

Sundaram-Clayton Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting the 58th annual report and the audited financial statements of the Company for the year ended 31st March 2020.

1. FINANCIAL HIGHLIGHTS

Particulars	(₹ in Cr)	
	Year ended 31.03.2020	Year ended 31.03.2019
Sales (including Excise duty) and other income	1424.14	1932.94
EBITDA	237.62	277.83
Less: Finance Cost	55.40	55.16
Depreciation	92.65	92.19
	89.57	130.48
Less: Exceptional cost*	20.40	–
Profit before tax after exceptional cost	69.17	130.48
Provision for tax	0.47	10.82
Profit after tax	68.70	119.66
Add: Balance in Statement of Profit and Loss including General Reserve	497.48	450.93
Transfer from Other Comprehensive Income	(7.61)	(0.28)
Total Comprehensive Income available	558.57	570.31
Appropriations:		
Dividend	62.72	72.83
Adjustment as per Ind AS 116, net of tax (Cumulative effect of retrospective application)	4.30	–
Surplus carried forward	491.55	497.48
Total	558.57	570.31

* Exceptional cost primarily represents one time costs associated with voluntary separations.

2. DIVIDEND

The Board of Directors of the Company (the Board) at its meeting held on 10th March 2020, declared an interim dividend of ₹ 31 per share (620%) for the year 2019-20, absorbing a sum of ₹ 62.72 Cr. The same was paid to the shareholders on 21st March 2020.

The Board does not recommend any further dividend for the year under consideration.

The Company has set-off its dividend distribution tax payable under Section 115O (1A) of the Income Tax Act, 1961 against the dividend distribution tax paid by one of its subsidiary company on its dividend declared.

3. PERFORMANCE

India's real gross domestic product (GDP) estimated at 4.7% in FY20 as against 6.8% in FY19 as domestic investment and consumption collapsed under stress on non-banking financial companies and a sharp slowdown in credit growth.

The global economy too recorded its lowest growth of the decade in 2019, falling to 2.3% as a result of continued trade disputes and economic slowdown in major countries.

The GDP in the U.S. and EU markets registered a growth of 2.3% (2.9% in 2018) and 1.2% (1.9% in 2018).

Towards the end of 2019-20 starting 23rd March, the Company's operations were halted due to CoVID-19 pandemic. A nationwide lockdown was announced to contain the spread of the virus. Understanding the severity of the crisis, the Company took lot of measures to help and support its customers, employees, suppliers, and society. The Company also set-up a Business Continuity Task Force and proactively rolled-out a slew of measures to ensure health & safety of its employees and suppliers. Work from home was implemented for almost all executives & managers well on time. Some of the key initiatives undertaken by the Company to support the society in fighting this battle include providing protective face masks, sanitization of numerous villages and towns, providing food packets to essential service providers and to the deprived sections of the society.

The following table highlights the performance of the Company during 2019-20:

Particulars	FY 2019-20	FY 2018-19	Variance (in %)
Sales (Tonnage)	35,837	48,969	(26.8)
Sale of goods (₹ in Cr)	1,240.28	1,746.03	(28.9)
Domestic sales (₹ in Cr)	652.97	959.12	(31.9)
Export sales (₹ in Cr)	587.31	786.91	(25.4)
Profit After Tax (₹ in Cr)	68.70	119.66	(42.6)

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

I. INDUSTRY STRUCTURE AND DEVELOPMENT:

Domestic

The segment wise performance in the Indian automotive industry is given in the following table.

(in Nos)

Category	FY 2019-20	FY 2018-19	Variance (in %)
Two Wheelers	2,09,37,992	2,44,60,688	(14.4)
Passenger Vehicles	34,52,990	40,53,581	(14.8)
Commercial Vehicles (M&HCV)	2,48,968	4,39,408	(43.3)

(Source: SIAM+DICV internal estimate)

The Indian auto industry (domestic sales and exports) posted an overall de-growth of 14.8% (Source: SIAM). This decline was triggered by many major factors like weak consumer sentiments, volatile rural demand, credit shortage from NBFC crisis, hike in insurance cost, revised axle norms and transition to BS-VI leading to the postponement of purchases to FY21. Lockdown imposed due to CoVID19 outbreak further led to a contraction in the automotive sector.

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Exports

The following table highlights the North American and European truck registration figures in vehicle units:

(in Nos)				
Market	Category	FY 2019-20	FY 2018-19	Variance (in %)
North America	Class 8 Trucks	3,18,128	3,26,913	(2.69)
North America	Class 4-7 Trucks	2,79,278	2,71,679	2.80
Europe	Medium & Heavy Trucks	2,88,138	3,11,589	(7.53)

(Source: FTR & ACEA)

Though Class 8 truck sales in 2019 were the highest in the last decade, build trend started to drop from August, 2019. Due to the trade and political uncertainty Class 8 orders dipped to tepid levels by the start of 2020. Orders for heavy trucks further collapsed by 52% in March 2020 due to the sharp and sudden downturn in economic conditions caused by CoVID-19 outbreak.

The major EU markets performed worse than the year before owing to the introduction of new, obligatory tachographs in heavy trucks and the onset of CoVID-19 pandemic.

II. BUSINESS OUTLOOK AND OVERVIEW

India's GDP growth has decelerated to 11 year low estimated at 4.7% in 2019-20. In 2020-21 the economy will see significant challenges owing to the impact of CoVID-19 pandemic and the resultant interruption to economic activity which is beginning to reopen.

Economic Activity and lifestyles will be rebuilt, factoring in coexistence with CoVID 19. Social Distancing (SD) and Work From Home (WFH) practices will see greater prevalence. These new long-term practices of SD could see consumer preferences change towards personal mobility, this could prove to provide some opportunity, especially to the 2-wheeler industry.

The restriction of public mobility and impact on many sectors of the economy, will affect GDP, disposable incomes, consumer sentiment and the auto industry as well. Consequently, a very sharp decline in the first quarter of 2020-21 is expected, which may partially alleviate in the following quarter, with any upside possibilities only playing out in the later part of the year.

