

## **Annexure - VII to Directors' Report to the shareholders**

### **Report on Corporate Governance**

#### **1. Company's philosophy on code of governance**

As part of TVS Group, the Company has a strong legacy of fair, transparent and ethical governance practices. The Company's philosophy on corporate governance is founded on the fundamental ideologies of the group viz., Trust, Value, Passion for Customers and Exactness.

The Company believes in ensuring corporate fairness, transparency, professionalism, accountability and propriety in total functioning of the Company, which are pre-requisites for attaining sustainable growth in this competitive corporate world. Obeying the law, both in letter and in spirit, is the foundation on which the Company's ethical standards are built. The Company would constantly endeavour to improve on these aspects.

Good corporate governance, acting in accordance with the principles of responsible management which aimed at increasing enterprise value on a sustainable basis, is an essential requirement for the TVS Group.

The Company's corporate governance philosophy has been further strengthened by adopting a Code of Business Conduct and Ethics and Code of Conduct to Regulate, Monitor and Report trading by Insiders for Prevention of Insider Trading by the Directors and Designated Persons and Code of practices for fair disclosure of unpublished price sensitive information and various other policies available on the Company's website [www.sundaram-clayton.com](http://www.sundaram-clayton.com).

#### **2. Board of Directors**

The Board of Directors (the Board) which consists of eminent persons with considerable professional expertise and experience, provides leadership and guidance to the management, thereby enhancing stakeholders' value.

##### **2.1. Composition and category of Directors:**

The Board has sought to balance its composition and tenure and that of its Committees and to refresh them gradually from time to time so that they can benefit from the experience of longer serving Directors, and the fresh external perspectives and insights from newer appointees.

As on 31<sup>st</sup> March 2020, the total strength of the Board was twelve. As the Company has an Executive Chairman viz., Mr Venu Srinivasan, Chairman and Managing Director (CMD), the Board is required, in terms of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (Listing Regulations), to have half of the Board comprising of Independent Directors (IDs) including atleast one Independent Woman Director.

During the year under review, the shareholders through Postal Ballot had re-appointed Dr. Lakshmi Venu as Joint Managing Director of the Company for a further period of 5 years effective 22<sup>nd</sup> March 2020.

The Board has seven Non-Executive Independent Directors (NE-IDs) viz., M/s Vice Admiral P J Jacob, S Santhanakrishnan, V Subramanian, R Vijayaraghavan, Kamlesh Gandhi, R Gopalan and Sasikala Varadachari.

The Board has three Non-Executive Non Independent Directors (NE-NIDs), viz., M/s. Sudarshan Venu, T K Balaji and Gopal Srinivasan. Mr Venu Srinivasan, CMD and Dr. Lakshmi Venu, Joint Managing Director (JMD) are the Executive and Non-Independent Directors. Thus, the composition of the Company's Board is in conformity with the Listing Regulations.

Non-Executive Directors have a wide range of experience from various fields including financial, administrative and legal services and have a wealth of experience of different organisations. Many of the Company's Board members have experience of long-cycle industries, which is of great assistance in understanding the industry in which the Company operate. The Company is fully committed to boardroom diversity.

As required under Regulation 16 of the Listing Regulations, it is also ensured that IDs of the Company do not hold NE-NID position in another company, where any NE-NID of the Company is an ID.

In accordance with the provisions of the Act and the Articles of Association of the Company, Dr. Lakshmi Venu and Mr Gopal Srinivasan, Directors, who have been the longest in office, are liable to retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment.

The Company has ensured that necessary approval of the Shareholders obtained by way of special resolution for appointing / re- appointing / continuing to be a director on the board beyond the age of 75 years.

All the existing NE-IDs, not liable to retire by rotation have been re-appointed by the Shareholders at the Annual General Meeting (AGM) held on 23<sup>rd</sup> July 2019 and none of them serves as NE-ID in more than seven listed companies.

The resolutions seeking approval of the members for the re-appointment of Dr. Lakshmi Venu and Mr Gopal Srinivasan, as Directors, have been included in the Notice of AGM of the Company.

##### **2.2 Board meetings:**

The Company in consultation with the Directors, prepares and circulates a tentative annual calendar for meetings of the Committees / Board in order to assist the Directors for planning their schedules well in advance to participate in the meetings.

Board and Committee meetings through video conferencing or other audio visual means were made available to the Directors. For restricted items of businesses, Directors participation through VC were permitted in the discussions, wherever necessary quorum was physically present at the meeting.

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The Company, regularly places before the Board for its review, all the information as required under Part A of Schedule II to Listing Regulations such as annual operating plans, Capex budget and its quarterly updates, quarterly financial results, minutes of meetings of Audit Committee and other Committees of the Board, information on recruitment and remuneration of senior officers one level below the Board, any significant development in Human Resources / Industrial Relations, show-cause, demand and prosecution notices and penalty notices which are materially important, quarterly details of foreign exchange exposures, risk management and mitigation measures, report on compliance of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any, etc.

Comprehensively drafted notes for each agenda item along with pre-agenda materials, wherever necessary, are circulated well in advance to the Committee / Board to enable them for making

value addition as well as exercising their business judgment in the Committee / Board Meetings.

Presentations are also being made by the business heads on the Company's Operations, Marketing Strategy, Risk Management, Internal Financial Control, etc., in Board / Audit Committee Meetings.

The meetings are convened through i-Pads as an eco-friendly measure. All agenda papers for convening meetings of the Board/ Committees are being uploaded in digital mode well in advance.

During the year 2019-20, the Board met five times on 2<sup>nd</sup> May 2019, 23<sup>rd</sup> July 2019, 18<sup>th</sup> October 2019, 5<sup>th</sup> February 2020 and 10<sup>th</sup> March 2020 and the gap between two meetings did not exceed 120 days. Besides, the NE-IDs held a separate meeting on 10<sup>th</sup> March 2020 as per the applicable provisions of the Act, 2013 and Regulation 25(3) of the Listing Regulations. All the NE-IDs were present at the meeting.

### 2.3 Attendance and other directorships:

The details of attendance of the Directors at the Board meetings during the year and at the last AGM held on 23<sup>rd</sup> July 2019 and other directorships and Committee Memberships / Chairmanships as on 31<sup>st</sup> March 2020 are as follows:

Name of the Director (M/s.)	DIN	Category	Attendance particulars		Number of other directorships, committee memberships / chairmanships		
			Board meeting	Last AGM	Other directorships*	Committee memberships**	Committee chairmanships
Venu Srinivasan	00051523	CMD	5	Yes	17	3	–
Dr. Lakshmi Venu	02072020	JMD	3	Yes	8	3	–
Sudarshan Venu	03601690	NE-NID	4	Yes	4	1	–
Gopal Srinivasan	00177699	NE-NID	1	Yes	16	1	–
T K Balaji	00002010	NE-NID	4	Yes	13	2	–
Vice Admiral P J Jacob (Retd.)	00173785	NE-ID	5	Yes	1	1	1
V Subramanian	00357727	NE-ID	4	Yes	7	4	1
S Santhanakrishnan	00005069	NE-ID	5	Yes	2	4	–
R Vijayaraghavan	00026763	NE-ID	4	Yes	8	9	5
Kamlesh Gandhi	00004969	NE-ID	4	No	4	4	3
R Gopalan	01624555	NE-ID	5	Yes	7	3	2
Sasikala Varadachari	07132398	NE-ID	4	No	5	1	–

CMD : Chairman and Managing Director

JMD : Joint Managing Director

NE-NID: Non Executive - Non-Independent director

NE-ID : Non Executive - Independent director

\* includes private companies and companies incorporated outside India.

\*\* includes committees where the director holds the position of Chairman.

None of the Directors on the Board is a member of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Chairmanships / Memberships of Committees include only Audit and Stakeholders' Relationship Committee as covered under Regulation 26 of the Listing Regulations. As per the disclosures made by the Directors all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Act have been excluded. CMD, JMD, Mr Sudarshan Venu are related to each other and CMD and Mr Gopal Srinivasan are related to each other. None of the other Directors is related to any other Director on the Board.

### 2.4 Listed entities in which the directors hold position as director other than Sundaram-Clayton Limited and category of Directorship as on 31<sup>st</sup> March 2020.

Name of the Director (M/s.)	Name of the company	Category of Directorship
Venu Srinivasan	TVS Motor Company Limited	Chairman and Managing Director
	Cummins India Limited	Non-Executive - Independent Director
	The Indian Hotels Company Limited	Non-Executive Non Independent Director

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Name of the Director (M/s.)	Name of the company	Category of Directorship
Dr. Lakshmi Venu	TVS Motor Company Limited	Non-Executive Non Independent Director
	Wabco India Limited	Non-Executive - Independent Director
Sudarshan Venu	TVS Motor Company Limited	Joint Managing Director
Gopal Srinivasan	TVS Electronics Limited	Chairman
	Wonderla Holidays Limited	Non-Executive - Independent Director
T K Balaji	India Nippon Electricals Limited	Chairman
Vice Admiral P J Jacob (Retd.)	–	–
V Subramanian	Adani Enterprises Limited	Non-Executive - Independent Director
S Santhanakrishnan	–	–
R Vijayaraghavan	India Nippon Electricals Limited	Non-Executive - Independent Director
	Sanco Trans Limited	
	Bimetal Bearings Limited	
Kamlesh Gandhi	Bhagyanagar India Limited	Non-Executive - Independent Director
	Kirloskar Electric Company Limited	
	NCL Industries Limited	Chairman
R Gopalan	Zee Entertainment Enterprises Ltd.	Non-Executive - Independent Director
	TVS Motor Company Limited	
Sasikala Varadachari	Harita Seating Systems Limited	Non-Executive - Independent Director

None of the NEDs holds directorships in more than eight listed entities and serves as an Independent director in more than seven listed entities. As far as, managing director / whole time director in the Company are concerned, they do not serve as an independent director in more than three listed entities.

