Auto Components Limited Auto (India) Engineering Limited TVS Electronics Limited Harita-NTI Limited TVS Investments Limited Sundaram Investment Limited Harita TVS Technologies Inc., USA TVS-E Technologies Limited Harita Techserv Limited TVS Capital Funds Limited TVS Finance and Services Limited Harita Properties Private Limited TVS Motor (Singapore) Pte Limited TVS Motor Company (Europe) B.V, Netherlands PT TVS Motor Company (Indonesia) Harita Interiors Private Limited TVS Energy Private Limited
3.	Mr C. N. Prasad Whole-time Director P No.1822, III Floor 13 th Main Road Anna Nagar West Chennai 600 040	Indian 61	Harita Seating Systems Limited Auto (India) Engineering Limited Harita Polymer Private Limited

Sr. No.	Name, Designation, Father's Name, Address, DIN and Occupation	Nationality / Age	Other Directorships
	DIN: 01950656 Company Executive		
4.	Mr Nikhil Madhukar Varty Director Wabco Europe BVBA Chaussee de Wavre 1789, Box 15, 1160, Brussels Belgium DIN:00767038 Company Executive	USA 44	Sundaram-Clayton Limited WABCO Compressor Mfg. Co. (USA)
5.	Mr Leon Liu Director Wabco Vehicle Control Systems Wabco Shanghai Co. Ltd 35F, 1, Grand Gateway No.1, Hongqiao Road Shanghai 200030 DIN:00771554 Company Executive	USA 47	Sundaram-Clayton Limited WABCO Korea Limited Shandong Weiming Automotive Product Co. Ltd WABCO (China) Co. Limited WABCO Automotive Products Limited WABCO Asia Private limited WABCO Australia Pty Limited WABCO Hong Kong Limited WABCO Logistic (Qingdao) Co., Limited WABCO (Shanghai) Management Co., Limited WABCO Japan Inc.
6.	Mr Darius Erach Udawadia Director S/o Dr Erach R Udawadia Empress Court 142 M-Kharve Road Mumbai 400 020 DIN:00009755 Solicitor & Advocate	Indian 69	ABB Limited ADF Foods Limited AstraZeneca Pharma India Limited Avesthagen Limited Bombay Burmah Trading Corporation Limited Coromandel Fertilisers Limited Development Credit Bank Limited Eureka Forbes Limited ITD Cementation India Limited JM Financial Limited Macmillan India Ltd. Mechanalysis (India) Ltd. Sundaram-Clayton Ltd. Wyeth Ltd, Habasit Iakoka Private Limited JM Financial & Investment Consultancy Services Private Limited JM Financial Trustee Company Private Limited JM Financial Consultants Private Limited Quantum Advisors Private Limited Nitesh Estates Private limited
7.	Vice Admiral P.J. Jacob (Retd.) Director 274-99 Lake Shore Homes Kasuanahalli Off: Sarjapur Road Karmalaram Post Bangalore 560 035 DIN:00173785 Retd. Naval Officer	Indian 67	Dua Consulting Private Limited Sundaram-Clayton Limited
8.	Mr Narayan K Seshadri Director Flat No.91, 9 th Floor Everest Co-operative Society Mount Pleasant Road Malabar Hill, Mumbai 400 006 DIN: 00053563 Chartered Accountant	Indian 51	Halcyon Enterprises Private Limited Halcyon Resources & Management Pvt. Limited Development Credit Bank Limited Sundaram AMC Limited DHFL Venture Capital India Private Limited PI Industries Limited Haldyn Glass Gujarat Limited Halcyon GB Holdings Private Limited Magma Fincorp Limited Kalpataru Power Transmission Limited Baroda Rayon Corporation Limited Global Boards Limited Avesthagen Limited Indrise Investments Limited, Cayman Islands

Sr. No.	Name, Designation, Father's Name, Address, DIN and Occupation	Nationality / Age	Other Directorships
9.	Mr Trevor Lucas Alternate to Mr Leon Liu Avenue Marcel Thiry 20 B3 Brussels Belgium 1200 DIN:01627818 Company Executive	Ireland 60	Perrot North America, Inc WABCO Air Compressor Holdings Inc WABCO Automotive Control Systems Inc. WABCO Automotive Holdings Inc. WABCO Automotive Products Limited. WABCO Korea Inc. WABCO Group Inc. WABCO Group International Inc. WABCO, Inc. Westinghouse Air Brake International Corporation. WABCO ExPats Inc.

Borrowing powers:

The Board has borrowing powers upto Rs. 200 crores in terms of section 293(1)(d) read with section 293(1)(a) of the Act as per the resolution passed by the Equity Shareholders at their meeting held on 17th March 2008.

Brief profile of Directors:**Mr Venu Srinivasan:**

Mr Venu Srinivasan is a Bachelor of Engineering from Madras University and holds M.S degree in Management from Purdue University, U.S.A.

Mr Venu Srinivasan has been the Chairman of CII (Southern Region) and has been associated with CII for nearly 17 years in various capacities. He was the past President of Automotive Research Association of India, Pune, Society of Indian Automobile Manufacturers and Association of Indian Automobile Manufacturers. At present, he is an Honorary Consul General of Republic of Korea, Chennai.

Mr Venu Srinivasan has been honoured with various awards, including the HSBC Indo-British Achievement Award, presented in recognition of his active contribution to Indo-British commercial relations. He was also the recipient of "Stars of Asia" award of Business Week International. He was also conferred the honorary doctorate degree in science by the University of Warwick, UK for his excellence in manufacturing and contribution in the field of technology and research and development. He is the first Indian industrialist to be honoured by the Warwick University.

Mr Venu Srinivasan has been the managing director of SCL since May 1979 and also the managing director of TVS Motor Company Limited from 1986. Since July 2002, he has been the Chairman and Managing Director of TVS Motor Company Limited. He has recently been elected as the Vice President of CII.

Mr H. Lakshmanan:

Mr H. Lakshmanan is the Executive Director of SCL and has vast experience. He joined the TVS group of companies in 1953. He became the executive director of SCL in 1982 and continues to hold the position.

Mr H. Lakshmanan has more than 5 decades of rich experience, expertise and knowledge in the areas of Finance, HR, Industrial Relations, Business Administration and Management.

Mr C. N. Prasad:

Mr C.N.Prasad is a graduate in mechanical engineering and postgraduate in manufacturing technology from Cranfield University, UK. He is also an MBA in Technology Management from La Trobe University, Australia.

His experience includes 16 years in Hindustan Aeronautics Limited in various areas of manufacturing, production engineering and project management, 3 years in Kinetic Honda, Indore as Works Manager and 15 years in Rane Engine Valves Limited (REVL) as Director and CEO.

During his tenure as CEO of REVL a strong quality orientation and customer centricity were brought into the company that resulted in several accolades and achievements. REVL was one of the earliest companies in India to secure ISO 9000 certification in 1993, won the best vendor awards from Maruti and Deutz, Germany. The export business and turn over grew several folds.

He joined SCL in February 2003 as President and was elevated as Group President effective June 2006 with overall responsibilities for SCL (brakes and die casting division).

During his tenure as President of SCL, the company won several awards and recognitions from customers and external agencies including the following:

- ACMA Gold trophy for "Manufacturing Excellence" in 2003
- Frost & Sullivan, India Manufacturing Excellence Award – Overall Gold in 2005
- Frost & Sullivan, India Manufacturing Excellence Award – Super Platinum in 2007
- JIPM – TPM Category 1 Award

He has been awarded by ITM Business School for ITM Awards for Corporate Excellence in 2006 and has also been awarded 'Best CEO' by QCFI for the year 2007.

Mr Nikhil Madhukar Varty:

Mr Nikhil Madhukar Varty is a post graduate in commerce from University of Bombay and a Chartered Accountant. He also has an MBA degree from University of Scranton, Pennsylvania, USA. He has worked for Sony Orson and Borosil Glass Works in India and for Coopers & Lybrand, Allied Signal (now Honeywell) and Great Lakes Chemicals in the USA. He has 21 years of experience in various business leadership, finance and consulting roles.

At present, he is the vice president and business unit leader for the compression and braking business unit of WABCO Vehicle Control Systems and works in Brussels, Belgium. He is also responsible for driving WABCO's business in South America.

Mr Leon Liu:

Mr Leon Liu became regional president for WABCO's Asia Pacific (APAC) business unit in January 2005. He is responsible for WABCO's business objectives in Asia Pacific and he leads the team that drives regional business, integrates local market needs and requirements, and implements strategies aligned with product and aftermarket business units.

Mr Leon Liu has nearly 20 years of U.S and Asia Pacific automotive engineering and Tier 1 supplier experience. His career began with several Japanese Tier 1 suppliers, then progressed to Ford Motor Company and Visteon Corporation where he held management positions of increasing responsibility in product development, product launches, program management, corporate strategy and business development. Mr

Leon Liu joined WABCO after serving as Visteon's director of business planning and strategy for WABCO's Asia operations.

A native of China, Mr Leon Liu earned a bachelor's degree in engineering from China East University, Shanghai, China; a master's degree in business administration in general management from Michigan State University, East Lansing, Mich., U.S. and a Ph.D. in materials science and engineering from the Tokyo Institute of Technology in Japan. He is fluent in Japanese, English and Chinese.

Mr Darius Erach Udwadia:

Mr Darius Erach Udwadia is a post-graduate from the University of Bombay. He is an advocate and solicitor of the Bombay High Court. He is also a Solicitor of the Supreme Court of England.

Mr Udwadia was a partner of Crawford Bayley & Co., Mumbai, one of India's leading law firms for over 22 years. He is a currently one of the founding partners of Udwadia & Udeshi.

He has during his nearly 45 years of active law practice acquired valuable knowledge, experience and expertise in the following areas of law, namely corporate law, mergers, acquisitions and takeovers, corporate re-structuring, foreign collaboration, joint ventures, project and infrastructure finance, telecommunication, international loan and finance related transactions and financial instruments, mutual funds, real estate and conveyancing.

Mr Udwadia was the Chairman of the Indian Advisory Board of ABN Amro Bank N.V for 6 years.

Vice Admiral P. J. Jacob (Retd.):

Vice Admiral P. J. Jacob retired in 2001 as the Vice Chief of the Naval Staff. An alumnus of the National Defence Academy, Defence services staff college, and the National Defence College, he has held a variety of key operational and training assignments in a career spanning forty years. He has commanded the eastern fleet, was the director general of the Indian coast guard and the chief of personnel of the navy before taking over as Vice Chief of the Naval Staff. As the Vice Chief, he was active in strategic planning and charting the future development of the Indian navy. He has overseen numerous training initiatives and has led several Ministry of Defence / navy delegations to negotiate intergovernmental agreements on strategic issues with various countries. He has also held a diplomatic assignment as the naval attaché in Tehran during a very turbulent period in that country's history.

Since leaving the navy, he has taken up an assignment as a director in Dua Consulting, a leading Delhi based firm consulting in a number of areas such as infrastructure development, maritime, aviation and telecom.

Vice Admiral Jacob is vastly experienced in the field of maritime security. He was appointed by the Sri Lankan Government as its advisor on Maritime security. His experience in this field has also been tapped at various fora like the Asia Centre and the National Institute of Advanced studies Bangalore. He was also invited by Japanese Ministry of Foreign Affairs to interact with Japanese think tanks on the future of Indo Japanese maritime co-operation.

He was also involved in a second tract initiative in conjunction with CII to attract greater Taiwanese investment in India, particularly in IT and small and medium scale manufacturing.

Vice Admiral Jacob was till recently a member of the National Security Advisory Board to the Prime Minister of India.

Mr Narayan K Seshadri:

Mr Narayan Seshadri is the founder Chairman and CEO of Halcyon Group, an Investment Advisory and Management Services organization. Halcyon Group runs a USD 300 million Special Situations Fund investing in distressed companies and latent businesses with considerable potential for growth. Halcyon Group's team works with such investee companies on a high touch mode to around or turn up their performance. Mr Narayan Seshadri has led several such investments in financial, retail, contract research and manufacturing, textiles, paper and lifestyle marketing.

Prior to establishing Halcyon Group, Mr Narayan Seshadri was the Managing Partner at KPMG's Business Advisory Services Practice which he helped turnaround and rebuild. Before KPMG, Mr Narayan Seshadri led Arthur Andersen's Business Consulting Practice in India as part of Andersen's India leadership team. He personally built this practice to achieve a leadership position in the consulting space.

Mr Narayan Seshadri was also a member on Andersen's global CEO advisory council, the first and only Indian partner to hold such a position. Mr Narayan Seshadri has worked in the UK, Middle East and India and helped on various global initiatives and engagements during his consulting career. Besides the industry sectors that he currently works with, Mr Narayan Seshadri has advised the Power, Banking and Financial Services, Agribusiness, Pharmaceutical, Healthcare, IT and ITES Sectors at different levels – from policy formulation to corporate strategy, restructuring and organization transformation.

Mr Narayan Seshadri is a Chartered Accountant by profession with over twenty-five years of professional experience.

Mr Trevor Lucas (Alternate Director to Mr Leon Liu):

Mr Trevor Lucas is a Bachelor of Business Studies (Honours), University of Dublin and a Fellow member of the Institute of Chartered Accountants in Ireland.

He has served KPMG, Dublin from 1975 to 1982 as General Practice Manager. He was with CPC Europe, holding various positions as Manager Finance & Taxes, Manager Financial Services and Systems and Manager Financial Accounting (CPC Ireland, Dublin).

He has also served as head of Finance for Council for Education, Recruitment and Training for the Hotel, catering and tourism industry, Dublin.

He was with EMEA – Bestfoods, Brussels (Unilever Group) during 1989-2002 as Director Finance and Taxes.

He joined American Standard, Brussels, (WABCO Division) in 2003 as Vice President –Taxes. Following the spin off of WABCO Division from American Standard he is presently the Vice President–Taxes of WABCO Holdings Inc.

Interest of the Directors:

Excepting Mr H Lakshmanan, Director, no other Director of the Company holds Equity Shares. All the Directors are entitled to reimbursement of expenses incurred in connection with the business of the Company and are entitled to normal remuneration / sitting fee from the Company. Excepting this, the Directors have no other interest in the Company.

