Sundaram-Clayton Limited

56th Annual Report 2018

Sundaram-Clayton Limited

Board of Directors

VENU SRINIVASAN
Chairman & Managing Director

Dr. LAKSHMI VENU
Joint Managing Director

SUDARSHAN VENU
Joint Managing Director

K MAHESH

GOPAL SRINIVASAN

T K BALAJI

VICE ADMIRAL P J JACOB (Retd.)

S SANTHANAKRISHNAN

V SUBRAMANIAN

R VIJAYARAGHAVAN

KAMLESH GANDHI

R GOPALAN

Audit Committee

VICE ADMIRAL P J JACOB (Retd.)
Chairman

T K BALAJI

S SANTHANAKRISHNAN

V SUBRAMANIAN

R GOPALAN

Risk Management Committee

VICE ADMIRAL P J JACOB (Retd.)
Chairman

Dr. LAKSHMI VENU

R GOPALAN

C NARASIMHAN

Stakeholders' Relationship Committee

S SANTHANAKRISHNAN
Chairman

Dr. LAKSHMI VENU

R VIJAYARAGHAVAN

Nomination and Remuneration Committee

VICE ADMIRAL P J JACOB (Retd.)
Chairman

V SUBRAMANIAN

R VIJAYARAGHAVAN

Corporate Social Responsibility Committee

VENU SRINIVASAN
Chairman

Dr. LAKSHMI VENU

VICE ADMIRAL P J JACOB (Retd.)

Executive Director

H LAKSHMANAN

Chief Financial Officer

V N VENKATANATHAN

Company Secretary

R RAJA PRAKASH

Statutory Auditors

M/s. Raghavan, Chaudhuri & Narayanan
Chartered Accountants,
No. 17/12, II Floor, Casa Capitol,
Wood Street, Ashoknagar,
Bengaluru - 560 025.
Tel. : 080-2556 7578 / 2551 4771
E-mail : sathya@nca-india.com

Cost Auditor

A N RAMAN
Cost Accountant,
No.10, P. Muthukumaraswami Salai,
Off. Baby Nagar 1st Main Road, Velachery,
Chennai - 600 042.
Tel. : 044-2243 3462
E-mail : anraman@gmail.com

Secretarial Auditor

B CHANDRA
Practising Company Secretary
AG 3, Ragamalika,
No. 26, Kumaran Colony Main Road,
Vadapalani, Chennai 600 026
Tel. : 044-2362 0157
E-mail : bchandra1@gmail.com

Shares listed with

BSE Limited (BSE)
National Stock Exchange of India Limited (NSE)

Share Transfer Department

"Jayalakshmi Estates", 1st Floor,
29, Haddows Road,
Chennai - 600 006
Tamil Nadu, India.
Tel. : 044 - 2827 2233
Fax : 044 - 2825 7121
E-mail : raman@scl.co.in
investorscomplaintssta@scl.co.in

Bankers

STATE BANK OF INDIA
Corporate Accounts Group Branch,
Chennai.

Registered Office

"Jayalakshmi Estates"
29, Haddows Road
Chennai - 600 006, Tamil Nadu, India.
Tel. : 044 - 2827 2233
Fax : 044 - 2825 7121
CIN : L35999TN1962PLC004792
E-mail : corpsec@scl.co.in
Website: www.sundaram-clayton.com

Plant Locations

Padi

Chennai - 600 050, Tamil Nadu, India.
Tel. : 044 - 2625 8212

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

Oragadam

Plot No.B-14, SIPCOT
Industrial Growth Centre,
Sriperumbudur Taluk,
Kancheepuram District - 602 105
Tamil Nadu, India.
Tel. : 044 - 6710 3300

Hosur

Hosur - Thally Road
Belagondapalli
Hosur - 635 114, Tamil Nadu, India.
Tel. : 04347 - 233 445