### 2.5 Access to information and updation to Directors:

The Board reviews all the information provided periodically for discussion and consideration at its meetings in terms of the Listing Regulations. Functional heads are present whenever necessary and apprise all the Directors about the developments. They also make presentations to the Board and Audit Committee of Directors.

Apart from this, the observations on the audit carried out by the internal auditors and the compliance report on payment of statutory liabilities submitted by the Statutory Auditors of the Company are placed and discussed with functional heads, by the Committee / Board. The Board also reviews the declarations made by the President & Chief Executive Officer (CEO) and the Company Secretary regarding compliance with all applicable laws on quarterly basis. Decisions taken at the meetings of the Board/ Committee are communicated to the functional heads. Action taken report on decisions of previous meetings was placed at every succeeding meeting of the Board / Committee for reporting the compliance.

### 2.6 Familiarization programme

Familiarization program is made available to Directors covering such topics as the Board's role, Board's composition and conduct, Board's risks and responsibilities to ensure that they are fully informed on current governance issues.

The program also includes briefings on the culture, values and business model of the Company, the roles and responsibilities

of senior executives and the Company's financial, strategic, operational and risk management position. The induction process for NE-IDs include plant visit for detailed understanding of manufacturing process / activities of the Company. The details of familiarization program are available in the link as provided in page no. 76 of this Annual Report.

### 2.7 Principal / core skills / expertise / competence of the Board of Directors:

While evaluating the Board as a whole, it was ensured that the existing board members have relevant core skills/expertise/competencies as required in the context of its business (es) and sector(s) to function effectively.

Skill	Description
Leadership / Strategy	Experience of playing leadership roles in large businesses, with competencies around strategy development & implementation, sales & marketing, business administration/operations and Organisations and people management.
Automotive / Engineering Experience	Strong knowledge and experience in automotive industry and foundry and in managing business operations of a sizeable organization in the business of manufacture and sale of automobiles.
Financial	Practical knowledge and experience in Corporate Finance, accounting and reporting and internal financial controls, including strong ability to assess financial impact of decision making and ensure profitable and sustainable growth.

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Skill	Description
Governance	Board level experience in reputed Organisations, with strong understanding of and experience in directing the management in the best interests of the Company and its stakeholders and in upholding high standards of governance.
Regulatory	Strong expertise and experience in corporate law and regulatory compliance in India and overseas.

Board of Directors is well structured to ensure a high degree of diversity by age, gender, educational qualifications, professional background, present activity, sector expertise and special skills (classification).

Board comprises a range and balance of skills, experience, knowledge, gender, social-economic backgrounds and independence. This needs to be backed by a diversity of personal attributes, including sound judgement, honesty and courage.

### Professional Background & Skills / expertise / competency of Directors.

Name of the Directors	Brief description about the Directors
Mr Venu Srinivasan, Chairman and Managing Director	<ul style="list-style-type: none"> <li>• He is also the Chairman and Managing Director of TVS Motor Company Limited. Additionally, serves on the board of T V Sundram Iyengar &amp; Sons Private Limited, Tata Sons Private Ltd., (Tata Sons), Cummins India Limited and The Indian Hotels Company Limited.</li> <li>• He is also the Vice Chairman of various Tata Trusts. He also oversees Srinivasan Services Trust (SST), which works in 5000 villages in India towards self-development for village communities covering education, healthcare, infrastructure, economic development, environment and community development.</li> <li>• Implemented Total Quality Management (TQM), a Japanese method of process-driven manufacturing in Indian manufacturing operations.</li> <li>• Strengthened the TQM processes within the Company which facilitated making bikes for BMW Motorrad through a strategic partnership.</li> <li>• He is the recipient of Deming Distinguished Service Award, granted to individuals who have made outstanding contributions in dissemination and promotion of Total Quality Management.</li> <li>• He was conferred with "Goodwill Envoy for Public Diplomacy" and distinguished civilian honour "Order of Diplomatic Service Merit" (Heung-In Medal) by the Republic of Korea.</li> <li>• He was conferred the Padma Bhushan Award, the third Highest civilian award in India, in January 2020.</li> <li>• He has extensive experience in Automotive Sector over a period of four decades and has established a robust Governance Model under his leadership and management.</li> </ul>
Dr. Lakshmi Venu, Joint Managing Director	<ul style="list-style-type: none"> <li>• She is involved in all spheres of management of Company and handles wider responsibilities for exploring new business opportunities.</li> <li>• She is also the Deputy Managing Director of TAFE Motors and Tractors Limited and Non-Executive Non-Independent Director in TVS Motor Company Limited, the subsidiary company.</li> <li>• Played a key role in establishment of overseas manufacturing facility for Sundaram Holding USA Inc, in the United States of America.</li> <li>• She was recognised as "Corporate India's fastest rising women leader" by Economic Times in 2017.</li> <li>• She has a rich experience in business strategy, product design and in-depth knowledge of automotive business.</li> </ul>

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Name of the Directors	Brief description about the Directors
Mr Sudarshan Venu, Director	<ul style="list-style-type: none"> <li>• He is the Joint Managing Director of TVS Motor Company Limited and also a Non-Executive Director of TVS Credit Services Limited, the subsidiary companies</li> <li>• Very resourceful in his approach and implementation of strategies and turnaround of exports in a positive manner;</li> <li>• Made efforts on multiple fronts to make the TVS brand more aspirational.</li> <li>• Plays a key role in profitable exports expansion, in the e-utility and Artificial Intelligence foray by the Company; and</li> <li>• Always strives for excellence in both quality and cost along with customer satisfaction and take advantage of emerging opportunities and catch new waves of wealth creation.</li> <li>• He involves himself in all spheres of management and his expertise in strategic planning and business administration has developed the Company in its growth at a faster rate.</li> </ul>
Mr Gopal Srinivasan, Director	<ul style="list-style-type: none"> <li>• Chairman and Managing Director of TVS Capital Funds Ltd, managing three mid-market growth oriented private equity funds, with total AUM of over ₹ 2,200 Crores with 100% rupee capital.</li> <li>• His entrepreneurial career spans well over three decades in which he has founded companies which are operating in a wide spectrum of sectors viz. Information Technology, Private Equity, Consumer Finance and Consumer Durables.</li> <li>• He is a founding member of The Chennai Angels as well as TiE (The Indus Entrepreneurs) Chennai, two of the premier angel investing networks in India.</li> <li>• He is also the Chairman of Chennai International Centre, a think-tank that brings together a cornucopia of thought leaders from the spheres of business, the economy, policymaking, science, art, culture and entrepreneurship.</li> <li>• He has been recently appointed as the Honorary Consul General for the Kingdom of Netherlands in Tamil Nadu.</li> <li>• He has vast experience in e-technology and Digital Business along with knowledge of managing business administration very effectively.</li> </ul>
Mr T K Balaji, Director	<ul style="list-style-type: none"> <li>• He is a member of Development Council for Automobiles &amp; Allied Industries, Government of India. He was the past president of Automotive Component Manufacturers Association of India (ACMA) and had served on the CII National Council for a number of years.</li> <li>• He was conferred a Special Award by the FIE Foundation of Maharashtra in March 1995 in recognition of his contribution to the development of automotive component industry.</li> <li>• He has vast experience in Automotive Component Sector for several decades and has rich knowledge in business operations and management.</li> </ul>
Vice Admiral P J Jacob, Independent Director	<ul style="list-style-type: none"> <li>• He is a retired Vice Chief of the Naval Staff.</li> <li>• He has held a variety of key operational and training assignments in a career spanning forty years.</li> <li>• He has commanded the Eastern Fleet, was the Director General of the Indian Coast Guard and the Chief of Personnel of the Navy.</li> <li>• He has overseen numerous training initiatives and has led several Ministry of Defence / Navy delegations to negotiate intergovernmental agreements on strategic issues with various countries.</li> <li>• He has taken up an assignment as a Director in Dua Consulting, a leading Delhi based firm, consulting in a number of areas such as infrastructure development, maritime, aviation and telecom.</li> </ul>