The favorable reservoir levels, good rabi output and possibility of normal monsoon may support agriculture growth. To help revive the economy due to stalled economic activities caused by CoVID-19, the Central Government has announced a stimulus package. This special economic and comprehensive package is expected to benefit various sections including cottage industry, MSMEs and industries among others.

Despite this, the slowdown in manufacturing growth is likely to linger on beyond the first half of FY 2020-21 due to lower global growth and continued supply-chain disruptions.

With the CoVID-19 pandemic hitting the US and EU the most, both the economies are expected to see a drop in growth in 2020. Hence, the U.S GDP is expected to decline by 5.0% in 2020. The U.S. truck market (Class 8) volumes are expected to decline by 65% in 2020.

III. OPPORTUNITIES & THREATS

The Company supplies aluminum castings for commercial vehicles, passenger cars and two wheeler segments of the automotive industry.

The revenue of the Company is derived from Medium & Heavy Commercial Vehicles (MHCV) (58%), followed by two wheeler industry (24%) and the car industry (18%).

The CoVID-19 pandemic is causing paradigm shifts in the consumer behaviour affecting many industries including the automotive industry. Social Distancing norms following across the globe due to CoVID19 could become the new normal.

In the short to medium term, the fear of using public transportation in the light of the CoVID-19 pandemic, could lead to increased demand especially in two wheeler and small passenger car segments, resulting in better prospects for the domestic auto industry.

In the long term, *in lieu* of stringent emission norms and fuel economy regulations, the thrust towards light-weighting is bound to increase leading to higher content of aluminum in all vehicle types. The Company is well placed to leverage these emerging opportunities. This will provide for increased growth opportunities, since the Company is already a preferred source for aluminum castings to major OEM's in India and abroad.

The supply chain disruptions caused by the lockdown could have major OEMs review their global purchasing strategies and this could result in a strong push for localization to de-risk the supply chain despite cost impact. This could benefit the Company's subsidiary's US operations once it goes on stream next year, as it will be strategically located to leverage the growth opportunities.

Several Indian die casting companies and OEMs have set up new capacities or expanded existing capacities over the past few years. With current market conditions, the capacity utilization will drop further and the Company will be seeing actions to secure new business to ensure better utilization of assets resulting in increased competition and cost pressure.

Intense competition makes it difficult to seek price increases to compensate the effects of inflation bringing the margins under severe pressure. However, the Company's supply contracts provide for periodic price adjustments indexed to the international prices of aluminum and this should offer some protection against volatility of commodity prices.

IV. RISKS AND CONCERNS

Economy

There are possible risks on the horizon, both global and domestic. Economic recession gripped global economy following the lockdown due to the CoVID-19 pandemic. While global trade may stabilize earlier, macroeconomic impact of recession may be felt on the supply and demand side for a prolonged period of time.

Movement of migrant workers to their homes is also expected to have a negative impact on the industry and will slow down the revival of manufacturing activity in the country. This along with further policy changes, distressed financial markets could dampen the domestic market.

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Industry specific

The Indian commercial vehicle industry is a strong indicator of the economic activity in the country and has a strong correlation with the agricultural growth, infrastructure development and the mining industry. While the steep fall of the past 2 years has created a low base, supply disruptions due to CoVID-19 and cost push from BS-VI emission norms may keep near-term demand subdued. Competition has increased in the Indian market due to entry of new players. The Company is aware of the increasing competition and is taking customer focused measures to remain competitive in the market place.

The global automotive industry is also amidst experiencing the situation of a cyclical demand slowdown complicated further by the impact of CoVID-19.

Prices of aluminum have largely trended downward in 2019-20, interrupted only by a sharp and short-lived upturns. Slowing global growth, exacerbated by the CoVID-19 pandemic, has pushed down prices. Price gains are likely to be limited in 2020-21.

Forex

With significant exports, import of raw materials and capital goods, the Company is always exposed to impact on account of currency fluctuations. However, the Company has a well-defined forex hedging policy to mitigate the risks.

Contractual

The stipulation and requirements of the automobile industry demands high quality products. Robust quality management systems meeting international standards like IATF 16949 are in place to ensure excellent product quality. Additionally the Company has also taken, appropriate recall and product liability insurance in line with standard industry practice.

Just-in-time delivery is another important contractual obligation. Robust quality and project management systems are in place to avoid delay in deliveries due to quality issues or project implementation.

Capacity utilization

The Company adds capacity, in existing and new locations, to meet the projected demand of customers. The Company closely monitors the progress of customer projects / volumes and appropriately deploys the assets to protect from both underutilization and capacity shortages to meet the demand. During the year, specific measures were taken to redeploy underutilized assets due to low demand scenario thereby saving significant investments.

Risk Management Policy

Company's risk management framework is well embedded and continually reviewed by the Risk Management Committee. It enables the Board, to identify, evaluate and monitor principal risks and where possible, actively mitigate the risks that could affect the achievement of the Company's target.

As a process, risks associated with the business are identified and prioritized based on the Company's overall risk appetite, strategy, severity and probability of occurrence.

The Board is satisfied that there are adequate systems and procedures in place to identify, assess, monitor and manage risks. The Company's Risk Management Committee is overseeing all the risks that the

organization faces such as strategic, financial, market, IT, legal, regulatory, reputational and other risks and recommends suitable action. Risk mitigation policy has been approved by the Board.

V. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board is accountable for evaluating and approving the effectiveness of internal controls, including financial, operational and compliance controls. The Company has a proper and adequate internal control system to ensure that all its assets are safeguarded and protected against any loss and that all the transactions are properly authorized and recorded.

The internal control system is subject to continuous improvement, with system effectiveness assessed regularly. Information provided to management is reliable and timely. Company ensures the reliability of financial reporting and compliance with laws and regulations.

Company is strengthening the controls by leveraging technology and centralizing processes, enhanced monitoring and maintaining effective tax and treasury strategies.

The Audit Committee continues to monitor the effectiveness of internal control over the use of new technologies that impact the financial controls and reporting enterprise risk.

Internal Financial Control

The Company has an established Internal Financial Control framework including internal controls over financial reporting, operating controls and anti-fraud framework. The framework is reviewed regularly by the management and tested by internal audit team and presented to the Audit Committee. Based on the periodical testing, the framework is strengthened, from time to time, to ensure adequacy and effectiveness of Internal Financial Control.

