

Report on Corporate Governance

1. Company's philosophy on code of governance

As a TVS Group Company, 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 and Service.

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.

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of insider trading by the Directors and Senior Management Personnel and Code of practices for fair disclosure of unpublished price sensitive information.

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:

As on 31st March 2018, the total strength of the Board was ten. As the Company has an Executive Chairman Mr Venu Srinivasan who is the Chairman and managing Director, the Board is required, in terms of the Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations), to have fifty per cent of its Directors as independent directors and at least one Woman Director.

Accordingly, the Board has five Non-Executive Independent Directors (NE-ID) viz., M/s T Kannan, C R Dua, R Ramakrishnan, Prince Asirvatham and Hemant Krishan Singh and three Non-Executive Non-Independent Directors (NE-NID), viz., M/s H Lakshmanan, Dr. Lakshmi Venu, Rajesh Narasimhan. Mr Sudarshan Venu, Joint Managing Director is the Executive and Non-Independent Director. Thus, the composition of the Company's Board is in conformity with SEBI (LODR) Regulations.

During the year under review, Mr Sudarshan Venu was re-appointed as the Joint Managing Director of the Company for a further period of five years commencing from 1st February 2018 by the Shareholders through Postal Ballot on 21st December, 2017.

Mr Rajesh Narasimhan was appointed as an Independent Director on 11th August, 2017 and ceased as an Independent Director effective

31st October 2017, consequent to his proposed appointment as the Chief Executive Officer of TVS Motor (Singapore) Pte Limited, the wholly owned subsidiary of the Company.

On 1st November 2017, the Board appointed Mr Rajesh Narasimhan as an Additional Director of the Company and hold office upto the date of the ensuing Annual General Meeting (AGM) and proposed his appointment as a director, liable to retire by rotation.

Meanwhile, the Shareholders have also approved his appointment in a place of profit, as required under Section 188 of the Companies Act, 2013 (the Act, 2013), through Postal Ballot on 21st December 2017.

All existing NE-IDs, not liable to retire by rotation, have been appointed by the Shareholders at AGM held on 14th July 2014 for a term of five years and none of them serves as NE-ID in more than seven listed companies.

In accordance with the provisions of the Act, 2013 and the Articles of Association of the Company, Dr. Lakshmi Venu and Mr H Lakshmanan, Directors retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment.

As per the recent amendment to the SEBI (LODR) Regulations, 2015, with effect from 1st April 2019, appointment or continuation by a person as a Non-Executive Director who attained the age of seventy five years, requires a special resolution of the Shareholders.

Accordingly, Mr H Lakshmanan, aged 84 years, who is a Non-Executive Non-Independent Director (NE-NID) of the Company, is liable to retire by rotation at the ensuing AGM and his tenure on re-appointment continues beyond 1st April 2019.

Considering his six decades of experience in the Group, the Board recommended his re-appointment to the Shareholders by way of special resolution based on the performance evaluation by the Nomination and Remuneration Committee (NRC).

The resolutions seeking approval of the Members for the re-appointment of Dr. Lakshmi Venu and Mr H Lakshmanan and appointment of Mr Rajesh Narasimhan as Directors have been included in the Notice of AGM along with brief details about them.

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.

The Act, 2013 read with the relevant rules made thereunder, now facilitates the participation of a Director in the Board / Committee meetings through video conferencing or other audio visual means. Accordingly, the option to participate in

the meetings through video conferencing was made available for the directors, except in respect of restricted items which are not permitted to be transacted through the said means. As per the Companies (Amendment) Act, 2017, Directors attending through VC participated in the discussions, for the restricted items, wherever necessary quorum of Directors was physically present at the meeting.

The Company, regularly places before the Board for its review, all the information as required under Part A of Schedule II to SEBI (LODR) Regulations such as annual operating plans, CAPEX budget and its quarterly updates, quarterly results, minutes of meetings of Audit and Risk Management 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 the background 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 Controls, etc., in Board / Audit & Risk Management Committee meetings.

During the year, the Company has implemented digital board meeting through i-Pads as an eco-friendly measure. All agenda papers for convening meetings of the Board / Committees have been uploaded in digital mode.

During the year 2017-18, the board met five times viz., 27th April 2017, 11th August 2017, 1st November 2017, 30th January 2018 and 26th February 2018, and the gap between two meetings did not exceed one hundred and twenty days. Besides, the NE-IDs held a separate meeting in compliance with the provisions of the Act, 2013 and Regulation 25(3) of SEBI (LODR) Regulations.

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 11th August 2017 and other directorships and committee memberships / chairmanships as on 31st March 2018 are as follows:

Name of the Director (M/s)	Category	Attendance Particulars		Number of other directorships and committee memberships / chairmanships		
		Board meetings	Last AGM	Other directorships*	Committee memberships**	Committee chairmanships
Venu Srinivasan (DIN 00051523)	CMD	5	Yes	17	4	-
Sudarshan Venu (DIN 03601690)	JMD	4	Yes	4	1	-
H Lakshmanan (DIN 00057973)	NE-NID	5	Yes	16	5	3
R Ramakrishnan (DIN 00809342)	NE-ID	4	Yes	10	6	1
Dr. Lakshmi Venu (DIN 02702020)	NE-NID	4	Yes	8	1	-
T Kannan (DIN 00040674)	NE-ID	4	No	8	3	2
C R Dua (DIN 00036080)	NE-ID	5	No	14	3	1
Prince Asirvatham (DIN 00193260)	NE-ID	5	Yes	2	1	-
Hemant Krishan Singh (DIN 06467315)	NE-ID	5	Yes	-	-	-
Rajesh Narasimhan [§] (DIN 07824276)	NE-NID	3	-	1	-	-

CMD : Chairman & Managing Director
 NE-NID: Non Executive – Non Independent Director
 * includes private companies and companies incorporated outside India.
 ** includes committees where the director holds the position of chairman.
 § appointed as an additional director w.e.f 1st November 2017 upon cessation as Independent Director consequent to his appointment in a place of profit of the subsidiary company.