Subsidiary Companies

TVS Motor Company Limited
Sundaram-Clayton (USA) Limited, USA
Sundaram Auto Components Limited
TVS Housing Limited
TVS Motor Services Limited
TVS Credit Services Limited
PT. TVS Motor Company Indonesia, Jakarta
TVS Motor Company (Europe) B.V., Amsterdam
TVS Motor (Singapore) Pte. Limited, Singapore
Sundaram Holding USA Inc., USA

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FINANCIAL HIGHLIGHTS INCLUDING SELECTED INDICATORS AND RATIOS

(Rupees in crores)

Financial Year ended	2009	2010	2011	2012	2013	2014	2015	2016**	2017**	2018**
Sales	492.4	492.7	805.7	1,017.0	1,018.6	1,196.8	1,346.1	1,527.9	1,515.4	1,672.3
Other income	36.3	46.3	22.2	34.2	38.1	35.8	55.0	105.1	74.3	94.4
Total	528.7	539.0	827.9	1,051.2	1,056.7	1,232.6	1,401.1	1,633.0	1,589.7	1,766.7
Exceptional Income	-	-	-	25.3	-	5.8	3.1	6.0	2.3	-
Total Income	**528.7**	**539.0**	**827.9**	**1,076.5**	**1,056.7**	**1,238.4**	**1,404.2**	**1,639.0**	**1,592.0**	**1,766.7**
Gross profit before interest, depn & tax	60.1	71.8	107.8	166.7	127.9	149.7	181.1	249.8	208.9	107.6
Depreciation	31.0	37.6	40.8	47.3	51.3	53.2	59.8	55.0	60.6	73.1
Profit before interest & tax	29.1	34.2	67.0	119.4	76.6	96.5	121.3	194.8	148.3	34.5
Interest	22.1	20.5	21.7	38.4	44.3	35.7	36.9	32.3	28.6	33.7
Profit before taxation	7.0	13.7	45.3	81.0	32.3	60.8	84.4	162.5	119.7	0.8
Profit after taxation	6.3	12.4	37.3	72.3	35.4	53.7	71.2	144.4	105.6	54.9
Net Fixed assets	304.3	307.4	366.1	395.0	408.8	405.9	418.2	456.9	531.4	699.9
Net current assets	219.0	172.6	212.6	230.0	248.6	256.0	289.1	290.0	257.6	321.2
Share capital	9.5	18.9 [a]	18.9	9.5 [b]	9.5	10.1 [c]	10.1	10.1	10.1	10.1
Reserves & surplus	221.9	225.4	241.3	273.0	282.6	333.5	364.5	493.0	601.5	653.9
Net worth	231.4	244.3	260.2	282.5	292.1	343.6	374.6	503.1	611.6	664.0
Loan funds	339.3	288.7	359.5	389.7	414.3	362.2	378.2	369.1	354.2	665.5
Deferred taxation (net)	19.9	20.3	21.7	20.0	16.9	18.5	22.3	30.0	35.8	(20.1)
EPS (Rs)	3.3	3.3	9.8	30.1	18.7	27.0	35.2	71.4	52.2	27.1
DPS (Rs)	2.0	1.8	5.8	11.5	14.0	19.3	19.0	41.0	31.5	15.0
Book value per share (Rs)	122.0	64.4	68.6	148.9	153.9	169.8	185.2	248.7	302.3	328.2
Return on capital employed (ROCE) %	5.2	6.0	11.2	17.9	10.8	13.3	16.2	23.2	15.6	3.0
Return on net worth (RONW) %	2.7	5.2	14.8	26.6	12.3	16.9	19.8	32.9	18.9	8.6
Fixed assets turnover (no. of times)	1.8	1.6	2.4	2.7	2.5	2.9	3.3	3.5	3.1	2.7
Working capital turnover (no. of times)	2.3	2.5	4.2	4.6	4.3	4.7	4.9	5.3	5.5	5.8
Gross profit as % of sales (EBITDA)	12.2	14.6	13.4	13.9	12.6	12.0	13.2	15.9	13.6	6.4
Gross profit as % of total income	11.4	13.3	13.0	13.4	12.1	11.7	12.7	14.9	13.0	6.1
Net profit as % of total income	1.2	2.3	4.5	4.5	3.4	3.9	4.9	8.5	6.5	3.1

ROCE is profit before interest and taxation divided by average capital employed

RONW is profit after tax divided by average networth

Fixed assets turnover is sales divided by average net fixed assets as at the end of the year.