Appointment and Compensation of Whole-time Director:

The Board has vide its resolution dated 28th March 2008 appointed Mr C. N. Prasad, as Whole-time Director of the Company with effect from the same date.

As per the terms of the resolution passed at the Board meeting held on 7th May 2008, he shall hold the office of Whole-time Director for a period of five years from 28th March 2008 on the following remuneration:

Salary and commission on profits or performance linked incentive or bonus:
Subject to a ceiling of Rs.60 lacs per annum

Perquisites and allowances:

Perquisites like unfurnished accommodation / house rent allowance, conveyance allowance, medical reimbursement, leave travel assistance for self and family, club fees, earned leave, medical / personal accident insurance premia and other benefits or amenities, in the aggregate restricted to a sum not exceeding Rs.40 lakhs per annum; and

Provision of telephone at his residence including payment of local calls and long distance calls shall not be included in the computation of perquisites for the purpose of calculation of the said ceiling.

Personal long distance calls on telephone for private purposes shall be recovered by the Company.

Provision of a car for use on Company's business.

Contribution to statutory funds:

The Company's contribution to provident fund and superannuation fund not exceeding 27% of the salary or such other percentage of the salary as may be fixed by the Central Government from time to time; and gratuity as per the rules of the Company.

The Company's contribution to provident, superannuation and gratuity funds, shall not be included for computation of limits of perquisites and allowances as aforesaid.

Pension benefits:

The Whole-time Director is entitled to pension, if any, payable after retirement, as per the rules of the Company.

The Board may from time to time, may determine the quantum of individual items of Mr. C. N. Prasad's remuneration for each fiscal year not exceeding the maximum limits specified in each category detailed above.

The appointment of Mr. C. N. Prasad as Whole-time Director and the remuneration payable to him as such are subject to the approval of the shareholders of the Company in the annual general meeting to be held on 29th September 2008.

Corporate Governance:

The Company is fully compliant with the provisions of Clause 49 of the Listing Agreement and the details are as follows:

The Board consists of eight Directors. The Company has one executive Director and seven non-executive Directors. Out of the total strength of the Board five are independent and three are non-independent Directors.

The Board has constituted Shareholders / Investor's Grievance Committee and Audit Committee as required under Clause 49 of the Listing Agreement as follows:

Committee	Name of the Director	Category
Audit Committee	Vice Admiral P J Jacob (Retd.)	Independent Director
	Mr H. Lakshmanan	Independent Director
	Mr Narayan K Seshadri	Independent Director
	Mr D.E Udwardia	Independent Director
Shareholders/Investor's Grievance Committee	Mr Venu Srinivasan	Independent Director
	Mr H. Lakshmanan	Independent Director
	Mr C. N. Prasad	Non-Independent Director

The role, powers, scope of functions and duties of the Audit Committee of Directors and Shareholders / Investors' Grievance Committee of Directors of the board are as per the applicable provisions of the Act and Clause 49 of the Listing Agreement, as amended and in force, from time to time.

The Board, at its meeting held on 7th May 2008, approved the Code of Conduct for its Directors and Senior Management. The same has been uploaded on the Company's website www.wabco-tvs.com.

Compliance Report on Corporate Governance:

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
I Board	49 I		
(A) Composition of the Board	49(IA)	Yes	
(B) Non-executive Directors' compensation & disclosures	49 (IB)	Yes	
(C) Other provisions as to the Board and Committees	49 (IC)	Yes	
D) Code of Conduct	(49 (ID)	Yes	
II. Audit Committee	49 (II)		
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	
(B) Meetings of Audit Committee	49 (IIB)	Yes	
(C) Powers of Audit Committee	49 (IIC)	Yes	
(D) Role of Audit Committee	49 II(D)	Yes	
(E) Review of Information by Audit Committee	49 (IIE)	Yes	
III. Subsidiary Companies	49 (III)	Yes	The Company does not have any subsidiary company.
V. Disclosures	49 (IV)		
(A) Basis of related party transactions	49 (IV A)	Yes	Will be disclosed in next Annual Report
(B) Board disclosures	49 (IV C)	Yes	Will be disclosed in next Annual Report
(C) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	Yes	Will be complied with as and when situation arises.
(D) Remuneration of Directors	49 (IV E)	Yes	Will be disclosed in next Annual Report
(E) Management	49 (IV F)	Yes	Will be disclosed in next Annual Report
(F) Shareholders	49 (IV G)	Yes	Will be disclosed in next Annual Report
V.CEO/CFO Certification	49 (V)	Yes	Will be complied in the next year
VI. Report on Corporate Governance	49 (VI)	Yes	Will be disclosed in next Annual Report
VII. Compliance	49 (VII)	Yes	Will be disclosed in next Annual Report

The Shareholding of the Directors is as under:

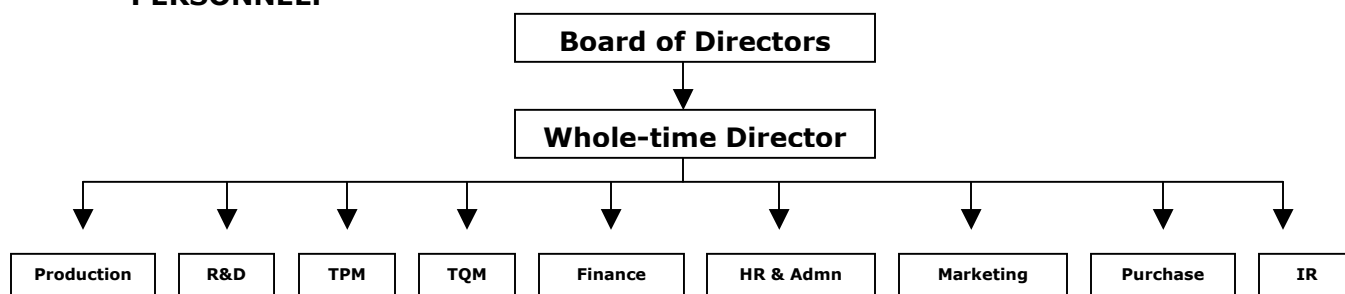
S.No	Name of Director (M/s)	No. of Equity Shares held
1.	Venu Srinivasan	Nil
2.	H Lakshmanan	1666
3.	C N Prasad	Nil

S.No	Name of Director (M/s)	No. of Equity Shares held
4.	Trevor Lucas	Nil
5.	Nikhil Madhukar Varty	Nil
6.	Leon Liu	Nil
7.	D E Udwardia	Nil
8.	Vice Admiral P J Jacob (Retd.)	Nil
9.	Narayan K Seshadri	Nil

Change in the Board since the Company's inception:

Name of the Director M/s.	Date of Appointment	Date of Resignation	Reason
Venu Srinivasan	18.11.2004	-	
H. Lakshmanan	18.11.2004	-	
C. Narasimhan	18.11.2004	28.03.2008	Resigned from the Board for personal reasons
Trevor Lucas	30.10.2007	11.06.2008	Resigned from the Board.
C. N. Prasad	28.03.2008		Appointed as Whole-time Director
Nikhil Madhukar Varty	07.05.2008	-	
Leon Liu	07.05.2008	-	
D. E. Udwardia	07.05.2008	-	
Vice Admiral P.J. Jacob (Retd.)	07.05.2008	-	
Narayan K Seshadri		-	
Trevor Lucas	11.06.2008		Appointed as alternate director to Mr Leon Liu

IX. OVERVIEW OF ORGANISATION STRUCTURE & SENIOR MANAGEMENT PERSONNEL:



Key Managerial Personnel:

Mr C. N. Prasad, Whole-time Director of the Company, is responsible for the day-to-day affairs of the Company and as such he is the key management personnel. He is ably assisted in the day-to-day management of the Company by a team of professionals. Details of important professionals responsible for their respective functional areas are given below:

Mr C. N. Prasad is the overall incharge of the Company reporting to the Board. He is responsible for the entire operations of the Company's functions like factory production, production engineering, TQM, TPM, R&D, finance, marketing, HRD, industrial relations and purchase. Heads of all these departments will report to and be accountable to Mr C. N. Prasad as Whole-time Director of the Company, who in turn will be answerable and accountable to the Board and will function subject to the supervision, control and directions of the Board.

The other key managerial personnel of the Company are as under:

Name & Designation M/s.	Age	Date of Appointment	Qualification	Experience (years)	Responsibility Area/ Previous Experience	Share-holding
S. Balachandran	57	05.09.1997	B.E	34	Vice-president (Marketing)	Nil

Name & Designation M/s.	Age	Date of Appointment	Qualification	Experience (years)	Responsibility Area/ Previous Experience	Share-holding
P. Kaniappan	48	27.07.1982	B.Tech, MSc, (Warwick)	26	President	Nil
G. Narayana-murthy	54	07.06.1997	B.Tech, MBA	29	Vice-president, (Marketing)	Nil
Raju Kutty Sebastian	56	20.02.1995	B.Tech, DIIT, MSc.	35	Sr. Vice-president, Systems	Nil
R. Sarathy	42	20.01.1988	B.Com, BGL, ACA, ACS, ACWA, CFA, MBA	20	General Manager, Finance	Nil
S. Selvamani	54	16.01.1980	BE (Hons), MSc	32	Sr Vice President, Research & Development	Nil
N. Thangamani	63	29.08.1968	BA, PGDP MIR, DP MIR	44	Vice-president, (Personnel)	Nil
K. Gopal	61	27.06.1966	ITI, BME, BE, MBA	42	General Manager (conformance)	Nil
S. Narayanan	52	29.12.1981	BSC (Engg) MSC (Warwick)	28	Member (R & D)	Nil
V. Ramanathan	39	22.01.2007	DME, AMIE, PG Dip in Management	20	General manager (production)	Nil
Srinivasa Raman	56	17.03.1986	B.E, (EEE) M.Tech	31	Member (R & D)	Nil
R Madhavan	53	04.04.1990	ACA, ACS	27	Secretary	50

Notes:

Date of appointment given above pertains to their original appointment in SCL.

X. PROMOTER AND PROMOTER GROUP COMPANIES:

TVS and the TVS Group:

TVS is the parent company of the TVS Group. It was incorporated as a private limited company in 1929 under the Indian Companies Act, 1913, and was mainly engaged in providing passenger bus services. Ever since its incorporation, it has diversified into various other areas in the automobile sector as a service provider maintaining service stations in various centers, distributor of cars and commercial vehicles, automotive parts etc. throughout the country. Its turnover in the year ended March 2008 was Rs.4560.63 crores, including other income.

TVS together with Southern Roadways Limited, Sundaram Industries Limited and Sundaram Finance Limited, i.e. the TVS Group holds 36.30% of the Company's issued and paid up equity share capital.

Southern Roadways Limited is a subsidiary of TVS. It was incorporated in 1946. It is presently one of the country's largest transport operators for carriage of goods in the private sector. It turnover for the year ended March 2008 was Rs. 48.60 crores.

Sundaram Industries Limited is also a subsidiary of TVS. It was incorporated in 1943 and has since been engaged in the retreading of tyres, coach building and manufacture of rubber products. Its turnover for the year ended March 2008 was Rs. 231.47 crores.

Sundaram Finance Limited is a public limited company incorporated in 1954. It is one of the country's largest lease and hire purchase finance companies in the private sector. Its earnings for the year ended March 2008 exceeded Rs.1023.30 crores. It has also entered into mutual funds and general insurance business.

CDH:

CDH is an indirectly wholly owned subsidiary of WABCO Europe BVBA, a private limited liability company incorporated in Belgium which is an indirectly wholly owned subsidiary of WABCO Holdings Inc., USA, a company incorporated in the State of Delaware, USA. WABCO Holdings Inc., USA, which spun off from American Standard Companies Inc. (currently known as Trane Inc.) in 2007, has its headquarters at one Centennial Avenue, Piscataway, New Jersey 08855, USA and is a publicly traded company listed on the New York Stock Exchange.

WABCO is one of the world's leading providers of electronic braking, stability, suspension and transmission automation systems for heavy-duty commercial vehicles. WABCO's customers include the world's leading commercial truck, trailer, and bus manufacturers.

TVS Group and CDH, both being promoters of SCL are also the Promoters of the Company with the same percentage of shareholding as in SCL, prior to Demerger.

The Company confirms that the Permanent Account Numbers, the bank account numbers, the Company Registration numbers and the addresses of the Registrar of Companies, where the companies are registered shall be provided at the time of filing the Information Memorandum.

Interest of Promoters:

The Promoters have technical and financial collaboration with the Company.

TVS is marketing the products manufactured by the Company in the replacement markets through its distribution outlets. The Company has also been procuring components from and exporting the products manufactured by it to WABCO.

Apart from the above, there are no other interests of the Promoters in the Company.

Currency of presentation:

In this Information Memorandum all references to "Rupees" or "Rs." are to Indian Rupees, the legal currency of the Republic of India.

Dividend Policy:

The Company does not have any formal dividend policy in respect of its Equity Shares. The declaration and payment of equity dividend in the Company is recommended by the Board and approved by the Equity Shareholders, at their discretion, and will depend on a number of factors, including but not limited to the Company's profits, capital requirements and overall financial condition. The Board declared an interim dividend of Rs.6/- per Equity Share for the year ended 31st March 2008 and paid to the Equity Shareholders on 8th September 2008.

