

TVS MOTOR COMPANY LIMITED **TVS**

Regd. Office: "Jayalakshmi Estates", No. 29, Haddows Road, Chennai – 600 006.

NOTICE OF POSTAL BALLOT PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956

Dear Member(s)

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956 (the Act) read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, for obtaining the consent of the Members through Postal Ballot for authorizing the Board of Directors of the Company (the Board), subject to the provisions of Section 372A of the Act and other applicable provisions of the Act / Companies Act, 2013, (including any statutory modification or re-enactment thereof, for the time being in force) for the purpose of (a) giving any loan to any body corporate(s) / person (s); (b) giving any guarantee or providing security in connection with a loan to any body corporate(s) / person (s); and (c) acquiring by way of subscription, purchase or otherwise, securities of any body corporate(s), in excess of the limits prescribed under the Act.

Accordingly, the draft special resolution together with explanatory statement for the above proposal is being sent to you along with the Postal Ballot Form for your consideration.

The Board has appointed Mr K Sriram, Practicing Company Secretary, Chennai as Scrutinizer at its meeting held on 25th October 2013, for conducting the Postal Ballot process in a fair and transparent manner.

The Company is pleased to offer to the Members, e-voting facility as an alternative, in accordance with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011. For this purpose, the Company has engaged National Securities Depository Limited (NSDL), an agency authorized by the Ministry of Corporate Affairs (MCA). The detailed procedures for e-voting are given below in the Explanatory Statement appended.

Members are requested to carefully read the instructions printed in the Postal Ballot form and return the form duly completed, in the attached self addressed and postage prepaid envelope, so as to reach the Scrutinizer not later than **14.12.2013** or cast their votes electronically not later than the aforesaid date.

The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny of Postal Ballot Forms.

The result of the postal ballots will be announced by Mr Venu Srinivasan, chairman and managing director of the Company or in his absence, any one of the directors of the Company, at the registered office of the Company at No. 29, Haddows Road, Chennai 600 006, Tamilnadu, India, on 18.12.2013.

The date of declaration of the results of the Postal Ballot will be taken to be the date of passing of the said special resolution by the Members of the Company.

Members requiring any clarification may contact Mr V N Venkatanathan, special officer or Mr K S Srinivasan, company secretary at the registered office of the Company at the address given above or through e-mail viz., vnv@scl.co.in or ks.srinivasan@scl.co.in

SPECIAL BUSINESS

SPECIAL RESOLUTION

Item No. 1

Consent for making of any investment / giving any loan or guarantee / providing security.

To consider, and if thought fit, to pass the following resolution as a special resolution through Postal Ballot:

RESOLVED THAT, subject to the provisions of Section 372A and other applicable provisions of the Companies Act, 1956 / Companies Act, 2013, (including any statutory modification or re-enactment thereof, for the time being in force), and subject to such approvals, consents, sanctions and permissions, as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board") to (a) give any loan to any body corporate(s) / person (s); (b) give any guarantee or provide security in connection with a loan to any body corporate(s) / person (s); and (c) acquire by way of subscription, purchase or otherwise, securities of any body corporate(s) (i) upto an aggregate amount not exceeding Rs. 2,000 Cr outstanding at any time; or (ii) 60% of the aggregate of the paid-up share capital and free reserves and securities premium account; or (iii) 100% of its free reserves and securities premium account, whichever is higher, on such terms and conditions, as the Board may think fit.

RESOLVED FURTHER THAT the Board or a duly constituted Committee thereof be and is hereby authorized to decide and finalize the terms and conditions of the above, limit upto which such investments in securities / loans / guarantees, that may be given or made, as may be determined by the Board or the Committee thereof, within the aforesaid limits including with the power to transfer / dispose of the investments so made, from time to time, and to execute all deeds, documents and other writings and to do all such acts, deeds, matters and things, as may be necessary and/or expedient for implementing and giving effect to this resolution.

