

I. INTRODUCTION

These "RULES AND REGULATIONS OF SERVICE" shall come into force as from 1st April, 1984. They shall apply to all employees of the company whose conditions of service and employment are not governed by the Model Standing Orders or Standing Orders certified under the "Industrial Employment (Standing Orders) Act, 1946".

In the event of an Appointment Letter, Agreement Contract specifying a condition of service other than the "Rules and Regulations of service" mentioned hereunder, by way of alteration; addition or deletion, only such alteration, addition or deletion shall prevail and be applicable to the employee.

II. DEFINITIONS

In these "RULES AND REGULATIONS OF SERVICE", unless the context requires otherwise :

1. "Company shall mean TVS MOTOR COMPANY LIMITED, regardless of where its Divisions Establishments, Factories, Offices, Branches, Sales Warehouses, Sales Offices, Service Stations etc., are situated.
2. For purposes of these "RULES AND REGULATIONS" "Employee" shall mean and include all those to whom these "RULES AND REGULATIONS" have been made applicable either through Appointment letter or by a separate communication and shall also include those who are promoted from the category to which standing orders were earlier applicable.
3. Management means Chairman, Managing Director, Director/ Directors of the Company or any person/persons to whom delegation of powers have been granted with due authority.
4. Unless specifically stated to the contrary, the masculine shall include the feminine and the singular shall include the plural, where relevant.

III. RULES AND REGULATIONS OF SERVICE

1. **Date of Birth :** Every executive appointed to a service or a post in the Company, should at the time of appointment declare the date of his birth by the Christian Era with confirmatory documentary evidence such as a certificate from an Educational Institution, Municipality, or Registrar of Births and Deaths. In the case of an employee belonging to the non-supervisory category promoted to the Supervisory Category, the documentary evidence that he had already submitted at the time of his initial appointment is deemed to be authentic proof regarding his date of birth and it shall not be amended or modified by the employee of the time of his promotion to the Executive Category. The date of birth as accepted by the company at the time of Appointment shall not be changed.
2. **Probationary Period :** All new appointments and promotions including those from the category of employees covered by Standing Orders to the category covered by these "RULES AND REGULATIONS" of service are subject to a period of probation specified in the Appointment Letter / Promotion Order. The Management, at its discretion, may also waive the period of probation. The Management may, in writing, extend, shorten or confirm the period of probation or revert the employee to his original post, as the case may be. During the period of probation or any extension thereof, the appointment / promotion may be terminated / cancelled in writing by the management without assigning any reason. In the event of termination of employment of a fresh appointee, during the original / extended period of probation, the Management may (i) give notice of the period specified in the appointment letter or the period mentioned in clause 23 or (ii) give pay in lieu of notice period or (iii) terminate the employment without notice if there is no stipulation of notice period in the appointment letter, at their discretion. The employee may also, during the original /

extended period of probation, leave the services of the Company by communication in writing without assigning any reason, in which case he shall adhere to the notice period if any mentioned in the appointment letter or under clause 23 or may give pay in lieu of notice period.

3. **Pay and Allowances :** The pay and allowances attached to the post to which the Executive is directly recruited shall be indicated in his order of appointment or by means of a separate order/circular which may be issued by the Company from time to time. An employee, already working in a non- Executive cadre in the Company, when promoted to an Executive cadre shall continue to draw the pay and allowances he was drawing at the time of his promotion, until he is confirmed in the Executive cadre, unless otherwise notified by the Management by a specific order.
4. **Deputation, Transfer or Loan of Service :** The employee who is governed by these service conditions is liable to be transferred by the Company to any of its Units of Operation anywhere in India or abroad. The Management reserves the right to send the employee on deputation, lend or transfer the service of the employee not only within the Company to any place in India but also to the employment of any of its subsidiary or associated Companies. In the event of such deputation, lending of services or transfer, the employee shall abide by the rules, regulations and service conditions as applicable in the unit or place to which he is deputed or transferred or his services are lent.
5. **Subscription to Provident Fund :** An employee governed by these rules will be required to contribute towards the Contributory Provident Fund in accordance with the Provident Fund Rules applicable to him.