JMD: Joint Managing Director
 NE-ID: Non-Executive – Independent Director

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 SEBI (LODR) Regulations, as per the disclosures made by the Directors. CMD, JMD and Dr. Lakshmi Venu are related to each other. None of the other Directors on the Board is related to any other Director on the Board.

2.4 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 SEBI (LODR) Regulations. Functional heads are present whenever necessary and apprise all the Directors about the developments. They also make presentations to the Board and Audit and Risk Management 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 Chairman and Managing Director and the Company Secretary regarding compliance of 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.

2.5 Familiarization program

Familiarization program is made available to the Directors covering such topics on 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 includes plant visit for detailed understanding of manufacturing process / activities of the Company. The details of familiarization program are available on the Company's website with the following link: <https://www.tvsmotor.com/pdf/TVSM-Familirisation-Program.pdf>

2.6 Code of Business Conduct and Ethics for Members of the Board and Senior Management Personnel:

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

The Code has been communicated to Directors and the Senior Management Personnel. The Code has also been displayed on the Company's website in the following link <https://www.tvsmotor.com/pdf/Code-of-Business-Conduct-and-Ethics.pdf>

All the Members of the Board and Senior Management Personnel have confirmed

compliance with the Code for the year ended 31st March 2018. The Annual Report contains a declaration to this effect signed by the Chairman and Managing Director.

2.7 Appointment / Re-appointment of Directors:

In terms of Regulation 36(3) of SEBI (LODR) 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.

2.8 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 and 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 reviewed. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also 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.

Based on the market capitalization as at 31st March 2018, the Company was among the Top 100 listed companies in India occupying 96th position. As required under the Regulation 21 of SEBI (LODR) Regulations, the Board constituted a separate Risk Management Committee (RMC) at its meeting held on 16th May 2018.

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.

As explained earlier, in view of the specific requirement for constituting a separate Risk Management Committee under SEBI (LODR) Regulations, the terms of reference in connection with risk management delegated earlier to Audit & Risk Management Committee are now assigned to RMC.

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, 2013;
 - 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 opinions, 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;
 - 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. In addition, reviewing of such other functions as envisaged under Section 177 of the Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended and Regulation 18 of SEBI (LODR) 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 the Chairman and Members:
- As at 31st March 2018, the Committee consists of the following non-executive independent directors viz., M/s T Kannan, C R Dua, R Ramakrishnan and Prince Asirvatham.
- The composition of the Committee is in accordance with the requirements of the Regulation 18 of SEBI (LODR) Regulations read with Section 177 of the Act, 2013. Mr T Kannan, is the Chairman and Mr K S Srinivasan, Company Secretary acts as the Secretary of the Committee.
- Chairman of the Committee was not present at the last AGM held on 11th August 2017 due to prior commitments. However, he had authorized a member of the Committee to represent him at the AGM, for replying to the queries of the Shareholders.
- 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 Meetings	Members present (M/s)
26.04.2017	T Kannan, C R Dua and Prince Asirvatham
10.08.2017	C R Dua, R Ramakrishnan and Prince Asirvatham
31.10.2017	T Kannan, C R Dua, R Ramakrishnan and Prince Asirvatham
29.01.2018	
26.02.2018	

4. Subsidiary companies

During the year, the Company acquired the entire share capital of TVS Motor Services Limited (TVS MS) and thereby subsidiary of TVS MS viz., TVS Credit Services Limited (TVS CS) 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, became subsidiaries of the Company.

The other subsidiaries are Sundaram Auto Components Limited, TVS Housing Limited, PT. TVS Motor Company Indonesia, TVS Motor (Singapore) Pte. Limited, TVS Motor Company (Europe) B.V., and 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.

The Audit Committee reviews the financial statements and in particular the investments made by the said unlisted subsidiaries.

The minutes of the board meetings of the said unlisted subsidiaries are periodically placed before the Board. The Board is periodically informed about all significant transactions and arrangements entered into by all these unlisted subsidiaries.

Material Subsidiaries Policy

The Board has duly formulated a policy for determining ‘material subsidiaries’. A subsidiary is considered as “a material subsidiary”, if its income or networth exceeds 20% of the consolidated income or networth of the Company during the previous financial year.

Copy of the said policy is available on the Company’s website in the following link <https://www.tvs-motor.com/pdf/Material-Subsidiary-Policy.pdf>

For the year 2017-18, the Company’s wholly owned subsidiary, Sundaram Auto Components Limited (SACL) was covered within the definition of “unlisted material subsidiary” incorporated in India in terms of the Regulation 16(1)(c) read with the Regulation 24 of SEBI (LODR) Regulations. However, SACL ceased to be a material subsidiary of the Company for the year 2018-19, since it did not satisfy either net worth or income criteria.