XI. FINANCIAL STATEMENTS:

FINANCIAL STATEMENTS OF THE COMPANY FOR THE PREVIOUS THREE YEARS AND LATEST AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2008 WITH NOTES TO ACCOUNTS:

AUDITORS' REPORT

The Board of Directors
WABCO-TVS (INDIA) Limited
No.29 Haddows Road
Chennai 600 006

Re: Public listing of WABCO-TVS (INDIA) Limited

Dear Sirs,

1. We are engaged to report on the financial information of WABCO-TVS (INDIA) Limited, having its registered office at No.29 Haddows Road, Chennai 600 006 ('the Company') annexed to this report, which has been prepared in accordance with Part II of Schedule II to the Companies Act, 1956 ('the Act') and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time ('the SEBI Guidelines') issued by the Securities and Exchange Board of India ('SEBI') on January 19, 2000 in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992 and related clarifications thereto. The preparation and presentation of this financial information is the responsibility of the Company's management. This financial information is proposed to be included in the Information Memorandum of the company in connection with its public listing of equity shares.
2. For our examination, we have placed reliance on the following:
 - a. The financial statements of the company for the financial period from 18th November 2004 to 31st March 2005, which has been audited and reported upon by us.
 - b. The financial statements of the company for the financial years ended 31st March 2006, 31st March 2007, and 31st March 2008 which were audited and reported upon by us.
 - c. The audited cash flow statement of the company for the year ended 31st March 2008.
3. In accordance with the requirements of Paragraph B (1) of Part II of Schedule II to the Act and the SEBI Guidelines, we report as follows:
 - a. The assets and liabilities of the company as at March 31, 2008 are as set out in Annexures A to D to this report after making such adjustments and regroupings as in our opinion are appropriate and more fully described in the notes appearing in Annexure D to this report.
 - b. The profits/losses of the company for the financial year ended March 31, 2008 are as set out in Annexure B to this report. These profits/losses have been arrived at after charging all expenses and after making such adjustments and regroupings as in our opinion are appropriate and more fully described in the notes appearing in Annexure D to this report.
 - c. The cash flow statement of the company for the financial year ended March 31, 2008 are as set out in Annexure C to this report. These cash flows have been arrived at after making such adjustments and regroupings as in our opinion are appropriate and more fully described in the notes appearing in Annexure D to this report.

- d. We have examined the following financial information relating to the company and as approved by the Board of Directors for the purpose of inclusion in the Information Memorandum:
- i. The Company through its brakes division has reimbursed to M/s Sundaram-Clayton Limited, Chennai a sum of
- Rs 943.63 lakhs towards dividend and Rs 160.37 lakhs towards dividend tax thereon for the year ended 31st March 2008 on 3rd November 2007 and 12th November 2007

The Board of directors have declared an interim dividend of Rs 1,138.06 lakhs at their board meeting held on 20th August 2008. A sum of Rs 193.41 lakhs is provided for as dividend tax payable in respect of this interim dividend.

The above dividend and tax thereon are set out in the Profit and Loss Account in Annexure B.

- ii. Accounting ratios as appearing in Annexure D to this report.
 - iii. The accounting policies followed by the company and details of major items appearing in the Balance Sheet and Profit and Loss Account as set out in Annexure A and B respectively are furnished in Annexure D to this report.
4. This report should not be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a changed opinion on any of the financial statements referred to herein.
5. This report is intended solely for your information and for inclusion in the Information Memorandum in connection with the listing of the equity shares of the Company.

**For Sundaram & Srinivasan
Chartered Accountants**

**Place: Chennai
Date: 10.09.2008**

**M. Padhmanabhan
Partner
Membership No 13291**

Annexure A

BALANCE SHEET

Rs in lakhs

Particulars	As at 31 3 2005	As at 31 3 2006	As at 31 3 2007	As at 31 3 2008
I Sources of funds				
1) Shareholders funds				
a. Capital	5.00	5.00	5.00	948.38
b. Reserves and surplus				
Capital reserve- reorganisation of capital			-	5.00
General reserves			-	13,300.00
Profit and loss account			-	2,515.10
2) Loan funds				
a. Secured loans			-	2,023.38
b. Unsecured loans			-	0.06
3) Unsecured loan - from Sundaram- Clayton Limited		119.49	119.49	-
4) Deferred tax liability			-	323.60
Total	5.00	124.49	124.49	19,115.52
II Application of funds				
1. Fixed assets				
Gross block		119.42	119.42	119.42
Transferred on demerger			-	16,152.69
Additions during the period (net of sales)			-	6,515.35
Total		119.42	119.42	22,787.46
Less: Depreciation (net of sales)			-	5,811.88
Net block	-	119.42	119.42	16,975.58
Capital work in progres			-	431.45
2 Investments			-	865.78
3 Current assets, loans and advances				
a Inventories			-	3,102.50
b Cash and bank balances	4.75	4.75	4.17	1,163.27
c Sundry debtors			-	7,577.89
d Loans and advances			-	1,534.55
e Other current assets			-	17.23
Total A	4.75	4.75	4.17	13,395.44
Less: Current liabilities and provisions				
a. Current liabilities	0.06	0.06	0.08	9,838.93
b. Provisions			-	2,713.80
Total B	0.06	0.06	0.08	12,552.73
Net current assets (A-B)	4.69	4.70	4.09	842.71
4 Miscellaneous expenditure to the extent not written off or adjusted	0.24	0.24	0.24	-
Profit and loss account-debit balance	0.07	0.13	0.74	
	5.00	124.49	124.49	19,115.52

As per our report annexed
For Sundaram & Srinivasan
Chartered Accountants

Chennai
September 10, 2008

H Lakshmanan
Director

C N Prasad
Whole time Director

M Padhmanabhan
Partner

PROFIT AND LOSS ACCOUNT

Particulars	Rs in lakhs			
	Period ended 31 3 2005	Period ended 31 3 2006	Year ended 31 3 2007	Year ended 31 3 2008
Income				
Net sales	-	-	-	53,433.91
Other income				1,221.16
Total (A)	-	-	-	54,655.07
Expenditure				
Materials consumed			-	30,622.22
Salaries and wages, stores consumed and other expenses	0.07	0.06	0.61	12,255.81
Interest-net			-	328.68
Depreciation			-	1,011.71
Total (B)	0.07	0.06	0.61	44,218.42
Profit before tax (A-B)	(0.07)	(0.06)	(0.61)	10,436.65
Provision for taxation				
Income tax			-	3,215.00
Fringe benefits tax			-	53.64
Deferred tax			-	183.95
Profit after tax	(0.07)	(0.06)	(0.61)	6,984.06
Balance profit brought forward		(0.07)	(0.13)	(0.74)
Profit and loss account balance (transferred from demerged company - Sundaram-Clayton Limited, Chennai)			-	3,435.13
Profit after tax for current year	(0.07)	(0.06)	(0.61)	6,984.06
Total	(0.07)	(0.13)	(0.74)	10,418.45
Interim dividend paid			-	943.63
Dividend tax			-	160.37
Interim dividend payable			-	1,138.06
Dividend tax payable			-	193.41
Transfer to General reserves				5,467.88
Balance carried to balance sheet	(0.07)	(0.13)	(0.74)	2,515.10
	(0.07)	(0.13)	(0.74)	10,418.45
Nominal value of each share in rupees	5.00	5.00	5.00	5.00
Basic earnings per share in rupees on 1,89,67,584 shares	-	-	-	36.82
Diluted earning per share in rupees	-	-	-	36.82

As per our report annexed
For Sundaram & Srinivasan
Chartered Accountants

Chennai
September 10, 2008

H Lakshmanan
Director

C N Prasad
Whole time Director

M Padhmanabhan
Partner

CASH FLOW STATEMENT		ANNEXURE C Rupees in lakhs	
		Year ended 31.03.2008	
A. Cash flow from operating activities:			
Net profit before tax and extraordinary items			10,436.65
Add:			
Depreciation for the year	1,011.71		
Profit on sale of investments	(3.37)		
Interest (net)	328.68	1337.02	
Operating profit before working capital changes		<u>11,773.67</u>	
Adjustments for:			
Inventories	(3,102.50)		
Sundry debtors	(7,577.89)		
Other current assets	(17.23)		
Loans and advances	(1,531.60)		
Current liabilities	9,838.84		
Provisions	1,382.33	(1,008.05)	
		<u>10,765.62</u>	
Interest paid		(373.31)	
Direct taxes paid		(3,271.59)	
Net cash from operating activities	(A)		<u>7,120.72</u>
B. Cash flow from investing activities:			
Transfer of fixed assets from Sundaram-Clayton Ltd (net)		(11,127.87)	
Additions to fixed assets including capital work-in-progress		(7,194.24)	
Sale of fixed assets during the year (net)		22.79	
Purchase of investments		(865.78)	
Profit on sale of investments		3.37	
Interest received		44.63	
Net cash used in investment activities	(B)		<u>(19,117.10)</u>
C. Cash flow from financing activities :			
Transfers consequent to demerger from Sundaram-Clayton Limited			
Share capital	948.38		
General reserves	7,832.12		
Profit and Loss Account	3,435.13		
Deferred tax liability	139.66	12,355.29	
		<u>12,355.29</u>	
Unsecured loan repaid		(119.43)	
Miscellaneous expenditure not written off		0.24	
Dividend and dividend tax paid		(1,104.00)	
Net cash from in financing activities	(C)		<u>11,132.10</u>
D. Net increase in cash and cash equivalents	(A+B+C)		(864.28)
Opening cash and cash equivalents (01 04 2007)			
- Cash and bank balances	4.17		
- Cash credit utilisation	-	4.17	
Closing cash and cash equivalents (31 03 2008)		<u>4.17</u>	
- Cash and bank balances	1,163.27		
- Cash credit utilisation	(2,023.38)	(860.11)	

Notes:

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.

Cash and cash equivalents represent cash and bank balances.

As per our report annexed
For Sundaram & Srinivasan
Chartered Accountants

Chennai
September 10, 2008

H Lakshmanan
Director

C N Prasad
Wholetime Director

M Padhmanabhan
Partner

Annexure D

Significant Accounting Policies and Notes on Accounts:

1. Background:

WABCO-TVS (INDIA) Limited (hereinafter referred to as 'the Company' or 'WABCO-TVS') was incorporated on 18th November 2004 to engage in the business of manufacture, sale and supply of air assist and full air actuation systems and components and accessories, design and development of software and testing facilities thereof for automotive and non-automotive applications. These financial statements are prepared for the period from 1st April 2007 to 31st March 2008 in connection with the submission of the Company's application to the Institutions / Governing Bodies for the filing with the Stock Exchanges in India.

2. Scheme:

Pursuant to the Scheme, the Company has taken over the brakes business undertaking of the Demerged Company with effect from the Appointed Date. The Scheme has been given effect to in these financial statements. The assets and liabilities of Brakes Business transferred to and vested in the Company as on the Appointed Date are as follows:

	Rs.in lakhs
Particulars	Amount
Assets	
Fixed assets	10,126.79
Leasehold land	351.59
Capital work in progress	332.61
Investments	820.02
Current Assets, Loans and Advances	9,842.59
Total Assets	21,473.60
Liabilities	
Loan Funds – Unsecured loans	1,204.99
Current Liabilities and Provisions	8,273.53
Total Liabilities	9,478.52
Deficit / (Surplus) – Net worth*	11,995.08
* Represented by	
Share capital	948.38
General Reserve	7,832.12
Profit and Loss (Surplus)	3,214.58
Total	11,995.08

- 3.** The Appointed Date for the Scheme is from 1st January 2007. However as mentioned above, the Scheme is given effect on 28th March 2008. Accordingly the figures for the year ended 31st March 2007 does not include the figures of Brakes Business.

1. Significant accounting policies:**1.1 Basis of preparation of financial statements:**

The financial statements are prepared under the historical cost convention, on accrual basis of accounting and in conformity with the accounting principles generally accepted in India.

1.2 Fixed Assets:

Fixed Assets are stated at cost of construction, acquisition or manufacturing cost in case of assets fabricated by the company including expenditure incurred in bringing the asset to usable condition as reduced by the Central Value Added Tax (CENVAT) credit wherever applicable.

1.3 Depreciation:

Depreciation has been provided under the Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act 1956 with applicable shift allowances. In respect of the assets added / sold during the period, pro-rata depreciation has been provided.

Depreciation in respect of computers and vehicles has been provided at 30% and 18% respectively which is higher than the rate prescribed under Schedule XIV of the Companies Act, 1956.

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

1.4 Impairment of Assets:

An asset is treated as impaired when the carrying cost of the assets exceed its recoverable value. Such impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. However, in respect of certain plant and machinery the carrying amount net of accumulated depreciation is less than the recoverable amount by Rs.9.62 lakhs and the impairment loss has been provided. This is included in depreciation charge.

1.5 Investments:

Investments are valued at cost in line with the provisions of the Accounting Standard 13. Provision in diminution in value of investment is made only if such decline is other than temporary in the opinion of the management. There is, however, no such diminution in the carrying cost of investments.

2. Share capital & reserves and surplus

2.1 The Company was incorporated on 18th November 2004 with a paid up capital of Rs.5.00 lakhs consisting of 1,00,000 equity shares of Rs.5/- each and subscribed to by the Demerged company, namely SCL and six nominees.

2.2 In terms of the Scheme, the Company has issued and allotted 1,89,67,584 equity shares of Rs.5/- each aggregating to Rs.9,48,37,920 to the shareholders of the Demerged Company, whose names were recorded in the Register of members as on 2nd May 2008 (the record date) in the ratio of one

equity share of Rs.5/- credited as fully paid up for every one equity share of Rs.10/- held in the Demerged Company.

- 2.3 In terms of the Scheme, the appointed date for the transfer of the demerged undertaking, namely brakes business is 1st January 2007, the shares were deemed to have been allotted from the Appointed date.
- 2.4 In terms of the Scheme, the share capital of Rs.5.00 lakhs held by the Demerged Company stood cancelled and got extinguished and correspondingly, the aforesaid amount has been credited to 'capital reorganization reserve' as stated in the financial accounts of the Company for the year ended 31st March 2008.
- 2.5 The general reserves of the Company for the year ended 31st March 2008 include Rs.7,832.12 lakhs being the reserves and Rs.3,435.13 lakhs being balance in the profit and loss account i.e. surplus transferred from the Demerged Company in terms of the Scheme.

3. Secured Loans:

The Company did not have any outstanding secured loans as at March 31, 2005, March 31, 2006 and March 31 2007. The secured loans as at 31st March 2008 represents cash credit availed from the State Bank of India, CAG Branch, Chennai 600 006.

4. Unsecured Loans:

Unsecured loan for the year ended 31st March 2008 represents unsecured loan availed from State Bank of India, Chennai 600 006 against current account.