Working capital turnover is sales divided by average net current assets as at the end of the year.

Profitability ratios are calculated without considering exceptional income.

[a] Bonus issue of 1:1 in 2009.

[b] Capital reduction consequent to approval of scheme of arrangement by the Hon'ble High Court of Judicature at Madras.

[c] IPP Issue of 12,64,501 equity shares.

Notes:

1) 2011-12 financials were prepared giving effect to composite scheme of arrangement between Sundaram-Clayton Limited(SCL), Anusha Investments Limited (AIL) and Sundaram Investment Limited (SIL) as approved by the Hon'ble High Court of Judicature at Madras. Hence, the figures of 2011-12 are not comparable with that of previous years.

2) The figures from 2010-11 are based on the Revised Schedule VI classifications. The figures upto 2009-10 are based on the respective year's reported results.

3) ** i) Figures for these years are as per new accounting standards (Ind AS) and Schedule III of Companies Act, 2013. ROCE and RONW for these years are computed on the basis of figures as per Ind AS. Hence these numbers are not comparable with previous years.

   ii) Sales figures are inclusive of excise duty.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 56th Annual General Meeting of the Company (AGM) will be held on Monday, the 20th August, 2018 at 10.25 A.M at 'The Music Academy', New No. 168 (Old No. 306) T.T.K. Road, Royapettah, Chennai 600 014 to transact the following business:

ORDINARY BUSINESS

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

   "RESOLVED THAT the audited balance sheet as at 31st March, 2018, the statement of profit and loss, statement of changes in equity, the cash flow statement for the year ended on that date, notes forming part thereof and the consolidated financial statements, together with the Directors' Report and the Auditors' Report thereon as circulated to the members and presented to the meeting be and the same are hereby approved and adopted."

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

   "RESOLVED THAT Dr. Lakshmi Venu (holding DIN 02702020), Director, who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company."

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

   "RESOLVED THAT Mr Gopal Srinivasan (holding DIN 00177699), Director, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS

4. To consider passing the following resolution as a special resolution:

   RESOLVED THAT subject to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended), continuation of Mr K Mahesh, (holding DIN 00051438) as a Non-Executive Director of the Company on attaining 75 years of age, be and is hereby approved.

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

   RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), remuneration of Rs. 3,00,000/- (Rupees three lakhs only), in addition to reimbursement of all applicable taxes, travelling and out-of-pocket expenses, payable to Mr A N Raman, Practising Cost Accountant, holding Membership No. 5359, allotted by The Institute of Cost Accountants of India, who was re-appointed as Cost Auditor of the Company for the year 2018-19 by the Board of Directors of the Company, as recommended by the Audit Committee be and is hereby ratified.

By order of the Board of Directors

Chennai
22nd May 2018

R Raja Prakash
Company Secretary

Registered Office:
"Jayalakshmi Estates"
29, Haddows Road,
Chennai - 600 006,
Tamil Nadu, India

Notes:

The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, (the Act, 2013) in respect of the special business to be transacted at the AGM, as set out in the Notice is annexed hereto.

Proxy

1. **A Member entitled to attend and vote at the meeting is entitled to appoint one or more Proxies to attend and vote instead of himself and the Proxy or Proxies so appointed need not be a Member or Members, as the case may be, of the Company. The instrument appointing the Proxy and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that Power of Attorney or other authority shall be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for holding the meeting.**

   A person shall not act as a Proxy for more than 50 Members and holding in aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a Proxy for a Member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person.

2. During the period beginning 24 hours before the time fixed for commencement of AGM and ending with the conclusion of the AGM, a Member is entitled to inspect the Proxies lodged, at any time during the business hours of the Company.