In terms of net-worth criterion, TVS Credit Services Limited and TVS Motor Services Limited have become material subsidiaries of the Company from 1st April 2018.

As required under Regulation 24 of SEBI (LODR) Regulations, one of the ID of the Company will act as a Director of the Material unlisted subsidiaries.

5. Disclosures

5.1 Materially significant related party transactions:

All transactions entered into with related parties (RPTs), as defined under the Act, 2013 and SEBI (LODR) Regulations during the financial year 2017-18 were in the ordinary course of business and at arm’s length and do not attract the provisions of Section 188 of the Act, 2013 and the rules made thereunder.

There were no materially significant transactions with the related parties during the year, which were in conflict of interest, and hence no approval of the Company was required in terms of SEBI (LODR) Regulations.

The transactions with the related parties, namely its promoters, its 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 material related party transactions are enclosed as Annexure-VI to the Directors’ Report for the year ended 31st March 2018.

Related Party Transactions Policy

The Board has formulated a policy on related party transactions. The audit committee reviews and approves transactions between the Company and related parties, as defined under the SEBI (LODR) Regulations, to ensure that the terms of such RPTs would reasonably be expected of transactions negotiated or at arm’s length. The audit committee meets prior to each scheduled board meeting to review all RPTs of the Company on a quarterly basis.

The Companies (Amendment) Act 2017, which was notified on 3rd January 2018, *inter alia* provides for ratification of RPT involving amount not exceeding Rs.1 Cr per transaction is entered into by a director or officer of the Company without obtaining prior approval of the Audit Committee and such RPTs can be ratified by the Audit Committee within three months from the date of such transaction.

Copy of the said Policy is available in the Company’s website in the following link <https://www.tvs-motor.com/pdf/Related-Party-Transaction-Policy.pdf>.

5.2 Disclosure of accounting treatment:

Pursuant to the notification, issued by the Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standards) Rules, 2015, the Company has adopted “IND AS” with effect from 1st April 2016. Accordingly, the financial statements from the year 2016-17 onwards have been prepared in compliance with the said Rules, including the current financial year 2017-18.

5.3 Risk Management:

The Board has established a Risk Management Policy which formalizes Company’s 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 Senior 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. Company’s Audit Committee reviews reports given by members of the management team and recommends suitable action.

The Company’s policy on risk management has been discussed in detail in the Director’s Report.

Risk Management Committee

The Board at its meeting held on 16th May 2018 constituted Risk Management Committee, with the following directors / officials as its members:

Name of the Directors/ Official (M/s)	Designation	Status
T Kannan	Non-Executive Independent Director	Chairman
R Ramakrishnan		Member
Sudarshan Venu	Joint Managing Director	Member
K N Radhakrishnan	President & CEO	Member

Scope:

- (a) Overseeing and approving the Company’s enterprise wide risk management framework;
- (b) Overseeing / identifying / assessing of all risks that the Organization faces such as

strategic, financial, credit, marketing, liquidity, security, property, IT, legal, regulatory, reputational; and

- (c) Evaluating that adequate risk management infrastructure is in place and capable of addressing those risks.

Role:

- (a) 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;
- (b) To develop and implement action plans to mitigate the risks;
- (c) 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;
- (d) 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;
- (e) 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;
- (f) To adequately transmit necessary information with respect to material risks to Senior Executives / Board / relevant Committees; and
- (g) Such other items as may be prescribed by the applicable law or by the Board, from time to time.

5.4 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.

5.5 Disclosure by Senior Management Personnel:

The Senior Management Personnel 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 conflict of interest with the Company at large.

5.6 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 SEBI (LODR) Regulations for the financial year ended 31st March 2018.

5.7 Compliance with mandatory / non-mandatory requirements:

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

5.8 Code of Conduct for Prevention of Insider Trading:

In compliance with 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 to by the Directors, Senior Management Personnel and other persons covered under this Code. 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 and cautioning them on the consequences of non-compliances thereof.

The Company regularly follows closure of trading window prior to the publication of price sensitive information. The Company has been advising the Directors, Senior Management Personnel and other persons covered by the Code not to trade in Company's securities during the closure of trading window period.

The Company has formulated a Code of Practices and Procedures for fair disclosure of "Unpublished Price Sensitive Information" (UPSI) and a Code of Conduct to regulate, monitor and report trading by insiders in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations 2015, effective from 15th May 2015.

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

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

6. Nomination and Remuneration Committee (NRC)

6.1 Composition of the Committee:

As at 31st March 2018, NRC consists of M/s T Kannan and C R Dua, Non-executive and Independent directors and H Lakshmanan, Non-executive and Non-Independent director. Mr T Kannan is the Chairman and Mr K S Srinivasan, Company Secretary is the Secretary of the Committee.

All the members were present at the meetings held on 26th April 2017, 31st October 2017, 29th January 2018 and 26th February 2018.

Mr T Kannan, Chairman of the NRC was not present at the AGM held on 11th August 2017 due to prior commitments. However, he had authorized a member of the Committee to represent him at AGM, for replying to the queries of the Shareholders.

6.2 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.

6.3 The role / scope of NRC is as follows:

- To make recommendations to the Board with respect to incentive compensation plans for the Executive Director(s) and remuneration of Non-Executive Director(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 the appointment /removal of Director(s), KMP and 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.