VI. KEY FINANCIAL RATIOS

As required under Regulation 34 of the Listing Regulations, there was a significant change in Return on Networth compared to the previous financial year.

Details of change in some of the ratios, as compared to the previous financial year is given below.

Particulars	Unit of measurement	Standalone		Consolidated	
		2019-20	2018-19	2019-20	2018-19
Interest Coverage Ratio	Times	2.25	3.37	1.93	2.56
Net Profit Margin	%	4.86	6.75	4.26	5.18
Return on Net worth	%	10.79	17.96	8.56	11.93

Profit for the year is lower primarily due to de-growth in auto Industry and also due to an exceptional item (one time voluntary separation costs). Reduction in profit for the current financial year has resulted in adverse movement of ratios.

VII. OPERATIONS REVIEW

A. Manufacturing

The Company has been using Total Quality Management (TQM) as the foundation of its management. The Company implemented the best practices like Total Productivity Management (TPM) and Lean Manufacturing (TPS) in its manufacturing facilities. It also has in place best-in-class practices for safety, pollution control, work environment, water and energy conservation.

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Continuous improvement projects are implemented to improve the product quality and operational efficiency in all the manufacturing locations. The Company's journey of achieving manufacturing excellence was recognized and rewarded by the following customer during FY 2019-20.

- PACCAR India - Supplier of the year 2019
- HMIL - Best performer 2019 for Production Support
- Hanon - Best process and systems
- Daimler - Supplier - Best practice sharing 2019
- Daimler - "A" rating - VDA 6.3 audit
- Cummins - Best supplier - Six sigma project
- Hanon - "Energy conservation 2019 - Gold" award

Srinivasan Services Trust (SST), CSR arm of the group, has also used TQM way of work in its activities in the villages adopted.

Mr Venu Srinivasan, Chairman of the Company has been conferred with the prestigious Deming 'Distinguished Service Award for Dissemination and Promotion Overseas' by Japanese Union of Scientists and Engineers (JUSE), for his outstanding contribution in the dissemination and promotion of Total Quality Management (TQM) across all companies in the group. Chairman has also guided in permeating TQM practices in many companies in India through cluster approach initiated by CII and ACMA.

B. Quality

Achieving customer delight by consistently providing products of excellent quality is the prime motto of the Company. This is achieved through state-of-art technology, training, effective quality system, continuous improvement and total employee involvement.

Poka-yokes, process audits, use of statistical tools for process optimization and online process controls also contribute towards improving and achieving consistency in product quality. The quality system is certified for IATF 16949 requirements.

TQM is a way of life in the Company. 100% employee involvement has been successfully achieved for many years.

Employees have completed 671 projects by applying statistical tools through Quality Control Circles (QCC) in 2019-20. The average number of suggestions implemented per employee was 40.

C. Cost Management

Cost management is a continuous journey and the Company manages the same through deployment, monitoring and control of costs across all departments. Cross functional teams are working on projects focussed on Value Added/Value Engineering (VA/VE) and improving operational efficiency. TPM and Lean initiatives are deployed Company-wide to achieve reduction in manufacturing cost.

D. Information Technology

The Company uses ERP system that integrates all business processes across the Company. Suppliers and customers are also integrated into the system for better planning and execution. During the year, several dashboards were added to improve the productivity, quality and reduce the cost of operations. As we move more towards digitization, projects were also implemented to further enhance the Information Security.

E. Research and Development

The Research and Development (R&D) team continued its focus on in-depth customer understanding, technology development and design innovations. The R&D team continues their efforts in

developing cutting-edge technologies that are relevant for the near and long-term requirements of the Company's business plans. These developments are centered on customers, emerging mobility needs, advanced safety regulations and sustainability. The Company also collaborates with leading research establishments and educational institutions, both within and outside the country to develop breakthrough technologies.

VIII. HUMAN RESOURCE DEVELOPMENT

The Company considers employees as vital and most valuable assets. Human Resource Development (HRD) is aligned to business needs to enhance business performance and results. HRD is practiced through an overall HRD framework with its constituents as resourcing, employee engagement, performance & compensation management, competency based development, career & succession planning and organization development. Each of these constituent has a structured approach and process to deliver.

As a part of the long term strategies of the Company, collaborative education program has been initiated with three reputed institutes to develop role-ready engineers with Company-specific knowledge at the entry level.

Career development workshop is conducted to identify high potential employees. Such employees are groomed for taking up higher responsibilities. A reward and recognition system is in place to motivate and also provide fast track growth for the high potential employees.

Our engineers and executives are sponsored for advanced study offered by both Indian and foreign institutions. Customized technical and leadership competency improvement programs are developed and delivered through reputed institutions.

The Company continuously measures and reports employee engagement every year and identifies improvement areas to work on.

An excellent industrial relations environment continues to prevail at all the manufacturing units of the Company.

As on 31st March 2020, the Company had around 1,917 employees on its rolls.

IX. ENVIRONMENT, HEALTH & SAFETY

The Company is fully committed to the ultimate goal of employee safety. Safety management is integrated with the overall Environment, Health and Safety (EHS).

The Company has been certified under Integrated Management System (IMS) combining ISO 14001 and OHSAS 18001 systems and procedures.

X. CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, amongst others, economic conditions affecting demand / supply and price conditions in the domestic and overseas market in which the Company operates, changes in the Government Regulations, Tax Laws and Other Statutes and Incidental Factors.

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5. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Act, with respect to Directors' Responsibility Statement, it is hereby stated that -

- i. in the preparation of annual accounts for the financial year ended 31st March 2020, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors had prepared the accounts for the financial year ended 31st March 2020 on a "going concern basis";
- v. the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR activities have already been textured into the Company's value system through Srinivasan Services Trust (SST), established in 1996 with the vision of building self-reliant rural community.

Over 24 years of service, SST has played a pivotal role in changing lives of people in rural India by creating self-reliant communities that are models of sustainable development.

The Company is eligible to spend on their ongoing projects / programmes, falling within the CSR activities specified under the Act, as mandated by the Ministry of Corporate Affairs for carrying out the CSR activities.

