

TVS MOTOR COMPANY LIMITED



Sixteenth Annual Report 2007-2008



Board of Directors

VENU SRINIVASAN
Chairman & Managing Director

GOPAL SRINIVASAN

T. K. BALAJI

H. LAKSHMANAN

T. KANNAN

N. GANGA RAM

C. R. DUA

K. S. BAJPAI

T. R. PRASAD

Audit Committee

T. KANNAN*

Chairman

T.R. PRASAD

N. GANGA RAM

T. K. BALAJI

Investors' Grievance Committee

N. GANGA RAM

Chairman

VENU SRINIVASAN

T. KANNAN

President

K.N. RADHAKRISHNAN

Sr. Vice President - Finance

S.G. MURALI

Secretary

T. S. RAJAGOPALAN

Auditors

SUNDARAM & SRINIVASAN

Chartered Accountants,
23, Sir C.P. Ramaswamy Road,
Alwarpet, Chennai - 600 018.

Listing of shares with

Madras Stock Exchange Ltd., Chennai.
Bombay Stock Exchange Ltd., Mumbai.
The National Stock Exchange of India Ltd., Mumbai.

Share Transfer Agent

Sundaram-Clayton Limited
New No. 22, Old No. 31
Railway Colony, 3rd Street,
Mehta Nagar, Chennai - 600 029.
Tel : 044 - 2374 1889, 2374 2939
Fax: 044 - 2374 1889

* Effective 1st July 2008.

Bankers

STATE BANK OF INDIA
Corporate Accounts Group Branch,
Greams Road, Chennai - 600 006.

STATE BANK OF MYSORE
Industrial Finance Branch,
Midford Garden Road, Bangalore - 560 001.

Registered office

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

Factories

- 1) Post Box No. 4, Harita, Hosur - 635 109.
Tel : 04344 - 276780
Fax : 04344 - 276016
- 2) Post Box No. 1, Byathahalli village,
Kadakola post, Mysore - 571 311.
Tel : 0821 - 2596560
Fax : 0821 - 2596530/2596533
- 3) Bhatian Village, Nalagarh Post & Taluk
Solan District - 174 101.
Himachal Pradesh
Tel : 01795 - 220494
Fax : 01795 - 220496

Subsidiary Companies

Sundaram Auto Components Limited, Chennai
TVS Motor Company (Europe) B.V., Amsterdam
TVS Motor (Singapore) Pte. Limited, Singapore
PT. TVS Motor Company Indonesia, Jakarta

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Financial Highlights

Rupees in crores

DETAILS	2007-08	2006-07	2005-06	2004-05	2003-04
Sales and other income	3,310	3,921	3,306	2,955	2,856
Profit before interest, depreciation and tax	132	203	275	291	296
Profit before tax	35	91	168	200	215
Profit after tax	32	67	117	138	138
Net fixed assets	1,043	1,003	794	770	704
Share capital	24	24	24	24	24
Reserves and surplus	798	786	742	655	551
Networth	769	751	673	614	562
Total borrowings	666	634	385	187	119
Earnings per share (Rs.)	1.34	2.80	4.93	5.79	5.83
Dividend per share (Rs.)	0.70	0.85	1.30	1.30	1.30
Book value per share (Rs.)	32.04	31.29	28.04	25.58	23.42

Notice to the Shareholders

NOTICE is hereby given that the sixteenth annual general meeting of the company will be held at "Sathguru Gnanananda Hall", Naradha Gana Sabha Trust, 314 TTK Road, Chennai 600 018 on Thursday, the 14th August 2008, at 10.30 A.M to transact the following business:

ORDINARY BUSINESS

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

RESOLVED THAT the audited balance sheet as at 31st March 2008 and the profit and loss account of the Company for the year ended on that date, together with the directors' report and the auditors' report thereon as presented to the meeting, be and the same are hereby, approved and adopted.

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

RESOLVED THAT pursuant to the recommendation of the board of directors of the Company, a dividend of Re. 0.70 per share on 23,75,43,557 equity shares of Re.1/- each fully paid up absorbing a sum of Rs. 16.63 crores be and is hereby declared for the year ended 31st March 2008 and the same be paid to those shareholders whose names appear in the register of members of the Company as at the close of 7th August, 2008.