6.4 Evaluation Criteria

The NRC laid down the criteria for evaluating the performance of every Director, Committees of the Board and the Board as a whole and also the performance of KMP and SMP.

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, performance and reporting by various committees set up by the board.

As per the Companies Amendment Act 2017, evaluation of all Directors by both the Board and NRC was avoided. Pursuant to this amendment, the following changes were incorporated in NRC Policy to avoid duplication of evaluation process.

“NRC should ‘prescribe a methodology to carry out evaluation of performance of individual Directors, Committee(s) of the Board, Chairman and the Board as a whole’, and the Board should carry out the performance evaluation as per the methodology either by itself, by NRC or by an external agency”.

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. An evaluation of performance has been undertaken based on the criteria for all SMP for 2017-18 and this has been in accordance with the above process.

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

6.5 Remuneration Policy

As per the Companies Amendment Act, 2017, the Nomination and Remuneration Policy has been placed on the website of the Company in the following link <https://www.tvsmotor.com/pdf/Nomination-and-Remuneration-Policy-2018.pdf> The salient features of the policy are as follows:

NRC formulates policy to ensure that-

- the level and composition of remuneration is 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.

6.6 Remuneration to Directors:

Executive Directors:

The remuneration payable to the Chairman and Managing Director (CMD) and Joint Managing Director (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 2017-18:

(Rs. in lakhs)

Executive Directors	Salary	Comm- ission	Perq- uisites	Contribution to PF and other funds	Total
CMD	51.00	2002.07	267.44	8.67	2329.18
JMD	54.00	1201.24	133.24	9.18	1397.66

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 CMD and JMD are notwithstanding their holding similar position, in the holding company, viz., Sundaram-Clayton Limited (SCL) and drawing remuneration, as approved by its shareholders, from time to time, provided that the total remuneration drawn by them from the Company and SCL does not exceed the higher maximum limit admissible, from any one of these two companies.

The Directors are paid commission within the permissible limits approved by the Members and determined by the Board every year depending upon the performance of the Company.

Non-Executive Directors:

Sitting fees

Rs. 20,000/- each is paid to the Non-Executive Directors for every meeting of the Board and / or Committee thereof attended by them, which is within the limits, prescribed under the Act, 2013.

Commission

The Company benefits from the expertise, advice and inputs provided by IDs. 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 IDs are being paid by way of sitting fees and commission.

As approved by the Shareholders at AGM held on 12th September 2012, Non-Executive and Independent Directors (NE-IDs) are being paid commission, 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 1st April 2013 to 31st March 2018. At AGM held on 11th August 2017, the Shareholders of the Company have renewed the payment of commission to NE-IDs, on similar terms for each financial year effective 1st April 2018.

A commission of Rs.18 lakhs was paid to each such IDs, who serve as members of the Audit Committee as well and Rs.15 lakhs to other IDs for the year 2017-18. The amount of commission for every financial year will be decided by the Board, as approved by the shareholders at AGM held on 14th July 2014, 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 adequately compensates for the time and contribution made by NE-IDs.

At the AGM held on 14th July 2014, all IDs were appointed to hold office for a first term of five consecutive years from the conclusion of that AGM and to receive remuneration by way of fees, reimbursement of expenses for participation in the meetings of the Board and / or Committees and also profit related commission in terms of Section 197 of the Act, 2013 in addition to sitting fees.

Mr Rajesh Narasimhan, the non-executive non-independent director of the Company holds the position as Chief Executive Officer of TVS Motor (Singapore) Pte Limited, the subsidiary company effective 1st January 2018. During the year 2017-18, he was paid a remuneration of SGD 547160.

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

- 6.7 Particulars of sitting fees / commission paid to the Non-Executive and Independent / Non-Independent Directors during the financial year 2017-18 are as follows:

(Rs.in lakhs)

Name of the Directors (M/s)	Sitting Fees	Commission	Total
H Lakshmanan	2.60	-	2.60
Dr. Lakshmi Venu	0.80	-	0.80
T Kannan	3.00	18.00	21.00
C R Dua	3.00	18.00	21.00

Name of the Directors (M/s)	Sitting Fees	Commission	Total
R Ramakrishnan	2.40	18.00	20.40
Prince Asirvatham	2.40	18.00	20.40
H K Singh	1.20	15.00	16.20
Rajesh Narasimhan	0.60	3.37*	3.97
Total	16.00	90.37	106.37

* for part of the year.

- 6.8 Details of shareholdings of Non-Executive Directors in the Company as on 31st March 2018:

Name of the Directors (M/s)	No. of equity shares held
T Kannan	5,000
H Lakshmanan	55,870
R Ramakrishnan	1,08,000
C R Dua	-
Prince Asirvatham	1,000
H K Singh	-
Dr. Lakshmi Venu	-
Rajesh Narasimhan	-

7. Stakeholders' Relationship Committee (SRC):

- 7.1 The Stakeholders' Relationship Committee consists of three members viz., M/s Venu Srinivasan and Sudarshan Venu, Executive and Non-Independent Directors and Mr R Ramakrishnan, Non-Executive and Independent Director. Mr R Ramakrishnan, is the Chairman of the Committee and he was present at AGM held on 11th August 2017.
- 7.2 As required by SEBI (LODR) Regulations, Mr K S Srinivasan, 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.
- 7.3 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 Meetings	Members present (M/s)
27.04.2017	Venu Srinivasan and Sudarshan Venu
11.08.2017	R Ramakrishnan, Venu Srinivasan and Sudarshan Venu
01.11.2017	R Ramakrishnan and Venu Srinivasan
30.01.2018	R Ramakrishnan, Venu Srinivasan and Sudarshan Venu

7.4 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 redressal of investors' grievances pertaining to the transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends etc. The Company, in order to expedite the process of share transfers delegated the power of share transfers to an officer of the Share Transfer Agent (STA). The Company, as a matter of policy, disposes of investors' complaints within a span of seven days.