/By order of the Board/
For TVS MOTOR COMPANY LIMITED

Place: Bengaluru
Date: 25th October 2013

K S Srinivasan
Company Secretary

Encl:

- (1) Explanatory Statement
- (2) Postal ballot form & self addressed and postage prepaid envelope

Annexure to the Notice of Postal Ballot dated 25th October 2013

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE DATED 25TH OCTOBER 2013 IN RESPECT OF THE SPECIAL RESOLUTION

The following explanatory statement sets out all the material facts relating to the special business mentioned in the accompanying notice dated 25th October 2013 and shall be taken as forming part of the Notice.

Item No:1

The Board of Directors of a Company has been permitted to make loans, give guarantees, provide securities to and make investments in the securities of other bodies corporate to the extent of 60 % of its paid-up share capital and free reserves and securities premium account or 100 % of its free reserves and securities premium account whichever is higher, in terms of Section 372A of the Companies Act, 1956 (the Act), from time to time, for business purposes.

Where the aggregate of loans and investments made, guarantees given and securities provided exceed the aforesaid limits, prior approval of the Members is required by way of a special resolution.

It may be noted that, in terms of Section 372A of the Act, any inter-corporate loan given / investment made / guarantee given / security provided to wholly owned subsidiaries are exempt while reckoning the overall limit permissible, as per the said provisions of the Act. However, in terms of Section 186 of the new Companies Act, 2013 (new Act), such exemption has been withdrawn and the same shall be included for arriving at the aggregate permissible limit and hence any loan given / investment made / guarantee given / security provided have to be included for the purpose of arriving at the aforesaid overall limit.

As at the close of financial year 2013-14, the aggregate value of investments made / loans given / guarantees given / security provided, after taking into account the investment made / loan given / guarantee given / security provided in / to the wholly owned Indian and foreign subsidiaries, by the Company, will be around Rs.1,169 Cr, as against the 'free reserves' of Rs. 1,170 Cr as on 31st March 2013.

As the Company has taken various initiatives for future growth plan in the business of Company, these future plans will have to be partially implemented / proposed to be implemented through various subsidiary / associate companies, in order to derive maximum value.

Therefore, the increasing business operations and future growth plans of the Company may necessitate making further investments / providing loans or giving guarantees or providing security to these body corporate(s) and other person(s), **over a period of time.**

It is, therefore, necessary to empower the Board by the Members for such purpose, namely to make any loan(s) to any body corporate(s) / person(s) and/or to give any guarantee (s) / provide any security(ies), in connection with loan(s) made to any body corporate(s) / person (s) and /or to acquire by way of subscription, purchase or otherwise the securities of body corporate(s) in India or abroad, exceeding the aforesaid limit, for business expansion and other growth initiatives.

Under these circumstances, it is considered desirable to have the consent of the Members for fixing a higher limit for such purpose, namely (i) to the extent of Rs. 2,000 Cr or (ii) 60% of the aggregate of the paid-up share capital and free reserves and securities premium account or (iii) 100% of its free reserves and securities premium account, whichever is higher.

The proposed special resolution as set out in item No.1 of the Postal Ballot Notice is enabling in nature in view of any further loan / investment / guarantee / security, if any, made in or given to wholly owned subsidiaries will also be included for the limit under the provisions of the Companies Act, 2013. Hence prior approval of the Members of the Company is sought for exercising these powers by the Board beyond the specified limit.

Pursuant to the provisions of Section 192A of the Act read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, consent of the Members of the Company is proposed to be obtained through postal ballot by way of a special resolution.

The Board has unanimously approved the above proposal at its meeting held on 25th October 2013 and the Board also recommends the passing of the resolution by the Members of the Company, as set out in Item No.1 of the Postal Ballot Notice, by casting their vote through the Postal Ballot Form, which is sent along with the Notice or cast their votes electronically through NSDL website as explained in the notes appended herewith.

None of the directors or key managerial personnel and / or their relatives is deemed to be interested or concerned in this resolution, except to the extent of their shareholding in the Company.