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

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

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

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

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

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

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

RESOLVED THAT the retiring auditors Messrs. Sundaram & Srinivasan, Chartered Accountants, Chennai be and are

hereby re-appointed as auditors of the Company to hold office from the conclusion of this annual general meeting till the conclusion of the next annual general meeting of the Company on such remuneration as may be fixed in this behalf by the board of directors of the Company.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution:

RESOLVED THAT subject to the provisions of Sections 198 and 309 and other applicable provisions, if any, of the Companies Act, 1956 the non-executive independent directors of the Company (as defined in Clause 49 of the Listing Agreement with Stock Exchanges), be paid, (in addition to sitting fees for attending the meetings of the board or of a committee thereof and travelling and stay expenses) such sum as commission payable at such intervals for each such independent director of the Company, as may be determined by the board of directors of the Company, from time to time, for each financial year, for a period of five years commencing from 1st April 2008, within the overall limits, so as not to exceed in aggregate 1% of the net profits of the Company, calculated in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956.

By order of the board

Bangalore
June 30, 2008

T.S. RAJAGOPALAN
Secretary

Registered Office:
"Jayalakshmi Estates"
29, Haddows Road
Chennai 600 006

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy or proxies so appointed need not be a member or members, as the case may be, of the Company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company not later than 48 hours before the time fixed for holding the meeting.
2. The register of members and the share transfer register will remain closed for a period of 7 days from Friday, the 8th August 2008 to Thursday, the 14th August 2008 (both days inclusive).
3. Subject to the provisions of Section 206A of the Companies Act, 1956, dividend, as recommended by the Board of Directors, if declared at the meeting will be paid on or after

14th August 2008 to the shareholders whose names appear in the register of members as at the close of 7th August 2008.

4. In terms of Section 205A read with Section 205C of the Companies Act, 1956, the dividends declared by the Company which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF), established by the Central Government on the due dates. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished in the report on corporate governance, forming part of the annual report.

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

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

I. Mr. H. Lakshmanan

Born on 14th August 1933, Mr. H. Lakshmanan is a Company executive with vast experience. He joined the TVS Group in 1953. He rose to the position of executive director of Sundaram-Clayton Limited in 1982 and continues to hold the position. He has rich experience, expertise and knowledge in areas such as banking, finance, business administration and human resources. He was co-opted as a director of the Company on 26th April 2002.

He holds 26,435 equity shares in the Company and he is not related to any other directors of the Company. Details of his other directorships and membership/chairmanship of committees are given below:

S. No.	Name of the Company	Position held	Committee membership/ Chairmanship
1.	Harita Seating Systems Limited	Chairman	Investors' grievance committee - Chairman Audit committee - Chairman
2.	Harita NTI Limited	Director	
3.	Anusha Investments Limited	Whole time director	Audit committee - Member
4.	WABCO-TVS (INDIA) Limited	Director	Audit committee - Member Investors' grievance committee - Member
5.	Sundaram Auto Components Limited	Director	
6.	Auto (India) Engineering Limited	Director	
7.	Sundaram Investment Limited	Director	
8.	TVS Electronics Limited	Director	Audit committee - Member
9.	TVS Finance and Services Limited	Director	Shareholders'/ Investors' grievance committee - Member Audit committee - Member
10.	TVS Investments Limited	Director	Audit committee - Chairman
11.	Harita TVS Technologies Inc. USA	Director	
12.	TVS-E Technologies Limited	Director	Audit committee - Chairman
13.	Sundaram Clayton Senior Officers Welfare Foundation (P) Limited	Director	
14.	Harita Techserv Limited	Director	
15.	TVS Capital Funds Limited	Director	
16.	Harita Properties Private Limited	Director	
17.	TVS Motor (Singapore) Pte. Limited	Director	
18.	TVS Motor Company (Europe) B.V.	Managing Director	
19.	PT TVS Motor Company Indonesia	Commissioner	

II. Mr. T.R. Prasad

Born on 15th July 1941, Mr.T.R. Prasad holds Masters' Degree in Physics (Electronics) from Banaras Hindu University. He is a lifetime fellow of the Institute of Engineers. He joined the Indian Administrative Service in the year 1963.