5. Inventories:

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

6. Retirement benefits:

- i. Retirement benefits in the form of Provident Fund and Superannuation Schemes are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.
- ii. Gratuity liability under the Payment of Gratuity Act 1972 and provision for leave encashment is provided for on the basis of actuarial valuation made at the end of each financial year.
- iii. Retirement benefits also include payments made under the Voluntary Retirement Scheme and senior staff pension.

7. Provisions:

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

8. Foreign currency:

Foreign Currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of Balance Sheet. Gains and losses arising on account of difference in foreign exchange rates on settlement/translation of monetary assets and liabilities are recognized in the Profit and Loss Account.

9. Taxation:

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

10. Miscellaneous Expenditure:

This represents preliminary expenses and the same has been expensed during the year ended 31st March 2008.

11. Earnings per share:

Basic and diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the number of equity shares outstanding as at the end of the financial year.

12. Segment reporting:

The operations of the company relate to manufacture of brakes and software design. The income from software design business is not adequate to qualify for disclosure as a reportable segment.

13. Manufacturing and other expenses:

Materials consumed:		Rs. in lakhs
Opening stock – transfer from Sundaram-Clayton Limited, Chennai on de-merger		
Raw materials	1,261.81	
Work-in-process	79.85	
Finished goods	190.81	
	-----	1,532.47
Add: Purchases during the year		31,656.05

		33,188.52
Less: Closing Stock (31 st March 2008)		
Raw materials	2,082.02	
Work-in-process	119.29	
Finished goods	364.99	
	-----	2,566.30

Consumption during the year		30,622.22

14. Audit fees: Rs. in lakhs

Audit fees comprise the following:

Statutory Audit	10.00
Tax Audit and certification fees	2.00
Reimbursement of expenses	1.37
Total	13.37

15. Contracts on capital account:

Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for is Rs 1,695.35 lakhs.

16. Contingent liabilities not provided for:

	Rs. in lakhs
- on letters of credit opened with bankers	23.59
- on counter guarantee given to bankers	32.47
- on account of future export obligation (under Export Promotion Capital Goods scheme and advance license)	1,969.01
- on bills discounted	10,079.28

17. Key Ratios:

	DETAILS	Ratio
a	Sales & other income / Net fixed assets (No of times)	3.1
b	Sales & other income / Inventory (No. of times)	17.6
c	Current ratio (No of times)	1.1
d	Return on capital employed-PBIT / capital employed (%)	57.3
e	Return on net worth- PAT/NW (%)	41.6
f	Debt-Equity Ratio (No. of times)	0.1

XII. DETAILS OF PROMOTERS AND OTHER INDIAN PROMOTER GROUP COMPANIES INCLUDING THEIR CAPITAL STRUCTURE AND FINANCIAL STATEMENTS:**A. PROMOTER AND PROMOTER COMPANIES:****1. T V SUNDRAM IYENGAR & SONS LIMITED:**

Date of Incorporation: 11.10.1929

Principal business: Dealers in Automobile vehicles, Spare Parts & Accessories

Shareholding pattern

	No. of shares	% of shareholding
Promoters' holding	11,44,000	100.00
Total	11,44,000	100.00

Board of directors: The board of directors consists of M/s Suresh Krishna, K Ramesh, S Ram, K Mahesh, S Viji, Venu Srinivasan, Gopal Srinivasan, T K Balaji, R Haresh (Joint Managing Director), R Dinesh (Executive Director), Srinath R Rajam, and Srivats Ram.

Financial performance:

	(Rs. in lakhs)		
	31.3.2006	31.3.2007	31.3.2008
Equity Capital	1144.00	1144.00	1144.00
Reserves (Excluding revaluation reserves, if any)	20154.25	23329.25	25089.32
Sales and other income	319570.34	428479.73	456062.84
Profit before tax	6757.24	17427.92	5551.68
Provision for tax	1527.35	3635.16	1871.68
Profit after tax	5229.89	13792.76	3680.00
EPS (in Rs.)	457.16	1206.84	321.68
Net Asset Value per share (in Rs.)	1861.74	2139.27	2293.12

2. SOUTHERN ROADWAYS LIMITED:

Date of Incorporation: 13.9.1946

Principal business: Transport business

Shareholding pattern

	No. of shares	% of shareholding
Promoters' holding	4,92,933	100.00
Total	4,92,933	100.00

Board of directors: The board of directors consists of M/s K Ramesh (Chairman & Managing Director), K Mahesh, S Ram, Venu Srinivasan, A K Manikanteswaran, M N Sankaranarayanan Nair, Mridula Ramesh and G. Somasundaram.

Financial performance:

	(Rs. in lakhs)		
	31.3.2006	31.3.2007	31.3.2008
Equity Capital	492.93	492.93	492.93
Reserves(Excluding revaluation reserves, if any)	3679.92	4634.19	4860.23
Sales and other income	3844.84	4680.91	3630.38
Profit before tax	1086.99	1863.88	786.71
Provision for tax	40.30	46.00	64.00
Profit after tax	1046.69	1817.88	722.71
EPS (in Rs.)	212.34	368.79	146.62
Net Asset Value per share (in Rs.)	846.54	1040.13	1085.98

3. SUNDARAM INDUSTRIES LIMITED:

Date of Incorporation: 19.5.1943

Principal business: The Company manufactures Automobile Rubber Products at Madurai, manufacture of solid Tyres at Maraimalai Nagar and Retreading and distribution of tyres all over India.

Shareholding pattern

	No. of shares	% of shareholding
Promoters' holding	1,42,800	56.67
Non promoters' holding	1,09,200	43.33
Total	2,52,000	100.00

Board of directors: The board of directors consists of M/s K Ramesh, S Ram, K Mahesh, S Viji, R Haresh, Srinath R Rajam, R Naresh (Joint Managing Director), Gopal Srinivasan, Pritha Ratnam (Joint Managing Director), Shobhana Ramachandhran and Nicholas Sundaram

Financial performance:

	(Rs. in lakhs)		
	31.3.2006	31.3.2007	31.3.2008
Equity Capital	252.00	252.00	252.00
Reserves(Excluding revaluation reserves, if any)	3092.00	3816.18	4249.22
Sales and other income	18717.73	21391.52	23146.91
Profit before tax	1921.88	2606.58	1417.47
Provision for tax	60.00	319.00	319.00
Profit after tax	1861.88	2287.58	1098.47
EPS (in Rs.)	738.84	907.77	435.90
Net Asset Value per share (in Rs.)	1313.14	1610.31	1786.20

4. SUNDARAM FINANCE LIMITED:

Date of Incorporation: 11.08.1954

Principal business: Hire purchase, leasing and hypothecation loan

Shareholding pattern

	No. of shares	% of shareholding
Promoters' holding		
Bodies corporate / Individuals	1,10,65,722	39.84
Public	1,67,10,243	60.16
Total	2,77,75,965	100.00

Board of directors: The board of directors consists of M/s S Viji (Chairman), S Ram, S Narayanan, A Rangaswami, S Padmanabhan, T R Seshadri, T T Srinivasaraghavan (Managing Director), and Srinivas Acharya (Deputy Managing Director)

Financial performance:

	(Rs.in lakhs)		
	31.3.2006	31.3.2007	31.3.2008
Equity Capital	2777.60	2777.60	2777.60
Reserves (Excluding revaluation reserves, if any)	78305.70	85010.45	101514.74
Income from operations & other income	59585.35*	67188.56	102330.15*
Profit before tax	20880.64	14343.84	30289.71
Provision for tax	3821.42	4297.08	9035.47
Profit after tax	17059.22	10046.76	21254.24
EPS (in Rs.)	61.42	36.17	76.52
Net Asset Value per share (in Rs.)	291.92	316.06	375.48

* Includes extraordinary item – profit on sale of shares in subsidiary company Rs.8812.64 lakhs and Rs.9917.67 lakhs in 2005-06 and 2007-08, respectively.

Details of listing and the highest and lowest market price during the preceding six months:

The shares of Sundaram Finance Limited are listed on NSE. The details of the monthly high and low of the market price of the shares in NSE for the last six months are as follows:

Month	NSE	
	High (Rs.)	Low (Rs.)
March 2008	674.40	530.30
April 2008	677.85	556.10
May 2008	670.00	556.60
June 2008	663.70	562.20
July 2008	587.60	545.00
August 2008	648.00	275.00

5. CDH:

Date of Incorporation: 28.11.1928

Principal business: Holding Company

Shareholding pattern

	No. of shares	% of shareholding
Promoters (WABCO Europe Holdings BV)	27,774,000	100.00
Total	27,774,000	100.00

Board of directors: The board of directors consists of M/s.Johannes Lips and Marcel Zaalberg

Financial performance

	Euro'000		
	31.12.2005	31.12.2006	31.12.2007
Equity Capital	10.365	10.365	10.365
Reserves(Excluding revaluation reserves, if any)	260	349	1162
Profit before tax	2.217	1.976	2.522
Profit after tax	2.206	1.889	2.438
EPS (in Euro)	NA	NA	NA
Net asset value (in Euro)	NA	NA	NA

Details and financial highlights of the top five listed companies among the Promoter Group Companies:

As the Company has more than five listed group companies, the financial information has been restricted to the five largest listed companies determined on the basis of market capitalization one month before the date of filing the Information Memorandum in accordance with the applicable provisions of SEBI Guidelines.

1. SUNDRAM FASTENERS LIMITED:

Date of Incorporation: 10.12.1962

Principal business: Manufacture and sale of high tensile fasteners, cold extrusions and power metal parts for automotive and non-automotive and other applications, radiator caps, gear shifters, hot and warm forged parts, and pump assemblies.

Shareholding pattern:

	No. of shares	% of shareholding
Promoters' holding:		
Indian Promoters	10,40,85,280	49.53
Others - public	10,60,43,090	50.47
Total	21,01,28,370	100.00

Board of directors: The board of directors consists of M/s. Suresh Krishna (Chairman & Managing Director), Arathi Krishna (Executive Director), K Ramesh, Venu Srinivasan, V Narayanan, R Srinivasan, R Ramakrishnan, C V Karthik Narayanan and M Raghupathy IAS (Retd.).

Financial performance

	Rs.in Lakhs		
	31.3.2006	31.3.2007	31.3.2008
Equity Capital	1050.64	*2101.28	2101.28
Reserves (Excluding revaluation reserves, if any)	31336.63	35375.20	40109.84
Sales and other income	106334.73	120112.80	120775.91
Profit before tax	9615.36	11193.56	10247.27
Provision for tax	3421.82	4007.86	3509.34
Profit after tax	6193.54	7185.70	6737.93
EPS (in Rs.) - after extraordinary item	2.96	3.42	3.31
Net Asset Value per share (in Rs.)	30.83	17.84	20.08

* Bonus issue @ 1:1 ratio.

Details of listing and the highest and lowest market price during the preceding six months:

The shares of Sundram Fasteners Limited are listed on NSE and BSE. The details of the monthly high and low of the market price of the shares in NSE and BSE for the last six months are as follows:

Month	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
March 2008	43.00	30.00	40.00	29.60
April 2008	36.50	28.10	36.75	30.15
May 2008	39.90	30.75	41.90	30.55
June 2008	33.55	24.00	33.55	23.80
July 2008	25.35	21.00	25.75	21.35
August 2008	30.00	23.50	30.00	23.40

2. SUNDARAM-CLAYTON LIMITED (SCL):

Date of Incorporation: 24.05.1962

Principal business: Manufacture of components for automotive applications

Shareholding pattern:

	Number of shares	% of shareholding
Indian Promoters	77,44,064	40.83
Foreign Promoters	74,30,000	39.17
Public	37,93,520	20.00
Total	1,89,67,584	100.00

Board of directors: The board of directors consists of M/s.Suresh Krishna, Venu Srinivasan (Managing Director), Gopal Srinivasan, K Mahesh, T K Balaji, D E Udwardia, D D Udeshi, Dr Christian Wiehen, Nikhil Madhukar Varty, Leon Liu, Pascale F. Rahman, Vice Admiral P J Jacob (Retd.) and K S Shah (Alternate to Mr Leon Liu)

Financial performance:

	(Rs.in lakhs)		
	31.3.2006	31.3.2007	31.3.2008 (*)
Equity Capital	1896.76	1896.76	948.38
Reserves (Excluding revaluation reserves, if any)	27045.67	32525.91	22963.64
Sales and other income	67460.38	86481.45	46141.70
Profit before tax	10631.48	12808.26	3535.36
Provision for tax	3184.73	3692.39	1143.34
Profit after tax	7446.75	9115.87	2392.02
EPS (in Rs.)	39.26	48.06	12.61
Net Asset Value per share (in Rs.)	152.59	181.48	126.07

(*)The figures for the financial year ended 31st March 2008 are not comparable with that of the previous year ended 31st March 2007, as the figures for the financial year ended 31st March 2008 are exclusive of figures of the demerged undertaking, namely brakes business which stood transferred to WABCO-TVS (INDIA) Limited with effect from 28th March 2008 in terms of the Scheme.

Details of listing and the highest and lowest market price during the preceding six months:

The shares of SCL are listed on MSE, BSE and NSE. The details of the monthly high and low of the market price of the shares in NSE and BSE for the last six months are as follows:

Month	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
March 2008	719.00	452.65	720.45	506.05
April 2008	784.00	501.05	684.85	533.15
May 2008 (*)				
June 2008 (@)	498.80	172.00	397.80	183.10
July 2008	200.00	142.85	200.00	152.65
August 2008	205.00	172.05	227.70	176.25

Note : Since trading on the MSE is practically nil, the high and low of the market price of the shares listed on the MSE is not available.

(*) equity shares with a face value of Rs.10/- each were suspended for trading from the third week of April 2008 consequent to the extinguishments and cancellation of these shares in terms of the Scheme.

(@) The quotes relates to the equity shares with a face value of Rs.5/- each allotted in terms of the Scheme.

3. WHEELS INDIA LIMITED:

Date of Incorporation: 13.6.1960

Principal business: Manufacturer of wheels and air suspension system.

