

Notice to Shareholders

NOTICE is hereby given that the twenty-third annual general meeting of the Company will be held at 'The Music Academy', New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai 600 014, on Wednesday, the 29th July, 2015, at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To consider passing the following resolution as an ordinary resolution:

"RESOLVED THAT the audited balance sheet as at 31st March, 2015, the statement of profit and loss, notes forming part thereof, the cash flow statement for the year ended on that date and the consolidated financial statements, together with the directors' report and the auditors' report thereon as circulated to the members and presented to the meeting be and the same are hereby approved and adopted."

2. To consider passing the following resolution as an ordinary resolution:

"RESOLVED THAT Mr Sudarshan Venu (holding DIN 03601690), director, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company."

3. To consider passing the following resolution as an ordinary resolution:

"RESOLVED THAT the re-appointment of M/s V Sankar Aiyar & Co., Chartered Accountants, Mumbai, having Firm Registration No. 109208W allotted by The Institute of Chartered Accountants of India, as statutory auditors of the Company to hold office, from the conclusion of this annual general meeting till the conclusion of the next annual general meeting, for the third year in the first term of five years as recommended by the audit committee and approved by the board of directors of the Company, in terms of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 on such remuneration, as may be mutually agreed upon between the board of directors of the Company and the Statutory Auditors in addition to reimbursement of service tax, travelling and out-of-pocket expenses, be and is hereby ratified."

SPECIAL BUSINESS

4. To consider passing the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the remuneration of Rs.5 lakhs, in addition to reimbursement of service tax, travelling and out-of-pocket expenses, payable to Mr A N Raman, practising cost

accountant, holding Membership No. 5359, allotted by The Institute of Cost Accountants of India, who was appointed as cost auditor of the Company for the year 2015-16 by the board of directors of the Company, as recommended by the audit committee of directors, be and is hereby ratified."

5. To consider passing the following resolution as an ordinary resolution:

"RESOLVED THAT subject to the provisions of Sections 196,197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act 2013), read with the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) thereof, for the time being in force), approval of the Company be and is hereby accorded for re-appointment of Mr Venu Srinivasan (holding DIN 00051523) as chairman and managing director of the Company for a further period of five years from 24th April 2015 on a remuneration payable by way of a commission and other perquisites as stated in the Explanatory Statement attached to this Notice, not exceeding 5% of the net profits of the Company, computed in accordance with the provisions of Section 198 of the Act, 2013 and as recommended by the nomination and remuneration committee of directors and as determined by the board of directors of the Company (the Board) for each financial year within the said maximum permissible limit, notwithstanding his holding a similar position in the holding company, namely Sundaram-Clayton Limited (SCL) and drawing remuneration as approved by its shareholders, from time to time, provided that the total remuneration drawn by him from the Company and SCL does not exceed the higher maximum limit admissible from any one of these companies, in terms of Schedule V to the Act, 2013".

"RESOLVED FURTHER THAT the board, be and is hereby authorized to alter and vary the scope and quantum of remuneration specified hereinabove during the tenure of office, in the light of and in conformity with any amendments to the relevant provisions of the Act, 2013 / Income-tax Act, 1961 and / or the rules and regulations made thereunder and / or such guidelines, as may be notified by the Central Government, from time to time."

"RESOLVED FURTHER THAT Mr Venu Srinivasan as chairman and managing director shall have substantial powers of the management of the Company, in accordance with the applicable provisions of the Act 2013 and that may be entrusted upon him by the board of directors of the Company, from time to time."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution"