6. **Gratuity** : An employee to whom these rules are made applicable either through direct appointment or through promotions from a different category shall be entitled to gratuity equal to 15 days emoluments consisting of basic pay and dearness allowance for each completed year of service in accordance with the gratuity rules framed by the Management from time to time.
7. **Special Payments and Benefits like Medical Assistance, Leave Travel Assistance, etc.,** : An employee appointed/promoted to any Executive cadre will also be eligible to certain special payments like reimbursement of conveyance expenditure house rent allowance, medical benefits etc., which shall be notified to him either through his appointment order/promotion order or through a separate communication. These shall be modified or totally withdrawn at any time at the sole discretion of the Management.
8. **Superannuation** : All employees to whom these rules are made applicable either through direct appointment or through promotions from a different category shall retire at the age of 55 years. The company will consider extension of service upto 58 years of age in cases considered appropriate by the management and the tenure of extended service shall be notified to the concerned employee through a separate communication. Such employees shall be required to undergo medical examination before the tenure of their service is extended on attainment of the age of superannuation by them and may be asked to get medical fitness certificate on an annual basis.
9. **Increment in Salary and Promotions** : Employees who are promoted to any category of posts to which these rules and regulations are applicable shall draw during their period of probation annual increment applicable to their substantive grades in accordance with the rules governing the grant of such annual increment. However, periodical improvements in the remuneration plan of the employee governed by these rules and regulations and also

his promotion to higher positions in the Company are not automatic but will depend on the employee's contribution to the growth of the Company and the results achieved by him in the sphere of activities assigned to him as assessed and evaluated by the management.

10. **Leave** : Executives to whom these rules are made applicable either through direct appointment or through promotions from a different category shall be entitled for the following types and quantum of leave:
- (i) 15 days leave with pay for every confirmed employee which shall be credited in advance to the employee. However, his actual quantum of leave will be reckoned on the basis of actual days of attendance put in by him during the calendar year. Otherwise, during the period of probation, he shall earn and enjoy leave proportionately @ one day of leave for every 20 days of attendance. Normally, leave applications should be submitted in advance and sanction obtained.
 - (ii) Maintenance closure leave for one working week in a calendar year when the Division or Unit is closed for annual maintenance as declared by the Management. In case an employee is required to work during the annual maintenance closure he shall be allowed to enjoy consecutive days of substituted leave equivalent to one working week either before or after the maintenance closure, which however shall have to be availed of before the end of the calendar year in which the maintenance closure is announced.
 - iii) 9 National and Festival Holidays in calendar year which will be announced by the Management from time to time.
 - iv) Family Planning Leave : For Family Planning Operation undergone either by himself or by his spouse, special leave for 6 days with pay will be given.

11. **Attendance :** The employee shall not absent himself from his duty without furnishing adequate reasons for so doing and obtaining sanction.

The ordinary working hours of the employee shall be as specified by the management, but the employee shall, if and when so required by the management, work for such further period over and beyond such normal working hours.

The employee shall follow the system of marking attendance prescribed by the management.

12. **Punctuality :** The employee shall come a few minutes earlier than the scheduled time and thereby set an example to others, especially those who either work under him or report to him.

13. **Search :** The management has the right to search employees as and when they so decide and at such times, the employees shall freely allow themselves as well as their vehicles to be searched by persons authorised by the management. The employees, when provided with identity badges, shall wear the same during the entire spell of working hours. Wherever the management provides /prescribes uniforms to the employees, they shall wear them during the entire spell of working hours.

14. **Travelling allowance :** The employees will be governed by Travelling Allowance Rules of the Company which will be in force from time to time for undertaking official tours outside their Head Quarters. Similarly, when they are transferred from one station to another, they will be given such allowance as per the rules applicable from time to time.

The employees sent on deputation from their regular place of work to an outstation will be given such deputation allowance, as may be decided by the management.