Shareholding pattern:

	No. of shares	% of shareholding
Promoters' holding:		
Indian Promoters	49,13,778	49.79
Foreign Promoters	35,44,470	35.91
Indian public	14,11,196	14.30
Total	98,69,444	100.00

Board of directors: The board of directors consists of M/s S Ram (Chairman and Managing Director), S Viji, T T Rangaswamy, J M A Akers, Srivats Ram (Joint Managing Director), T K Seshadri, T S Vijayaraghavan and S Prasad

Financial Performance:

	(Rs. in Lakhs)		
	31.3.2006	31.3.2007	31.3.2008
Equity Capital	986.94	986.94	986.94
Reserves (Excluding revaluation reserves, if any)	13131.57	15003.12	16781.12
Sales & other income	86707.93	101561.53	114781.37
Profit before tax	3766.87	3869.04	3974.27
Provision for tax	1130.00	1266.00	1388.00
Profit after tax	2636.87	2603.04	2586.27
EPS (in Rs.)	26.72	26.37	26.20
Net Asset Value per share (in Rs.)	143.05	162.02	180.03

Details of listing and the highest and lowest market price during the preceding six months:

The shares of Wheels India Limited are listed on NSE. The details of the monthly high and low of the market price of the shares in NSE for the last six months are as follows:

Month	NSE	
	High (Rs.)	Low (Rs.)
March 2008	281.00	210.00
April 2008	278.00	205.05
May 2008	252.00	225.10
June 2008	249.80	180.00
July 2008	209.85	181.05
August 2008	220.00	176.85

4. TVS SRICHAKRA LIMITED:

Date of Incorporation: 2.6.1982

Principal business: Manufacture and sale of automotive tyres and tubes.

Shareholding pattern:

	No. of shares	% of shareholding
Promoters:		
Bodies corporate	26,62,189	34.77
Individuals / HUF	3,60,762	4.71
Public	46,34,099	60.52
Total	76,57,050	100.00

Board of directors: The board of directors consists of M/s.S Narayanan (Chairman), R Naresh (Executive Vice Chairman), Ms.Shobhana Ramachandhran (Managing Director), M S Viraraghavan, N H Athreya, J V Raghavan, Sitaram Rao Valluri and P Vijayaraghavan

Financial performance:

	(Rs. in Lakhs)		
	31.3.2006	31.3.2007	31.3.2008
Equity Capital	765.70	765.70	765.70
Reserves (Excluding revaluation reserves, if any)	4128.66	4533.34	5148.01
Sales & other income	29498.17	41861.01	46255.00
Profit before tax	634.74	1056.78	1370.57
Provision for tax	269.78	376.56	438.39
Profit after tax	364.96	680.22	932.18
EPS (in Rs.)	4.77	8.88	12.17
Net Asset Value per share (in Rs.)	63.92	69.20	77.23

Details of listing and the highest and lowest market price during the preceding six months:

The shares of TVS Srichakra Limited are listed on MSE, BSE and NSE. The details of the monthly high and low of the market price of the shares in NSE and BSE for the last six months are as follows:

Month	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
March 2008	139.00	80.10	129.95	82.10
April 2008	118.00	85.75	117.00	83.00
May 2008	117.50	92.50	118.25	95.50
June 2008	103.90	76.00	104.35	77.00
July 2008	89.80	62.80	89.70	72.00
August 2008	95.95	75.25	93.30	76.30

Note : Since trading on the MSE is practically nil, the high and low of the market price of the shares listed on the MSE is not available.

5. SUNDARAM BRAKE LININGS LIMITED:

Date of Incorporation: 5.9.1974

Principal business: Manufacture of organic, automotive, non-automotive and industrial friction materials.

Shareholding pattern:

	No. of shares	% of shareholding
Promoters:		
Bodies corporate	10,64,610	39.23
Individuals / HUF	5,72,589	21.11
Public	10,76,301	39.66
Total	27,13,500	100.00

Board of directors: The board of directors consists of M/s K Mahesh (Chairman & Managing Director), K Ramesh, T Kannan, P S Raman, Ashok V Chowgule and Krishna Mahesh (Executive Director).

Financial Performance:

(Rs. In Lakhs)

	31.3.2006	31.3.2007	31.3.2008
Equity Capital	271.35	271.35	271.35
Reserves (Excluding revaluation reserves, if any)	5246.97	6219.60	6736.77
Income	14559.83	18983.02	18804.13
Profit before tax	1634.44	2166.03	1091.90
Provision for tax	595.25	788.75	384.25
Profit after tax	1039.19	1377.28	707.65
EPS (in Rs.)	38.30	50.76	26.08
Net Asset Value per share (in Rs.)	203.36	239.21	258.27

Details of listing and the highest and lowest market price during the preceding six months:

The shares of Sundaram Brake Linings Limited are listed on NSE. The details of the monthly high and low of the market price of the shares in NSE for the last six months are as follows:

Month	NSE	
	High (Rs.)	Low (Rs.)
March 2008	309.95	235.50
April 2008	286.00	233.25
May 2008	285.00	237.10
June 2008	279.00	200.00
July 2008	218.00	182.25
August 2008	218.00	190.05

Common pursuits:

TVS is marketing the products manufactured by the Company in the replacement markets through its distribution outlets. The Company has also been exporting the products manufactured by it to WABCO and its associate concerns.

XIII. MANAGEMENT'S DISCUSSION AND ANALYSIS:**Overview of the business of the Company:**

The Company, being the successor of the erstwhile Brakes Business of SCL, continues to be a leading manufacturer of air brake systems for commercial vehicles in India. It continues to be a joint venture with CDH, an indirectly wholly owned subsidiary of WABCO Europe BVBA which is an indirectly wholly owned subsidiary of WABCO Holdings Inc, a global leader in pneumatic and electronic brake systems for commercial vehicles, while the other partner of the joint venture is the TVS Group, which is a leading automotive group engaged in the business of sales and services of automobile and parts thereof.

Significant developments subsequent to the last fiscal year:

- The Company, as the successor of Brakes Business of SCL, has grown in top line despite the negative growth in the medium and heavy commercial vehicle industry due to increase in content per vehicle.
- Anti-lock Brake System (ABS) has been mandated in tractor-trailer vehicles and the Company is a leading manufacturer of ABS in the Indian market.
- The Company has its operation from two new plants:

- Jamshedpur: to cater to Tata Motors, single largest customer of the Company and
 - Mahindra City : to cater to the export requirements of WABCO.
- The Brakes Business of the Company won the JIPM-TPM award for its Ambattur plant in Chennai.
 - The Company also has the Super Platinum award for Manufacturing Excellence by Frost & Sullivan in the IMEA 2007.

Factors that may affect results of the operations:

The cyclical nature of the Indian commercial vehicle industry (the Company's major customer segment) might affect demand. To control inflation, the Government has initiated actions to control money supply such as hiking the Cash Reserve Ratio (CRR) through RBI. It is expected that money supply to the industry could become a constraint and in case of need, borrowers may have to pay a higher rate of interest to avail of bank credit. Restriction in money supply is likely to cause lower off take of commercial vehicles. The rising crude oil prices will further impact the profitability of the fleet operators and hence the demand for commercial vehicles might be affected. These factors will affect the Company's domestic sales.

Also, the increase in raw material cost for the brakes system aggregates might not be fully compensated by the customers. The Company plans to mitigate this risk through cost reduction initiatives such as value engineering and global sourcing.

In order to de-risk the demand fluctuations in the domestic market due to economic cycles, the Company is working towards enlarging the export component in its portfolio. The attendant risk due to adverse exchange rate changes is addressed by including a periodic price correction mechanism linked to exchange rate in its purchase contracts, wherever possible.

Delays in launch of new products at the customer-end might lead to short-term excess capacities, resulting in lower utilization levels.

Internal control system and their adequacy:

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly. The internal controls are supported by an extensive program of internal audits, review by management and documented policies, guidelines and procedures. The status of the observations made during the internal audit will be reviewed by the Audit Committee of the board and concerns, if any, will be reported to the board.

Discussion on Results of Operations:

The Company acquired the Brakes Business of SCL upon the Scheme becoming effective on and from the Effective Date. The results discussed below refer to the Brakes Business of SCL only.

The Company achieved record sales of Rs.547 crores, including other income and Profit before tax is at Rs.104 crores during the year ended 31st March 2008.

Manufacturing:

The Company's manufacturing facilities follow practices such as TQM, TPM and Lean Manufacturing and has best-in-class practices for safety, work environment, water and energy conservation.

The Brakes Business of the Company won the TPM Excellence Award from Japan Institute of Plant Maintenance (JIPM) for its manufacturing facility in Ambattur in Chennai.

Kaizen activities are implemented to improve manufacturing quality and productivity in all the manufacturing locations.

The Company has commenced production in the new manufacturing plant in the Special Economic Zone (SEZ) - Mahindra World City near Chennai to cater to WABCO's requirements.

To meet the challenges of emerging competition and to serve the customers better, the Company proposes to have manufacturing facilities nearer to its major customers' plants. The Company has already started its operation in Jamshedpur, situated near its largest customer Tata Motors.

Quality:

The quality system at the factory aims at achieving total customer satisfaction through its focus on consistently providing products of high quality. This is achieved through state-of-art technology, best manufacturing practices, training, total employee involvement and continuous improvement culture.

The standardization of the quality procedures is aligned with TS 16949 requirements.

Cost Management:

The Company continues its rigorous focus on managing its costs through an effective cost deployment system. Value engineering and global sourcing projects are being pursued for cost reduction and also to insulate from cost escalation. TPM and lean manufacturing initiatives are deployed Company-wide to achieve significant improvement in productivity and reduction in manufacturing cost.

Information Technology:

The Company uses ERP system that integrates all business processes across the Company as well as dealers and suppliers. The Company focuses on further consolidation of ERP system. Most of the business transactions between the Company, suppliers and dealers are done through ERP.

Human Resources:

As of 31st August 2008, the Company has 992 employees on its payroll. The Company will continue to attach considerable importance to its human resource base and continue to maintain the impeccable record on industrial relations.

Environment & safety:

Safety management is integrated with the overall Environment, Health and Safety (EHS) management system. The Company is committed to energy conservation.

Capital Expenditure:

The gross block and net block of assets as on 31.3.2008 is Rs.222.87 crores and Rs.169.76 crores respectively. The addition during April 2007 to March 2008 is Rs.67.63 crores. The capital expenditure for 2008-09 is planned at Rs.73 crores, taking into account the long-term business prospects and export orders.

Foreign Exchange Risk:

The exchange risk is generally mitigated through forward cover on imports and exports. The Company seeks the views of banks and independent advisors before taking cover decisions. The Company has imports predominantly from Germany, France and China. Majority of the exports are to Germany and China. The currencies handled are Euro and USD.

Cautionary Statement:

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

XIV. OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS:

As per the Scheme, all suits, actions and proceedings of whatever nature by or against the Company pending on the Appointed Date or instituted at any time thereafter on or before the Effective Date and relating to the business of the Demerged Undertaking shall be continued and enforced by or against SCL after the Effective Date.

Save as stated herein, there is no outstanding or pending material litigation, suit, criminal or civil prosecution, proceedings initiated for offence (irrespective of whether specified in paragraph (I) of Part 1 of Schedule XIII of the Act) or litigation for tax liabilities against the Company, its Directors, the Indian Promoter, or Indian Promoter group companies and there are no material defaults, non-payment or overdue of statutory payments, institutional or bank dues or dues towards holders of debentures, bonds and fixed deposits and arrears of preference shares, other than unclaimed liabilities of the Company, its Indian Promoters or Indian Promoter group companies

Except as described below, there is no outstanding or pending litigation, suit, criminal or civil prosecution, proceeding or tax liabilities against the Company, its Directors, its Indian Promoters or Indian Promoter group companies that would have a material adverse effect on the business of the Company and there are no defaults, non-payment or overdue of statutory dues, institutional/bank dues or dues payable to holders of debentures, bonds and fixed deposits and arrears of preference shares (irrespective of whether they are specified under Part I Scheme XIII of the Act), that would have a material adverse effect on the business of the Company as on date.

The particulars furnished hereunder are extracted from the audited statement of accounts of the respective companies as on 31st March 2008.

Litigation involving the Company and its Directors:

There is no pending litigation involving the Company or its Directors as of the date hereof.

Litigation against subsidiaries of the Company:

There is no subsidiary of the Company.

Material litigation involving the TVS Group (the Indian promoter) and the Indian Promoter group companies:**A. TVS Group:****1. T V SUNDRAM IYENGAR & SONS LIMITED**

There are disputed liabilities in respect of appeals filed by or against the Company in various forums as detailed below:

Particulars	Forum where disputes are pending	Disputed amount Rs. in lakhs
Sales tax	Andhra Pradesh High Court	135.57
Service tax	Madras High Court	35.07

2. SUNDARAM INDUSTRIES LIMITED

There are disputed liabilities in respect of appeals filed by or against the Company in various forums as detailed below:

Particulars	Forum where disputes are pending	Disputed amount Rs. in lakhs
Central Excise	Quasi-judicial authorities	108.23
Service tax	Quasi-judicial authorities	109.87
Service tax	Madras High Court	44.44
Service tax	Supreme Court	3.08
Sales tax	Madras High Court	732.64
Sales tax	The Commercial Tax Officer	8.27

3. SOUTHERN ROADWAYS LIMITED

There are no disputed liabilities in respect of appeals filed by or against the Company except in the case of income tax demand of Rs.38.27 lakhs against which a sum of Rs.19.14 lakhs has been paid or adjusted against the refund, if any. A writ petition was filed before the High Court of Madras and admitted. Provision has been made in the books of account for the entire demand.