Mr. Prasad's earlier assignments include his positions as Principal Secretary, Industry and Commerce / Urban

Development / Revenue, Government of Andhra Pradesh, Chairman, Vizag Port Trust, Special Officer, Municipal Corporation of Hyderabad, Managing Director of Andhra Pradesh State Financial Corporation / Andhra Pradesh State Civil Supplies Corporation, Development Commissioner and Ex-Officio Secretary to Chief Minister, Secretary, Irrigation and Command Area Development, and Secretary, Planning, Government of Andhra Pradesh.

Mr. Prasad also held various positions of repute and high responsibility which include Defence Secretary to Government of India, Secretary of Industrial Policy and Promotion, Government of India, Chairman of Foreign Investment Promotion Board, Secretary of Heavy Industry and Chairman of Maruti Udyog Limited.

He served as director on the board of IDBI, ICICI, EXIM Bank, Vizag Steel Plant, Hindustan Shipyard, Nagarjuna Chemicals and Fertilizers and Dredging Corporation of India.

Mr. Prasad took over as Cabinet Secretary, Government of India, on 1st November 2000 and held this post for a two year tenure after which he joined the Twelfth Finance Commission as a member and served in that capacity till 31st December 2004. He was co-opted as a director of the Company on 27th January 2005.

He is a member of the audit committee of directors of the Company. He does not hold any share in the Company and he is not related to any other directors of the Company. Details of his other directorships and membership/chairmanship of committees are given below:

S. No.	Name of the Company	Position held	Committee membership/ Chairmanship
1.	Suven Life Sciences Limited, Hyderabad	Director	Member - Audit Committee
2.	TAJ GVK Hotels & Resorts Limited, Hyderabad	Director	
3.	Nelcast Limited	Director	
4.	GMR Infrastructure Company Limited	Director	
5.	Indofil Organic Industries Limited	Director	Chairman - Audit Committee
6.	Satyam Computer Services Limited	Director	
7.	Pipavav Shipyard Limited	Director	Member - Audit Committee
8.	Delhi International Airport Pvt. Limited	Director	Member - Audit Committee

III Mr. K.S. Bajpai

Born on 30th March 1928, Mr. K.S. Bajpai, was in Indian Foreign Service and retired as Secretary to Government, Government of India, New Delhi.

Mr. K.S. Bajpai served as Secretary of the Ministry of External Affairs and also served as Indian Ambassador to Pakistan, China and United States of America. He was a visiting fellow at Stanford University's Centre for International Security and Co-operation in 2002. He was co-opted as a director of the Company on 27th January 2003.

He does not hold directorship in any other Company.

He does not hold any share in the Company and is not related to any other directors of the Company.

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

The following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying notice dated 30th June 2008 and shall be taken as forming part of the notice.

Item No.7

The Company has been paying commission to non-executive independent directors not exceeding 1% of the net profits of the Company in such manner as the board may determine, from time to time, for each financial year. A sum of Rs. 3,60,000/- per annum as commission was paid each year to each independent director for five financial years commencing from 1st April 2003. This payment was earlier approved by a special resolution by the shareholders at the annual general meeting held on 12th September 2003, in terms of the provisions of Section 309(4) of the Companies Act, 1956.

The approval of the shareholders was for a period of 5 years from 1st April 2003 to 31st March 2008.

The non-executive independent directors devote considerable time in deliberating the operational and other issues of the Company and provide valuable advice in regard to the management of the Company, from time to time. The Company also derives substantial benefit through their expertise and advice. Since the corporate governance regulations expect increased involvement and participation by such independent directors in the meetings of audit committee and board and having regard to their contribution and involvement in policy issues concerning the Company's operations, it is considered expedient to continue with the payment of commission for a further period of five years commencing from 1st April 2008.

The directors, therefore, recommend that the special resolution as set out in item no. 7 be approved by the shareholders.

Interest of directors

None of the directors, except M/s. T. Kannan, N. Ganga Ram, C.R. Dua, K.S. Bajpai and Mr. T.R. Prasad, being non-executive independent directors of the Company, is deemed to be concerned / interested in the abovesaid resolution.