7.5 Complaints received and redressed during the year 2017-18:

Nature of complaints	No. of complaints received and redressed
Non-receipt of share certificates	4
Non-receipt of dividend warrants	6
Others	3
TOTAL	13

7.6 All the queries and complaints received during the financial year ended 31st March 2018, were duly redressed and no queries 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 was pending.

7.7 Reconciliation of Share Capital Audit:

A Practising Company Secretary carried 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 was regularly placed before the Board for its perusal.

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:

The Corporate Social Responsibility Committee consists of three Directors viz., M/s Venu Srinivasan, H Lakshmanan and Prince Asirvatham. Mr Venu Srinivasan is the Chairman of the Committee.

The details of CSR Policy, initiatives and spending are spelt out in the Directors Report.

During the year, the Committee met on 27th April 2017 and all the members were present at the meeting.

9. Administrative Committee:

The Administrative Committee consist of three directors viz., M/s Venu Srinivasan, T Kannan and H Lakshmanan. 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 Meetings	Members present (M/s)
19.07.2017	Venu Srinivasan and H Lakshmanan
28.09.2017	Venu Srinivasan, T Kannan and H Lakshmanan
17.01.2018	

10. General body meeting

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

Year	Venue of the meeting	Date	Time
2014-15	The Music Academy, New No.168, (Old No.306), T.T.K. Road, Royapettah, Chennai 600 014	29.07.2015	10.00 AM
2015-16		02.08.2016	10.35 AM
2016-17		11.08.2017	10.00 AM

10.2 Special resolutions passed in the previous three AGMs:

During the last three years, namely 2014-15 to 2016-17 approvals of the shareholders were obtained by passing special resolutions as follows:

Year	Subject Matter of Special Resolution	Date of AGM
2014-15	Nil	29.07.2015
2015-16	Nil	02.08.2016
2016-17	(i) Renewing the approval for payment of commission to Non-Executive Independent Directors, from 1 st April 2018. (ii) Appointment of Mr Rajesh Narasimhan, as an Independent Director	11.08.2017

10.3 Postal Ballot:

The Board sought the consent of Shareholders of the Company by way of special / ordinary resolutions through Postal Ballot as per the notice issued to the Shareholders on 18th November 2017 for:

1. Approving the adoption of new set of Articles of Association of the Company;

2. Approving the re-appointment of Mr Sudarshan Venu as Joint Managing Director of the Company for a further period of five years commencing from 1st February 2018; and
3. Approving the appointment of Mr Rajesh Narasimhan, Director for holding office or place of profit

The special resolutions (Item No.1 and 3) / ordinary resolution (Item No.2) were passed by the Shareholders of the Company with requisite majority.

The result of the Postal Ballot is given below:

Particulars	No. / % of votes cast in favour		No. / % of votes cast against	
	No.	%	No.	%
Item No.1	40,59,03,714	99.74	10,64,999	0.260
Item No.2	37,38,01,369	91.23	3,59,45,848	8.770
Item No.3	40,97,33,243	99.99	16,105	0.004

- 10.4 Person who conducted the Postal Ballot exercise:
Ms B Chandra, Practising Company Secretary, Chennai was appointed to act as the scrutinizer for conducting the Postal Ballot and E-voting.

- 10.5 Procedure for Postal Ballot:

1. The Board of Directors, vide resolution dated 1st November 2017, had appointed Ms B Chandra, Practising Company Secretary as the scrutinizer.
2. The despatch of the Postal Ballot Notice dated 1st November 2017 together with Explanatory Statement was completed on 18th November 2017 along with forms and postage prepaid business envelopes to all the shareholders whose name(s) appeared on the Registers of Members/list of beneficiaries as on 9th November 2017.
The said notice of Postal Ballot has been sent on 18th November 2017 in electronic mode to the Members, whose e-mail IDs were registered with the Company or the Depository Participants.
3. The voting under the Postal Ballot was kept open from Wednesday, 22nd November, 2017 at 9.00 A.M. (IST) to Thursday, 21st December, 2017 at 5.00 P.M. (IST). (either physically or electronic mode).
4. Particulars of Postal Ballot forms received from the members using the electronic platform of NSDL were entered in a register separately maintained for the purpose.
5. The Postal Ballot forms were kept under the safe custody of the Scrutinizer in sealed and

tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.

6. All Postal Ballot forms received by the scrutinizer upto 5.00 p.m. on 21st December, 2017 had 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 SEBI (LODR) Regulations and Section 108 of the Act, 2013 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 11th August 2017.

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, 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, The Times of India, Economic Times, Business Standard, The New Indian Express and Regional Newspaper viz., Dinamani.