4. SUNDARAM FINANCE LIMITED

There are disputed liabilities in respect of appeals filed by or against the Company in various forums as detailed below:

Particulars	Forum where disputes are pending	Disputed amount Rs. in lakhs
Sales tax	Various appellate authorities	105.08
Service tax	Commissioner Appeals	13.68

B. Indian Promoter group companies**1. SUNDARAM-CLAYTON LIMITED**

There are disputed liabilities in respect of appeals filed by or against the company in various forums as detailed below:

Particulars	Forum where disputes are pending	Disputed amount Rs. in lakhs
Fee payable under the Tamil Nadu Town and Country Planning Act, 1971	The High Court of Madras	57.75
The Tamilnadu Tax on Consumption or Sale of Electricity Act, 2003	The High Court of Madras	3.19
Income-tax Act, 1961	Commissioner (Appeals)	14.61
Central Excise Act, 1944	CESTAT	5.60
Service Tax Act, 1994	CESTAT	4.66
Service Tax Act, 1994	Commissioner (Appeals)	44.15

2. SUNDRAM FASTENERS LIMITED

There are disputed liabilities in respect of appeals filed by or against the company in various forums as detailed below:

Particulars	Forum where disputes are pending	Disputed amount Rs.in lakhs
Income Tax	Commissioner of Income tax-Appeals	12.25
Central Excise	Quasi Judicial authorities	38.43
Central Excise	CESTAT	708.50
Sales tax	Commercial tax officer	0.03

3. WHEELS INDIA LIMITED

There are no disputed liabilities in respect of any statutory due like Income-tax, Wealth-tax, Service tax, Customs, Value Added Tax and Cess.

4. TVS SRICHAKRA LIMITED

There are disputed liabilities in respect of appeals filed by or against the company in various forums as detailed below:

Particulars	Forum where disputes are pending	Disputed amount Rs. in lakhs
Sales tax	Appellate Tribunal	0.82
Sales tax	Commissioner / Asst.Commissioner	4.23
Sales tax	High Court	21.72
Sales tax	Assessing Officer	6.84
Central Excise	Commissioner / Asst.Commissioner	76.08
Central Excise	Appellate Tribunal	158.00

5. SUNDARAM BRAKE LININGS LIMITED

There are disputed liabilities in respect of appeals filed by or against the company in various forums as detailed below:

Particulars	Forum where disputes are pending	Disputed amount Rs. in lakhs
Sales tax	Appellate Assistant Commissioner of Sales-tax	14.61
Sales tax	Sales tax Appellate Tribunal	0.83

Material litigation involving CDH (the foreign promoter):

There is no material litigation involving CDH.

XV. GOVERNMENT APPROVALS:

In terms of the Scheme, all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, expressions of interest, approvals, consents, permissions, subsidies, tenancies in relation to office and/or residential properties for the employees, offices, investments, the benefit of any deposits, all other rights including sales tax deferrals and exemptions and other sales tax benefits, lease rights, privileges, all other rights and benefits, licences, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefit of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking stood transferred to/vested in the Company from the Effective Date.

Accordingly, the Company has made applications for/obtained endorsements in the certificate of registrations / licences, obtained / applied for new licences/ registrations / modified the existing agreements / arrangement with government authorities etc. under applicable laws like the Factories Act, 1948, labour related laws/ Employees Provident Funds and Miscellaneous Provisions Act, 1952, Foreign Exchange Management Act, 1999, Pollution Control Board / Air (Prevention and Control of Pollution Act, Indirect Tax laws and all other statutory laws applicable to the Company.

XVI. REGULATORY AND STATUTORY DISCLOSURES:**Authority for Listing:**

The Honourable High Court of Madras, vide its Order dated 20th February 2008 sanctioned the Scheme between the Demerged Company and the Company and their respective equity shareholders and creditors whereby all assets, liabilities, duties, rights and obligations in respect of the Demerged Undertaking were transferred to and vested in the Company with effect from the Appointed Date under sections 391 to 394 of the Act. The aforesaid Order of the High Court of Madras was filed with the ROC on 28th March 2008 and the Scheme became effective thereupon, namely Effective Date.

In accordance with the Scheme, 1,00,000 Equity Shares held by SCL and its six nominees stood extinguished on the Effective Date.

The Equity Shares issued pursuant to the Scheme shall, subject to applicable regulations, be listed and admitted to trading on the Stock Exchanges.

Such listing and admission for trading is not automatic and will be subject to fulfilment by the Company of listing criteria of the Stock Exchanges for such issues and also subject to such other terms and conditions as may be prescribed by the

Stock Exchanges at the time of the application by the Company seeking listing of its Equity Shares.

Prohibition by SEBI:

The Company, its Directors, its Promoters, other companies promoted by the Promoters and companies with which the Directors are associated as directors have not been prohibited from accessing the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. The listing of any securities of the Company has never been refused at anytime by any of the stock exchanges in India.

Further, the Company, its Directors, its Promoters, other companies promoted by the Promoters and companies with which the Directors are associated as directors have not been declared as willful defaulters by RBI / government authorities and there are no violations of securities laws committed by them in the past and no proceedings are pending against them.

Eligibility Criterion:

There being no Initial Public Offering or Rights Issue, the eligibility criteria in terms of Clause 2.2.1 of SEBI Guidelines are not applicable.

However, SEBI has vide its letter No.CFD/DIL/PB/AC/136928/2008 dated 5th September 2008, relaxed the applicability of provisions of Regulation 19(2)(b) of the Securities Contract (Regulations) Rules, 1957 under Clause 8.3.5 of SEBI Guidelines.

The Company has submitted the Information Memorandum, containing information about itself, making disclosures in line with the disclosure requirements for public issues, as applicable, to the Stock Exchanges for making the Information Memorandum available to the public through their available websites viz. www.nseindia.com and www.bseindia.com.

The Company has made the Information Memorandum available on its website viz. www.wabco-tvs.com.

The Company will publish an advertisement in the newspapers containing details in line with the provisions of Clause 8.3.5.4 of SEBI Guidelines. The advertisement will draw specific reference to the availability of the Information Memorandum on its website as well as the Stock Exchanges.

Disclaimer – SEBI:

It is to be distinctly understood that submission of the Information Memorandum to SEBI by the DSE should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility for the financial soundness of the Scheme for which the listing is proposed to be made or for the correctness of the statements made or opinions expressed in the Information Memorandum.

Disclaimer from the Company:

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisement to be published in terms of Clause 8.3.5.4 of SEBI Guidelines or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The Company shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Disclaimer – NSE:

As required, a copy of the Information Memorandum has been submitted to NSE.

NSE has vide its letter dated July 27, 2007, approved the Scheme under clause 24(f) of the Listing Agreement and by virtue of the said approval NSE's name is included in the Information Memorandum as one of the Stock Exchanges on which the Equity Shares are proposed to be listed.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that the Information Memorandum has been cleared or approved by NSE; nor does NSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Information Memorandum; nor does it warrant that the Equity Shares will be listed or continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of the Company.

Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription or acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer – BSE:

As required, a copy of the Information Memorandum has been submitted to BSE. The BSE has vide its letter dated July 31, 2007 approved the Scheme under Clause 24(f) of the Listing Agreement and by virtue of the said approval BSE's name is included in the Information Memorandum as one of the Stock Exchanges on which the Equity Shares are proposed to be listed.

The BSE does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- Warrant that the Equity Shares will be listed or will continue to be listed on the BSE; or
- Take any responsibility for the financial or other soundness of this Company; and it should not for any reason be deemed or construed to mean that the Information Memorandum has been cleared or approved by the BSE.

Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer – MSE:

As required, a copy of the Information Memorandum has been submitted to MSE. MSE has vide its letter dated August 3, 2007, approved the Scheme under Clause

24(f) of the Listing Agreement and by virtue of the said approval. MSE's name is included in the Information Memorandum as one of the Stock Exchanges on which the Equity Shares are proposed to be listed. It is to be distinctly understood that the aforesaid permission given by MSE should not in any way be deemed or construed to mean that the Information Memorandum has been cleared or approved by MSE; nor does MSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Information Memorandum; nor does it warrant that the Equity Shares will be listed or continue to be listed on the MSE; nor does it take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of the Company.

Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against MSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription or acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing:

Copies of the Information Memorandum have been filed with the Stock Exchanges.

Listing:

Applications have been made to Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. The Company has nominated NSE as the DSE for the aforesaid listing of the Equity Shares. The Company has taken steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges.

Expert Opinions:

The Company has not obtained any expert opinions.

Despatch of Share Certificates:

The Company has dispatched the share certificates, for allotment of Equity Shares made in terms of the Scheme, on 19th May 2008 to those equity shareholders who were holding shares in SCL in physical form, as on the Record Date and who have opted to receive the Equity Shares in the physical form.

Demat Credit:

The Company has executed Tripartite Agreements with the STA and the Depositories i.e. NSDL and CDSL for admitting the Equity Shares in demat form and has been allotted International Securities Identification Number (ISIN) – INE 342J01019.

Previous rights and public issues if any:

The Company has not made any previous public or rights issue since incorporation.

Commission and brokerage on previous issues:

Since the Company has not issued Equity Shares to the public in the past, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

Particulars of listed companies under the same management, which have made capital issues during the last three years:

There are no issues made by any such listed company under the same management in the last three years.

Promise vis-à-vis Performance:

The Company has allotted Equity Shares pursuant to the Scheme sanctioned by the Hon'ble High Court of Judicature at Madras. The Company has not made any promises in the Information Memorandum.

Mechanism evolved for redressal of Investor Grievances:

The Company, with a view to render prompt and efficient service to the investors, appointed SCL, registered with SEBI as the STA to handle share registry work pertaining to both physical and electronic segments of the Equity Shares.

As required under the Listing Agreement, Mr R Madhavan, secretary of the Company has been appointed as the Compliance Officer. For any clarification/complaint, the shareholders may contact Mr R Madhavan, secretary of the Company.

Similarly, the Shareholders'/Investor's Grievance Committee will oversee and review all matters connected with share transfers, issue of duplicate share certificates etc. The Investor's Grievance Committee will also look into the redressal of investors' grievances pertaining to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. The Company, as a matter of policy, will dispose of investor complaints within a span of seven days.

XVII ARTICLES:

The relevant Articles of Association of the Company are reproduced below:

	Article No	Particulars
Reduction of capital	8.	The Company may (subject to the applicable provisions of the Act) from time to time by Special Resolution reduce its Capital and any Capital Redemption Reserve Account or Securities Premium Account in any manner for the time being authorised by law and, in particular, Capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have, if the Article were omitted.
Sub-division, consolidation and cancellation of shares	9.	Subject to the applicable provisions of the Act, the Company in General Meeting may, from time to time, subdivide or consolidate its Shares, or any of them and the resolution whereby any share is sub-divided, may determine that, as between the holders of the Shares resulting from such sub-division, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject as aforesaid, the Company in General Meeting may also cancel Shares which at the date of passing of the resolution in that behalf have not been taken or agreed to be taken by any Person and diminish the amount of its Capital by the amount of the Shares so cancelled.

- Modification of rights** 10. Whenever the Capital, by reason of the issue of preference Shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the applicable provisions of the Act, be modified, commuted, effected or abrogated, or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued Shares of the class or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of Shares of that class.
- SHARES AND CERTIFICATES** 11. The Company shall cause to be kept a Register and Index of Members in accordance with the applicable provisions of the Act. The Company shall be entitled to keep in any state or country outside India, a branch Register of Members resident in that state or country.
- Register and Index of Members**
- Shares to be numbered progressively and no Share to be sub-divided** 12. The Shares in the Capital of the Company other than the shares held in a depository shall be numbered progressively according to their several Share denominations, and except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
- Further issue of Capital** 13. (A) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed Capital of the Company by allotment of further Shares, whether out of unissued share capital, or out of increased share capital, then such further shares, shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the Capital Paid up on these Shares at that date. Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.
- (B) Notwithstanding anything contained in the preceding sub-clause, the Company may :
- (a) by a Special Resolution ; or
- (b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal

contained in the resolution moved in that General meeting (including the casing of vote if any, of the Chairman) by Members who, being entitled to do so, vote in person or where proxies are allowed, by Proxy, exceed the votes, if any, cast against the proposal by Members so entitled and voting and the Central Government is satisfied, on an application made by the Board in this behalf, that the proposal is most beneficial to the Company, offer further Shares to any person or persons, and such person or persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.

(C) Notwithstanding anything contained in sub-clause (A) above, but subject, however, to the applicable provisions of the Act, the Company may increase its subscribed Capital on exercise of an option attached to the Debentures issued or loans raised by the Company to convert such Debentures or loans into Shares, or to subscribe for Shares in the Company.

Shares under control of Directors 14.

Subject to the provisions of these Articles and of the Act, the Shares including any shares forming part of any increased Capital of the Company shall be under the control of Directors, who may, allot or otherwise dispose of the same or any of them to such Persons in such proportion, on such terms and conditions, and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power to give to any Person the option to call for or be allotted Shares of any class of the Company either (subject to the provisions of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed the returns as to allotment provided for in the applicable provisions of the Act.

Power also to Company in General meeting to issue shares 15.

In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 13 and 14, the Company in General Meeting may, subject to the applicable provisions of the Act, determine that any Shares (whether forming part of the original Capital or of any increased Capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to call for or to allot shares of any class of the Company either (subject to compliance with the provisions of the Act) at a premium or at par or at a discount, such option being exercisable for such time and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any Shares.

Acceptance of Shares 16.

An application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any Share

therein, shall be an acceptance of Shares within the meaning of these Articles and every person who thus or otherwise accepts any Shares and whose name is on the Register shall, for the purposes of these Articles, be a Member.

- Deposit and call, etc., to be a debt payable immediately** 17. The money, (if any), which the Board shall, on the allotment of any Shares being made by it, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares so allotted, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
- Liability of Member** 18. Every member, or his heirs, executors, or administrators, shall pay to the Company the portion of the Capital represented by his Share or Shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.
- Share Certificate** 19. (a) Every Member or allottee of Shares shall be entitled within one month from the date of application for registration of transfer or three months from the date of allotment (or within such other period as the conditions of issue shall provide) without payment
- (i) to receive one certificate for all his shares; or
- (ii) to receive several certificates each for market lots of shares held by any member, specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon.

Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of advice or acceptance or of renunciation or in case of issue of bonus Shares. Every such certificate shall be issued under the Seal, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney, and the Secretary or some other person appointed by the Board for the purpose, and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits it, at least one of the aforesaid two Directors shall be a person other than a Managing or Whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued indicating the date of issue.

- (b) Any two or more joint allottees of a Share shall, for the purpose of this Article, be treated as a single Member, and the certificate of any Share, which may be the

subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them.