By order of the board

Bangalore
June 30, 2008

T.S. RAJAGOPALAN
Secretary

Registered Office:
"Jayalakshmi Estates"
29, Haddows Road
Chennai 600 006

Directors' report to the shareholders

The directors present the sixteenth annual report and the audited accounts for the year ended 31st March 2008.

1. FINANCIAL HIGHLIGHTS

Details	Year ended 31.03.2008	Year ended 31.03.2007
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QUANTITATIVE

(Numbers in lakhs)

Sales:

Motorcycles	6.10	9.23
Mopeds	4.09	3.44
Scooters	2.58	2.59
Total vehicles sold	12.77	15.26

(Rupees in crores)

FINANCIAL

Sales (net of excise duty) and other income	3,310.35	3,920.89
EBITDA	132.15	203.23
Interest and finance charges (net)	2.19	24.78
Depreciation	94.59	87.60
Profit before tax	35.37	90.85
Provision for tax (including deferred tax and fringe benefit tax)	3.60	24.25
Profit for the year (after tax)	31.77	66.60
Surplus brought forward	29.09	35.50
Tax relating to earlier years	–	(0.32)
Profit available for appropriation	60.86	101.78
APPROPRIATIONS:		
Interim dividend	–	16.63
Proposed dividend	16.63	3.56
Tax on dividend	2.83	2.94
Transfer to general reserve	10.00	49.56
Surplus carried forward	31.40	29.09

2. DIVIDEND

The board of directors have recommended a dividend of Re. 0.70 per share for the year 2007-08 absorbing a sum of Rs. 16.63 crores. subject to the approval of shareholders in the ensuing annual general meeting.

3. PERFORMANCE

The total number of two wheelers sold by the Company during the year under review was 1.28 million units, registering a fall of 16% over the previous year. Motorcycles declined steeply by 33%, while mopeds grew by 19%. Scooter sales remained flat. The Company's export sales grew by 32% to 1.36 lakh numbers from 1.03 lakhs in 2006-07.

During the year 2007-08, the motorcycle category of the two wheeler industry registered a decline of 8%. The economy segment which has been the driver of growth in the past suffered maximum decline of 19%, because of non availability of retail finance and stringent credit norms imposed by the financiers, especially in small towns and rural markets. During the year, the motorcycle portfolio was largely dependent on StaR brand of motorcycles, which is a significant player in the economy segment, dependent upon availability of retail credit.

Despite the slowdown, keeping in mind specific requirements of customers, the Company launched a powerful 110 cc variant of StaR City and a new StaR Sport which delivers best in class mileage.

The executive segment of the two wheeler industry declined marginally by 3% despite launch of new products by the manufacturers. This segment accounts for over 55% of total motorcycle sales. Launch of TVS Flame, in this segment by the company, was delayed due to litigation on usage of twin spark plug. While the legal process is still going on, in order to avoid business disruption, the Company launched TVS Flame with a single spark plug without compromising on any of the performance parameters towards the end of the year. The product portfolio of the Company is now complete with the launch of TVS Flame.

The Company plans to launch new variants of Scooty and Apache RTR during the year 2008-09. With the complete product range now available, the Company hopes to reverse the decline and grow during 2008-09.

During the year, the turnover declined to Rs. 3310 crores from Rs. 3921 crores. The profit before tax (PBT) of Rs. 35 crores for the year was substantially lower than the previous year's PBT of Rs. 91 crores due to lower sales and consequent reduction in margins.

THREE WHEELER OPERATIONS

The Company launched its three wheeler, TVS King in two variants – two stroke petrol and two stroke LPG in March 2008. The product comes with many first time features in the industry and delivers higher comfort and convenience, better fuel efficiency and more importantly superior style to give pride of ownership to the drivers.

The product has received encouraging response from the market. TVS King has been launched in selected towns and will be gradually extended all over India by December 2008.

The Company plans to introduce four stroke version in Petrol, LPG and CNG fuels for domestic and export markets during 2008-09.