- 11.3 Website:

The Company has in place a website www.tvsmotor.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 the Regulation 46 of SEBI (LODR) Regulations. The Company ensures that the contents of this website are periodically updated. 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 : Tuesday
7th August 2018, 10.35 A.M.

Venue : The Music Academy,
New No.168, (Old No.306),
T.T.K. Road, Royapettah,
Chennai 600 014

12.2 Financial year : 1st April to 31st March

Financial calendar : 2018-2019

Financial reporting :
for the quarter ending

30th June, 2018 : between 15th July and 14th
August, 2018

30th September, 2018 : between 15th October and
14th November, 2018

31st December, 2018 : between 15th January 2019
and 14th February 2019

31st March, 2019 : between 15th April 2019 and
30th May, 2019

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 8th 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.

Accordingly, the Board at its meeting held on 24th January 2017 had formulated a Dividend Distribution Policy, the details of which are available on the Company's website at: <https://www.tvsmotor.com/pdf/Dividend-Distribution-Policy.pdf> in compliance of the said requirement.

12.4 Listing on Stock Exchanges:

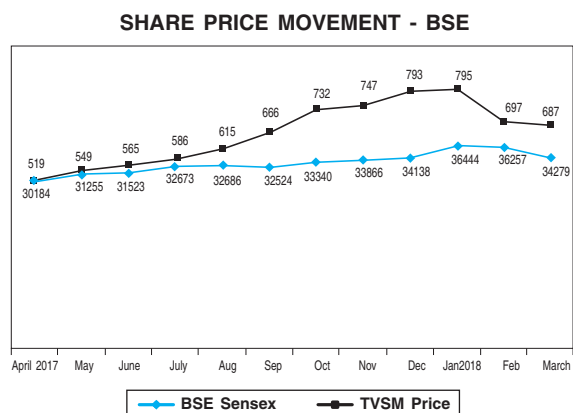
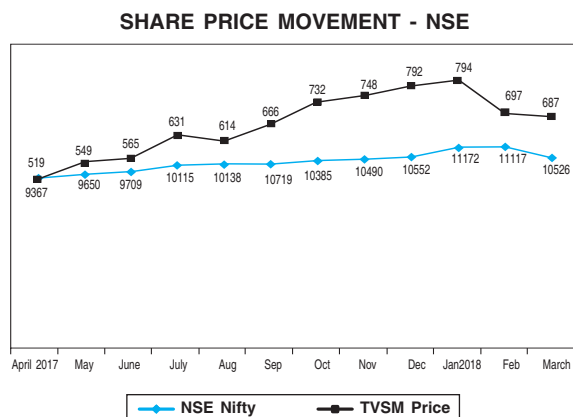
Name and address of the Stock Exchanges	Stock Code/ Symbol
BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001. India Tel. : 91 22 2272 1233 Fax : 91 22 2272 1919	532343
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. India Tel. : 91 22 2659 8100 Fax : 91 22 2659 8120	TVSMOTOR
ISIN allotted by Depositories (Company ID Number)	INE 494B01023

(Note: Annual listing fees and custodial charges for the year 2018-19 were duly paid to the above Stock Exchanges and Depositories)

12.5 Market Price Data: (in Rs.)

Month	NSE		BSE	
	High Price	Low Price	High Price	Low Price
April 2017	518.55	430.60	518.95	430.00
May 2017	549.00	490.60	549.00	490.30
June 2017	564.55	524.50	565.00	524.70
July 2017	630.75	543.15	586.00	544.10
August 2017	614.45	527.65	614.70	528.20
September 2017	666.30	605.50	666.35	605.75
October 2017	732.40	648.20	732.20	649.25
November 2017	748.40	680.50	747.00	675.00
December 2017	792.10	711.00	792.85	711.20
January 2018	794.45	683.50	794.90	684.00
February 2018	696.80	599.80	697.35	602.05
March 2018	686.85	545.40	687.30	588.45

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:

- a. Sundaram-Clayton Limited, the holding company, which has been registered with SEBI as Share Transfer Agents in Category II, has been appointed as the Share Transfer Agent of the Company (STA) with a view to rendering prompt and efficient service to the investors and in compliance with the Regulation 7 of SEBI (LODR) Regulations. The Shareholders have also been advised about this appointment of STA to handle share registry work pertaining to both physical and electronic segments of the Company effective 1st October 2004.
- b. All matters connected with the share transfer, dividends and other matters are being handled by STA located at the address mentioned in this report.
- c. Shares lodged for transfers are normally processed within 15 days from the date of lodgement, if the documents are clear in all respects.
- d. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Grievances received from investors and other miscellaneous correspondences relating to change of address, mandates etc., are processed by STA within 7 days.
- e. 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 SEBI (LODR) Regulations.
- f. 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.
- g. The Company, as required under the Regulation 6(2)(d) of SEBI (LODR) Regulations, has designated the following e-mail IDs, namely investorscomplaintssta@scl.co.in / contactus@tvs-motor.com in for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.
- h. A certificate signed by the Compliance Officer of STA and the Company Secretary towards maintenance of share transfer facility by STA in compliance with the Regulation 7(3) of the SEBI (LODR) Regulations have been obtained

and the same have been submitted to the Stock Exchanges.

- i. Shareholders are, therefore, requested to correspond with STA for transfer / transmission of shares, change of address and queries pertaining to their shareholding, dividend, etc., at their address given in this Report.

