



ECONOMIC PERFORMANCE



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Sr. Vice-President, Finance & Accounting

We, at TKM, maintain a healthy financial position throughout an economic cycle and provide stakeholders with competitive returns on their investment. Also, our financial performance is assessed and reported on approval of the Board, periodically. We are poised to build on the growth momentum for revenue in the years ahead.

We believe in a sustainable business growth model, while caring for the environment. We have achieved a better balanced footprint of profitability by strengthening our business through product line-up transitioning and continuous improvement of our operations, while responding to trade and currency policy changes from the Government as well as to CSR requirement in this region.

Our operations intend to mitigate the risks by focusing on safety, quality cost saving initiatives. By fully leveraging our capabilities, we aim to create jobs and other value for society as a whole. At the same time, we continue to invest in strategic initiatives and key markets to ensure future sustainable growth. These efforts continue as we pursue a suitable level of profit and increase the value created for society. We will also continue our endeavors which we will lay solid foundations for long term performance by strengthening the balance sheet.

ECONOMIC PERFORMANCE



Economic development can have an impact that goes well beyond the confines of economic growth per se, and can help achieve every company's development goals. Sustainable economy serves as a vitally important leverage for structural poverty reduction, employment promotion and mobilization of indigenous resources.

The automotive industry has been experiencing a roller coaster ride for quite some time. But for the long term, the industry's growth is closely linked to an increased need for automotives in developing countries like India, as their economies grow.

Toyota has paved the way for sustainable economic development to foster economic growth while preserving the quality of environment for future generations. At TKM, we believe that a company's sustainable, profitable growth is the objective of its business activities. Profitable industrial growth also contributes to the economic development of society as a whole, through the creation of jobs and regional development. With an increase in financial stability, we are investing in our products, our people and our communities.

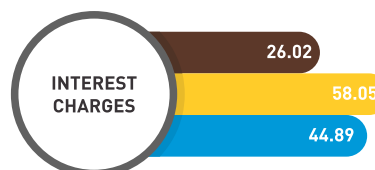
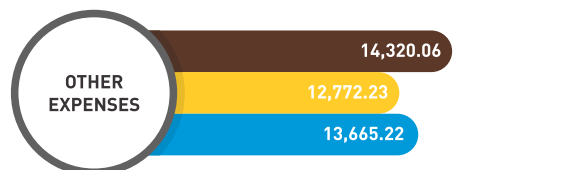
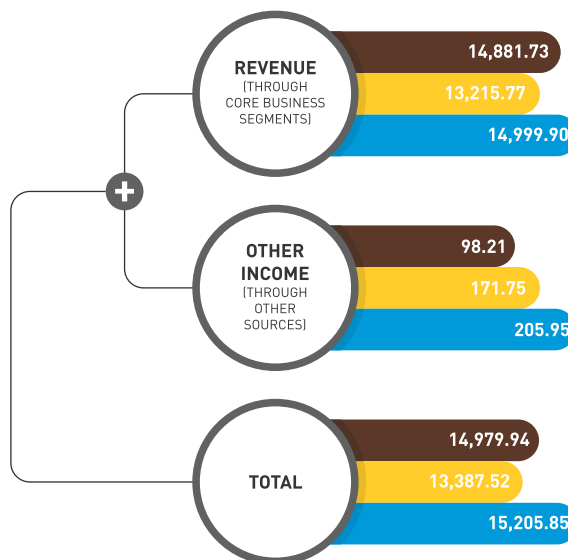
DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

Sustained economic value creation and distribution is possible when companies innovate and remain competitive in the market. The economic value created by a company changes over time due to technological innovations and improvements in efficiency.

A company's economic status is captured by stakeholders in various forms. The following creation and distribution of economic value provide an initial indication of how TKM generates wealth for its stakeholders. The economic value generated is distributed to stakeholders and re-invested in the firm.

ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED (IN INR CRORE)

● 2012-13 ● 2013-14 ● 2014-15





During the FY 2014-15, TKM lapped an increase in revenue through core business segments and income through other sources. A substantial amount of investment was made for community development by creating opportunities where value can be created for business by improving community well-being.