6. To consider passing the following resolution as an ordinary resolution:

"RESOLVED THAT, subject to the provisions of Sections 196, 197, 198 and 203 read with Schedule V to the Companies Act, 2013 (the Act 2013) read with the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) thereof for the time being in force) and as recommended by the nomination and remuneration committee of directors and the board of directors of the Company, consent of the Company be and is hereby accorded to the appointment of Mr Sudarshan Venu, (holding DIN 03601690) Whole Time Director as Joint Managing Director (JMD) in the rank of Managing Director of the Company effective 10th September, 2014, for the remaining period of his tenure upto 31st January, 2018, without any change in other terms of appointment and remuneration, as approved by the shareholders on 18th March, 2013 through postal ballot and on 14th July, 2014 at the twenty-second annual general meeting of the Company notwithstanding his holding a similar position in the holding company, namely Sundaram-Clayton Limited (SCL) and drawing remuneration as approved by its shareholders, from time to time, provided that the total remuneration drawn by him from the Company and SCL does not exceed the higher maximum limit admissible from any one of these companies, in terms of Schedule V to the Act 2013".

"RESOLVED FURTHER THAT the Supplemental Agreement dated 10th September, 2014 entered into

between the Company and Mr Sudarshan Venu with respect to the above variation in the terms of the appointment, a copy of which was placed before the meeting and initialled by the Chairman for the purpose of identification thereof, be and is hereby approved".

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution"

7. To consider passing the following resolution as an ordinary resolution:

"RESOLVED THAT Dr Lakshmi Venu (holding DIN 02702020), who was appointed as an additional director and who holds office up to the date of this annual general meeting, in terms of Section 161 read with Section 149 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, be and is hereby appointed as a non-executive and non-independent director of the Company, liable to retire by rotation."

By order of the board

Bengaluru
29th April 2015

K S SRINIVASAN
Company Secretary

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

Notes:

- 1) **A member entitled to attend and vote at the meeting is entitled to appoint one or more Proxies to attend and vote instead of himself and the Proxy or Proxies so appointed need not be a member or members, as the case may be, of the Company. The instrument appointing the Proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or other authority shall be deposited at the registered office of the Company, not later than 48 hours before the time fixed for holding the meeting. A person shall not act as a Proxy for more than 50 members and holding in aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a Proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person.**
- 2) The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 (the Act 2013), in respect of the special businesses, as set out in the Notice is annexed hereto.
- 3) The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-Voting').
The facility for voting through Ballot papers shall be made available at the twenty-third annual general meeting (AGM) and the members attending the AGM who have not cast their vote by remote e-Voting shall be able to vote at the AGM.
- 4) The register of members and the share transfer register will remain closed for a period of two days viz., 28th July, 2015 and 29th July, 2015 for the purpose of AGM.
- 5) In terms of Section 205A read with Section 205C of the Companies Act, 1956, the dividends declared by the Company, for earlier years, which remain unclaimed for a period of seven years will be transferred on due dates to the Investor Education and Protection Fund (IEPF), established by the Central Government. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished in the Report on Corporate Governance, forming part of the Annual Report attached to this Notice.

Members who have not encashed their dividend warrants in respect of the above period mentioned in the Corporate Governance Report are requested to make their claim(s) by surrendering the unencashed warrants immediately to the Company. Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012, the Company will provide / host the required details of unclaimed amounts referred to under Section 205C (2) of the Companies Act, 1956 on its website and also on the website of the Ministry of Corporate Affairs (MCA) in the relevant form every year.

- 6) Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.
- 7) Electronic copy of the Annual Report and the Notice of the AGM *inter alia* indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode.
- 8) Members are requested to notify any change in their address to the Company immediately. Members holding shares in electronic form are requested to advise change of their address to their Depository Participants.
- 9) As a measure of economy, copies of the Annual Report will not be distributed at the venue of AGM.
Members are, therefore, requested to bring their copies of the Annual Report to the meeting.
- 10) Members are requested to affix their signatures at the space provided on the Attendance Slip annexed to Proxy Form and handover the Slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the board resolution / power of attorney authorizing their representatives to attend and vote at the AGM.
- 11) Members may also note that the Notice of the AGM and the Annual Report will also be available on the Company's website www.tvsmotor.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the members may also send their requests to investorscomplaintssta@scl.co.in.
- 12) In terms of Section 108 of the Act 2013 read with Rule 20 of the Companies (Management and Administration)

Rules, 2014, as amended ('the Rules') and Clause 35B of the Listing Agreement, the Company has provided facility to exercise votes through electronic voting system, to members holding shares as on 22nd July, 2015 being the "Cut-Off Date" ("Cut-Off" for the purpose of Rule 20(4)(vii) of the Rules) fixed for determining voting rights of members entitled to participate in the e-Voting process through the e-Voting platform provided by NSDL by typing the URL: <https://www.evoting.nsdl.com>.