- (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
- (d) Notwithstanding anything contained in these Articles, when the Shares are dealt with in a Depository, the Company shall intimate the details of allotment of Shares to the Depository immediately on allotment of such Shares.

Restriction on sub-division or consolidation 20.

Notwithstanding anything contained in the sub-article (a) of the Article 19, the Board may not accept applications for sub-division or consolidation of shares into denominations of less than twenty five (25) except when such a sub-division or consolidation is required to be made to comply with a statutory order or an Order of a competent Court of Law or a request from a Member to convert his holding of odd lots of Shares into transferable / marketable lots, subject, however, to verification by the Company.

Renewal of share certificate 21.

- (a) No certificate of any Share or Shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfers have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company, provided that no fee should be charged for issue of such new certificate.
- (b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of share certificate No. ---subdivided / replaced / or consolidation of Shares.
- (c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity as to the payment of out-of pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit, and on payment of a fee of Re.1/- for each of such certificate.
- (d) When a new share certificate has been issued in pursuance of clause(c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is duplicate issued in lieu of share certificate No.-- The word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate.

- (e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificates shall be entered in a Register of Renewed and Duplicate Certificates indicating against the names of the persons to whom the certificate is issued the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the 'Remarks' column.
- (f) All blank forms to be issued for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose, and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (g) The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub-clause (f) above.
- (h) All books referred to herein shall be preserved in good order permanently.

The first named of joint holders deemed sole holder.

22. If any Share stands in the names of two or more persons, the person first named in the Register shall as regards receipts of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meetings, and the transfer of the Shares, be deemed the sole holder thereof, but the joint holders of a Share shall be severally, as well as jointly, liable for the payment of all instalments and calls due in respect of such Shares and for all incidents thereof according to the Company's regulations.

Company not bound to recognise any interest in share other than that of registered holder.

23. Except as ordered by a Court of competent jurisdiction, or as by law requires, the Company shall not be bound to recognise an equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto in accordance with these Articles, in the person from time to time registered as the holder thereof; or whose name appears as the Beneficial owner of Shares in the records of a depository, but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons or the survivor or survivors of them.

Funds of the Company may not be applied in purchase of shares of the Company 24. (1) None of the funds of the Company shall be applied in the purchase of any Shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any Shares in the Company or in its holding company, except as provided by the applicable provisions of the Act.

Buy back of Shares

(2) Notwithstanding anything contained in these Articles and in pursuance to the applicable provisions of the Act, the Company may, when and if thought fit, buy back such of the Company's own Shares or other securities as it may consider appropriate subject to such limits, restrictions, terms and conditions and approvals as may be required under such applicable provisions of the Act.

LIEN

Company to have lien on shares. 39. The Company shall have a first and paramount lien upon all the Shares (other than fully Paid up Shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares, and no equitable interest in any Shares shall be created except upon the footing and upon the condition that Article 23 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Board may, however, at any time, declare any share to be exempt, wholly or partially from the provisions of this Article.

As to enforcing lien by sale 40. For the purpose of enforcing such lien, the Board may sell the Shares, subject thereto in such manner as they shall think fit, and for that purpose, may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their number to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such Member or his representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

Application of proceeds of sale 41. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to Persons entitled to the Shares at the date of the sale.

FORFEITURE OF SHARES

- If money payable on shares not paid, notice to be given to Member.** 42. If any Member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time, thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- Form of notice** 43. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest thereon at such rate as the Directors shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid.
- The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the Shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.
- In default of payment, Shares to be forfeited** 44. If the requirements of any such notice as aforesaid shall not be complied with, every or any Share in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Share and not actually paid before the forfeiture.
- Notice of forfeiture to a Member** 45. When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
- Forfeited Share to be property of the Company and may be sold, etc.,** 46. Any Share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other Person, upon such terms and in such manner as the Board shall think fit.
- Member still liable to pay money owing at the time of forfeiture and interest** 47. Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, instalments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine, and the Board may enforce the payment thereof, as it thinks fit.

- Effect of forfeiture** **of** 48. The forfeiture of a Share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.
- Evidence of forfeiture** **of** 49. A declaration in writing that the declarant is a Director or Secretary of the Company and that a Share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
- Validity of sale under Articles 40 and 50** 50. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the Shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the register in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- Cancellation of share certificates in respect of forfeited shares.** 51. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said Shares to the person or persons entitled thereto.
- Power to annul forfeiture** 52. The Board may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

- Register of Transfers** **of** 53. The Company shall keep a 'Register of Transfers', and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.
- Instrument of Transfers** **of** 54. The Instrument of transfer shall be in writing and all the applicable provisions of the Act shall be duly complied with in respect of all transfers of Shares and the registration thereof.

- Instrument of transfer to be completed and presented to the Company** 55. The instrument of Transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the applicable provisions of the Act. The instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of transferor and his right to transfer the shares and every registered Instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board. The Transferor shall be deemed to be the holder of such Shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer, the certificate or certificates of the Shares must be delivered to the Company.
- Transfer Books and Register of Members when closed** 56. Nothing contained in this Article shall however apply to a transfer of Shares effected by the transferor and the transferee both of whom are entered as Beneficial owners in the records of a Depository.
- The Board shall have the power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate to close the Transfer Books, the Register of Members or Register of Debenture holders at such times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.
- Notice of application when to be given** 57. Where in the case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the applicable provisions of the Act.
- Death of one or more joint holders of shares** 58. In the case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
- Title of shares of deceased member** 59. The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased Member (not being one or two or more joint holders) shall be the only persons recognised by the Company as having any title to the Shares registered in the name of such Member, and the Company shall not be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 61 register the name of any

person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.

- No transfer to infant etc.,** 60. No share shall in any circumstances be subscribed for by, or transferred to, any infant, minor, insolvent or person of unsound mind.
- Registration of persons entitled to shares otherwise than by transfer** 61. Subject to the applicable provisions of the Act and Articles 58 and 59 any person becoming entitled to Shares in consequence of the death, and any person becoming entitled to Shares in consequence of lunacy, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Shares or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares.
- Persons entitled may receive dividend without being registered as member.** 62. A person entitled to a Share by transmission shall, subject to the right of the Board to retain such dividends or money as hereinafter provided, be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the share.
- Fee on transfer or transmission** 63. No fee shall be charged by the Company for the following, namely
- (a) for registration of transfers of Shares and Debentures, or for transmission of Shares and Debentures;
 - (b) for sub-division and consolidation of share and debenture certificates and for sub-division of letters of allotment, split, consolidation, renewal and transfer receipts into denominations corresponding to the market units of trading;
 - (c) for sub-division of renounceable letters of right;
 - (d) for registration of any power of attorney, probate, letters of administration or other legal representation.
- Company not liable for disregard of a notice prohibiting registration of a transfer.** 64. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have

had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to it in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

Nomination

- 64A (a) Every holder of Shares may at any point nominate, in the manner prescribed under the Act, a Person to whom his Shares shall vest in the event of his death.
- (b) Where Shares are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Act, a Person to whom all the rights in the Shares shall vest in the event of death of all the joint holders.
- (c) Notwithstanding anything contained in any other law for the time being in force or in disposition, whether testamentary or otherwise, in respect of the Shares where a nomination made in the manner prescribed under the Act, purports to confer on any Person the right to vest the Shares, the nominee shall on the death of the Member concerned, or on the death of the joint holders become entitled to all the rights in relation to such Shares to the exclusion of all other Persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.
- (d) Where the nominee is a minor, the holders of the Shares concerned, can make the nomination to appoint in the manner prescribed under the Act, any Person to become entitled to the Shares concerned in the event of his death during the minority.

Transmission case of Nomination

- in 64B (a) Any Person who becomes a nominee by virtue of the applicable provisions of the Act, upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either:-
- (i) to register himself as the holder of the Share; or
- (ii) to make such transfer of Share, as the deceased Member could have made.
- (b) If the Person being a nominee, so entitled, elects to be registered as holder of the Share himself, he shall deliver or send to the Company a notice in writing duly signed by him stating that the nominee concerned so elects and such notice shall be accompanied with the death certificate of the deceased Member.

(c) All the limitations, restrictions and provisions of the Act relating to the right to transfer and registration of transfer of Shares shall be applicable to any such notice or transfer as aforesaid as if the death of the Member had not occurred and the notice or transfer were signed by that Member.

(d) A Person being a nominee, becoming entitled to have a Share by reason of the death of the holder shall be entitled to the same Dividends and other advantages to which he would be entitled if he was the registered holder of the Shares except that he shall not, before being registered as a Member in respect of his Shares, be entitled in respect of it to exercise any right(s) conferred by membership in relation to meetings.

Provided that the Board may, at any time give notice requiring any such Person to elect either to register himself or to transfer the Share, and if the notice is not acted upon by the nominee within ninety (90) days, the Board may thereafter withhold payments of all Dividends or other moneys payable in respect of the Share until requirements of the notice have been complied with.

Provisions of Articles to apply to Shares held in a depository	65A	Except as specifically provided in these Articles the provisions relating to joint holders of Shares, calls, lien on shares, forfeiture of shares and transfer and transmission of Shares shall be applicable to shares held in a Depository so far as they apply to Shares held in physical form subject to the applicable provisions of the Depositories Act, 1996.
Dematerialisation of securities	65B	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its Shares including preference shares, Debentures and other securities pursuant to the Depositories Act, 1996, and to offer its Shares, Debentures and other securities for issue in dematerialised form. The Company shall further be entitled to maintain a Register of Members with the details of members holding Shares both in material and dematerialised form in any media as permitted by law including any form of electronic media.
Depositories Act to apply to Shares held in depositories	65C	Notwithstanding anything contained herein, in the case of transfer of Shares whether preference and / or equity or other marketable securities, where the Company has not issued any certificates and where such Shares or securities are being held in an electronic and fungible form, the provisions of Depositories Act, 1996 shall apply.
Index of Beneficial owners deemed to be index of Members	65D	A register of index of Beneficial Owners maintained by a Depository under the applicable provisions of the Depositories Act, 1996, shall be deemed to be an index of Members and register of Debenture holders, as the case may be, for the purposes of these Articles.

COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

- Copies of Memorandum and Articles to be sent by the Company** of 66. Copies of the Memorandum and Articles and other documents referred to in the applicable provisions of the Act, shall be sent by the Company to every member at his request within seven days of the request on payment of the sum of Rupee one for such copy.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

- Shares may be converted into Stock** 72. The Company in General Meeting may convert any Paid-up Shares into stock, and when any Shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which Shares from which the stock arise might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into Paid-up Shares of any denomination.

- Rights of stockholders** of 73. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held the Shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets of winding-up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.

MEETINGS OF MEMBERS

- Annual Meeting, General Summary** of 74. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meetings in that year. All General Meetings other than Annual General Meeting shall be called Extra-Ordinary General Meetings. The first Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company and the next Annual General Meeting shall be held within six months after the expiry of the Financial Year in which the first Annual General Meeting was held and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each Financial Year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the applicable provisions of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Office of the Company or at some other place within the city in which the Office of the Company is situate as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in

any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every Member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' report and audited statement of accounts, Auditors report (if not already incorporated in the audited statement of accounts), the Proxy register with proxies and the Register of Directors' Shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual List of Members, summary of the Capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with the applicable provisions of the Act.

**Extraordinary
General Meeting.**

75. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of such of the Paid-up Capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

**Requisition of
members to state
object of meeting.**

76. Any valid requisition so made by Members must state the object or objects of the Meeting proposed to be called and must be signed by the requisitionists and be deposited at the Office provided that such requisition may consist of several documents in like form, each signed by one or more requisitionists.

**On receipt of
requisition,
Directors to call
meeting and in
default
requisitionists
may do so**

77. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the Paid-up Capital held by all of them or not less than one tenth of such of the Paid up Capital of the Company as is referred to in the applicable provisions of the Act whichever is less, may themselves call the Meeting, but in either case, any Meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

**Meeting called by
requisitionists**

78. Any Meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which Meetings are to be called by the Board.

**Twenty-one days'
notice of
meetings to be
given.**

79. Twenty-one days' notice at the least of every General Meeting, Annual or Extraordinary, and by whomsoever called, specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, Provided that in the case of an Annual General

Meeting with the consent in writing of all the Members entitled to vote thereat and in case of any other Meeting, with the consent of members holding not less than ninety five percent of such part of the Paid-up Capital of the Company as gives a right to vote at the Meeting, a Meeting may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than

- (i) the consideration of the accounts, balance sheets and reports of the Board of Directors and Auditors;
- (ii) the declaration of Dividend;
- (iii) the appointment of Directors in place of those retiring;
- (iv) the appointment of and fixing of the remuneration of the Auditors, is to be transacted and in the case of any other Meeting, in any event there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including, in particular, the nature of the concern or interest if any, therein of every Director, and the manager (if any). Where any such item of special business relates to, or affects any other Company, the extent of shareholding interest in other Company of every Director and the Manager, if any, of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty per cent of the Paid-up Capital of that other Company. Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement.

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| Omission to give notice not to invalidate a resolution passed | 80. | The accidental omission to give any such notice as aforesaid to any of the Members, or the non-receipt thereof, shall not invalidate any resolution passed at any such Meeting. |
| Meeting not to transact business not mentioned in notice | 81. | No General Meeting, Annual or Extraordinary, shall be competent to enter upon discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened. |
| Quorum at General Meeting. | 82. | Five members present in person shall be a quorum, for a General Meeting. |
| Body corporate deemed to be personally present | 83. | A body corporate being a member shall be deemed to be personally present if it is represented in accordance with the applicable provisions of the Act. |
| If Quorum not present meeting to be dissolved or adjourned | 84. | If, at the expiration of half an hour from the time appointed for holding a Meeting of the Company, a quorum shall not be present, the Meeting, if convened by or upon the requisition of Members, shall stand dissolved, but in any other case, the Meeting shall stand adjourned to the same day in the next week or, if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time |

and place or to such other day and at such other time and place in the city or town in which the Office of the Company is for the time being situate, as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum, and may transact the business for which the Meeting was called.