The Committee formulated and recommended a CSR policy in terms of Section 135 of the Act, along with a list of projects / programmes to be undertaken for CSR spending in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Based on the recommendation of the CSR Committee, the Board has approved the projects / programs to be carried out as CSR activities by Srinivasan Services Trust (SST) by undertaking these programmes / projects, in compliance with the CSR policy of the Company and contributed ₹ 2 lakhs for the financial year 2019-20, towards CSR spending.

Presently, SST is working in 5,000 villages spread across Tamil Nadu, Karnataka, Maharashtra, Himachal Pradesh and Andhra Pradesh covering a population of about 24.50 lakhs and 6.24 lakh families. SST has focussed on the areas of economic development, health care,

education, environment, social and infrastructure actively in 3000 villages. SST will focus on 2000 villages also, so that all the areas are covered in the next 3 years.

As required under Section 135 of the Act, read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR, containing the particulars of the projects / programmes approved and recommended by CSR Committee and approved by the Board for the financial year 2019-20 are given by way of Annexure-IV attached to this Report.

7. FINANCIAL PERFORMANCE & POSITION OF SUBSIDIARIES & ASSOCIATES

The following companies and bodies corporate are the subsidiaries / associates of the Company:

Subsidiaries

1. TVS Motor Company Limited, Chennai;
2. Sundaram Auto Components Limited, Chennai;
3. TVS Housing Limited, Chennai;
4. TVS Motor Services Limited, Chennai;
5. TVS Credit Services Limited, Chennai;
6. TVS Two-wheeler Mall Private Limited, Chennai;
7. TVS Micro Finance Private Limited, Chennai;
8. Harita ARC Private Limited, Chennai;
9. Harita Collection Services Private Limited, Chennai;
10. TVS Commodity Financial Solutions Private Limited, Chennai;
11. TVS Housing Finance Private Limited, Chennai;
12. Sundaram-Clayton (USA) Limited, USA;
13. TVS Motor Company (Europe) B.V., Amsterdam;
14. TVS Motor (Singapore) Pte. Limited, Singapore;
15. PT TVS Motor Company Indonesia, Jakarta;
16. Sundaram Holding USA Inc, Delaware, USA;
17. Green Hills Land Holding LLC, South Carolina, USA;
18. Components Equipment Leasing LLC, South Carolina, USA;
19. Sundaram-Clayton (USA) LLC, South Carolina, USA; and
20. Premier Land Holding LLC, South Carolina, USA.

Associates

1. Emerald Haven Realty Limited, Chennai and its subsidiaries;
2. TVS Training and Services Limited, Chennai; and
3. Sundram Non-Conventional Energy Systems Limited, Chennai

SUBSIDIARIES / ASSOCIATES

TVS Motor Company Limited (TVSM)

TVSM is engaged in the business of manufacture of two and three wheelers. During the year 2019-20, TVSM's total revenue including other income was ₹ 16,455.44 Cr and earned a profit before tax of ₹ 754.41 Cr after exceptional item of ₹ 32.33 Cr.

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TVSM for the year 2019-20, declared first interim dividend of ₹ 2.10 per share (210%) absorbing a sum of ₹ 120.28 Cr including dividend distribution tax and a second interim dividend of ₹ 1.40 per share (140%) absorbing a sum of ₹ 79.75 Cr including dividend distribution tax.

Hence, the total amount of dividend for the year ended 31st March 2020 aggregated to ₹ 3.50 per share (350%) on 47,50,87,114 equity shares of ₹ 1 each.

Sundaram Auto Components Limited (SACL)

Sales of SACL was ₹ 529.50 Cr for 2019-20 as against ₹ 601.16 Cr in the previous year.

SACL earned a Profit Before Tax of ₹ 6.44 Cr during the year 2019-20 as against ₹ 17.37 Cr in the previous year.

SACL declared an interim dividend of ₹ 0.50 per share (5%) for the year ended 31st March 2020, thereby absorbing a sum of ₹ 2.54 Cr including dividend distribution tax.

During the year, TVSM has subscribed a sum of ₹ 60 Cr in the equity capital of SACL.

TVS Housing Limited (TVSH) / Emerald Haven Realty Limited (EHRL)

TVS Housing Limited is a 100% subsidiary of TVS Motor Company Limited.

EHRL

Chennai residential real estate market has de-grown by 20% in the financial year 2019-20. The NBFC crisis, changes to GST regulations and CoVID 19, led to a reduction in the number of new launches by developers and postponement of purchase decision by buyers, resulting in a general slowdown in the real estate market.

During the year, all villas in the final phase of GreenHills and plots in Salamangalam in Chennai were sold.

In 2019-20, the Company launched Flourish Apartments at Salamangalam comprising of 208 residential units. This project falls under the category of "affordable homes" defined by the Government of India. 61% of the apartments have been sold till date.

During 2019-20, project Lighthouse in Chennai was launched - a 14 storey residential apartment complex comprising of 279 units and 73% of the apartments have been sold till date.

In January 2019, Emerald Haven Life Spaces (Radial Road) Limited (EHLSRRL), a subsidiary of EHRL acquired land admeasuring 6 acres to develop Multi-storeyed Building (MSB) at Kovilambakkam, Radial Road, Chennai.

During the year, the Company geographically expanded to Bengaluru via Joint Development Agreement (JDA) for a 6.4 acre land parcel in Kaggipura, Bengaluru.

During the year, EHRL entered into a Joint Venture Agreement with ASK Real Estate Special Opportunities Fund - II (ASK) and invested a sum of ₹ 16.63 Cr and ASK invested their share of ₹ 15.98 Cr.

The Company has completed construction of 1.4 Million Sq.ft till date and the total area under development as on date is 5.5 Million Sq.ft

Subsidiaries of EHRL

1. Emerald Haven Development Limited (EHDL);
2. Emerald Haven Projects Private Limited (EHPPL);

3. Emerald Haven Life Spaces (Radial Road) Limited (EHLSRRL);
4. Emerald Haven Realty Developers (Paraniputhur) Private Ltd (EHRDPPL);
5. Emerald Haven Property Development Limited (EHPDL);
6. Emerald Haven Town and Country Private Limited (EHTCPL);
7. Happiness Harmony Property Developers Private Limited (HHPDPL); and
8. Emerald Haven Towers Limited (EHTL)

PT. TVS Motor Company Indonesia (PT TVSM)

The Indonesian two-wheeler Industry was stagnant during the year 2019-20 at around 7.2 million units. While Skubek segment grew by 3%, bebek and motorcycle segments suffered negative growth of 15% and 21% respectively.