The voting rights of the members/beneficial owners will be reckoned on the Equity Shares held by them as on 22nd July, 2015, i.e. "Cut-Off Date" for the purpose. Members as on the cut-off date, i.e., 22nd July, 2015 only shall be entitled to avail the facility of remote e-Voting or Ballot paper.

The instructions for remote e-Voting are as under:

- (A) For members - who receive notice of AGM through e-mail:
 - (i) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>;
 - (ii) Enter the login credentials, i.e User ID and Password mentioned in your email. Your Folio No. DP:ID will be your User ID. However, if you are already registered with NSDL for e-Voting, you can use your existing User ID and Password for casting your votes;
 - (iii) Initial password is provided in the body of the e-mail;
 - (iv) After entering the details appropriately, click on LOGIN;
 - (v) You will reach the Password Change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$ etc). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential;
 - (vi) You need to login again with the new credentials;
 - (vii) On successful login, the system will prompt you to select the EVEN, i.e TVS Motor Company Limited;
 - (viii) On the voting page, the number of shares (which represents the number of votes) as held by the member as on the Cut-Off-date will appear. If you desire to cast all the votes assenting/dissenting to the resolutions, then enter all the number of shares and click "FOR" / "AGAINST", as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR/ AGAINST" taken together should not exceed your

total shareholding as on the 'Cut-Off date'. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head;

- (ix) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio / demat account;
- (x) Cast your votes by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click 'OK' to confirm or 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolutions;
- (xi) Corporate / Institutional members (i.e other than individuals, HUF, NRI etc) are required to send scanned copy (PDF/JPG Format) of the relevant board resolution / authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail sriram.krishnamurthy@rediffmail.com. They may also upload the same in the e-Voting module in their login. The scanned image of the above documents should be in the naming format "Corporate Name EVEN No.";
- (xii) Members can cast their vote online from 24th July, 2015 (Friday) (9 a.m.) till 28th July, 2015 (Tuesday) (5 p.m.) through remote e-Voting. Once the vote on a resolution is cast by the member, the member will not be allowed to change it subsequently. The remote e-Voting will not be allowed beyond the aforesaid date and time; The remote e-Voting module will be disabled by NSDL for voting thereafter;

Only members as on the Cut-Off date, attending the AGM who have not cast their vote by remote e-Voting will be able to exercise their voting right at the AGM through ballot paper;

The members who have cast their vote by remote e-Voting prior to the AGM may also attend the AGM but will not be entitled to cast their vote again;

A person who is not a member as on the Cut Off date should treat this Notice for information purposes only; and
- (xiii) In case of any query, the member may refer the Frequently Asked Questions (FAQs) for Members and remote e-Voting user manual for Members available at the downloads Section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

(B) For members who receive the Notice of AGM in physical form:

- (i) Initial password is provided as below / at the bottom of the Attendance Slip for the AGM.

EVEN (remote e-Voting Event Number)	USER ID	PASSWORD / PIN

- (ii) Please follow steps from Sl. No. (ii) to (xiii) under heading (A) above to vote through e-Voting platform.