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Name of the Directors	Brief description about the Directors
Vice Admiral P J Jacob, Independent Director	<ul style="list-style-type: none"> <li>• He was appointed by the Sri Lankan Government as its advisor on Maritime security.</li> <li>• His experience in this field has also been tapped at various fora like the Asia Centre and the National Institute of Advanced studies Bangalore. He was also invited by Japanese Ministry of Foreign Affairs to interact with Japanese think tanks on the future of Indo Japanese maritime co-operation.</li> <li>• He was also involved in a second track initiative in conjunction with CII to attract greater Taiwanese investment in India, particularly in IT and small and medium scale manufacturing.</li> <li>• Vice Admiral Jacob has served as a member of the National Security Advisory Board to the Prime Minister of India. He is currently Chairman of the Global India Foundation an organization aiding decision makers in strategizing policy initiatives.</li> <li>• The Admiral is a recipient of the Param Vishist Seva Medal, Ati Vishist Seva Medal and the Vishist Seva Medal for distinguished service of an exceptional order.</li> <li>• He has a rich experience in general management and business administration and in-depth knowledge of economic scenario.</li> </ul>
Mr V Subramanian, Independent Director	<ul style="list-style-type: none"> <li>• He joined the premier Indian Administrative Service in 1971 (West Bengal Cadre) and also served as Secretary to the Government of India in Ministry of New and Renewable Energy.</li> <li>• He has a vast expertise and experience in dealing with foreign exchange management in India.</li> <li>• He was appointed Adviser on Loan and Grant Management to the Government of Mozambique, Maputo by Commonwealth Secretariat, London for two and half years.</li> <li>• During the stint with Ministry of Finance, he had dealt with public sector projects in the areas of transport, steel &amp; mines, fertilizers, welfare, etc., external commercial borrowings, exchange control and bilateral aid.</li> <li>• He was also the Business Development Adviser to the Council for Industrial and Scientific Research at New Delhi in 2008 -09.</li> <li>• He has occupied many key senior positions in Government of India and the Government of West Bengal during his career of 37 years.</li> <li>• He has extensive experience in Power, Aviation, Labour and Finance sectors and was the Chairman &amp; Secretary General of the Indian Wind Energy Association, a non-governmental body formed by the wind energy generating companies and equipment manufacturers for over ten years till December, 2018.</li> <li>• He is also the Chief Mentor of the Indian Renewable Energy Federation, an NGO working in the renewable energy sector. He also offers consultancy to various companies in the field of renewable energy.</li> <li>• He has a broad range of legal and regulatory experience to monitor corporate governance practices for automotive and energy businesses.</li> </ul>
Mr S Santhanakrishnan, Independent Director	<ul style="list-style-type: none"> <li>• He joined the State Bank of India as a probationary officer and he rose to the position of Deputy Managing Director after 36 years of experience.</li> <li>• He was also the all India Head of Credit (Corporate Accounts Group) and had the privilege of dealing with all the top 200 companies of India for more than 3 years.</li> <li>• He was also the General Manager of SBI Capital Markets Limited and headed the Chennai office for 3 years.</li> <li>• After his retirement from SBI he headed the Credit Information Bureau of India Limited (CIBIL).</li> <li>• He has been an Independent Director on the Boards of many companies in various sectors for the last about 15 years.</li> <li>• He has vast experience in banking and financial services having held key positions over several decades.</li> </ul>



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Name of the Directors	Brief description about the Directors
Mr R Vijayaraghavan, Independent Director	<ul style="list-style-type: none"> <li>• He is an advocate in Chennai and has been practicing law for over 20 years and is the legal advisor to many business groups and is a member of board of directors and audit committee of reputed companies.</li> <li>• He has a vast breadth of experience in the fields of corporate law, mergers and acquisitions, tax laws, commercial aspects of doing business in India.</li> <li>• He is a partner of a reputed tax consultant firm in Chennai, providing a single window facility to the business community for all their legal requirements in the form of taxation consultancy, opinion, arbitration and conciliation, documentation approvals and litigation.</li> <li>• He has vast experience and knowledge in taxation matters including arbitration and conciliation.</li> </ul>
Mr Kamlesh Gandhi, Independent Director	<ul style="list-style-type: none"> <li>• He is associated with Capital and Financial Markets in India for the past 41 years and was a member of the BSE for 14 years from 1981 to 1995.</li> <li>• He was a director on the Board of Association of Merchant Bankers of India for 4 years from inception of the Association.</li> <li>• As a merchant banker, he is instrumental in raising funds for over 325 capital issues and is involved in placement of equities of several companies with retail, high net worth and institutional investors, both domestic and overseas.</li> <li>• He was the guest speaker at Training Institutes of Banks and Bankers Training College of RBI on merchant banking activities. He was a Non-Executive Director of several companies including Dr Reddy's Group and Raasi Group.</li> <li>• He is involved in advising several NRI investors including many high net worth NRIs.</li> <li>• He has vast experience in capital and financial markets for over four decades.</li> </ul>
Mr R Gopalan, Independent Director	<ul style="list-style-type: none"> <li>• He has served as a Member, Public Enterprises Selection Board (PESB) under the control of the PM. This body selects CMDs, MDs and Directors of Central Public Sector Enterprises.</li> <li>• Was handling matters relating to Capital Markets, Infrastructure Finance, G-20, World Bank (WB), International Monetary Fund (IMF), Asian Development Bank (ADB), Budget preparation, Public Private Partnership (PPP), Directorate of Currency and other related matters pertaining to the economy.</li> <li>• Brought about a number of changes in the functioning of the Capital Markets and initiated new policy measures in infrastructure development.</li> <li>• He has vast experience in Corporate Laws, Business Administration, Corporate Finance and Regulatory matters.</li> </ul>
Ms Sasikala Varadachari, Independent Director	<ul style="list-style-type: none"> <li>• She is a retired banker with over 37 years of experience in the fields of banking operations both in India and Overseas.</li> <li>• She worked as chief general manager of State Bank of India (SBI), spearheading the strategic training unit, SBI, corporate center Mumbai, having profound knowledge in Credit and Merchant Banking.</li> <li>• She was the first CEO of SBI in Israel and was responsible for setting up SBI's Commercial Operations there.</li> <li>• She has vast experience in banking and financial services having held key positions in the banking sector.</li> </ul>

### 2.8. Code of Business Conduct and Ethics for Members of the Board and Senior Management Personnel (SMP):

The Company has in place the Code of Business Conduct and Ethics for Members of the Board and SMP (the Code) approved by the Board.

The Company's Code of Conduct embodies its values and expectations to which its corporate standards and employee policies are aligned.

The Code has been communicated to Directors and SMP. An updated version of Code of Conduct, which is available on Company's website, is always under review and amended by the Board from time to time.

The Code has also been displayed on the Company's website in the link as provided in page no. 76 of this Annual Report.

All the Members of the Board and SMP have confirmed compliance with the Code for the year ended 31<sup>st</sup> March 2020. The Annual Report contains a declaration to this effect signed by CMD.

### 2.9. Appointment / Re-appointment of Directors:

In terms of Regulation 36(3) of the Listing Regulations, a brief resume of director proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, other directorships and committee memberships, shareholdings and relationships, if any, with other Directors are provided in the Notice convening AGM of the Company and Postal Ballot.

### 2.10. Committees of the Board:

The Board has, in order to make a focused attention on business and for better governance and accountability, constituted the following mandatory committees viz., Audit Committee, Risk Management Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and non-mandatory Committee, viz., Administrative Committee. The terms of reference of these Committees are determined by the Board and their performance being reviewed. Meetings of each of these Committees are convened by the respective Chairman of the Committee, informs the Board about the summary of discussions held in the Committee Meetings. The minutes of the Committee Meetings are placed before the subsequent Board meetings.

## 3. Audit Committee

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosure and transparency, integrity and quality of financial reporting.

### 3.1. Brief description of terms of reference:

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process and *inter-alia* performs the following functions:

- a. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending the appointment, remuneration and terms of appointment of auditors of the Company;
- c. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement in terms of clause (c) of sub-section 3 of Section 134 of the Act;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Modified opinion, if any, in the draft audit report.
- d. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- e. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- f. Approving or subsequently modifying any transactions of the Company with related parties;
- g. Scrutinizing the inter-corporate loans and investments;
- h. Reviewing the valuation of undertakings or assets of the Company, wherever it is necessary;
- i. Evaluating internal financial controls and risk management systems;
- j. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- k. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- l. Discussing with internal auditors of any significant findings and follow up thereon;
- m. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or any failure of internal control systems of a material nature and reporting the matter to the Board;
- n. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- o. Looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;



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- p. Reviewing the functioning of the Whistle Blower mechanism;
- q. Approving the appointment of CFO after assessing the qualifications, experience and background of the candidate; and
- r. reviewing the utilisation of loans and / or advances from / investments / by the holding company in the subsidiary exceeding ₹ 100 Cr or 10% of the asset size of the subsidiary, whichever is lower.

In addition, reviewing of such other functions as envisaged under Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended and Regulation 18 of Listing Regulations.

The subjects reviewed and recommended in the meetings of the Audit Committee were apprised to the Board by the Chairman of the Committee, for its approval. All the recommendations made by the Committee during the year under review, were accepted by the Board.

### 3.2. Composition, name of members and the Chairman:

As at 31<sup>st</sup> March 2020, the Committee consists of the following Non-Executive and Independent Director's viz., M/s Vice Admiral P J Jacob (Retd.), V Subramanian, S Santhanakrishnan and R Gopalan and Non - Executive and Non-Independent director viz., Mr T K Balaji.

The composition of the Committee is in accordance with the requirements of Regulation 18 of Listing Regulations read with Section 177 of the Act. Vice Admiral P J Jacob (Retd.), is the Chairman and Mr R Raja Prakash, Company Secretary acts as the secretary of the Committee.

Chairman of the Committee was present at the last AGM held on 23<sup>rd</sup> July 2019.