Unclaimed Dividend

3. In terms of Section 124 of the Act, 2013, the dividend declared by the Company, for earlier years, which remain unclaimed for a period of seven years will be transferred on due dates to the Investor Education and Protection Fund (IEPF), established by the Central Government. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished in the Report on Corporate Governance, forming part of the Annual Report.

4. Members who have not encashed their dividend warrants in respect of the above period are requested to make their claim(s) by surrendering the un-encashed warrants immediately to the Company.

Pursuant to The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is providing / hosting the required details of unclaimed amount referred to under Section 124 of the Act, 2013 on its website and also on the website of the Ministry of Corporate Affairs (MCA) viz., www.iepf.gov.in.

General

5. With a view to serving the Members better and for administrative convenience, Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
6. A Corporate Member, intending to send its authorised representative to attend the meeting in terms of Section 113 of the Act, 2013 is requested to send to the Company a certified copy of the Board Resolution / Power of Attorney authorizing such representative to attend and vote on its behalf at the meeting.
7. Members may also note that the Notice of AGM and the Annual Report will also be available on the Company's website viz., www.sundaram-clayton.com for their download. The physical copies of the aforesaid documents including annexures along with Notice will also be available at the Company's Registered Office for inspection during 10.00 a.m. to 12.00 Noon on all working days, from 23rd July 2018 till the date of AGM.
8. As a measure of economy, copies of the Annual Report will not be distributed at the venue of AGM. Members are, therefore, requested to bring their copies of the Annual Report to the meeting.
9. Members are requested to affix their signatures at the space provided in the Attendance Slip annexed to Proxy Form. Members / Proxies / Authorised Representatives are requested to bring the Attendance Slips duly filled in for attending the meeting. Members are requested to write their Folio Number in the Attendance Slip duly filled in for attending the meeting and handover the Slip at the entrance of the meeting hall.

Members holding shares in electronic form

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members are requested to submit their PAN to the Depository Participant(s) (DP) with whom they are maintaining their demat accounts.
11. Members are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC Code, Mandates, Nominations, Power of Attorney, Change of Address / Name / e-mail Address / Contact Numbers, etc., to their DP.
12. The Company will not entertain any direct request from such Members for deletion or change of such bank details. Instructions, if any, already given by Members in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares in electronic form.
13. Electronic copy of the Annual Report and the Notice of the AGM *inter-alia* indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form are being sent to all the Members whose e-mail IDs are registered with the Company / DPs for communication purposes, unless any Member has requested for a hard copy of the same.
14. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the Members may also send their requests to investorscomplaintssta@scl.co.in.

Members holding shares in physical form

15. Members can submit their PAN details to the Company / Share Transfer Agent (STA).
16. Members are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, Mandates, Nomination as per Section 72 of the Act, 2013 by filling Form SH-13, Power of Attorney, Change of Address / Name / e-mail Address / Contact Numbers, etc., with the Company / STA. Blank forms (SH-13) will be supplied on request.
17. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.

    Members who have not registered their e-mail address, physical copies of Annual Report and the Notice of the AGM *inter-alia* indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.

Voting

18. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The Members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-Voting').
19. The facility for voting through Ballot Papers shall be made available at the venue of AGM and the Members attending the AGM who have not cast their vote by remote e-Voting shall be able to vote at AGM.
20. In case of joint holders attending AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
21. In terms of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended ('the Rules') and Regulation 44 of SEBI (LODR) Regulations, the Company has provided facility to exercise votes through electronic voting system, to Members holding shares as on 13th August 2018 being the "Cut-off date"("Cut-off" for the purpose of Rule 20(4)(vii) of the Rules) fixed for determining voting rights of Members entitled to participate in the e-Voting process through the e-Voting platform provided by NSDL viz., www.evoting.nsdl.com.

    The voting rights of the Members/Beneficial Owners will be reckoned on the Equity Shares held by them as on Cut-off date. Members as on the Cut-off date only shall be entitled to avail the facility of remote e-Voting or Ballot Paper.