(C) General Instructions:

- (i) Members holding shares as on the "Cut-off Date" i.e., 22nd July, 2015 will be entitled to vote through remote e-Voting or at the venue of the AGM through ballot paper;
- (ii) The Notice of the AGM is being sent (by email where email ID is available and in physical form in other cases) to the members holding shares of the Company as on 26th June, 2015;

Where Notice is sent by email, User ID and password are sent in the email itself. Where notice is sent in physical form, User ID and Password are printed at the bottom of the Attendance Slip for the AGM sent along with the Notice;

Shareholders who become members of the Company, after despatch of notice i.e., 26th June, 2015 and hold shares as on 22nd July, 2015 may obtain the User ID and password for e-Voting by sending email, intimating DP ID and Client ID / Folio No. to raman@scl.co.in or member may send an e-mail request to evoting@nsdl.co.in or can vote through ballot paper distributed at the AGM. Remote e-Voting shall be open from 24th July, 2015 (Friday) (9 a.m.) till 28th July, 2015 (Tuesday) (5 p.m.);

- (iii) Mr K Sriram, Practising Company Secretary (C.P No. 2215), Chennai has been appointed by the board as scrutinizer for conducting the remote e-Voting process and voting through ballot papers at the AGM, in a fair and transparent manner.
- (iv) The Scrutinizer shall, immediately after the conclusion of the voting at the AGM, first count the votes cast at the meeting, thereafter unlock the votes through remote e-Voting in the presence of at least two witnesses, not in the employment of the Company and make, not later than three days from the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the chairman of the Company, or a person authorised by him in writing, who shall countersign the same.

(v) The Scrutinizer will submit his report to the Chairman, or a person authorised by him in writing, who will declare the result of the voting. The results declared along with the Scrutinizer's report will be placed on the Company's website www.tvsmotor.com & on the website of NSDL <https://www.evoting.nsdl.com> and shall also be communicated to the Stock Exchanges. All the resolutions, subject to receipt of requisite no. of votes, shall be deemed to be passed at the AGM scheduled to be held on 29th July, 2015.

(vi) All documents referred to in the accompanying Notice and the Explanatory Statement will be open for inspection at the Registered Office of the Company during 10.00 a.m. to 12.00 noon on all working days up to and including the date of the AGM.

13) In terms of Clause 49(VIII)(E) of the Listing Agreement with the Stock Exchanges, a brief profile of directors, who are proposed to be re-appointed / appointed in this AGM, nature of their expertise in specific functional areas, their other directorships and committee memberships, their shareholding and relationship with other directors of the Company are given below:

I. Mr Venu Srinivasan

Born on 11th December, 1952, Mr Venu Srinivasan is an Engineering graduate of Madras University and holds M.S degree in Management from Purdue University, U.S.A.

Mr Venu Srinivasan has been associated with CII for nearly 18 years in various capacities and was the President of CII during the financial year 2009-2010.

He was conferred the honorary doctorate degree in science by the University of Warwick, UK in the year 2004 for his contribution to excellence in manufacturing and in the field of technology and research and development. He is the first Indian industrialist to be honoured by the Warwick University.

He has been conferred with the highest honour, Doctor of Science (Honoris Causa) by IIT Kharagpur in the year 2009 for his outstanding contribution in the field of Quality Movement and Manufacturing Excellence in India.

In January 2010, he has been conferred with 'Padma Shri', a prestigious adoration by Government of India in appreciation of his significant contribution for the promotion of trade and industry.

He also received the distinguished civilian honour, "Order of Diplomatic Service Merit", from the President of the Republic of Korea in the year 2010 in recognition of his valuable contribution in promoting Korea-India bilateral relations. He is an Honorary Consul General of Republic of Korea in Chennai.

He was also appointed as the "Goodwill Envoy for Public Diplomacy" by South Korea, in recognition of his efforts to foster enhanced friendship and co-operation between India and South Korea.

He has been appointed as Vice Chairman of State Manufacturing Competitiveness Council by the Government of Tamil Nadu.

He has also been appointed by the President of India as Chairman of the re-constituted board of governors of National Institute of Fashion Technology.

He is a member of:

1. Prime Minister's Council on Trade and Industry;
2. Prime Minister's National Integration Council; and
3. Prime Minister's Scientific Advisory Council.

He was the past President of Automotive Research Association of India, Pune, Society of Indian Automobile Manufacturers and Association of Indian Automobile Manufacturers, Delhi.