### 3.3. The particulars of meetings and attendance by the members of the Committee, during the year under review, are given in the table below:

Date of the meeting	Members present (M/s.)
02.05.2019	Vice Admiral P J Jacob (Retd), T K Balaji, V Subramanian, S Santhanakrishnan and R Gopalan
23.07.2019	
18.10.2019	
05.02.2020	Vice Admiral P J Jacob (Retd), S Santhanakrishnan and R Gopalan

## 4. Subsidiary Companies

The Company has two direct subsidiaries viz., TVS Motor Company Limited, Listed Company (TVSM) and Sundaram-Clayton (USA)Limited, USA, unlisted overseas company. The other indirect Indian Unlisted subsidiaries of the Company are Sundaram Auto Components Limited, TVS Housing Limited, TVS Motor Services Limited, TVS Credit Services Limited and its subsidiaries viz., TVS Two- wheeler Mall Private Limited, TVS Micro Finance Private Limited, Harita ARC Private Limited, Harita Collection Services

Private Limited, TVS Commodity Financial Solutions Private Limited and TVS Housing Finance Private Limited.

The other indirect Foreign subsidiaries are PT. TVS Motor Company Indonesia, TVS Motor Company (Europe) B.V, TVS Motor (Singapore) Pte. Limited, Sundaram Holding USA Inc. and its four subsidiaries viz., Green Hills Land Holding LLC, Components Equipment Leasing LLC, Sundaram-Clayton (USA) LLC and Premier Land Holding LLC.

Since all the above indirect subsidiaries are subsidiaries of TVSM, being the listed subsidiary, the Audit Committee of TVSM reviews the financial statements and in particular the investments made by the said unlisted subsidiaries in compliance with the Regulation 24(7) of the Listing Regulations. The minutes of the Board meetings of the said unlisted subsidiaries are periodically placed before the Board of TVSM.

The Board is periodically informed about all significant transactions and arrangements entered into by the other overseas direct subsidiary.

### Material Subsidiaries Policy:

The Board has duly formulated a policy for determining 'material subsidiaries'. As per the amended Listing Regulations material subsidiary means a subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Since, TVSM, the Company's Listed subsidiary has complied with the requirements laid down under the Listing Regulations for material subsidiaries, the Company has fully complied with the provisions of this regulation. The Board at its meeting held on 5<sup>th</sup> February 2020, amended the Material Subsidiary Policy to incorporate certain clauses so as to maintain consistency and incorporate statutory amendments from time to time to be reflected in the policy to make it upto date and more comprehensive. Copy of the said policy is available on the Company's website in the link as provided in page no. 76 of this Annual Report.

## 5. Disclosures

### 5.1. Materially significant related party transactions:

All transactions entered into with related parties (RPTs), as defined under the Act and the Listing Regulations during the financial year 2019-20 were in the ordinary course of business and at an arm's length and do not attract the provisions of Section 188 of the Act and the rules made thereunder.

There were no materially significant transactions with the related parties during the year, which were in conflict with the interests, and hence no approval of the Company was required in terms of the Listing Regulations.

The transactions with the related parties, namely its promoters, holding, subsidiary and associate companies, etc., of routine nature have been reported in the Annual Report, as per Indian Accounting Standard 24 (IND AS 24) notified vide the Companies (Indian Accounting Standard) Rules, 2015. Details of related party transactions are enclosed as part of accounts for the year ended 31<sup>st</sup> March 2020.

### 5.2. Related Party Transaction Policy:

The Board has formulated a policy on related party transactions. The Audit Committee reviews and approves transactions (RPTs) between the Company and related parties, as defined under the Listing Regulations, to ensure that the terms of such RPTs would reasonably be expected of transactions negotiated on at arm's length and in the ordinary course of business. The Audit Committee meets prior to each scheduled Board meeting to review all RPTs of the Company on a quarterly basis.

In terms of Regulation 23 of the Listing Regulations, all RPTs for the succeeding financial year, with clear threshold limit, are regularly placed before the Audit Committee meeting convened during last quarter of the financial year for its approval and recommendation to the Board for its approval, wherever required. RPTs entered during the financial year are reviewed at the same meeting for any upward revision in the threshold limit.

It was also ensured that none of RPTs involving payments with respect to brand usage or royalty during the financial year, exceeded two percent of the annual consolidated turnover of the Company as per the previous audited financial statements of the Company.

As per the Act, any unforeseen RPT involving amount not exceeding ₹ 1 Cr per transaction entered into by a director or officer of the Company without obtaining prior approval of the Audit Committee and such transactions being RPTs can be ratified by the Audit Committee within three months from the date of such transaction.

In terms of Regulation 23 of the Listing Regulations, the Board at its meeting held on 5<sup>th</sup> February 2020 had also reviewed the policy and amended the RPT Policy to maintain consistency and statutory amendments to be reflected in the policies and to make it upto date and more comprehensive.

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

### 5.3. Disclosure of accounting treatment:

Pursuant to the notification, issued by the Ministry of Corporate Affairs dated 16<sup>th</sup> February 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, as amended from time-to-time, the Company has adopted "IND AS" with effect from 1<sup>st</sup> April 2016. Accordingly, the financial statements for the year 2019-20 have been prepared in compliance with the said Rules.

### 5.4. Risk Management:

The Company has established Risk Management Policy which formalizes its approach to the oversight and management of material business risks. The policy is implemented through a top down and bottom up approach for identifying, assessing, monitoring and managing key risks across the Company's business units.

Risks and effectiveness of management are internally reviewed and reported regularly to the Board. As a process, the risks associated with the business are identified and prioritized based on severity, likelihood and effectiveness of current detection.

Such risks are reviewed by the Management on quarterly basis. Process owners are identified for each risk and metrics are developed for monitoring and reviewing the risk mitigation.

The Board is satisfied that there are adequate systems and procedures in place to identify, assess, monitor and manage risks. The Risk Management Committee reviews the reports given by members of the management team and recommends suitable action.

### Risk Management Committee

As on 31<sup>st</sup> March 2020, the Committee consists of the following directors / officials viz., Mr R Gopalan, Vice Admiral P J Jacob, Directors, Dr. Lakshmi Venu, Joint Managing Director and Mr C Narasimhan, Advisor and Mr K Gopala Desikan, Chief Financial Officer.

The composition of the Committee is in accordance with the requirements of the Regulation 21 of the Listing Regulations.

The Board at its meeting held on 5<sup>th</sup> February 2020 appointed Mr R Gopalan, as Chairman of the Committee in the place of Vice Admiral P J Jacob, who continues to be a member of the Committee. Mr R Raja Prakash, Company Secretary acts as the Secretary of the Committee.

As required under the Listing Regulations, the Committee met on 2<sup>nd</sup> May 2019 and Mr R Gopalan, Vice Admiral P J Jacob and Dr Lakshmi Venu attended the meeting.

Scope:

- Overseeing and approving the Company's enterprise wide risk management framework;
- Overseeing / identifying / assessing of all risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational; and
- Evaluating that adequate risk management infrastructure is in place and capable of addressing those risks.

Role:

- To identify, evaluate and mitigate the existing as well as potential risks to the Company and to recommend the strategies to the Board to overcome them;
- To develop and implement action plans to mitigate the risks;
- To oversee at such intervals as may be necessary, the adequacy of Company's resources to perform its risk management responsibilities and achieve its objectives;
- To review the risk management framework for the operations of the Company that are deemed necessary and Company's performance against the identified risks of the Company;
- To formulate the strategies towards identifying any areas that may materially affect the Company's overall risk exposure and to review the Risk Management Plan;
- To adequately transmit necessary information with respect to material risks to Senior Executives / Board / relevant Committees;

## Sundaram-Clayton Limited

- g) To check if Cyber security cover has been adopted by Information systems department; and  
 h) Such other items as may be prescribed by the regulatory or by the Board, from time to time.

5.5. Instances of non-compliances, if any:

There were no instances of non-compliance by the Company or penalty and stricture imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets, during the last three years.

5.6. Disclosure by Senior Management Personnel (SMP):

SMP have made disclosures to the Board relating to all material, financial and other transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.

5.7. CEO and CFO Certification:

The Chairman and Managing Director and Chief Financial Officer of the Company have certified to the Board on financial and other matters in accordance with Regulation 33 of the Listing Regulations for the financial year ended 31<sup>st</sup> March 2020.

5.8. Compliance with mandatory / non-mandatory requirements:

The Company has complied with all applicable mandatory requirements in terms of the Listing Regulations. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this Report.

5.9. Code of Conduct for Prevention of Insider Trading:

In compliance with the amended SEBI (Prohibition of Insider Trading) Regulations 2015 as amended, the Company has a comprehensive Code of conduct for prevention of insider trading and the same is being strictly adhered by the Designated persons as defined under this Code.

The Board at its meeting held on 5<sup>th</sup> February 2020 amended both the Code of Practices and Procedures for fair disclosure of "Unpublished Price Sensitive Information" (UPSI) and the Code of Conduct to regulate, monitor and report trading by insiders to maintain consistency and for statutory amendments to be reflected in the policies and to make it upto date and more comprehensive.

The Code expressly lays down the guidelines and the procedures to be followed and disclosures to be made, while dealing with the shares of the Company.

The Company follows closure of trading window from the end of every quarter till 48 hours after the declaration of financial results. The Company has been advising the Designated Persons covered by the Code not to trade in Company's securities during the closure of trading window period.

5.10. Management Discussion and Analysis Report, Familiarization Programme and Whistle Blower Policy:

All the above Report / Policies form part of the Directors' Report.

5.11. Amendment to Whistle Blower Policy:

The Board at its meeting held on 5<sup>th</sup> 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.