During the year under review, PT TVS achieved sales of 53,650 nos. of two wheelers as against 40,760 nos. of last year, thereby registering a growth of 31%. In three wheelers, the company recorded sales of 8,100 units as against 2,700 units of sales during the previous year.

The impressive growth in sales numbers, coupled with margin improvement enabled the company to achieve a positive EBITDA of USD 0.75 million for the full year as against a loss of USD 3.04 million of last year. It is also worthwhile to note that the company achieved break even by posting operating profit for the second half of the financial year 2019-20. During the year, TVSM has invested a sum of USD 5 Mn in the ordinary shares of PT TVSM.

TVS Motor Company (Europe) B.V

TVSM had earlier incorporated TVS Motor Company (Europe) B.V. in Netherlands with a view to serve as special purpose vehicle for making and protecting the investments made in overseas operations of PT TVSM.

TVS Motor (Singapore) Pte. Ltd

TVS Motor (Singapore) Pte Limited, a wholly owned subsidiary of TVS Motor Company Limited in Singapore is leveraged to operationalize digital technology by delivering high quality solutions that address real life business challenges viz., harnessing the power of Analytics, Artificial Intelligence, Augmented Reality, Machine Learning and Internet of Things (IOT).

These are focused in areas of automotive and fintech industries that have direct relevance to Company and its subsidiaries. The digital strategy would be delivered through both organic and inorganic means.

As part of this strategy, during the financial year 2019-20, TVS Motor (Singapore) Pte Limited has made investments in US based companies viz., Altizon Inc, Predictronics, Scienaptics and in Tagbox Pte, which are in the fields of IOT, predictive maintenance and credit underwriting, with an aggregate investment of USD 16.57 Mn. During the year, TVSM has invested a sum of SGD 26.48 Mn in the ordinary shares of TVS Motor (Singapore) Pte Limited.

Project 303 Bidco Limited, United Kingdom (UK)

TVS Motor (Singapore) Pte Limited has acquired a newly incorporated company viz., Project 303 Bidco Limited, UK (UK Subsidiary) on 2nd April 2020 and consequently, it has become wholly owned subsidiary.

UK Subsidiary has signed an asset purchase agreement with, amongst others, Norton Motorcycles Holdings Limited (in administration) and

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Norton Motorcycles (UK) Limited (in administration) (together "Norton") to acquire certain assets from Norton, including, the brand "Norton" and other associated brands.

Norton Motorcycles (UK) Limited (in administration) was engaged in the business of manufacturing the iconic "Norton" and allied brand motorcycles. It is an entity based in the United Kingdom of Great Britain and Northern Ireland.

TVS Motor Services Limited (TVS MS)

TVS MS was initially the investment SPV of TVS Motor Company Limited, for funding TVS Credit Services Limited (TVS CS).

The National Company Law Tribunal, Chennai (NCLT), on 16th April 2019 approved a Scheme of Arrangement (Scheme) between TVS MS, TVS CS and their respective shareholders and became effective 9th May 2019, being the date of filing of the said approved Scheme with the Ministry of Corporate Affairs.

In terms of the Scheme, TVS MS redeemed its entire Non-cumulative Redeemable Preference Shares (NCRPS) previously held by TVS Motor Company Limited (TVSM) by transferring the investment held by it in TVS CS equity shares in favour of TVSM on 6th June 2019.

Post transfer of equity shares of TVS CS, TVS Motor Company Limited now holds 83.95% of the equity capital directly in TVS CS, which was earlier held through TVS MS, the wholly owned subsidiary of TVSM. TVS MS continues to be a 100% subsidiary of TVSM.

During the year, TVSM subscribed to 4,50,00,000 Equity Shares of TVS MS aggregating to ₹ 45 Cr at a price of ₹ 10/- per share.

TVS Credit Services Limited (TVS CS)

TVS CS is the retail finance arm of TVS Motor Company Limited for financing of two-wheelers.

During the year 2019-20, TVS CS's overall disbursements registered at ₹ 7,585 Cr as compared to ₹ 7,067 Cr in the previous year. During the year under review, the assets under management stood at ₹ 9,215 Cr as against ₹ 8,335 Cr during the previous year registering a growth of 10%. Total income during the financial year FY 2020 increased to ₹ 2,015 Cr from ₹ 1,635 Cr during the financial year, an increase of 23.1% over the previous year.

The profit before tax and exceptional items for the year has also improved and stood at ₹ 219 Cr as against ₹ 216 Cr during the previous year. During the year, TVSM has invested a sum of ₹ 45 Cr in the Equity capital of TVS CS.

The following companies are the subsidiaries of TVS CS.

1. TVS Two-wheeler Mall Private Limited
2. TVS Micro Finance Private Limited
3. Harita ARC Private Limited
4. Harita Collection Services Private Limited
5. TVS Commodity Financial Solutions Private Limited
6. TVS Housing Finance Private Limited

All the above subsidiaries are yet to commence its operations.

Sundaram-Clayton (USA) Limited

Sundaram-Clayton (USA) Limited, a wholly owned subsidiary of the Company is engaged in the business of providing Professional Employer Organisation ("PEO") services to the employees of the Company. The

Company earned revenue of USD 7,078 and net income after adjustment of expenses amounted to USD 390 for the year ended 31st March 2020.

Sundaram Holding USA Inc. (SHUI) & its subsidiaries

The Company along with Sundaram Auto Components Limited (SACL) has formed Sundaram Holding USA Inc. (SHUI), a company established under the applicable provisions of Laws of The United States of America.

SHUI's wholly owned subsidiaries are:

1. Green Hills Land holding LLC, South Carolina, USA
2. Component Equipment Leasing LLC, South Carolina, USA
3. Sundaram-Clayton USA LLC, South Carolina, USA
4. Premier Land Holding LLC, South Carolina, USA

During the year 2019-20, the Company invested a sum of USD 2 Mn and SACL has invested a sum of USD 6 Mn in the ordinary shares of SHUI and holds 25% (Balance 75% held by SACL) of the total capital of SHUI as on 31st March 2020.