He is the managing director of Sundaram-Clayton Limited from 1979. Since February 2012, he has been the chairman and managing director of that company.

He was re-appointed as chairman and managing director of the Company, effective 24th April, 2015 by the board at its meeting held on 3rd February, 2015 on such terms and conditions to be approved by the shareholders at the ensuing AGM.

He is a member of the Stakeholders Relationship Committee and chairman of the Corporate Social Responsibility Committee of the Company.

He holds 25,69,726 Equity Shares of Re.1/- each in the Company.

He is related to Mr Sudarshan Venu, Joint Managing Director and Dr Lakshmi Venu, director of the Company.

Details of his other directorships and memberships/ chairmanships of committees are given below:

S. No.	Name of the Company	Position held	Committee membership / Chairmanship
1.	Sundaram-Clayton Limited	Chairman & Managing director	Corporate Social Responsibility Committee - Chairman
2.	Harita-NTI Limited	Chairman	
3.	TVS Credit Services Limited	Chairman	
4.	Lucas-TVS Limited	Director	
5.	T V Sundram Iyengar & Sons Private Limited	Director	Audit Committee - Member
6.	Southern Roadways Limited	Director	
7.	Sundram Fasteners Limited	Director	
8.	Cummins India Limited	Director	Audit and Risk Management Committee - Member Stakeholders Relationship Committee - Member

S. No.	Name of the Company	Position held	Committee membership / Chairmanship
			Compensation and Management Development Committee - Chairman Operations Committee - Member
9.	Sundaram Investment Limited	Director	
10.	TVS Lanka Private Limited	Chairman	
11.	TVS Motor (Singapore) Pte Limited	Director	
12.	Aga Khan Rural Support Programme (India)	Director	

II. Mr Sudarshan Venu

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

He holds bachelor degree in Mechanical Engineering from the School of Engineering and B.S. in Economics from the Wharton School. He also completed his M.Sc., in International Technology Management from the Warwick Manufacturing Group attached to University of Warwick in U.K.

In the initial years, during his visits to India, he underwent practical training in Die Casting Division of holding company, namely Sundaram-Clayton Limited (SCL) and in the Company.

Mr Sudarshan Venu has been actively involved in all spheres of management of the Company and handling wider responsibilities for exploring new business opportunities both in India and abroad. The board, at its meeting held on 10th September, 2014, appointed him as joint managing director (JMD) in the rank of managing director.

He also serves as JMD in the holding company, namely SCL effective 11th September, 2014.

He does not hold any share in the Company.

He is related to Mr Venu Srinivasan, chairman and managing director and Dr Lakshmi Venu, Director of the Company.

He is also a member of the Stakeholders Relationship Committee of directors of the Company.

III. Dr Lakshmi Venu

Born on 16th April, 1983, Dr Lakshmi Venu, a graduate of Yale University, holds a Doctorate in Engineering Management from the University of Warwick.

She underwent her initial training for three years as a Management Trainee in Sundaram Auto Components Limited, a subsidiary of the Company, beginning from 2003 and upon her deputation to work in the Company, being its holding company, she underwent extensive in-depth induction and worked in the areas of business strategy, corporate affairs, product design and sales & marketing of the Company.

She was co-opted as a non-executive and additional director of the Company by the board on 10th September, 2014.

She does not hold any share in the Company.

She is related to Mr Venu Srinivasan, Chairman & Managing Director and Mr Sudarshan Venu, Joint Managing Director of the Company.

Details of her other directorships and memberships/ chairmanships of committees are given below:

S. No.	Name of the Company	Nature of interest	Committee membership / Chairmanship
1.	Sundaram-Clayton Limited	Joint Managing Director	Stakeholders Relationship Committee - Member Corporate Social Responsibility Committee - Member
2.	TAFE Motors and Tractors Limited	Director	-
3.	Sundram Non-Conventional Energy Systems Limited	Director	-
4.	Sundaram Auto Components Limited	Director	-
5.	Sundaram- Clayton (USA) Limited	Director	-

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act, 2013)

The following Explanatory statement sets out all material facts relating to the special business mentioned in the accompanying notice dated 29th April, 2015 and shall be taken as forming part of the Notice.