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

## 6. Nomination and Remuneration Committee (NRC)

6.1. Composition of the Committee:

The Board at its meeting held on 5<sup>th</sup> February 2020 appointed Mr S Santhanakrishnan, as member and Chairman of the committee in the place of Vice Admiral P J Jacob (Retd), who continues to be a member of the Committee. Mr R Raja Prakash Company Secretary acts as the Secretary of the Committee.

Vice Admiral P J Jacob (Retd.), the then Chairman of the Committee was present at the last AGM held on 23<sup>rd</sup> July 2019 to answer the shareholders queries.

As at 31<sup>st</sup> March 2020, the NRC consists of M/s S Santhanakrishnan, Vice Admiral P J Jacob (Retd), R Vijayaraghavan and V Subramanian, NE-IDs.

6.2. The particulars of meetings and attendance by the members of the Committee, during the year under review, are given in the table below:

Date of the meeting	Members present (M/s.)
02.05.2019	Vice Admiral P J Jacob (Retd), R Vijayaraghavan and V Subramanian
05.02.2020	Vice Admiral P J Jacob (Retd) and R Vijayaraghavan

6.3. The broad terms of reference of the NRC are as under:

- Guiding the Board for laying down the terms and conditions in relation to the appointment and removal of Director(s), Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) of the Company.
- Evaluating the performance of the Director(s) and providing necessary report to the Board for its further evaluation and consideration.
- Recommending to the Board on remuneration payable to the Director(s), KMP and SMP of the Company based on (i) the Company's structure and financial performance and (ii) remuneration trends and practices that prevail in peer companies across the automobile industry.
- Retaining, motivating and promoting talent amongst the employees and ensuring long term sustainability of talented SMP by creation of competitive advantage through a structured talent review.

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6.4. The role / scope of NRC is as follows:

- To make recommendations to the Board with respect to incentive compensation plans for Executive Director(s) and remuneration of NED(s) of the Company.
- To identify persons who are qualified to become Director(s) / KMP and SMP of the Company.
- To recommend to the board for appointment / removal of Director(s), KMP / SMP of the Company.
- To formulate criteria for determining qualification, positive attributes and independence of a Director of the Company.
- To recommend to the Board a Policy for remuneration of Director(s), KMP and SMP of the Company.

6.5. Evaluation Criteria

The NRC lays down the criteria for evaluating the performance of every Director, Committees of the Board and the Board as a whole.

The performance evaluation of the Board as a whole was assessed based on the criteria, like its composition, size, mix of skills and experience, its meeting sequence, effectiveness of discussion, decision making, follow up action, quality of information, governance issues and the performance and reporting by various Committees set up by the Board.

NRC prescribed a peer evaluation methodology by way of set of questionnaire to evaluate the performance of individual Directors, Committee(s) of the Board, Chairman and the Board as a whole, and the Board carried out the performance evaluation as per the methodology.

The performance evaluation of individual Director was carried out based on his / her commitment to the role and fiduciary responsibilities as a board member, attendance and active participation, strategic and lateral thinking, contribution and recommendations given professionally, heading / acting as Member of various Committees etc.

The performance of SMP was measured against their achievement of the business plans approved by the Board during and at the completion of the financial year and their annual 'at-risk' remuneration which reflects their business plan achievements.

NRC has the overall responsibility for evaluating and approving the compensation plans, policies and programmes applicable to the SMP. NRC also delegates its authority to CMD, wherever appropriate, for this purpose.

6.6. Remuneration Policy

The Nomination and Remuneration Policy has been placed on the website of the Company in the link as provided in page no. 76 of this Annual Report.

The salient features of the policy are as follows:

NRC formulates policies to ensure that-

- the level and composition of remuneration are reasonable and sufficient to attract, retain and motivate Director(s) of the quality required to run the Company successfully;
- the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- the remuneration to Director(s), KMP and SMP of the Company involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

6.7. Remuneration to Directors:

Executive Director(s)

The remuneration payable to CMD and JMD is fixed by the Board and are within the limits approved by the shareholders in terms of the relevant provisions of the Act, 2013.

Particulars of remuneration paid to Executive Directors during the financial year 2019-20:

(₹ in lakhs)				
Name of the Directors	Salary and Perquisites	Contribution to PF & Other Funds	Commission	Total
Mr Venu Srinivasan, CMD	78.94	8.67	-	87.61
Dr. Lakshmi Venu, JMD	163.25	15.30	73.00	251.55

There is no separate provision for payment of severance fees. The notice period is mutually agreed between these Directors and the Board. The tenure of office of Executive Directors is for five years from their respective dates of appointment.

The above remuneration to Mr Venu Srinivasan, CMD is notwithstanding his holding similar position in the subsidiary Company, viz., TVS Motor Company Limited (TVSM) and drawing remuneration, as approved by its shareholders, from time to time, provided that the total remuneration drawn by him as CMD from the Company and TVSM does not exceed the higher maximum limit admissible, from any one of these two companies.

The above remuneration to Dr. Lakshmi Venu, JMD is notwithstanding her holding position of Deputy Managing Director (DMD) in TAFE Motors and Tractors Limited (TMTL), as approved by its shareholders, from time to time, provided that the total remuneration drawn by her as JMD and DMD from the Company and TMTL does not exceed the higher maximum limit admissible, from any one of these two companies.

The board also ensured that the aggregate annual remuneration to both CMD and JMD, directors being related to Promoters did not exceed 5 per cent of the net profits of the Company in compliance with Regulation 17 of the Listing Regulations.

Non- Executive / Independent Director(s)

Sitting fees

₹ 10,000/- each is paid to the NE-NIDs and NE-IDs for every meeting of the Board and / or Committee thereof attended by them, which is within the limits, prescribed under the Act, 2013.



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### Commission

The Company benefits from the expertise, advice and inputs provided by NE-IDs. NE-IDs devote their valuable time in deliberating on strategic and critical issues in the course of Board and Committee meetings of the Company and give their valuable advice, suggestions and guidance to the management of the Company, from time to time and hence, NE-IDs are being paid by way of sitting fees and commission.

As approved by the Shareholders through Postal Ballot dated 21<sup>st</sup> June, 2016, Non-Executive and Independent Directors will be paid commission, based on performance of the Company, not exceeding 1% of the net profits of the Company, in aggregate, subject to a maximum, as determined by the Board, for each such Director for every financial year for a period of five years commencing from 1<sup>st</sup> April, 2016. A commission of ₹ 9 lakhs was paid to each such NE-IDs, who serve as members of any one of the Committees of the Company as well and ₹ 7 lakhs to other NE-IDs for the year 2019-20. The amount of commission for every financial year will be decided by the Board, as approved by the shareholders at AGM held on 21<sup>st</sup> June 2016, subject to the limit of 1% of net profits of the Company, in aggregate, as calculated pursuant to Section 198 of the Act, 2013. The above compensation structure is commensurate with the best practices in terms of remunerating NE-IDs and it adequately compensates for the time and contribution made by NE-IDs.

In terms of the amended Listing Regulations, it has also been ensured that the remuneration payable to one NE-ID does not exceed 50% of the total annual remuneration payable to all NE-IDs of the Company.

Presently, the Company does not have a scheme for grant of stock options either to the Directors or employees of the Company.

6.8. Particulars of sitting fees / commission paid to the NE-IDs / NE-NIDs during the financial year 2019-20 are as follows:  
(₹ in lakhs)

Name of the Directors (M/s.)	Sitting fees	Commission	Total
Gopal Srinivasan	0.20	-	0.20
T K Balaji	1.00	-	1.00
Sudarshan Venu	0.40	-	0.40
Vice Admiral P J Jacob (Retd.)	1.50	9.00	10.50
V Subramanian	1.00	9.00	10.00
S Santhanakrishnan	1.40	9.00	10.40
R Vijayaraghavan	1.10	9.00	10.10
Kamlesh Gandhi	0.50	7.00	7.50
R Gopalan	1.10	9.00	10.10
Sasikala Varadachari	0.50	7.00	7.50
<b>Total</b>	<b>8.70</b>	<b>59.00</b>	<b>67.70</b>

6.9. Details of shareholdings of Non-Executive Directors in the Company as on 31<sup>st</sup> March 2020:

None of non-executive directors holds shares in the Company except Mr Gopal Srinivasan, holds 66 shares of the Company, who is related to Mr Venu Srinivasan in terms of Section 2(77) of the Act.

There are no other pecuniary relationships or transactions of the Non-Executive Directors' vis-a-vis of the Company.

### 7. Stakeholders' Relationship Committee (SRC)

7.1. Board at its meeting held on 5<sup>th</sup> February 2020 appointed Mr R Vijayaraghavan, NE-ID of the Company as Chairman of the Committee w.e.f. 20<sup>th</sup> February 2020 in the place of Mr S Santhanakrishnan, who continues to be a member of the Committee.

7.2. The SRC consists of three Members viz., M/s. R Vijayaraghavan and S Santhanakrishnan, NE-IDs and Dr. Lakshmi Venu, Executive and Non-Independent Director. Mr S Santhanakrishnan, the then Chairman of the Committee was present at AGM held on 23<sup>rd</sup> July 2019 to answer shareholders' queries.

7.3. As required by the Listing Regulations, Mr R Raja Prakash, Company Secretary is the Compliance Officer of the Company, who oversees the redressal of investor grievances. For any clarification / complaint, the shareholders may contact the Company Secretary.