4. MANAGEMENT DISCUSSION AND ANALYSIS

During the year 2007-08, the Company commenced commercial production from its Nalagarh Plant located in Himachal Pradesh. The Company enriched its portfolio in the motorcycle category with the launch of TVS Flame for the executive segment. The Company also entered the three wheeler segment in March 2008. Another important milestone crossed during the year was the commencement of commercial production from its state-of-the-art plant located at Karawang near Jakarta, Indonesia and successful launch of TVS Neo, the Bebek, exclusively developed for the Indonesian market by its subsidiary PT TVS Motor Company Indonesia.

Indian two wheeler industry suffered on account of restricted availability of retail finance, high interest rates and stringent norms exercised by the financiers. This coupled with higher inflation dampened the spirit of the two wheeler buyers, leading to a sharp decline in sales during 2007-08.

The Company achieved annual two wheeler sales of 1.28mn, a decline of 16% from 1.53mn numbers sold in the previous year. The turnover declined from Rs. 3,921 crores to Rs. 3,310 crores. The profit before tax of Rs. 35 crores for the year was substantially lower than the previous year's PBT of Rs. 91 crores due to lower sales and consequent reduction in gross margins.

The current year 2008-09 will continue to be a challenging year. Continued restricted availability of retail finance, high inflation and high fuel prices are likely to affect growth of two wheelers. In addition, steep increase in cost of raw materials and inability to fully pass on the cost increase will impact margins.

However, the Company is now in a better position to leverage on its complete portfolio with the launch of TVS Flame and reverse the declining trend in sales. The Company further plans to launch more new products and partially neutralize the rise in costs by implementing aggressive cost reduction programmes in the current year.

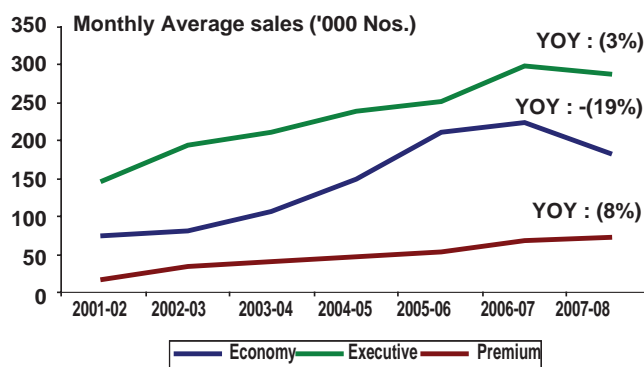
INDUSTRY STRUCTURE AND DEVELOPMENTS

The two wheeler industry had been on a strong growth trajectory in the past years. Easy availability of retail finance with low down payment schemes, increasing household incomes and launch of more stylish and fuel efficient motorcycles had enabled the industry to grow.

However, the year 2007-08 saw a decline of 5% in two-wheeler sales compared to the previous year. Motorcycles declined by 8% while ungeared scooters and mopeds which are less dependent on retail finance registered a robust growth of 16% and 10% respectively.

In the motorcycle category, the economy segment which has been the driver of growth in the past suffered maximum decline of 19%, as this segment is most sensitive to retail finance. The executive segment declined marginally by 3% despite launch of new products by leading manufacturers. Premium segment recorded a growth of 8% over the previous year. The category

share of motorcycles came down from 84% in 2006-07 to 81% in 2007-08.



Ungeared segment grew at a robust 16% as compared to 10% in the previous year, increasing its category share to 13%.

Mopeds grew at 10% as compared to 5% of previous year and maintained its category share.

Particulars	2006-07			2007-08		
	Sales in mn	Growth in %	Category share	Sales in mn	Growth in %	Category share
Motorcycles	7.10	15%	84%	6.54	-8%	81%
Ungeared scooters	0.87	10%	10%	1.01	16%	13%
Geared scooters	0.10	-49%	1%	0.06	-40%	1%
Mopeds	0.39	5%	5%	0.43	10%	5%
Total two wheelers	8.46	12%	100%	8.04	-5%	100%

However, in the long term, growing population and economic activity will increase the overall need for mobility. In addition, the contributors to the mobility requirement include increasing women workforce, rising trend in self employment, emergence of satellite towns and growth in rural economy. The current penetration levels of two wheelers in the country are still low at 7% which offers considerable scope for growth.