Item No.4

The board, on the recommendation of the audit committee at its meeting held on 29th April, 2015, appointed Mr A N Raman, practising cost accountant, having membership no. 5359, as cost auditor of the Company, in terms of Section 148 of the Companies Act, 2013 (the Act 2013); and fixed a sum of Rs.5 lakhs as remuneration payable to him for the financial year 2015-16, subject to ratification by the shareholders of the Company.

In terms of Section 148(3) of the Act 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditor, as recommended by the audit committee and approved by the board, is required to be ratified by the shareholders of the Company, at the ensuing AGM of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out in Item No.4 of this Notice.

The board, therefore, recommends the ordinary resolution, as set out in item No.4, for ratification of the remuneration payable to the Cost Auditor by the shareholders of the Company.

Item No.5

The board, on the recommendation of nomination and remuneration committee at its meeting held on 3rd February, 2015 re-appointed Mr Venu Srinivasan, aged 62 years, as chairman and managing director of the Company (CMD) for a further period of five years effective 24th April, 2015. He was appointed as a director of the Company on 27th January, 2000.

The terms of his re-appointment briefly are as follows:

- (i) Duration:
5 years (24th April, 2015 to 23rd April, 2020)
- (ii) Remuneration:
Commission - Such percentage of Commission on the net profits computed, in accordance with the provisions of Section 198 of the Act 2013, as may be determined by the board for every financial year, within the aforesaid limit, during the term.
- (iii) Other terms:
Accommodation:
The Company shall provide furnished accommodation free of rent.
Leave Travel Concession:
Four weeks in a year for two trips in a year, both in India and abroad.

Cars:

He shall be provided with two cars for use on Company's business and for use of a car for private purposes.

It shall be dealt by the Company as per the applicable provisions of Income-Tax Rules, 1962 or any re-enactment thereof.

During his tenure as CMD, he will not be paid any sitting fee for attending meetings of the board or committees thereof. He attended all the board meetings (6) of the Company, held during the year 2014-15.

Mr Venu Srinivasan, as CMD, shall have substantial powers of the management of the Company in accordance with the applicable provisions of the Act 2013 and such powers as may be entrusted upon him by the board, from time to time."

He is also the Chairman and Managing Director of the holding company viz., Sundaram-Clayton Limited (SCL), drawing remuneration by way of salary and perquisites as approved by its shareholders.

The aggregate of remuneration payable to him in both the companies shall not exceed the higher maximum limit admissible from any one of the companies, in terms of Schedule V to the Act 2013. During the year 2014-15, he was paid a sum of Rs. 9.15 Cr as remuneration by way of commission and other perquisites within the limits approved by the members.

The board, in the event of loss or inadequacy of profits in any financial year, shall revise the remuneration payable to CMD during such financial year, in such manner as agreed to between him and the board and within the limits prescribed in this behalf under Schedule V to the Act 2013 or any re-enactment thereof.

The terms of re-appointment and the remuneration payable to CMD as specified above are now being placed before the members for their approval by way of an ordinary resolution, as set out in item no. 5 of this Notice, in compliance with the provisions of Sections 196, 197 and 203 read with Schedule V to the Act 2013, as recommended by the Nomination and Remuneration Committee and by the board.

Mr Venu Srinivasan is deemed to be concerned / interested in this resolution, since it relates to his re-appointment and remuneration as CMD. Mr Sudarshan Venu, joint managing director and Dr Lakshmi Venu, director are also deemed to be interested, being his relatives.

None of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in Item No.5 of this Notice.

The board, therefore, recommends the ordinary resolution, as set out in item No.5, for approval by the shareholders of the Company.