The instructions for remote e-Voting are as under:

(A) For Members - who receive Notice of AGM through e-mail:

(i) Launch internet browser - www.evoting.nsdl.com;

(ii) Enter the login credentials, i.e., User ID and Password mentioned in your e-mail. However, if you have already registered with NSDL for e-Voting, you can use your existing User ID and Password for casting your votes;

(iii) Initial Password is provided in the body of the e-mail;

(iv) After entering the details appropriately, click on LOGIN;

(v) You will reach the Password Change menu wherein you are required to mandatorily change your Password. The new Password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$ etc). It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential;

(vi) You need to login again with the new credentials;

(vii) On successful login, the system will prompt you to select the EVEN, i.e Sundaram-Clayton Limited;

(viii) On the voting page, the number of shares (which represents the number of votes) as held by the Member as on the Cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolutions, then enter all the number of shares and click "FOR" / "AGAINST", as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the 'Cut-off date'. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head;

(ix) Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account;

(x) Cast your votes by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click 'OK' to confirm or 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolutions;

(xi) Corporate / Institutional Members are required to send scanned copy (PDF/JPG Format) of the relevant Board resolution / Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail bchandra1@gmail.com, with a copy marked to evoting@nsdl.co.in;

(xii) Members can cast their vote online from 17th August 2018 (Friday) (9 a.m.) till 19th August 2018 (Sunday) (5 p.m.) through remote e-Voting. Thereafter, the remote e-Voting module will be disabled by NSDL for voting and hence e-Voting will not be allowed after the aforesaid date and time;

Only Members as on the Cut-off date who have not cast their vote through remote e-Voting will be able to exercise their voting right at AGM through Ballot Paper;

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

A person who is not a Member as on the Cut-off date should treat this Notice for information purposes only; and

(xiii) In case of any query, the Member may refer the Frequently Asked Questions (FAQs) and remote e-Voting user manual for Members available at the downloads Section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

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

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

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

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

(C) General Instructions:

(i) Members holding shares as on the "Cut-off date" will be entitled to vote through remote e-Voting or at the venue of AGM through Ballot Paper;

(ii) The Notice of AGM is being sent (by e-mail where e-mail ID is available and in physical form in other cases) to the Members holding shares of the Company as on 16th July 2018;

Where Notice is sent by e-mail, User ID and Password are sent in the e-mail itself. Where Notice is sent in physical form, User ID and Password are printed at the bottom of the Attendance Slip for the AGM sent alongwith the Notice;

Shareholders who become Members of the Company, after despatch of Notice and hold shares as on 13th August 2018 may obtain the User ID and Password for e-Voting by sending an e-mail, intimating DP ID and Client ID / Folio No. to raman@scl.co.in or Member may send an e-mail request to evoting@nsdl.co.in or can vote through Ballot Paper distributed at the venue of AGM;

(iii) M/s B Chandra & Associates, Company Secretaries (Firm No. P2017TN065700), Chennai has been appointed by the Board of Directors as scrutinizer for conducting the remote e-Voting process and voting through Ballot Papers at the AGM, in a fair and transparent manner;

(iv) The Scrutinizer shall, immediately after the conclusion of the voting at AGM, first count the votes cast at the meeting, thereafter unlock the votes through remote e-Voting in the presence of atleast two witnesses, not in employment of the Company and make, within 48 hours from the conclusion of AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company or any other Director, who shall countersign the same; and

(v) The Scrutinizer will submit their report to the Chairman, or any other Director of the Company, who will declare the result of the voting. The results declared along with the Scrutinizer's report will be placed on the Company's website www.sundaram-clayton.com & on the website of NSDL www.evoting.nsdl.com and shall also be communicated to the Stock Exchanges. All the resolutions, subject to receipt of requisite number of votes, shall be deemed to be passed at the AGM scheduled to be held on 20th August 2018;

22. Route-map to the venue of AGM is provided in the Attendance Slip;

23. Any query relating to financial statements must be sent to the Company's Registered Office atleast 7 days before the date of AGM;