7.4. The particulars of meetings and attendance by the members of the Committee, during the year under review, are given in the table below:

Date of the meeting	Members present (M/s.)
02.05.2019	S Santhanakrishnan, R Vijayaraghavan and Dr. Lakshmi Venu
23.07.2019	S Santhanakrishnan and R Vijayaraghavan
18.10.2019	
05.02.2020	S Santhanakrishnan, R Vijayaraghavan and Dr. Lakshmi Venu

7.5. SRC oversees and reviews all the matters connected with share transfers, issue of duplicate share certificates and other issues pertaining to shares. SRC also looks into various aspects of interests:

- The transfer / transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new / duplicate certificates and related activities.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered Share Transfer Department.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports / statutory notices by the shareholders of the Company.

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The Company, in order to expedite the process of share transfers, delegated the power of share transfers to an officer of the in house Share Transfer Department. The Company, as a matter of policy, disposes off investors' complaints within a span of seven days.

### 7.6. Complaints received and redressed during the year 2019-20:

S.No.	Nature of complaints	No. of complaints
1.	Non receipt / Credit of dividend warrants	1
2.	Non-receipt of share certificates	4
3.	Non-receipt of physical documents / Others	4
	Total	9

7.7. All the queries and complaints received during the financial year ended 31<sup>st</sup> March 2020, were duly redressed and no queries are pending at the year end.

All requests for dematerialization of shares were carried out within the stipulated time period and no request for dematerializing the share certificates were pending as on 31<sup>st</sup> March 2020.

### 7.8. Reconciliation of Share Capital Audit:

A Practising Company Secretary carries out a Reconciliation of Share Capital (RSC) Audit on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The report is being regularly placed before the Board for its perusal on a quarterly basis.

The RSC audit reports confirmed that the total issued and listed capital was in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

## 8. Corporate Social Responsibility Committee (CSR)

The CSR Committee consists of three Directors viz., M/s Venu Srinivasan, Dr. Lakshmi Venu and Vice Admiral P J Jacob. Mr Venu Srinivasan is the Chairman of the Committee.

The details of CSR Policy, initiatives and spending are spelt out as Annexure - IV to the Directors Report.

During the year, the Committee met on 2<sup>nd</sup> May 2019 and all the members were present at the meeting.

## 9. Administrative Committee

The Administrative Committee consist of three Directors viz., M/s Venu Srinivasan, Gopal Srinivasan and T K Balaji. Mr Venu Srinivasan is the Chairman of the Committee.

The particulars of meetings and attendance by the Members of the Committee, during the year under review, are given in the table below:

Date of the meeting	Members present (M/s.)
02.05.2019	Venu Srinivasan and T K Balaji
14.08.2019	
05.02.2020	Venu Srinivasan and Gopal Srinivasan

## 10. General body meeting

10.1 Location and time where the AGMs were held during the last three years:

Year	Location	Date	Time
2016-17	The Music Academy, New No.168 (Old No. 306) TTK Road, Royapettah, Chennai - 600 014	19.07.2017	10.00 A.M.
2017-18		20.08.2018	10.25 A.M.
2018-19		23.07.2019	10.35 A.M.

10.2 Special resolutions passed in the previous three AGMs:

During the last three years, namely 2016-17 to 2018-19, approvals of the shareholders were obtained by passing special resolutions as follows:

Year	Subject matter of the special resolution	Date of AGM
2016-17	Nil	19.07.2017
2017-18	Appointment of Mr K Mahesh as a Non-Executive Director of the Company	20.08.2018
2018-19	Re-appointment of Vice Admiral P J Jacob, Mr V Subramanian, Mr S Santhanakrishnan, Mr R Vijayaraghavan, Mr Kamlesh Gandhi, Mr R Gopalan, Independent Directors for the second term.	23.07.2019

10.3 Postal Ballot

The Board sought the consent of shareholders of the Company by way of ordinary resolution through Postal Ballot as per the notice issued to the shareholders on 5<sup>th</sup> February 2020, for approving the re-appointment of Dr. Lakshmi Venu as JMD for a further period of five years from 22<sup>nd</sup> March 2020.

The ordinary resolution was passed by the Shareholders of the Company with requisite majority.

The results of the Postal Ballot are given below:

No. / % of votes cast in favour	No. / % of votes cast against
1,79,40,958 99.96%	7,404 0.04%

10.4 Person who conducted the Postal Ballot exercise

B Chandra & Associates, Practising Company Secretaries were appointed to act as the scrutinizers for conducting the Postal Ballot and e-Voting.

10.5 Procedure for Postal Ballot

- The Board of Directors, vide resolution dated 5<sup>th</sup> February 2020, had appointed B Chandra & Associates, Practising Company Secretaries as the scrutinizer.
- The dispatch of the Postal Ballot Notice dated 5<sup>th</sup> February 2020 together with Explanatory Statement was completed on 13<sup>th</sup> February 2020 along with forms and postage prepaid business envelopes to all the shareholders whose name(s) appeared on the Register of Members / list of beneficiaries as on 7<sup>th</sup> February 2020.
- The said Notice of Postal Ballot has been sent on 13<sup>th</sup> February 2020 in electronic mode to the Members, whose



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e-mail IDs were registered with the Company or the Depository Participants.

4. The voting under the Postal Ballot was kept open from Monday, 17<sup>th</sup> February, 2020 at 9.00 A.M. (IST) to Tuesday, 17<sup>th</sup> March 2020, at 5.00 P.M. (IST). (either physically or electronically).
5. The Postal Ballot forms were kept under the safe custody of the Scrutinizer.
6. All Postal Ballot forms received by the scrutinizer up to 5.00 p.m. on 17<sup>th</sup> March 2020 have been considered for scrutiny.

10.6 None of the subjects placed before the shareholders in the last / ensuing AGM required/ requires approval by Postal Ballot. However, in terms of the Regulation 44 of the Listing Regulations and Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, the Company provided to the members facility to exercise their right to vote through remote e-Voting and through Ballot Paper at the meeting for all the items at the AGM held on 23<sup>rd</sup> July 2019.

### 11. Means of communication to shareholders

The Board believes that effective communication of information is an essential component of corporate governance. The Company regularly interacts with Shareholders through multiple channels of communication such as results announcement, annual report, media releases, the Company's website and specific communications to Stock Exchanges, where the Company's shares are listed.

#### 11.1 Quarterly results:

The unaudited quarterly financial results of the Company were published in English and regional newspapers.

#### 11.2 Newspapers wherein results are normally published:

The results are normally published in English Newspapers viz., The Hindu, Business Line, Economic Times and Regional Newspaper viz., Dinamani.

#### 11.3 Website:

The Company has in place a website addressed as [www.sundaram-clayton.com](http://www.sundaram-clayton.com). This website contains the basic information about the Company, viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company, who are responsible for assisting and handling investor grievances, such other details as may be required under Regulation 46 of the Listing Regulations. The Company ensures that the contents of this website are periodically updated.

#### 11.4 Press Release & Investor / Analysts meet:

In addition, the Company makes use of this website for publishing official news release and presentations, if any, made to institutional investors / analysts.

### 12. General shareholder information

#### 12.1 Annual General Meeting:

Date and time : 30<sup>th</sup> July 2020, Thursday at 10.00 A.M.  
Through Video Conferencing / Other Audio Visual Means

#### 12.2 Financial year : 1<sup>st</sup> April to 31<sup>st</sup> March

Financial calendar : 2020-21

Financial reporting for the quarter ending:

30<sup>th</sup> June 2020 : Before 14<sup>th</sup> August 2020

30<sup>th</sup> September 2020 : Before 14<sup>th</sup> November 2020

31<sup>st</sup> December 2020 : Before 14<sup>th</sup> February 2021

31<sup>st</sup> March 2021 : Before 30<sup>th</sup> May 2021

#### 12.3 Particulars of dividend payment:

Particulars of dividend declaration / payment are disclosed in the Directors' Report. Dividends were declared in compliance with the Dividend Distribution Policy of the Company.

Dividend distribution policy

SEBI vide its circular No. SEBI/ LAD-NRO/ GN/2016-17/008 dated 8<sup>th</sup> July 2016 mandated the top 500 listed companies based on the market capitalization to formulate Dividend Distribution Policy which shall be disclosed in their annual reports and on their websites.

The Dividend Distribution Policy is available on the company's website in the link as provided in page no. 76 of this Annual Report.