Item No.6

In the board meeting held on 1st February, 2013, Mr Sudarshan Venu, aged 26 years, director was appointed in the rank of whole-time director of the Company for a period of five years from 1st February, 2013 on such remuneration within the limit prescribed under applicable provisions of the Companies Act, 1956. The shareholders also approved his terms of appointment and remuneration by way of a special resolution through postal ballot on 18th March, 2013 and variation in perquisites payable to him was also approved by the shareholders at the 22nd AGM on 14th July, 2014.

However, in view of his increased responsibilities in the management of the Company, the board, at its meeting held on 10th September, 2014, appointed him as joint managing director in the rank of managing director (JMD), as recommended by the Nomination and Remuneration Committee of Directors, for the remaining period of his tenure up to 31st January, 2018, without any other change in his terms of appointment and remuneration, subject to the approval of the shareholders of the Company.

Mr Sudarshan Venu as JMD, has been functioning under the advice and guidance of the Chairman and Managing Director of the Company (CMD) and will have all such powers, authorizations and duties, as may be assigned to him by the CMD / the board, from time to time. During his tenure, he shall not be paid any sitting fee for attending meetings of the board or committees thereof.

He has attended five board meetings of the Company, held during the year 2014-15.

He is also the Joint Managing Director of Sundaram - Clayton Limited (SCL), the holding company and drawing remuneration by way of salary and perquisites, as approved by its shareholders.

The aggregate of remuneration payable to him in both the companies shall not exceed the higher maximum limit admissible from any one of the companies, in terms of Schedule V to the Act 2013. During the year 2014-15, he was paid a sum of Rs. 5.52 Cr as remuneration by way of salary and commission within the limits approved by the members.

The board, in the event of loss or inadequacy of profits in any financial year, shall revise the remuneration payable to JMD during such financial year, in such manner as agreed to between the board of directors and the JMD and within the limits prescribed in this behalf under Schedule V to the Act 2013 or any re-enactment thereof.

The terms of appointment as JMD are in compliance with the provisions of Sections 196, 197 and 203 read with Schedule V to the Act 2013, and now being placed before the members for their approval by way of an ordinary resolution, as set out in item no. 6 of this Notice, as recommended by the Nomination and Remuneration Committee and by the board.

All other terms and conditions of appointment and remuneration payable to Mr Sudarshan Venu as approved

through postal ballot on 18th March, 2013 and variation in perquisites payable to him as approved by the shareholders at the 22nd AGM on 14th July, 2014 shall remain unchanged.

Mr Sudarshan Venu is deemed to be interested in this resolution since it relates to his appointment as JMD and Mr Venu Srinivasan, CMD and Dr Lakshmi Venu, Director are also deemed to be interested, being his relatives.

None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in Item No.6 of this Notice.

The board, therefore, recommends the ordinary resolution, as set out in item No.6, for approval by the shareholders of the Company.

Item No.7

Dr Lakshmi Venu was appointed as an additional, non-executive and non-independent director of the Company in terms of Section 161 read with Section 149 of the Act 2013, at the board meeting held on 10th September, 2014.

In terms of Section 161 of the Act 2013, she will vacate office at this AGM and be eligible to be appointed at the AGM, as recommended by the Nomination and Remuneration Committee and by the board.

A notice has been received from the holding company viz., Sundaram-Clayton Limited under Section 160 of the Act, 2013, along with a requisite deposit signifying its intention to propose the candidature of Dr Lakshmi Venu and to move the resolution set out in Item No. 7 of this notice.

Dr Lakshmi Venu is deemed to be interested in this resolution since it relates to her appointment as director of the Company and Mr Venu Srinivasan, CMD and Mr Sudarshan Venu, JMD of the Company are also deemed to be interested, being her relatives.

In terms of Section 203 of the Act 2013, the Company has received consent from the holding company viz., Sundaram-Clayton Limited, where she is the JMD and being a Key Managerial Personnel, for her appointment as a director of the Company.

None of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in Item No.7 of this Notice.

The board, therefore, recommends the ordinary resolution, as set out in item No.7, for approval by the shareholders of the Company.

By order of the board

Bengaluru
29th April 2015

K S SRINIVASAN
Company Secretary

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