

TVS MOTOR COMPANY LIMITED

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PROCEEDINGS OF THE TWENTY FIRST ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF TVS MOTOR COMPANY LIMITED HELD ON FRIDAY, THE 19TH JULY 2013, AT 10.00 A.M. AT 'THE MUSIC ACADEMY', NEW NO. 168 (OLD NO. 306), T.T.K. ROAD, ROYAPETTAH, CHENNAI 600 014

Present

Mr Venu Srinivasan, chairman and managing director
Mr T Kannan, director
Mr H Lakshmanan, director
Mr R Ramakrishnan, director
Mr Prince Asirvatham, director
Mr Hemant Krishan Singh, director
Mr Sudarshan Venu, whole time director

By invitation

Mr S Venkatraman, Partner
M/s V Sankar Aiyar & Co
Chartered Accountants,
Mumbai

In Attendance

Mr K N Radhakrishnan, president & ceo
Mr S G Murali, chief finance officer
Mr K Sukumar, senior vice president - finance
Mr K Subramanian, general manager - finance
Mr K S Srinivasan, company secretary

Members Present

2,571 members in person and 46 members by proxy

Mr Venu Srinivasan, chairman and managing director occupied the chair.

Chairman called the meeting to order, as the requisite quorum was present.

Chairman then informed the shareholders that the Register of Directors' Shareholdings, in terms of Section 307 of the Companies Act, 1956, was produced at the commencement of the annual general meeting and it remained open and was accessible during the continuance of the said meeting to the shareholders of the Company.

With the consent of the members present, the notice dated 30th April 2013, convening the annual general meeting of the Company was taken as read.

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Chairman then requested Mr K S Srinivasan, company secretary to read out the auditors' report to the shareholders. The auditors' report was then read out by the company secretary. The annexure to the auditors' report was taken as read with the consent of all the members present.

He then delivered his address to the shareholders, covering various aspects such as (i) the performance of two wheeler industry; (ii) performance of the Company for the financial year 2012-2013; (iii) industry forecast for the year 2013-2014; (iv) the plan for the year 2013-14; and (v) awards won by the Company.

He also explained about the measures being undertaken for improving the performance of the Company's subsidiaries.

He then took up the business mentioned in the notice seriatim.

Ordinary Business**(1) Adoption of Accounts**

Mr Vidya Sankar, a member, (Folio No. IN 1204470005731511) moved the following resolution as an ordinary resolution:

"RESOLVED THAT the audited balance sheet as at 31st March 2013, the statement of profit and loss and cash flow statement for the year ended on that date, together with the directors' report and the auditors' report thereon, as presented to the meeting, be and the same are hereby, approved and adopted".

Mr Sridharan, a member (Folio No. IN302148 Client ID 10109728) seconded the same.

Chairman then invited the members to seek clarifications / queries, if any, on the audited annual accounts of the Company for the year ended 31st March 2013. There were queries from some of the shareholders seeking certain clarifications primarily on the following specific points -

- ✕ Dividend policy and Pay-out ratio for declaration of dividend;
- ✕ Need for appointment of Mumbai based auditors, instead of Chennai based auditors, which would help reduction in travelling and other stay expenses;
- ✕ Suggestion for merger of non-profit making subsidiaries with the parent company, since some of the subsidiaries were incurring losses;

- ❖ Disclosure of 'unclaimed dividend' in the table showing particulars of unclaimed dividend from the financial year 2005-06 in the annual report, to be transferred to Investor Education Protection Fund (IEPF) and the outstanding amount shown in the books;
- ❖ Suggestion for more reminders to be sent to the shareholders, since the 'unclaimed dividend', remaining with the Company after payment of all taxes, goes to the account of the government to a fund called IEPF, since such reminder would help shareholders to claim the unclaimed dividend;
- ❖ Suggestion for providing free garage facility to employees who use TVS vehicles as part of marketing strategy of the Company;
- ❖ Compensation to independent directors like commission, travel reimbursement, sitting fees, accommodation, etc., to be avoided, since holding the position of an independent director is an honourable act by itself and it is an honour for them to be on the board;
- ❖ Introduction of an appraisal like system to review the performance / working of independent directors as the Company does for its employees and in the absence of such system, how the evaluation of their performance is assessed; and
- ❖ There were also suggestions on the timing of the annual general meeting to suit the convenience of the shareholders, arrangement for factory visit of the shareholders, offer of discounts to the shareholders for purchase of the Company's products etc.

Chairman, while appreciating their good participation in the proceedings, making valuable suggestions and seeking clarifications by analysing the performance of the Company, replied to the queries raised by the shareholders, as follows:

Dividend pay-out:

Chairman explained about the dividend policy of the Company and maintenance of an average 25% pay out. He also explained that the Company has been balancing it out between the good year and bad year. There is a very clear policy for dividend pay-out, being followed systematically.

TVS MOTOR COMPANY LIMITED**Unclaimed dividend:**

Chairman explained that, as per the provisions of the Companies Act, 1956, the Company would be required to keep unclaimed dividends in a special account for a period of seven years and beyond this period, the same would be transferred to IEPF account.

He informed that a specific website viz., www.mca.gov.in which links to the dedicated IEPF website made available by the Government for the benefit of the shareholders. Similarly, in the website of the Company also, the list of unpaid dividends were displayed for information of the shareholders. He assured that the Company always takes its best efforts to advise the shareholders about it.

Independent directors and their commission:

Chairman explained that the Company is being benefited from the expertise, advice and inputs provided by them. They devote their quality and valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company, from time to time.