12.8 Shareholding pattern of the Company as on 31st March 2018:

Category of Shareholders	No. of shares held	%
Promoter and Promoter Group		
Bodies Corporate	27,26,82,786	57.40
Total (A)	27,26,82,786	57.40
Public Shareholding		
Mutual Funds	3,87,01,879	8.15
Banks / Financial Institutions	11,67,165	0.24
Insurance Companies	1,04,65,734	2.20
Foreign Institutional Investors	9,58,66,052	20.18
Total Institutions (B)	14,62,00,830	30.77
Bodies Corporate	1,33,28,128	2.80
Individuals holding nominal capital in excess of Rs.2 lakhs	43,16,325	0.91
Individuals holding nominal capital upto Rs. 2 lakhs	3,91,09,344	8.23
NRI Repatriable	7,09,808	0.15
NRI Non- Repatriable	5,34,933	0.11
Overseas Body Corporate	-	-
Foreign National (IND)	1,300	-
Directors & their relatives	28,50,966	0.60
Clearing members		
Total Non-Institutions (C)	5,62,03,498	12.83
Total Public Shareholding (D) = (B+C)	20,24,04,328	42.60
Grand Total (A+D)	47,50,87,114	100.00

12.9 Distribution of Shareholding as on 31st March 2018:

Shareholding (Range)	No. of members	%	No. of Shares	%
Upto 5000	1,24,775	99.09	3,01,12,901	6.34
5001-10000	657	0.52	48,30,237	1.02
10001-20000	234	0.19	34,77,873	0.73
20001-50000	115	0.09	36,87,808	0.78
50001-100000	37	0.03	27,14,530	0.57
100001 & above	104	0.08	43,02,63,765	90.56
Total	1,25,922	100.00	47,50,87,114	100.00

12.10 Dematerialization of shares and liquidity:

The promoter holding consisting of 27,26,82,786 Equity shares of Re.1/- each has been fully dematerialized. Out of 20,24,04,328 Equity Shares of Re.1/- each held by persons other than promoters 19,74,95,815 Equity Shares have been dematerialized as on 31st March, 2018 accounting for 97.57%.

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

- a) There were no pecuniary relationships or transactions with NE-IDs vis-a-vis the Company during the year under review, except payment of sitting fees and profit related commission.
- b) 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.
- c) 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.
- d) 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. Company has not entered into any commodity derivatives with any of the bankers.

12.13 Plant Locations:

Hosur	: Post Box No. 4, Harita Hosur - 635 109, Tamil Nadu, India. Tel: 04344-276780 Email: contactus@tvsmotor.com
Mysuru	: Post Box No.1 Byathahalli Village, Kadakola Post Mysuru - 571 311, Karnataka, India. Tel: 0821 - 2596561 Email: contactus@tvsmotor.com
Himachal Pradesh	: Bhatian Village, Bharatgarh Road, Tehsil Nalagarh, District Solan, Himachal Pradesh - 174 101, India Tel: 01795 - 220492 / 93 Email: contactus@tvsmotor.com

12.14 Address for investor correspondence:

- (i) For transfer / dematerialization of shares, payment of dividend on shares and any other query relating to the shares of the Company : Sundaram-Clayton Limited
Share Transfer Agent (STA)
Unit: TVS Motor Company Limited
"Jayalakshmi Estates", I Floor,
No.29, Haddows Road,
Chennai - 600 006
- (ii) For non-receipt of annual report : Email : raman@scl.co.in
sclshares@gmail.com
- (iii) For investors' grievance & general correspondence : Email : contactus@tvsmotor.com
investorscomplaintssta@scl.co.in

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:

As the Company has an Executive Chairman, disclosure under this head is not mandatory. The Non-Independent directors of the Company are liable to retire by rotation and if eligible, offer themselves for re-appointment. Specific tenure has been fixed for the independent directors in terms of Section 149 of the Act, 2013 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 in the Company's website namely www.tvsmotor.com. The results are not sent to the shareholders individually.

13.3 Audit qualifications:

The financial statements of the Company are unmodified.

14. Request to the 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 the securities of the Company.

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.

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 STA or their respective DPs.

Transfer of shares in physical mode:

Shareholders should fill up complete and correct particulars in the transfer deed, for expeditious transfer of shares. Wherever applicable, registration number of power of attorney should also be quoted in the transfer deed at the appropriate place.

Shareholders, whose signatures have undergone any change over a period of time, are requested to lodge their new specimen signature duly attested by a bank manager to the STA.

In terms of SEBI (LODR) Regulations, it has become mandatory for transferees to furnish a copy of Permanent Account Number (PAN) for registration of transfer of shares to be held in physical mode.

In case of loss / misplacement of share certificates, Shareholders should immediately lodge a FIR / Complaint with the police and inform the Company / STA with original or certified copy of FIR / acknowledged copy of complaint for marking stop transfer of shares.

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.

Registration of nominations:

Nomination in respect of shares, as per Section 72 of the Act, 2013 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.

Updation of address:

Shareholders are requested to update their addresses registered with the Company, directly through the STA, 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.

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 and www.cdslindia.com respectively.

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, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Accordingly a sum of Rs.19.78 lakhs, being unclaimed dividend, was transferred to IEPF during the year 2017-18.