#### 12.4 Listing on Stock Exchanges:

Name of the Stock Exchange	Stock code / symbol
BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001, India Tel.: 91 22 2272 1233 Fax : 91 22 2272 1919	520056
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India Tel.: 91 22 2659 8100 Fax : 91 22 2659 8120	SUNCLAYLTD
ISIN allotted by Depositories (Company ID Number)	INE105A01035

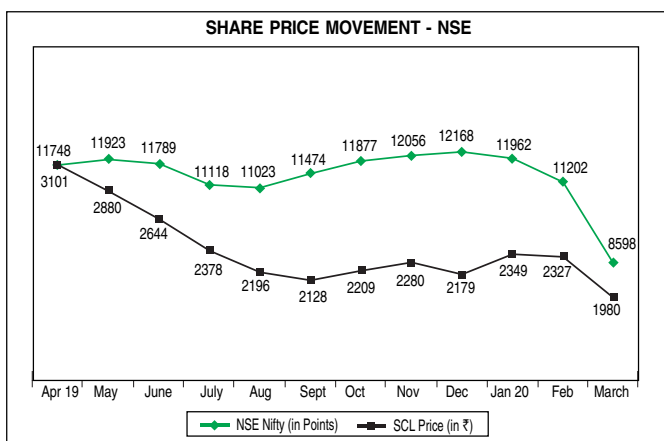
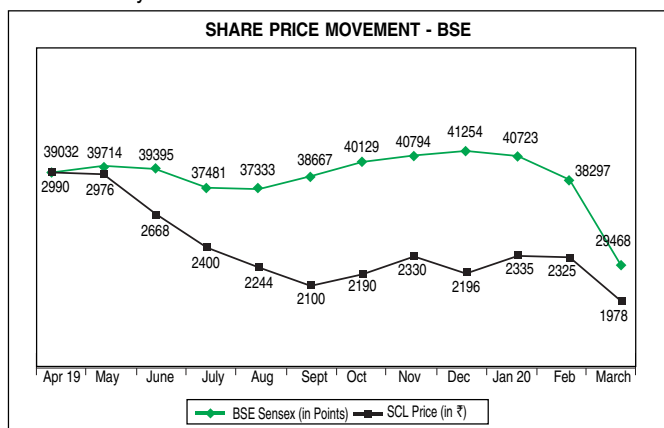
(Note: Annual listing fees and custodial charges for the year 2020-21 were duly paid to the above Stock Exchanges and Depositories viz., NSDL and CDSL)

## Sundaram-Clayton Limited

### 12.5 Market Price Data: (in ₹)

Month	BSE		NSE	
	High	Low	High	Low
April 2019	3101	2715	2990	2680
May	2880	2413	2976	2400
June	2644	2264	2668	2261
July	2378	2075	2400	2091
August	2196	1663	2244	1700
September	2128	1756	2100	1781
October	2209	1766	2190	1761
November	2280	1952	2330	2010
December	2179	2001	2196	2008
January 2020	2349	2000	2335	2021
February	2327	1941	2325	1946
March	1980	1010	1978	971

### 12.6 Share price performance in comparison to broad based indices - NSE Nifty and BSE Sensex:



### 12.7 Share Transfer Agents and share transfer system:

- The Company has registered itself with SEBI as Share Transfer Agent (STA) in Category II.
- All matters connected with the share transfer, dividends and other matters are being handled by the share transfer department of the Company located at the address mentioned elsewhere in this Report.
- Shares lodged for transfers are normally processed within 15 days from the date of lodgement, if the documents are clear in all respects.
- All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Grievances received from investors are processed by STD within 7 days. Other miscellaneous correspondence relating to change of addresses, mandates etc., is processed by STD within 15 days.
- Certificates are being obtained and submitted to the Stock Exchanges, on half-yearly basis, from a company secretary-in-practice towards due compliance of share transfer formalities by the Company within the due dates, in terms of Regulation 40(9) of the Listing Regulations.
- Certificates have also been received from a company secretary-in-practice and submitted to the Stock Exchanges, on a quarterly basis, for timely dematerialization of shares of the Company and for reconciliation of the share capital of the Company, as required under SEBI (Depositories and Participants) Regulations, 1996.
- The Company, as required under Regulation 6(2)(d) of the Listing Regulations, has designated the e-mail ID, namely [icsta@scl.co.in](mailto:icsta@scl.co.in) for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.
- A certificate signed by the Company Secretary and Assistant General Manager - Shares towards maintenance of share transfer facility by Share Transfer Department in compliance with Regulation 7(3) of the Listing Regulations was prepared and submitted to the Stock Exchanges.
- Shareholders are, therefore, requested to correspond with the Share Transfer Department for transfer / transmission of shares, change of address and queries pertaining to their shareholding, dividend, etc., at their address given in this Report.

## Sundaram-Clayton Limited

### 12.8 Shareholding pattern of the Company as on 31<sup>st</sup> March 2020:

Category of Shareholder	No. of shares held	%
<b>Promoter and Promoter Group</b>		
Bodies Corporate	1,51,74,060	75.00
<b>Total (A)</b>	<b>1,51,74,060</b>	<b>75.00</b>
<b>Public Shareholding</b>		
Mutual Funds	24,80,358	12.26
Banks/ Financial Institutions	1,044	0.01
Insurance Companies	5,34,035	2.64
Foreign Institutional Investors	1,50,283	0.74
Alternate Investment Fund	34,568	0.17
<b>Total Institutions (B)</b>	<b>32,00,288</b>	<b>15.82</b>
Bodies Corporate	1,61,355	0.81
Individuals holding nominal capital in excess of ₹ 2 lakhs	1,94,110	0.95
Individuals holding nominal capital upto ₹ 2 lakhs	14,23,314	7.02
Foreign National (IND)	83	-
NRI Repatriable	17,836	0.09
NRI Non - Repatriable	23,862	0.12
Directors & their relatives	1,162	0.01
Clearing Members	9,242	0.05
LLP	26,773	0.13
<b>Total Non-Institutions (C)</b>	<b>18,57,737</b>	<b>9.18</b>
<b>Total Public Shareholding [D=(B+C)]</b>	<b>50,58,025</b>	<b>25.00</b>
<b>Grand Total (A+D)</b>	<b>2,02,32,085</b>	<b>100.00</b>

### 12.9 Distribution of Shareholding as on 31<sup>st</sup> March 2020:

Shareholding (Range)	No of shares	%	No of members	%
Upto 500	11,08,746	5.48%	17,914	98.32%
501-1000	1,16,768	0.58%	162	0.89%
1001-2000	82,047	0.41%	59	0.32%
2001-5000	1,11,722	0.55%	34	0.19%
5001-10000	1,38,324	0.68%	20	0.11%
10001 & above	1,86,74,478	92.30%	31	0.17%
<b>Total</b>	<b>2,02,32,085</b>	<b>100.00%</b>	<b>18,220</b>	<b>100.00%</b>

### 12.10 Dematerialization of shares and liquidity:

The promoter holding consisting of 1,51,74,060 equity shares of ₹ 5/- each is in dematerialized form. Out of the balance 50,58,025 equity shares of ₹ 5/- each held by persons other than promoters 49,35,769 equity shares have been dematerialized as on 31<sup>st</sup> March, 2020 accounting for 99.40%.

### 12.11. The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible

instrument, which is likely to have impact on the Company's Equity.

### 12.12 Other Disclosures

- Pecuniary relationships or transactions with NE-IDs vis-a-vis the Company during the year under review, do not exceed the threshold limit as laid down under the Listing Regulations and same have been reported in the notes to the accounts.
- During the year, there were no materially significant transactions with related parties that may have potential conflict with the interests of the Company at large.
- Company is a net exporter. Company has a forex hedging policy and covers are appropriately taken to cover the currency risk. The exposure and cover taken are reviewed by the Audit Committee on regular basis.
- Company is not a dealer in Commodities. Prices payable to vendors for raw materials and components are negotiated based on internationally available data. Cost of manufacture of all products are reviewed at regular intervals and wherever required suitable price changes in two-wheeler and three-wheeler are done based on market conditions.

The Company has not entered into any commodity derivatives with any of the bankers and hence the disclosure of exposure in commodity risks faced by the Company is not required, as directed in the SEBI Circular dated 15<sup>th</sup> November 2018.

### 12.13 Plant locations:

- Chennai : Padi, Chennai - 600 050  
Tamil Nadu, India  
Tel. : 044 - 2625 8212  
[corpsec@scl.co.in](mailto:corpsec@scl.co.in)
- Mahindra World City : Plot No. AA5, VI Avenue,  
Auto Ancillary SEZ,  
Mahindra World City, Chengalpattu  
Kancheepuram District - 603 004  
Tamil Nadu, India  
Tel. : 044 - 4749 0049  
[corpsec@scl.co.in](mailto:corpsec@scl.co.in)
- Oragadam : Plot No. B-14,  
SIPCOT Industrial Growth Centre  
Sriperumbudur Taluk,  
Kancheepuram District - 602 105  
Tel. : 044 - 6710 3300  
[corpsec@scl.co.in](mailto:corpsec@scl.co.in)
- Hosur : Hosur - Thally Road,  
Belagondapalli,  
Hosur - 635 114  
Tamil Nadu, India  
Tel. : 04347 - 233445  
[corpsec@scl.co.in](mailto:corpsec@scl.co.in)

## Sundaram-Clayton Limited

### 12.14 Address for investors correspondence :

(i) For transfer / dematerialisation of shares, payment of dividend on shares and any other query relating to the shares of the Company	Sundaram-Clayton Limited Share Transfer Department "Jayalakshmi Estates", 1 <sup>st</sup> Floor, No.29, Haddows Road, Chennai 600 006
(ii) for any query on non-receipt of annual report	Email : <a href="mailto:arockiaraj@scl.co.in">arockiaraj@scl.co.in</a> <a href="mailto:sclshares@gmail.com">sclshares@gmail.com</a>
(iii) for Investors grievance & general correspondence	Email : <a href="mailto:corpsec@scl.co.in">corpsec@scl.co.in</a> <a href="mailto:icsta@scl.co.in">icsta@scl.co.in</a>

### 12.15 List of Credit Ratings:

The Company is maintaining the existing credit rating obtained from CRISIL Rating Limited viz., CRISIL AA- for long term borrowings and CRISIL A1+ for short term borrowings.