24. In accordance with the provisions of Article 129 of the Articles of Association of the Company, Dr. Lakshmi Venu, Mr Gopal Srinivasan will retire by rotation at AGM and being eligible, offer themselves for re-appointment. As per the recent amendment to SEBI (LODR) Regulations, approval of the members is also sought for continuation of Mr K Mahesh as Non-Executive Director of the Company; and

25. In terms of 36(3) of SEBI (LODR) Regulations read with Secretarial Standards on General Meeting, brief profile of the directors, who are proposed to be re-appointed / appointed in this AGM, nature of their expertise in specific functional areas, other Directorships and committee memberships, their shareholding and relationship with other Directors of the Company are given below:

I. Dr. Lakshmi Venu

Dr. Lakshmi Venu, aged 35 years, a graduate of Yale University, holds a Doctorate in Engineering Management from the University of Warwick.

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

Dr. Lakshmi Venu is the Deputy Managing Director of TAFE Motors and Tractors Limited. She also holds Directorships in various other companies.

She does not hold any share in the Company.

She has attended all five Board meetings held during the year 2017-18.

She is a member of the Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of the Company.

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

Details of her other Directorships and Memberships of Committees are given below:

S. No.	Name of the Company	Position held	Committee Membership
1.	TAFE Motors and Tractors Limited	Deputy Managing Director	-
2.	TVS Motor Company Limited	Director	-
3.	Sundram Non-Conventional Energy Systems Limited	Director	-
4.	Sundaram Auto Components Limited	Director	Corporate Social Responsibility Committee
5.	WABCO India Limited	Independent Director	Corporate Social Responsibility Committee
6.	LV Trustee Private Limited	Director	-
7.	Sundaram-Clayton (USA) Limited	Director	-
8.	Sundaram Holding USA Inc.	Director	-

II. Mr Gopal Srinivasan

Mr Gopal Srinivasan, aged 59 years, is the Chairman & Managing Director of TVS Capital Funds Private Limited that has launched an India focused growth private equity fund. The vision is to develop and nurture India's mid-cap businesses into world class companies. The fund will make investments in companies that are at the intersection of high growth consumer consumption driven opportunities and a developmental theme, such as organizing the unorganized/ inefficient sectors. The fund will target to source proprietary investment opportunities, and be a strategic partner to the entrepreneur and the enterprise to help expand businesses beyond their existing roots, professionalize their operations and enhance their management team.

Mr Gopal Srinivasan, a member of the TVS family, is the founder and Chairman of TVS Electronics Limited, and is

a Director in T V Sundram Iyengar & Sons Private Ltd, the Holding Company and several group companies. He was also a Board member in Great Lakes Institute of Management.

He was the Chairman of the "Confederation of Indian Industry (CII)" Tamil Nadu State Council for the fiscal year 2007-08. He was also the Chairman of CII National Committee for Private Equity & Venture Capital for the fiscal year 2010-11. He has also served on various leadership roles in several business associations.

Mr Gopal Srinivasan has incubated over eight businesses, and has over twenty eight years of operational experience in India, along with a wide network of relationships across the world.

A passionate entrepreneur, he is also actively involved in the promotion of Entrepreneurship as an angel investor. He is associated with Chennai Angels as well as TIE (The Indus Entrepreneurs) where he provides guidance to the budding entrepreneurs on incubating businesses.

He earned a B.Com degree from Loyola College, Chennai and an MBA from University of Michigan, USA.

He is a member of the Administrative Committee of Directors of the Company.

He holds 66 Equity Shares in the Company and he is related to Mr Venu Srinivasan, Chairman & Managing Director of the Company.