TVS Training and Services Limited (TVS TSL)

TVS TSL is engaged in the business of establishing and providing vocational training services to various industries and is participating in the National Skill Development Projects. During the year, the Company earned an income of ₹ 34.20 Cr and profit after tax for the year ended 31st March 2020 was ₹ 2.01 Cr.

Sundram Non-Conventional Energy Systems Limited (SNCES)

SNCES is engaged in the business of generation of power. During the year, the Company earned a total revenue of ₹ 2.93 Cr and Profit after tax was ₹ 1.64 Cr.

8. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company are prepared in accordance with the provisions of Section 129 of the Act read with the Companies (Accounts) Rules, 2014 and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) along with a separate statement containing the salient features of the financial performance of subsidiaries / associates, in the prescribed form. The audited consolidated financial statements together with Auditors' Report forms part of the Annual Report.

The audited financial statements of the subsidiary companies will be made available to the shareholders, on receipt of a request from any Shareholder and it has also been placed on the website of the Company. This will also be available for inspection by the shareholders at the Registered Office during the business hours as mentioned in the Notice of AGM.

The consolidated Profit Before Tax of the Company and its subsidiaries & associates amounted to ₹ 845.21 Cr for the financial year 2019-20 as against ₹ 1,117.74 Cr of the previous year.

9. DIRECTORS & KEY MANAGERIAL PERSONNEL

Directors' appointment / re-appointment

In terms of the provisions of sub-section (6) read with explanation to Section 152 of the Act, two-thirds of the total number of Directors i.e., excluding IDs, are liable to retire by rotation and out of which, one-third is liable to retire by rotation at every annual general meeting.

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Mr Gopal Srinivasan and Dr. Lakshmi Venu are liable to retire by rotation, at the ensuing AGM, and being eligible, offer themselves for re-appointment.

The Directors have recommended their re-appointment for the approval of shareholders. Brief resume of the Directors are furnished in the Notice convening the AGM of the Company.

Independent Directors (IDs)

All IDs hold office for a fixed term and are not liable to retire by rotation.

At the AGM held on 23rd July 2019, Ms Sasikala Varadachari was appointed as ID for the first term of five consecutive years. Vice Admiral P J Jacob was re-appointed as ID for a second term of five consecutive years from 21st August 2019 and M/s V Subramanian, S Santhanakrishnan, R Vijayaraghavan and Kamlesh Gandhi were re-appointed as IDs for the second term of three consecutive years from 21st August 2019. Mr Gopalan was re-appointed as ID for the second term of three consecutive years from 24th July 2019.

The terms cover, *inter-alia*, duties, rights of access to information, disclosure of their interest / concern, dealing in Company's shares, remuneration and expenses, insurance and indemnity. The IDs are provided with copies of the Company's policies and charters of various Committees of the Board.

In accordance with Section 149(7) of the Act, all IDs have declared that they meet the criteria of independence as provided under Section 149(6) of the Act and Regulation 25 of the Listing Regulations, and the Board confirms that they are independent of the management.

The detailed terms of appointment of IDs are disclosed on the Company's website in the link as provided in page no. 76 of this Annual Report.

All the IDs have registered themselves with the databank of Independent Directors developed by the Indian Institute of Corporate Affairs in accordance with the provisions of Section 150 of the Act and obtained ID registration certificate.

Separate meeting of Independent Directors

During the year under review, a separate meeting of IDs was held on 10th March 2020.

Based on the set of questionnaires, complete feedback on Non-IDs and details of various activities undertaken by the Company were provided to IDs to facilitate their review / evaluation.

(a) Non-Independent Directors (Non-IDs)

IDs used various criteria and methodology practiced in Industry, prescribed by NRC for evaluation of Non-IDs viz., M/s. Venu Srinivasan, Chairman and Managing Director, Dr. Lakshmi Venu, Joint Managing Director and Sudarshan Venu, T K Balaji and Gopal Srinivasan, Directors, Chairman of the Board and Board as a whole.

IDs evaluated the performance of all Non-IDs individually, through a set of questionnaires. They reviewed their interaction during the Board/Committee meetings and strategic inputs given by them to improve the risk management, internal controls and contribution to the Company's growth.

IDs were satisfied fully with the performance of all Non-IDs.

(b) Chairman

The IDs reviewed the performance of Chairman of the Board after taking into account his performance and benchmarked the achievement of the Company with industry under the stewardship of Chairman.

The IDs also placed on record, their appreciation of Chairman's high level of integrity, trust, confidentiality, impartial & judicious approach, transparency and commitment to governance, setting high standards for the Company, outstanding ability to motivate the board's involvement and stimulate discussions particularly during a year of diverse challenges and tough state of economy and clear initiatives for staying ahead of competition.

Chairman was also nominated for the "Padma Bhushan", the third highest civilian award, and was conferred with the prestigious Deming 'Distinguished Service Award for Dissemination and Promotion Overseas', and becomes the First Industrialist from India to be bestowed this prestigious award for his contributions in the field of Total Quality Management (TQM).

The Deming Prize is the highest award for TQM in the world. Deming 'Distinguished Service Award for Dissemination and Promotion Overseas' is given to individuals who have made outstanding contributions in the dissemination and promotion of Total Quality Management (TQM) and is sponsored by Japanese Union of Scientists and Engineers (JUSE). He is also a key member of Prime Minister Council on Trade and Industry.

They also recorded the growth story of the Company under the leadership of Chairman and increase in customer base and turnover.

(c) Board

IDs also evaluated Board's composition, size, mix of skills and experience, its meeting sequence, effectiveness of discussion, decision making, follow up action, so as to improve governance and enhance personal effectiveness of Directors.

The evaluation process focused on Board Dynamics and the Board upon evaluation concluded that it is well balanced in terms of diversity of experience with expert in each domain viz., Engineering, Leadership, Strategy, Finance, Legal, Banking and Regulatory and Governance. The Company has a Board with wide range of expertise in all aspects of business.

IDs recorded that they were always kept involved through open and free discussions and provided additional inputs in emerging areas being forayed into by the Company and high levels of Corporate Governance in all management discussion and decisions were maintained.