NOTES:

1. An Explanatory Statement as required under Section 102 of the Companies Act, 2013 in respect of the special business specified above is annexed hereto.
2. Voting rights are reckoned on the basis of the shares registered in the names of the Members/Beneficial Owners as on 31st October 2013.
3. Members are requested to read the instructions printed on the reverse of the Postal Ballot Form and return the Form duly completed in the attached self addressed and postage prepaid envelope so as to reach the Scrutinizer on or before 14th December 2013, at the following address:

Mr. K. Sriram
Scrutinizer
C/o. Sundaram-Clayton Limited
Share Transfer Agents
Unit : TVS Motor Company Limited
'Jayalakshmi Estates'
No. 29, Haddows Road,
Chennai - 600 006.

4. In compliance with the provisions of Section 192A of the Companies Act, 1956 read with (Passing of the Resolution by Postal Ballot) Rules, 2011, the Company offers e-voting option to the Members as an alternative. For this purpose, the Company has signed an agreement with NSDL for facilitating e-voting and is pleased to offer e-voting facility for the Members to enable them to cast their votes electronically. Those Members have to cast their votes through e-voting. If a Member has opted for e-voting, then they should not vote by Postal Ballot also and vice-versa. However, in case Members cast their vote both via physical ballot and e-voting, then voting through physical ballot shall prevail and voting done by e-voting shall be treated as invalid.

The instructions for Members for e-voting are as under:

(a) In case of Members receiving e-mail from NSDL:

- (i) Open e-mail and then open PDF file viz., "TVS Motor Company Limited e-Voting.pdf" with their Client ID or Folio No. as password. The said PDF file contains the User ID and password for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL in the address bar: **www.eVoting.nsdl.com**
- (iii) Click on shareholder – Login
- (iv) Enter User ID and password as initial password noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password with new password with minimum 8 digits/ characters or combination thereof. Note the new password. It is strongly recommended not to share the password with any other person and take utmost care to keep the password confidential.
- (vi) Home page of e-Voting opens. Go to "eVoting" icon and select "Active Evoting Cycles".

- (vii) Select “EVEN” of TVS Motor Company Limited.
- (viii) Now Members are ready for e-Voting as Cast Vote page opens.
- (ix) Cast the vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once the Member has voted on the resolution, such Member will not be allowed to modify their vote.
- (xii) Institutional Members (i.e. other than individuals, HUF, NRI etc.) 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 authorized signatory(ies), who are authorized to vote, to the Scrutinizer through e-mail: **sriram.krishnamurthy@rediffmail.com** with a copy marked to **evoting@nsdl.co.in** and **kr.raman@scl.co.in**.

(b) In case of Members receiving Postal Ballot Form by Post:

- (i) Initial password is provided as below/at the bottom of the Postal Ballot Form.

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) of item No. 4(a) above to cast vote.

(c) In case of any queries, Members may refer to the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the Downloads Section of **www.evoting.nsdl.com** or contact NSDL at the following Telephone No: 022-24994600.

(d) If Members are already registered with NSDL for e-voting, then they can use their existing user ID and password for casting the vote.

(e) Members can also update their mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

5. Members, who have registered their e-mail ids for receipt of documents in electronic mode under the Green Initiative of MCA have been sent Postal Ballot Notice by e-mail and who wish to vote through Ballot Form can obtain the Ballot Form from Share Transfer Agent, Sundaram-Clayton Limited at “Jayalakshmi Estates”, 1st Floor, No.29, Haddows Road, Chennai – 600 006 or from the Company at its Registered Office and fill in the details and send the same to the Scrutinizer by Post at the address given at Sl. No. 3 above.

6. The Scrutinizer, after completion of the scrutiny, will submit his report to the Chairman of the Company. The result of the postal ballots will be declared by the Chairman or any one of the directors of the Company, on 18th December 2013 at the Registered Office of the Company. The result shall also be announced to the Stock Exchanges where shares of the Company are listed and intimated through a Press Release in newspapers. The result will also be put up on the Company’s website **www.tvsmotor.in**. The resolution, if approved, will be taken as passed effectively on the date of declaration of the result, explained as above.

7. In case of any queries, Members may contact the Company at **investorscomplaintssta@gmail.com**; or **sclshares@gmail.com**.

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