Shareholders, who have not encashed their dividend warrants, in respect of 2nd Interim dividend declared for the year ended 31st March, 2011 and for any financial year thereafter may contact the Company and surrender their warrants for payment.

TVS MOTOR COMPANY LIMITED

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 the IEPF
2010-2011 2 nd Interim	29.07.2011	28.08.2011	28.08.2018
2011-2012 1 st Interim	14.03.2012	13.04.2012	13.04.2019
2011-2012 2 nd Interim	24.05.2012	23.06.2012	23.06.2019
2012-2013 1 st Interim	01.02.2013	03.03.2013	03.03.2020
2012- 2013 2 nd Interim	30.04.2013	30.05.2013	30.05.2020
2013-2014 1 st Interim	25.10.2013	24.11.2013	24.11.2020
2013-2014 2 nd Interim	29.04.2014	29.05.2014	29.05.2021
2014-2015 1 st Interim	03.02.2015	05.03.2015	05.03.2022
2014-2015 2 nd Interim	29.04.2015	29.05.2015	29.05.2022
2015-2016 1 st Interim	29.01.2016	28.02.2016	28.02.2023
2015-2016 2 nd interim	12.03.2016	11.04.2016	11.04.2023
2016-2017 1 st Interim	27.10.2016	26.11.2016	26.11.2023
2016-2017 2 nd interim	06.03.2017	05.04.2017	05.04.2024
2017-2018 1 st Interim	01.11.2017	01.12.2017	01.12.2024
2017-2018 2 nd interim	26.02.2018	28.03.2018	28.03.2025

15. Transfer of Shares to Investor Education and Protection Fund (IEPF) authority

As per Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended from time to time, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to a Demat Account opened in the name of IEPF Authority with Punjab National Bank by the Ministry of Corporate Affairs.

During the year, the Company has sent individual notices to all the shareholders whose dividends are lying unpaid / unclaimed against their name for seven consecutive years or more and also advertised on the Newspapers seeking action from the shareholders. The list of such shareholders were also displayed on the website of the Company.

In compliance with the aforesaid provisions, the Company on 30th November 2017 has transferred 4,95,199 shares and again on 27th March 2018 transferred 6,82,784 shares to the IEPF account bearing demat account no 10656671 and DPID IN300708 which is opened with Punjab National Bank.

In case the dividends are not claimed within the due date(s) mentioned above, necessary steps will be initiated by the Company to transfer shares held by

the members to IEPF. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF. As required under the said provisions, all subsequent corporate benefits that accrues in relation to the above shares will also be credited to the said IEPF Account.

In the event of transfer of shares and the unclaimed dividends to IEPF, shareholders are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5, as per the following procedures:

1. Download the Form IEPF - 5 from the website of IEPF (<http://www.iepf.gov.in>) for filing the claim for refund of shares and dividends.
2. Read the instructions provided on the website / instructions kit along with the e-form carefully before filling the form.
3. After filling/completing the form save it on your computer and submit the duly completed form by following the instructions given in the upload link on the website.
4. On successful uploading the acknowledgment will be generated indicating the SRN. This SRN is to be used for future tracking of the form.
5. Printout of the duly completed IEPF - 5 and the acknowledgment issued after uploading the form will have to be submitted together with an Indemnity Bond in original along with the other documents as mentioned in the Form IEPF-5 to the Nodal Officer of the Company in an envelope marked "Claim for refund from IEPF Authority".

In the process, general information about the Company which have to be provided are as under.

- (a) Corporate Identification Number (CIN) of Company:- L35921TN1992PLC022845
- (b) Name of the company:- TVS Motor Company Limited
- (c) Address of registered office of the company: Jayalakshmi Estates, 29, Haddows Road, Chennai 600 006.
- (d) email ID of the company:- contactus@tvsmotor.com

Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012,

the Company shall provide/host the required details of unclaimed dividend amounts referred in relevant sections of the Act, 2013 on its website and also in the Ministry of Corporate Affairs (MCA) website in the relevant form every year.

Disclosure in respect of equity shares transferred in the Company’s unclaimed suspense account

Pursuant to the requirement of Regulation 34(3) and Schedule V Part F of SEBI LODR 2015, 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
No. of shares in the unclaimed suspense account as on 1 st April 2017.	993	9,63,378
Less: No. of shares transferred to the shareholders on request during the year.	42	50,404
Less: No. of Shares transferred to IEPF A/c during the year.	720	7,33,552
No. of shares in the unclaimed suspense account as on 31 st March 2018.	231	1,79,422

GREEN INITIATIVE IN CORPORATE GOVERNANCE:

Rule 11 of the Companies (Accounts) Rules, 2014, permits circulation of Annual Report to shareholders through electronic means to such of the members whose e-mail addresses are registered with NSDL or CDSL or the shareholders who have registered their E-mail ID with the Company to receive the documents in electronic form and physical copies to those shareholders whose e-mail ids have not been either registered with the Company or with the depositories.

To support this green initiative of the Government, Members are requested to register their e-mail addresses, with the DPs, in case shares are held in dematerialized form and with the STA, in case the shares are held in physical form and also intimate changes, if any, in their registered e-mail addresses to the Company / DPs, from time to time.

Compliance with Code of Business Conduct and Ethics

To,
The shareholders of TVS Motor Company 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) Regulation 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 31st March 2018.

Place : Chennai
Date : 16th May 2018

Venu Srinivasan
Chairman and Managing Director