Details of his other Directorships and Memberships / Chairmanships of Committees are given below:

S. No.	Name of the Company	Position held	Committee Membership/ Chairmanship
1.	TVS Electronics Limited	Chairman	-
2.	Harita Techserv Limited	Chairman	-
3.	Lucas-TVS Limited	Director	-
4.	TVS Logistics Services Limited	Director	-
5.	Wonderla Holidays Limited	Director	Audit Committee Nomination and Remuneration Committee (*) Corporate Social Responsibility Committee
6.	Indian Energy Exchange Limited	Director	Stakeholder's Relationship Committee Strategic Committee Technology Advisory Committee
7.	TVS Capital Funds Private Limited	Chairman and Managing Director	-
8.	TVS Investments Private Limited	Chairman and Managing Director	-
9.	T V Sundram Iyengar & Sons Private Limited	Director	-
10.	Sundaram Industries Private Limited	Director	-
11.	TVS Wealth Private Limited	Director	-
12.	Nextwealth Entrepreneurs Private Limited	Director	-
13.	Cointribe Technologies Private Limited	Director	-

(*) Indicates Committee in which the Director holds the position as Chairman

III. **Mr K Mahesh**

Mr K Mahesh, aged 74 years, is a B.Tech graduate in Metallurgy from I.I.T., Chennai. He was the past President of Automotive Component Manufacturers Association of India (ACMA) and also the past Chairman of ACMA Centre for Technology. He is the founder trustee of TSK Memorial Trust. He was the member of the National Council of Confederation of Indian Industry.

He is the Chairman of Sundaram Brake Linings Limited.

He holds 504 Equity Shares in the Company. He is not related to any Director of the Company.

Details of his other Directorships and Memberships of Committees are given below:

S. No.	Name of the Company	Position held	Committee Membership/ Chairmanship
1.	Sundaram Brake Linings Limited	Chairman	Corporate Social Responsibility Committee
2.	Southern Roadways Limited	Director	-
3.	Sundaram Textiles Limited	Director	-
4.	T V Sundram Iyengar & Sons Private Limited	Whole-Time Director	-
5.	TVS Global Trade Private Limited	Director	-

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory statement sets out all material facts relating to the special business mentioned in the accompanying Notice dated 22nd May 2018 and shall be taken as forming part of the Notice.

Item No. 4

As per the recent amendment to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations), effective 1st April 2019, appointment of a person or continuation of a person as a Non-Executive Director who has attained the age of 75 years, requires a special resolution to that effect and the explanatory statement annexed to the Notice for such motion shall indicate the justification for appointing such a person.

Mr K Mahesh, the Non-Executive Non-Independent Director (NE-NID) of the Company presently aged 74 years will attain 75 years of age by October 2018.

In view of his reappointment at the 55th AGM held in 2017, his current tenure of office as NE-NID would continue beyond 1st April 2019. Therefore, the Nomination and Remuneration Committee (NRC) considered and reviewed his brief profile and it was satisfied with the appropriate mix of skills, experience and his competency in the automotive industry.

Both the NRC and Board considered that it will be prudent and beneficial to appoint him as NE-NID of the Company, liable to retire by rotation and recommended the proposal of his continuance as a Director for approval of the Shareholders, by way of special resolution.

Except Mr K Mahesh, Director, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in Item No.4 of this Notice.

The Board, therefore, recommends the special resolution, as set out in item No.4, for re-appointment of Mr K Mahesh, as a Director of the Company, to be approved by the Shareholders.

Item No. 5

As recommended by the Audit Committee, the Board at its meeting held on 22nd May 2018, re-appointed Mr A N Raman, Practising Cost Accountant, having membership no. 5359, as Cost Auditor of the Company, in terms of Section 148 of the Act, 2013 and fixed a sum of Rs. 3,00,000 (Rupees three lakhs only) as remuneration payable to him for the financial year 2018-19, subject to ratification by the Shareholders of the Company.

In terms of Section 148 (3) of the Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditor, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the Shareholders at the ensuing AGM of the Company.

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

The Directors, therefore, recommend the ordinary resolution, as set out in Item No.5 for ratification of remuneration payable to the Cost Auditor of the Company.

By order of the Board of Directors

Chennai
22nd May 2018

R Raja Prakash
Company Secretary

Registered Office:
"Jayalakshmi Estates"
29, Haddows Road,
Chennai - 600 006,
Tamil Nadu, India