FINANCIAL IMPLICATIONS DUE TO CLIMATE CHANGE

Climate change is no longer a conjectural concept. It affects the corporate world as much as it affects the flora and fauna.

One of the greatest threats that could cause a huge impact on earth is Climate change. As per OECD studies, more than a quarter of global greenhouse gas emissions come from road transport. Economic risks to the business operations that affect profitability include continuous shoot-up in raw material prices, rising oil prices and drop in rupee value.

Reducing energy consumption, dependency on fuels and limiting CO₂ emissions, thus curbing climate change is critical, and a tough challenge to us as a company. As a responsible manufacturing company, TKM undertakes various kaizens on energy conservation and improving vehicle efficiency, water conservation etc.

COVERAGE OF THE ORGANIZATION'S DEFINED BENEFIT PLAN OBLIGATIONS

TKM adheres to minimum wages regulations applicable by the Government of India. There is no gender differentiation in the company's wages. The other benefits include:

- Employees' gratuity fund
- Leave encashment
- Statutory benefits like provident fund and gratuity are provided

CONTRIBUTION TO BENEFIT PLAN (IN CRORE)

Contribution to Benefit Plan (In crore)	2014-15	2013-14	2012-13
*Contributions to Provident and Other Funds	51.88	32.77	36.94
Staff Welfare Expenses	83.47	83.63	85.19

* Includes all Retirements Benefits which were not considered in the previous years' reports

SIGNIFICANT FINANCIAL ASSISTANCE RECEIVED FROM THE GOVERNMENT (IN CRORE)

Financial assistance received	2014-15	2013-14	2012-13
IT exemption	None	None	None
Land provided at subsidized rate	None	None	None
Incentives - Sales Tax deferral *	496.52	409.56	491.23
Custom, excise duties waived	None	None	None
Others	None	None	None

TKM has received financial assistance from Government of India through various schemes such as Sales Tax Deferral and EPCG (Export Promotion Credit Guarantee) Scheme.

SIGNIFICANT INDIRECT ECONOMIC IMPACTS

TKM has played a vital role in creating a large local employment opportunity in the State of Karnataka. TKM has been providing employment to a large number of people from various parts of the state. 100% of our ITI employees are local. Thus, TKM has provided a direct local employment opportunity.

CONTRIBUTIONS THROUGH CSR ACTIVITIES (Rs. Million)								
[1]	[2]	[3]	[4]		[5]	[6]	[7]	[8]
Sl No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs		Amount Outlay (budget) project or program wise	Amount spent on the projects or programs	Cumulative expenditure up to the reporting period	Amount spent : Direct or through implementing agency
			Local area or other	Specify the state and district where projects or programs were undertaken		Direct expenditure on projects or programs		
1	Books and Bags distribution to the needy children	Promotion of Education	Bidadi Hobli	Ramanagara, Karnataka	1.19	1.19	1.19	Direct
2	Toyota Technical Training Institute		Bidadi Hobli	Ramanagara, Karnataka	17.58	17.58	17.58	Direct
3	Avenue Plantation	Promoting Environment Consciousness	Bidadi Hobli	Ramanagara, Karnataka	0.09	0.09	0.09	Direct
4	Eco Education		Bidadi Hobli	Ramanagara, Karnataka	0.75	0.75	0.75	Implementing Agency Centre for Environment Education
5	Girl Child Sanitation	Eradicating extreme hunger and poverty	Ramanagara District Varanasi District Vaishali District	Karnataka UP Bihar	34.66	34.66	34.66	Direct
6	Water Purification Unit		Ramanagara District Varanasi District Vaishali District	Karnataka UP Bihar	4.61	4.61	4.61	Implementing Agency Sarvodaya
7	Reconstruction of Orphan school	Promoting gender equality and empowering women	Bidadi Hobli	Ramanagara, Karnataka	4.99	4.99	4.99	Direct
8	Sports kit distribution	Promote sports	Bidadi Hobli	Ramanagara, Karnataka	0.78	0.78	0.78	Direct
TOTAL					64.65	64.65	64.65	