He also remarked that it would be a big burden for them. Their remuneration was not certainly excessive, when compared with other companies, he said. The commission is being paid commensurate with the responsibility they are shouldering.

Appointment of Statutory Auditors:

Chairman explained that M/s. V Sankar Aiyar & Co., Chartered Accountants, Mumbai were well known & experienced professional firm and good exposure to various industries. He further explained that, considering the status of the Company, it would not be proper to confine the appointment of Chennai based auditors alone. He stated that their main office located in Mumbai will in no way affect the quality and duration of audit.

Subsidiary Companies:

He explained that some of the subsidiary companies have no operations but serve as special purpose vehicles and that the very purpose of establishment of a company in Netherlands is for tax efficient purposes. They are all shell companies for the purpose of making investment in foreign subsidiaries for legal protection and not with the object of making any profit.

In Indonesia, the Company has launched a new product recently, he said. He further informed that the Company has been planning to take substantial measures to improve performance so as to achieve break-even in the next financial year.

Working capital:

This is a major concern, he pointed out. He said that the Company would keep a very tight control over inventories. This may be due to change in material consumption from raw material to component, he added. Depending on some suppliers, aluminium consumption could go up. It would be very difficult to share the information about the operational decisions in a meeting like this.

Share price:

He acknowledged, as pointed out by the shareholders, the share price of the Company has come down very significantly and the Company would do its best in this regard. He informed that the Company has really improved its quality benchmarked to BMW, Honda, etc.

He assured that the Company has been planning to make products on par with well known Global Products in the market. Hence, some of their costs are higher. He said it would take 3-4 years around to bring profitability to that expectation. It is a long journey and it cannot be met overnight, he explained. He assured that, in spite of recession, the Company would do its best in the next financial year.

In general, the shareholders appreciated the performance of the Company despite sluggish growth and recession in automobile industry and thanked the management for achieving the best results in the given situation, especially when the automobile industry has been facing a severe downward trend.

As there were no further queries by the shareholders and they were also satisfied with the replies by the Chairman, the resolution was then put to vote and on a show of hands, chairman declared the same as passed unanimously.

(2) Re-appointment of Mr H Lakshmanan as a Director

Mr T R Sankaran, a member, (Folio No. BS6876) moved the following resolution as an ordinary resolution:

"RESOLVED THAT Mr H Lakshmanan, director, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the Company".

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Mrs S Rajalakshmi, a member, (Folio No. R14006) seconded the same.

The resolution was then put to vote and on a show of hands, chairman declared the same as passed unanimously.

(3) Re-appointment of Mr R Ramakrishnan as a Director

Mr V N Venkatanathan, a member, (Folio No. EV1854) moved the following resolution as an ordinary resolution:

"RESOLVED THAT Mr R Ramakrishnan, director, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the Company".

Mrs Sujatha Balaji, a member (Folio No. DS5623) seconded the same.

The resolution was then put to vote and on a show of hands, chairman declared the same as passed unanimously.

(4) Appointment Of Statutory Auditors

Mrs S Rajalakshmi, a member, (Folio No. R14006) moved the following resolution as an ordinary resolution:

RESOLVED THAT M/s V Sankar Aiyar & Co, Chartered Accountants, Mumbai, having the firm registration no. 109208W allotted by The Institute of Chartered Accountants of India, be and are hereby appointed as statutory auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company on such remuneration as may be fixed in this behalf by the board of directors of the Company.

Mr T R Sankaran, a member, (Folio No. BS6876) seconded the same.

The resolution was then put to vote and on a show of hands, chairman declared the same as passed unanimously.

SPECIAL BUSINESS

(5) Appointment of Mr Hemant Krishan Singh as a Director

Mr S Balasubramanian, a member, (Folio No. N09090027150) moved the following resolution as an ordinary resolution:

RESOLVED THAT Mr Hemant Krishan Singh, who was appointed as an additional director and who holds office upto the date of this annual general meeting as per the provisions of the Companies Act, 1956, be

and is hereby appointed as a director of the Company, subject to retirement by rotation.

Mr T R Sankaran, a member, (Folio No. BS6876) seconded the same.

The resolution was then put to vote and on a show of hands, chairman declared the same as passed unanimously.

At this stage, Mr Venu Srinivasan, chairman vacated the Chair and proposed Mr H Lakshmanan, director, to occupy the Chair for conducting the further proceedings of the general meeting.

(6) Appointment of Mr Sudarshan Venu as a Director

Mr V N Venkatanathan, a member, (Folio No. EV1854) moved the following resolution as an ordinary resolution:

RESOLVED THAT Mr Sudarshan Venu, who was appointed as an additional director and who holds office upto the date of this annual general meeting as per the provisions of the Companies Act, 1956, be and is hereby appointed as a director of the Company, subject to retirement by rotation.

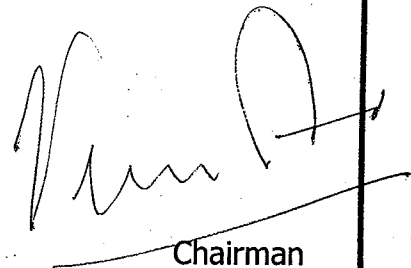
Mrs S Rajalakshmi, a member, (Folio No. R14006) seconded the same.

The resolution was then put to vote and on a show of hands, chairman declared the same as passed unanimously.

At this stage, Mr H Lakshmanan, director vacated the chair and Mr Venu Srinivasan, chairman re-occupied the chair and conducted the further proceedings of the meeting.

As there was no other subject for discussion, Chairman thanked the shareholders for their active support to the Company and declared the meeting as closed.

19th July 2013



Chairman