The IDs unanimously evaluated the prerequisites of the Board viz., formulation of strategy, acquisition & allocation of overall resources, setting up policies, directors' selection processes and cohesiveness on key issues and satisfied themselves that they were adequate.

They were satisfied with the Company's performance on all fronts and finally concluded that the Board operates with best practices.

(d) Quality, Quantity and Timeliness of flow of Information between the Company, Management and the Board

All IDs have expressed their overall satisfaction with the support received from the management and the excellent work done by the management during the year under review and also that the relationship between the top management and Board is smooth and seamless.

The information provided for the meetings were clear, concise and comprehensive to facilitate detailed discussions and periodic external presentations on specific areas well supplemented the management inputs. The emerging e-technology was duly incorporated in the overall review of the board.

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KEY MANAGERIAL PERSONNEL (KMP)

During the year, the board, at its meeting held on 5th February, 2020 re-appointed Dr. Lakshmi Venu as Joint Managing Director of the Company (JMD), for a further period of five years effective 22nd March 2020 on such terms and conditions and the same was approved by the shareholders through Postal ballot on 17th March 2020.

Mr Venu Srinivasan, Chairman and Managing Director, Dr Lakshmi Venu, Joint Managing Director, Mr Vivek S Joshi, CEO, Mr K Gopala Desikan, CFO and Mr R Raja Prakash, Company Secretary are the 'Key Managerial Personnel' of the Company as on date of this Report.

Nomination and Remuneration Policy

The Nomination and Remuneration Committee of Directors (NRC) reviews the composition of the Board to ensure an appropriate mix of abilities, experience and diversity to serve the interests of all stakeholders of the Company.

Nomination and Remuneration Policy was approved by the Board at its meeting held on 24th September 2014 and amended from time- to-time to maintain consistency and statutory amendments to be reflected in the policies to make it upto date and more comprehensive. The objective of such policy shall be to attract, retain and motivate executive management and devise remuneration structure to link to Company's strategic long term goals, appropriateness, relevance and risk appetite.

NRC will identify, ascertain the integrity, qualification, appropriate expertise and experience, having regard to the skills that the candidate will bring to the Board / Company, whenever the need arises for appointment of Directors / KMP.

Criteria for performance evaluation, disclosures on the remuneration of Directors, criteria of making payments to Non-Executive Directors have been disclosed as part of Corporate Governance Report attached herewith.

Remuneration payable to Non-executive Independent Directors

The shareholders through Postal Ballot on 22nd June 2016 approved the remuneration by way of commission not exceeding 1% of the net profits, in aggregate, payable to Non-Executive and Independent Directors of the Company (NE-IDs) for every year, subject to the performance of the Company for a period of 5 years commencing from 1st April 2016.

NE-IDs 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, and the Company also derives substantial benefit through their expertise and advice.

Evaluation of Independent Directors and Committees of Directors

In terms of Section 134 of the Act and the Corporate Governance requirements as prescribed under Listing Regulations, the Board reviewed and evaluated Independent Directors and various Committees viz., Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee, based on the evaluation criteria laid down by the NRC.

Board has carried out the evaluation of all Directors (excluding the Director being evaluated) and its Committees through a set of questionnaires.

Independent Directors

The performance of all IDs were assessed against a range of criteria such as contribution to the development of business strategy and performance of the Company, understanding the major risks affecting the Company, clear direction to the management and contribution to the Board cohesion. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated.

The Board noted that all IDs have understood the opportunities and risks to the Company's strategy and are supportive of the direction articulated by the management team towards consistent improvement.

On the basis of the report of performance evaluation of directors, the Board noted and recorded that all the directors should extend and continue their term of appointment as Directors / Independent Director, as the case may be.

Committees

Board delegates specific mandates to its Committees, to optimize Directors' skills and talent besides complying with key regulatory aspects.

- Audit Committee for overseeing financial Reporting;
- Risk Management Committee for overseeing the risk management framework;
- Nomination and Remuneration Committee for selecting and remunerating Directors / Employees;
- Stakeholders' Relationship Committee for redressing investors grievances; and
- Corporate Social Responsibility Committee for overseeing CSR initiatives and inclusive growth.

The performance of each Committee was evaluated by the Board after seeking inputs from its Members on the basis of specific terms of reference, its charter, time spent by the Committees in considering key issues, quality of information received, major recommendations / action plans and work of each Committee.

The Board is satisfied with the overall effectiveness and decision making of all Committees. The Board reviewed each Committee's terms of reference to ensure that the Company's existing practices remain appropriate.

Recommendations from each Committee were considered and approved by the Board prior to its implementation. The Board has accepted all the recommendations of the Committees which are mandatorily required, in the relevant financial year.

Details of Committees, its charter, functions are provided in the Corporate Governance Report attached to this Report.

Number of board meetings held:

The number of board meetings held during the financial year 2019-20 is provided as part of Corporate Governance Report prepared in terms of the Listing Regulations.

10. AUDITORS

Statutory Auditors

The Company at its fifty fifth AGM held on 19th July 2017 appointed M/s Raghavan, Chaudhuri & Narayanan, Chartered Accountants, Bengaluru, having Firm Registration No. 007761S allotted by The Institute of Chartered Accountants of India, as Statutory Auditors of the Company to hold office, for the first term of five consecutive years, from the conclusion of the said AGM, at such remuneration in addition to applicable taxes, out of pocket expenses, travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

The statutory auditors will continue to hold office for the fourth year in the first term of five consecutive years, from the conclusion of this AGM.

The Company has obtained necessary certificate under Section 141 of the Act conveying their eligibility for being statutory auditors of the Company for the year 2020-21.

The Auditors' Reports for the financial year 2019-20 do not contain any qualification, reservation or adverse remark and the same is attached with the annual financial statements.

Secretarial Auditor

As required under Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to appoint a Secretarial Auditor for auditing secretarial and related records of the Company.

The Secretarial Audit Report for the financial year 2019-20, given by Ms B Chandra, Practising Company Secretary, Chennai for auditing the secretarial and related records is attached to this report. The Secretarial Audit Report does not contain any qualification, reservation or other remarks.