- Chairman of General Meeting.** 85. The Chairman (if any) of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Board, or if at any Meeting he shall not be present within fifteen minutes of the time appointed for holding such Meeting, or if he shall be unable or unwilling to take the Chair then the Managing Director shall be entitled to take the Chair and failing him the Directors present may choose one of their number to be the Chairman of the Meeting. If no Director be present or if all the Directors present decline to take the Chair, then the Members present shall elect one of their number to be the Chairman.
- Business confined to election of Chairman while chair vacant.** 86. No business shall be discussed at any General Meeting except the election of a Chairman, while the Chair is vacant.
- Chairman with consent may adjourn meeting** 87. The Chairman with the consent of the Members may adjourn any Meeting from time to time and from place to place in the city or town in which the office of the Company is for the time being situate, but no business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.
- Questions at General Meeting how decided** 88. At any General Meeting a resolution put to the vote of the Meeting shall, unless a poll is ordered by the Chairman of the Meeting, be decided on a show of hands. A declaration by the Chairman, that a resolution has on a show of hands has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by Proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been Paid up.
- Chairman's casting vote.** 89. In the case of an equality of votes, the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

- Poll to be taken if demanded** 90. If a poll is demanded as aforesaid the same shall, subject to Article 92, be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the Office is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval of adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. The demand for the poll may be withdrawn at any time by the person or persons who made the demand.
- Scrutineers at poll** 91. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an Officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.
- In what case, poll taken without adjournment** 92. Any poll duly demanded on the election of a Chairman of a Meeting or on any question of adjournment shall be taken at the Meeting forthwith.
- Demand for poll not to prevent transaction of other business** 93. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTE OF MEMBERS

- Members in arrears not to vote** 94. No Member shall be entitled to vote, either personally or by Proxy, at any General Meeting of a class of shareholders, either upon a show of hands or upon a poll in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has and has exercised any right of lien.
- Number of votes to which member entitled** 95. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of Shares for the time being forming part of the Capital of the Company, every Member, not disqualified by the last preceding Article shall be entitled to be present and to speak and vote at such Meeting and on a show of hands, every Member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his Share of the Paid-up Capital of the Company. Provided, however, if any preference shareholder be present at any meeting of the Company, save as provided in the applicable provisions of the Act, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

- Casting of votes by a member entitled to more than one vote** 96. On a poll taken at a meeting of the Company a Member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
- Votes of joint members** 97. If there be joint registered holders of any Shares, any one of such Persons may vote at any Meeting or may appoint another Person (whether a Member or not) as his proxy in respect of such Shares, as if he were solely entitled thereto and, if more than one of such joint holders be present at any Meeting, that one of the said Persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such Shares, but the other or others of the joint holders shall be entitled to be present at the Meeting. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.
- Voting in person or by proxy** 98. Subject to the provisions of these Articles, votes may be given either personally or by Proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with the applicable provisions of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member.
- Votes in respect of shares of deceased and insolvent member** 99. Any person entitled under Article 61 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such Shares, provided that forty-eight hours at least before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such Shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.
- Appointment of proxy** 100. Every Proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Seal of such corporation, or be signed by an officer or any attorney or duly authorised by it, and any committee or guardian may appoint such Proxy. The Proxy so appointed shall not have any right to speak at the Meetings.
- Proxy either for specified meeting or for a period** 101. An instrument of Proxy may appoint a Proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every Meeting of the Company or of every Meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
- Proxy to vote only on a poll** 102. A Member present by proxy shall be entitled to vote only on a poll.

- Deposit of Instrument of appointment** 103. The instrument appointing a Proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Office not later than forty-eight hours before the time for holding the Meeting at which the person named in the instrument proposes to vote and in default the instrument or Proxy shall not be treated as valid. No instrument appointing a Proxy shall be valid after the expiration of twelve months from the date of its execution.
- Form of Proxy** 104. Every instrument of Proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in the applicable provisions of the Act.
- Validity of votes given by proxy notwithstanding death of member** 105. A vote given in accordance with the terms of an instrument of Proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the Proxy or of any power of attorney under which such Proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Office before the Meeting.
- Time objections for votes.** 106. No objection shall be made to the validity of any vote, except at any Meeting or poll at which such vote shall be tendered and every vote whether given personally or by Proxy, not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever.
- Chairman of Meeting to be judge of validity of any vote** 107. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
- Certain matters to be approved by Special Resolution** 108. Any resolution which under the provisions of these Articles or the Act is permitted or required to be passed by the Company in General Meeting shall, in respect of only such matters as may be determined by a resolution at a Meeting of the Board, be passed as a special resolution unless these Articles or the Act expressly require such matters to be passed by an Ordinary Resolution.
- Minutes of General Meeting and Inspection thereof by Members** 109. (a) The Company shall cause minutes of all proceedings of every General Meeting to be kept by and making within thirty days of the conclusion of every such Meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
- (b) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each Meeting in such book shall be dated and signed by the Chairman of the same Meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for

the purpose.

- (c) In no case the minutes of proceedings of a Meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (d) The minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat.
- (e) All appointments of Officers made at any Meeting as aforesaid shall be included in the Minutes of the Meeting.
- (f) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the Meeting:-
 - (1) is or could reasonably be regarded as, defamatory of any Person, or
 - (2) is irrelevant or immaterial to the proceedings, or
 - (3) is detrimental to the interest of the Company

The Chairman of the Meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

- (g) Any such minutes shall be evidence of the proceedings recorded therein.
- (h) The book containing the minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open during business hours, for such period not being less in the aggregate than two hours in such day as the Directors determine to the inspection by any Member without charge.

DIVIDENDS

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| Division of profits | 161. | The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles, and subject to the provisions of these Articles, shall be divisible among the Members in proportion to the amount of Capital Paid-up or credited as Paid-up on the Shares held by them respectively. |
| The Company in General Meeting may declare a Dividend | 162. | The Company in General Meeting may declare dividends out of profits of any Financial Year or previous Financial Years to be paid to Members according to their respective rights, but no Dividends shall exceed the amount recommended by the board, but the Company in General Meeting may declare a smaller Dividend. |
| Dividends only to be paid out of profits | 163. | (a). No dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the applicable provisions of the Act or out of profits of the Company for any previous Financial Year or years arrived at after |

providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that;

If the Company has not provided for depreciation for any previous Financial Year or Years, it shall, before declaring or paying a Dividend for any Financial Year, provide for such depreciation out of the profits of the Financial Year or out of the profits of any other previous Financial Year or years;

If the Company has incurred any loss in any previous Financial Year or Years the amount of the loss or an amount which is equal to the amount provided for depreciation for that Year or those Years whichever is less, shall be set off against the profits of the company for the year for which the dividend is proposed to be declared or paid or against the profits of the company for any previous financial Year or Years arrived at in both cases after providing for depreciation in accordance with the applicable provisions of the Act or against both.

- (b). Notwithstanding anything contained in sub-clause (1) hereof, no Dividend shall be declared or paid by the Company for any Financial Year out of the profits of the Company for that Year arrived at after providing for depreciation in accordance with the provisions of sub-clause (a) hereof except after the transfer to the reserves of the Company of such percentage of its profits for that year not exceeding ten per cent as may be prescribed.

Provided that nothing in this clause shall be deemed to prohibit the voluntary transfer by the Company of a higher percentage of its profits to the reserves in accordance with such rules as may be made by the Central Government in this behalf.

- (c). Where owing to inadequacy or absence of profits in any Year, the Company proposes to declare Dividend out of the accumulated profits earned by the Company in previous Years and transferred by it to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be made by the Central Government in this behalf, and where any such declaration is not in accordance with such rules such declaration shall not be made except with the previous approval of the Central Government.

Interim Dividend

164. The Board may, from time to time, pay to the Members such interim Dividend as in their judgement the position of the Company justifies.

Capital Paid up in advance at interest not to earn dividend.

165. Where Capital is paid in advance of calls, such Capital may carry interest but shall not in respect thereof confer a right to Dividend or to participate in profits.

- Dividend in proportion to amount paid-up** 166. All Dividend shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the Dividend is paid; but if any Share is issued on terms providing that it shall rank for Dividend as from a particular date such Share rank for Dividend accordingly.
- Retention of dividends until completion of transfer under Article 61** 167. Subject to the applicable provisions of the Act, the Board may retain the Dividends payable upon shares in respect of which any person is under Article 61 entitled to become a Member or which any person under that Article is entitled to transfer, until such person shall become a Member, in respect of such Shares or shall duly transfer the same.
- Dividend etc., to joint holders** 168. Any one of several persons who are registered as the joint holders of any Share may give effectual receipts for all dividends or bonus and payments on account of Dividends or bonus or other moneys payable in respect of such Shares.
- No Member to receive Dividend while indebted to the Company and the Company's right of reimbursement of the debt** 169. No Member shall be entitled to receive payment of any interest or Dividends in respect of his Share or Shares, while any money may be due or owing from him to the Company in respect of such Share or Shares or otherwise, howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or Dividend payable to any Member all sums of money so due from him to the Company.
- Transfer of Shares must be registered.** 170. A transfer of Shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.
- Dividends how remitted.** 171. Unless otherwise directed, any dividend may be paid by cheque or warrant or by a pay slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the Member or Person entitled or in the case of joint holders to that one of them first named in the register in respect of the joint-holdings. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to the Member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the Dividend by any other means.
- Unclaimed Dividend** 172. No unclaimed or unpaid Dividend shall be forfeited by the Board and the Company shall comply with all the applicable provisions of the Act in respect of unclaimed or unpaid Dividend.
- No interest on Dividends.** 173. Subject to the applicable provisions of the Act, no unpaid Dividend shall bear interest as against the Company.
- Dividend and call together** 174. Any General Meeting declaring a Dividend may, on the recommendation of the Directors, make a call on the members of such amount as the Meeting fixes, but so that the call on

each Member shall not exceed the Dividend payable to him, and so that the call be made payable at the same time as the Dividend; and the Dividend may, if so arranged between the Company and the members, be set off against the calls.

CAPITALISATION

- Capitalisation** 175. (a). The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for Dividend (or representing premium received on the issue of Shares and standing to the credit of the Securities Premium Account) be capitalised and distributed among such of the shareholders as would be entitled to receive the same if distributed by way of Dividend and in the same proportions on the footing that they become entitled thereto as Capital and that all or any part of such capitalised fund be applied on behalf of such shareholder in paying up in full either at par or at such premium as the resolution may provide, any unissued Shares or Debentures of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued Shares or Debentures and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interests in the said capitalised sum, provided that a Securities Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied in the paying of any unissued shares to be issued to Members as fully paid bonus Shares.
- (b). A General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investment representing the same, or any other undistributed profits of the Company not subject to charge for income-tax be distributed among the Members on the footing that they receive the same as Capital.
- (c). For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient, and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any Members upon the footing of the value so fixed or that fraction or less value than Rs.10/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with the applicable provisions of the Act, and the Board may appoint any Person to sign such contract on behalf of the Persons entitled to the Dividend

or capitalised fund, and such appointment shall be effective.

XVIII. MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION:

Material Contracts:

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of this Information Memorandum) which are or may be deemed material have been entered or to be entered into by the Company. The material contracts and also the other documents for inspection referred to hereunder, may be inspected at the Company's registered office at No.29, Haddows Road, Chennai 600 006, Tamilnadu, India, for inspection on any working day (i.e. Monday to Friday and not being a bank holiday in Chennai) from 2.00 p.m. to 5.00 p.m. from the date of the Information Memorandum until listing.

Documents for Inspection:

- A. Material Contracts : Nil
- B. Other Documents for Inspection:
 - 1. MOA and Articles, as amended till date, along with the Certificate of Incorporation and the Certificate of Commencement of Business issued by ROC.
 - 2. The Order of Hon'ble High Court of Madras dated 20th February 2008, sanctioning the Scheme along with a copy of the Scheme.
 - 3. Letters of approval issued by BSE, NSE and MSE dated July 31, 2007, July 27, 2007 and August 3, 2007 respectively, according their 'no objection' to the Scheme.
 - 4. Acknowledgement from ROC for filing of Scheme on March 28, 2008.
 - 5. Return of allotment filed by the Company for allotment of Equity Shares pursuant to the Scheme.
 - 6. Copies of Tripartite Agreements dated 2nd May 2008 and 23rd May 2008 executed by the Company with the STA and NSDL and CDSL.
 - 7. Memorandum of Understanding dated 28th December 2007 with the STA.
 - 8. Annual Reports containing the Audited Accounts of the Company for the financial years ended on 31st March 2005, 31st March 2006, 31st March 2007 and also the audited financial statements for the period ended 31st January 2008 along with the report of the statutory auditors of the Company dated 7th May 2008 and mentioned in the Information Memorandum and the Audited Accounts of the Company for the financial year ended 31st March 2008.
 - 9. Copy of certificate dated 10th September 2008 from M/s.Sundaram & Srinivasan, Chartered Accountants, the statutory Auditors.

10. Copy of letter dated 5th June 2008 received from the tax consultants M/s. Subbaraya Aiyar Padmanabhan & Ramamani, advising the Company on the tax benefits available to the Company and the Equity Shareholders.
11. Board Resolutions dated 23.3.2008 and 7.5.2008 for appointment of Whole-time Director.
12. SEBI letter No.CFD/DIL/PB/AC/136928/2008 dated 5th September 2008, granting relaxation from the applicability of Rule 19(2)(b) of the Securities Contract Regulation (Rules) 1957 for listing of Equity Shares.

XIX. DECLARATION:

No statement made in the Information Memorandum contravenes any of the applicable provisions of the Act and the rules made thereunder. All the applicable legal requirements connected with the issue of Equity Shares in terms of the Scheme as also the guidelines, instructions etc., if any, issued by SEBI, government and any other competent authority in this behalf have been duly complied with.

All the disclosures and information contained in this document is true and correct.

**On behalf of the Board of
WABCO-TVS (INDIA) LIMITED**

H Lakshmanan
Director

C N Prasad
Whole-time Director

Place: Chennai

Date: 25th September 2008