### 12.16 Certificate from Practicing Company Secretary:

The Company has received a certificate from the Secretarial Auditor of the Company stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

### 12.17 Fees paid to Statutory Auditor on a consolidated basis:

During the year, the Company has paid ₹ 118 lakhs to the Statutory Auditors for all services received by the listed entity and its subsidiaries, if any on a consolidated basis.

### 12.18 Sexual Harassment at workplace:

During the year under review, the Company has not received any complaints in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### 12.19 Disclosure on compliance with the issue of Debt securities for incremental borrowings by Large Corporates:

As on 31<sup>st</sup> March 2019, Company has been considered as a "Large Corporate" (LC) and is required to raise not less than 25% of its incremental borrowings, during the financial year, by way of issuance of debt securities. This was made mandatory effective FY 2022 and till such period the Company is required to explain the reasons for not complying with.

During the year, the Company has not availed any additional long term additional credit facility. The Company has only availed the balance soft-loan from SIPCOT (Govt. of Tamil Nadu), based on the satisfaction of specific criteria as per the agreement entered with it and the quantum avail during the year is small.

## 13. Non-mandatory disclosures

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

### 13.1 The Board:

Since the Chairman of the Company is Executive, disclosure under this head is not mandatory. The NE-NIDs of the Company are liable to retire by rotation and if eligible, offer themselves for re-appointment. Specific tenure has been fixed for the NE-IDs in terms of Section 149 of the Act and during this period, they will not be liable to 'retire by rotation' as per Sections 150(2), 152(2) read with Schedule IV to the Act, 2013.

### 13.2 Shareholder rights:

The half-yearly results of the Company are published in newspapers as soon as they are approved by the Board and are also uploaded on the Company's website namely [www.sundaram-clayton.com](http://www.sundaram-clayton.com). The results are not sent to the shareholders individually.

### 13.3 Audit qualifications:

The financial statements of the Company are unmodified.

### 13.4 Reporting of internal auditor:

The internal auditor is regularly reporting his observations directly to the audit committee.

## 14. Request to shareholders

Shareholders are requested to follow the general safeguards / procedures as detailed hereunder in order for the Company to serve them efficiently and avoid risks while dealing in securities of the Company.

### 14.1 Demat of Shares:

Shareholders are requested to convert their physical holding to demat / electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.

### 14.2 Registration of Electronic Clearing Service (ECS) mandate:

SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories for payment of dividend through ECS to investors wherever ECS and bank details are available. The Company will not entertain any direct request from members holding shares in electronic mode for deletion of / change in such bank details. Members who wish to change such bank account details are therefore requested to advise their DPs about such change, with complete details of bank account.

ECS helps in quick remittance of dividend without possible loss / delay in postal transit. Shareholders, who have not earlier availed this facility, are requested to register their ECS details with the Share Transfer Department or their respective DPs.

### 14.3 Transfer of shares in physical mode:

SEBI has amended relevant provisions of the Listing Regulations to disallow listed companies from accepting

## Sundaram-Clayton Limited

request for transfer of securities which are held in physical form with effect from April 1,2019.

The shareholders, who continue to hold shares in physical form even after this date, will not be able to lodge the shares with the company for further transfer. Therefore, such shareholders will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form will be accepted by the Company.

#### 14.4 Consolidation of Multiple Folios:

Shareholders, who have multiple folios in identical names, are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.

#### 14.5 Registration of Nominations:

Nomination in respect of Shares, as per Section 72 of the Act provides facility for making nominations by Shareholders in respect of their holding of Shares. Such nomination greatly facilitates transmission of Shares from the deceased Shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the Will, etc.

It would therefore be in the best interest of the shareholders holding shares in physical form registered as a sole holder to make such nominations. Shareholders, who have not availed nomination facility, are requested to avail the same by submitting the nomination in Form SH-13. This form will be made available on request. Investors holding Shares in demat form are advised to contact their DPs for making nominations.

#### 14.6 Updation of address:

Shareholders are requested to update their addresses registered with the Company, directly through the Share Transfer Department, to receive all communications promptly.

Shareholders, holding Shares in electronic form, are requested to deal only with their DPs in respect of change of address and furnishing bank account number, etc.

#### 14.7 SMS Alerts:

Shareholders are requested to note that NSDL and CDSL have announced the launch of SMS alert facility for demat account holders whereby Shareholders will receive alerts for debits / credits (transfers) to their demat accounts a day after the transaction. These alerts will be sent to those account holders who have provided their mobile numbers to their DPs. No charge will be levied by NSDL / CDSL on DPs providing this facility to investors. This facility will be available to investors who request for the same and provide their mobile numbers to the DPs. Further information is available on the website of NSDL and CDSL namely [www.nsdl.co.in](http://www.nsdl.co.in) and [www.cdslindia.com](http://www.cdslindia.com) respectively.

#### 14.8 Timely encashment of dividends:

Shareholders are requested to encash their dividends promptly to avoid hassles of revalidation.

As required by SEBI, Shareholders are requested to furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorized persons.

Shareholders are requested to note that the dividends, not claimed for a period of seven years from the date they first became due for payment, shall be transferred to IEPF in terms of Section 124(6) of the Act read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Accordingly, a sum of ₹ 12.76 lakhs, being unclaimed dividend, was transferred to IEPF during the year 2019-20.

Shareholders, who have not encashed their dividend warrants, in respect of 1<sup>st</sup> interim dividend declared for the year ended 31<sup>st</sup> March, 2014 and for any financial year thereafter may contact the Company and surrender their warrants for payment.

INFORMATION IN RESPECT OF UNCLAIMED DIVIDENDS DUE FOR REMITTANCE INTO IEPF IS GIVEN BELOW

#### Particulars of unclaimed dividend of the Company:

Financial Year	Date of declaration	Date of transfer to special account	Due date for transfer to IEPF
2012-2013 (2 <sup>nd</sup> interim)	08-05-2013	06-06-2013	06-06-2020
2013-2014 (1 <sup>st</sup> interim)	29-10-2013	27-11-2013	27-11-2020
2013-2014 (2 <sup>nd</sup> interim)	18-03-2014	16-04-2014	16-04-2021
2013-2014 (3 <sup>rd</sup> interim)	14-05-2014	12-06-2014	12-06-2021
2014-2015 (1 <sup>st</sup> interim)	04-02-2015	05-03-2015	05-03-2022
2014-2015 (2 <sup>nd</sup> interim)	20-03-2015	18-04-2015	18-04-2022
2014-2015 (3 <sup>rd</sup> interim)	08-05-2015	07-06-2015	17-06-2022
2015-2016 (1 <sup>st</sup> interim)	09-02-2016	10-03-2016	10-03-2023
2015-2016 (2 <sup>nd</sup> interim)	14-03-2016	13-04-2016	13-04-2023
2016-2017 (1 <sup>st</sup> interim)	03-11-2016	03-12-2016	03-12-2023
2016-2017 (2 <sup>nd</sup> interim)	13-03-2017	12-04-2017	12-04-2024
2017-2018 (interim)	15-03-2018	14-04-2018	14-04-2025
2018-2019 (1 <sup>st</sup> interim)	25-01-2019	24-02-2019	24-02-2026
2018-2019 (2 <sup>nd</sup> interim)	11-03-2019	10-04-2019	10-04-2026
2019-2020 (Interim)	10-03-2020	09-04-2020	09-04-2027



## Sundaram-Clayton Limited

### 15. Unclaimed share certificates

Pursuant to the requirement of Regulation 34(3) and Schedule V Part F of Listing Regulations, the following table provides details in respect of the equity shares lying in the suspense account. The Company has already sent three reminders to the shareholders for claiming those shares at their latest available address(es) with the Company or Depository, as the case may be.

All the corporate benefits in terms of securities accruing on those shares like bonus shares, split etc would also be credited to unclaimed suspense account of the Company. The voting rights on shares lying in unclaimed suspense account shall remain frozen till the rightful owner claims the shares.

Details	No. of shareholders	No. of shares
Number of shares in the unclaimed suspense account as on 31 <sup>st</sup> March 2019	444	28,303
Number of shares transferred to the shareholders on request from 1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020	11	975
Number of shares in the unclaimed suspense account as on 31 <sup>st</sup> March 2020	433	27,328

### Compliance with Code of Business Conduct and Ethics

To

The Shareholders of Sundaram-Clayton Limited,  
Chennai

On the basis of the written declarations received from Members of the Board and Senior Management Personnel in terms of the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, it is hereby certified that both the Members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company as laid down by the Board for the year ended 31<sup>st</sup> March 2020.

Chennai  
29<sup>th</sup> May 2020

VENU SRINIVASAN  
Chairman & Managing Director

### Auditors' certificate on compliance of the provisions of the Code of Corporate Governance

To

The Shareholders of Sundaram-Clayton Limited,  
Chennai

We have examined the compliance of conditions of Corporate Governance by Sundaram-Clayton Limited, Chennai - 600 006 ('the Company') for the year ended 31<sup>st</sup> March 2020 as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations].

The compliance of conditions of Corporate Governance is the responsibility of Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate governance requirements by the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For RAGHAVAN, CHAUDHURI & NARAYANAN  
Chartered Accountants  
Firm Regn. No. 007761S

V. SATHYANARAYANAN  
Partner  
Membership No. 027716

Bengaluru  
29<sup>th</sup> May 2020