The board at its meeting held on 29th May 2020 has re-appointed Ms B Chandra, Practising Company Secretary, Chennai, (CP No. 7859) as Secretarial Auditor for the financial year 2020-21.

Cost Auditor

As per Section 148 of the Act read with the Companies (Cost Records and Audit) Rules 2014, as amended, the cost audit records maintained by the Company in respect of parts manufactured by the Company covered under other machinery specified under Customs Tariff Act heading in Table B to Rule 3 of the above rules, are required to be audited by a Cost Auditor.

In terms of the Companies (Cost Records and Audit) Amendment Rules, 2014, the board, re-appointed Mr A N Raman, Cost Accountant, Chennai holding Certificate of practice No. 5359 allotted by The Institute of Cost Accountants of India, as a Cost Auditor for conducting cost audit for the financial year 2020-21.

The Company has also received necessary certificate under Section 141 of the Act from him conveying his eligibility to act as a cost auditor. A sum of ₹ 3.50 lakhs has been fixed by the board as remuneration in addition to reimbursement of all applicable taxes, actual traveling and out-of-pocket expenses incurred by him and is required to be approved and ratified by the members, at the ensuing AGM as per Section 148(3) of the Act.

The Company has filed the Cost Audit Report of 2018-19 on 21st August 2019 in XBRL format.

11. CORPORATE GOVERNANCE

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

A separate section on Corporate Governance and a certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations is given as Annexure-VII to this Report.

The Chairman and Managing Director and the Chief Financial Officer of the Company have certified to the Board on financial statements and other matters in accordance with Regulation 17(8) of the Listing Regulations, 2015 pertaining to CEO / CFO certification for the financial year ended 31st March 2020.

12. BUSINESS RESPONSIBILITY REPORT

In terms of Regulation 34 of the Listing Regulations, the Business Responsibility Report for the year 2019-20 describing the initiatives taken from an environment, social and governance perspectives, in the prescribed format is given as Annexure-VI to this Report and is also available on the Company's website in the link as provided in page no. 76 of this Annual Report.

13. POLICY ON VIGIL MECHANISM

The Company has adopted a Policy on Vigil Mechanism in accordance with the provisions of the Act and Regulation 22 of the Listing Regulations, which provides a formal mechanism for all Directors, Employees and other Stakeholders of the Company to report to the management, their genuine concerns or grievances about unethical behaviour, actual or suspected fraud and any violation of the Company's Code of Business Conduct and Ethics.

The Code also provides a direct access to the Chairman of the Audit Committee to make protective disclosures to the management about grievances or violation of the Company's Code.

The Board at its meeting held on 5th February 2020 made certain amendments to the Whistle Blower Policy for protecting whistle blower who made in good faith and express guidance on procedure to be undertaken by the investigators for carrying out investigation on complaints filed by employees.

The policy is disclosed on the Company's website in the link as provided in page no. 76 of this Annual Report.

14. PUBLIC DEPOSITS

The Company has not accepted any deposit from the public within the meaning of Section 76 of the Act, for the year ended 31st March 2020.

Sundaram-Clayton Limited

15. STATUTORY STATEMENTS

Information on conservation of energy, technology absorption, foreign exchange, etc.,

Relevant information is given in Annexure-I to this Report, in terms of the requirements of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014.

Material changes and commitments

The Manufacturing facilities and all offices of the Company were closed on March 23, 2020 following the countrywide lockdown due to CoVID-19. The Company has since obtained required permissions and restarted its manufacturing facilities and all offices partially. Based on assessment of the impact of CoVID-19 on the operations of the Company and ongoing discussions with customers, vendors and service providers, the Company is confident of obtaining regular supply of raw materials and components, resuming supply chain logistics and serving customers.

The Company has considered the possible effects of CoVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Trade Receivable and Other Current Assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of the financial results, has used external and internal sources of information/ indicators to estimate the future performance of the Company. Based on current estimates, the Company expects the carrying amount of these assets to be recovered.

Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company

There are no significant and material orders passed by the Regulators or Courts or Tribunals, which would impact the going concern status of the Company and its future operations.

Annual Return

Extract of the Annual Return in prescribed form is given as Annexure-II to this Report, in terms of the requirements of Section 134(3)(a) of the Act read with the Companies (Accounts) Rules, 2014.

The same is available on the Company's website in the link as provided in page no. 76 of this Annual Report.

Employee's remuneration

Details of employees receiving the remuneration in excess of the limits prescribed under Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as a statement and given in Annexure-III. In terms of first proviso to Section 136(1) of the Act the Annual Report, excluding the aforesaid annexure is being sent to the Shareholders of the Company. The annexure is available for inspection at the Registered Office of the Company during business hours as mentioned in the Notice of AGM and any Shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company. Certain incentive / performance related payments for the financial year 2019-20 for KMPs and SMPs have been reduced / deferred on account of CoVID-19.

Comparative analysis of remuneration paid

A comparative analysis of remuneration paid to Directors and employees with the Company's performance is given as Annexure-V to this Report.

Details of material related party transactions

There are no material related party transactions under Section 188 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014. Details of all related party transactions are enclosed as part of the accounts for the year ended 31st March 2020.

Details of loans / guarantees / investments made

During the year under review, the Company had not granted any loans or guarantees covered under Section 186 of the Act.

Please refer note no. 5 to Notes on accounts for the financial year 2019-20, for details of investments made by the Company.

Reporting of fraud

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act.

Secretarial Standards

The Company has complied with the applicable secretarial standards as amended from time to time.

Disclosure in terms of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has an Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

16. ACKNOWLEDGEMENT

The directors gratefully acknowledge the continued support and co-operation received from the promoters of the Company, viz., T V Sundram Iyengar & Sons Private Limited, Southern Roadways Private Limited, Sundaram Industries Private Limited and Sundaram Finance Holdings Limited.

The Directors thank the vehicle manufacturers, vendors and bankers for their continued support and assistance.

The Directors wish to place on record their appreciation of the continued excellent work done by all the employees of the Company during the year.

The Directors specially thank the shareholders for their continued faith in the Company.

For and on behalf of the Board of Directors

Chennai
29th May 2020

VENU SRINIVASAN
Chairman