BUSINESS OUTLOOK AND OVERVIEW

In 2007-08, the economy grew at 8.7% which is lower than the previous year's growth of 9.4%. Agriculture continued to grow at a moderate pace of 2.6%, whereas Services and Industry grew by 10.6% and 8.6% respectively.

In 2008-09, GDP growth is projected to be lower at 7%. High inflationary pressures and non-availability of retail finance especially in small towns and rural markets will continue to dampen the sentiments of two wheeler industry. Further, the increase in fuel prices is likely to affect customer's buying behaviour adversely. Consequently, motorcycle segment is expected to remain flat during 2008-09. Ungeared scooter segment and mopeds, which are less dependent on retail finance, are estimated to grow at 10% and 5% respectively.

COMPANY PERFORMANCE

New Product Launches and Initiatives

During the year 2007-08, the Company launched various new products and variants.

TVS Flame

This is the hottest riding experience sporting many first time features (in the executive segment) like the embedded trafficators, Instant Mileage Indicator, DeltaEdge exhaust and glove box. Flame sports a revolutionary 3 Valve CCVTi engine which delivers best in class mileage without compromise on power. With this launch, the Company will actively compete in the executive segment.



Apache RTR

This 160cc Apache launched in the growing premium segment, was declared Performance Bike of the year 2008 by Auto Business Standard Motoring, NDTV and Overdrive. It also bagged the NDTV Car & Bike Award for Best Design of the year.



StaR Sport

The new StaR Sport with superior style, refreshing graphics, pleasing colours and contemporary design became an instant hit. More importantly, this bike delivers the best mileage in its class.



StaR City 110 cc

An upgrade of the existing and highly successful StaR City, this new motorcycle packs a more powerful punch with increased power and higher fuel efficiency with VTi technology.



Scooty TeenZ Electric

This new entrant in the TVS Scooty family is an electric eco-friendly scooter. This will address the growing demand for electric scooters in India. Scooty TeenZ Electric has been launched in Gujarat and Maharashtra. During the year 2008-09, this product will be made available across the country.



TVS Tru4 Oil

TVS Tru4 oil has been indigenously developed by the Company in association with BPCL. This is specifically designed for smooth clutch operations, smoother gearshift and enhanced engine protection providing an ultra smooth biking experience for the customer. This product has



been certified by JASO (Japanese Automotive Standards Organisation) for MA2 with API 20W40 grade.

Motorcycles

In this category, the Company faced a steep decline of 33% during 2007-08. The Company's motorcycle portfolio was largely dependent on StaR brand of motorcycles and the impact of non-availability of retail finance was severe. Launch of TVS Flame was delayed due to litigation on usage of twin spark plug. While the legal process is still going on, in order to avoid business disruption, the Company has launched TVS Flame with a single spark plug without compromising on any of the performance parameters. With the complete product range now available, the Company hopes to reverse the decline and grow during 2008-09.

Ungear scooters

Scooty Pep+ continues to be the market leader in sub 100cc market. Emergence of electric scooters segment has affected TVS Scooty sales marginally. The newly launched TeenZ Electric will address this issue. This product is also rated the best amongst the competing brands by Overdrive Magazine (June 2008 issue). The Company will also be launching a new variant of Scooty and a big scooter during the year 2008-09 to expand its customer base.

Mopeds

Mopeds grew by 19% and increased its market share to 95% from 89% in the previous year. Focused efforts on non-south states have helped to achieve this growth.

International Business

In 2007-08, export business saw steep growth of 32% as compared to 28% in the previous year. During this period, 5 more countries were included, taking the total countries to which the Company exports to 53.

Three Wheeler Operations

The three wheeler industry has grown at a compounded average growth rate (CAGR) of 12% over the last 5 years to reach 5 lakh units in 2007-08. Passenger segment accounts for 73% and balance being goods carriers. In addition to domestic demand, exports offer an attractive opportunity.

The Company launched its three wheeler, TVS King in two variants – two stroke petrol and two stroke LPG in March 2008. The product comes with many first time features in the industry and delivers higher comfort and convenience, better fuel efficiency and more importantly superior style to give pride of ownership to the drivers.



The product has received encouraging response from the market. TVS King has been launched in selected towns and will be gradually extended to all over India by December 2008.