15. **Duties & Obligations :** Every employee shall at all times maintain absolute integrity and devotion to duty and conduct himself in a manner conducive to the best interests, credit and prestige of the Company.

16. **Discipline :** No employee governed by these rules and regulations shall take part in agitations, strikes, etc., He shall not participate in Radio or T.V. Broadcast or keep connections with the press on matters concerning the Company, except with the prior approval of the management. He shall not publish information which he gathers in his official capacity without the Management's prior permission. No employee, except with the prior sanction of the management, shall engage directly or indirectly, in any trade or business or undertake any employment. An employee, however, may without prior sanction of the Management undertake honorary work of a social or charitable nature or work of a literary, artistic or scientific character, subject to the condition that his official duties do not thereby suffer. However, he shall discontinue such work if, in the opinion of the management, such activity interferes with his assigned work. No employee by himself and / or any of the relations specified in the annexure shall have any connection with the company as suppliers, dealers, agents, consultants or contractors in their individual capacities without prior consent or approval in writing from the Management.

17. **Misconduct :** If, at any time, the employee is found to be guilty of any misconduct, the Management shall be entitled to dismiss him from service, without any notice or compensation in lieu of notice and in such a case, the service of the employee shall come to an end and stand determined with effect from the date of dismissal. Pending on enquiry into such misconduct, the employee shall be liable to be suspended from service on loss of salary, allowance, perquisites, etc., Without being exhaustive, the acts of misconduct for which the employee shall be liable to be dismissed from the service of the Company are :

- i) wilful insubordination;
 - ii) unsatisfactory performance of assigned duties and responsibilities;
 - iii) theft, fraud or dishonesty within the Company's premises or in respect of any of the Company's business or property;
 - iv) wilfully or otherwise causing loss or damage to Company's property;
 - v) habitual absence;
 - vi) habitual neglect of work;
 - vii) mis-representation to the Company of any fact or documents about the employee;
 - viii) continued or habitual indebtedness;
 - ix) breach of any of the "RULES AND REGULATIONS OF SERVICE";
 - x) drunkenness;
 - xi) disorderly behaviour or such acts subversive of discipline and efficiency;
 - xii) conduct detrimental to the interest of the Company;
 - xiii) guilty of any act involving moral turpitude;
 - xiv) participation in a strike or abetting, inciting others, instigating others or acting in furtherance thereof whether alone or in combination with others;
 - xv) intimidating or threatening or assaulting employees whether within the premises or outside; whether within duty hours or outside duty hours.
19. **Non-divulgence of Trade Secrets, etc., :** No employee, either during the continuance of his employment or for a period of five years from the date of cessation of his employment shall divulge, disclose or impart to any person / organisation, any trade secret, manufacturing process or any information concerning the

business / finances of the Company or any dealings, transactions or affairs of the Company which come to his knowledge during or in the course of his employment.

20. **Wilful Waste, Damage or Injury to the Property of the Company :** The employee shall not wilfully do any act of commission and omission which will result in damage or loss to any property or goods belonging to the Company. The employee shall not lend property or goods entrusted to his charge, to any person without the consent of the Management. The employee shall pay / reimburse to the Management the cost of any damage or loss caused by his act of omission or commission to any property, goods or articles belonging to the Company and the Management's assessment of such damage or loss shall be final and binding on the employee. This will be without prejudice to the Management's right to take such disciplinary action against the employee as it considers necessary.
21. **Discoveries, Inventions and Patents :** If at any time during the subsistence of employment or one year thereafter, the employee shall make, perfect, discover or acquire any new invention whatsoever or any improvement or improvements in or relating to the design and / or process of manufacture and / or finishing of goods either patented or patentable or of any interest therein, he shall forthwith communicate the same to the Company, in whom the same shall thereupon vest absolutely and who may with or without the concurrence of the employee obtain Letters patent in respect thereof: and the employee shall do all things necessary for obtaining and legally vesting such Letters Patent in the Company or its nominees and the remuneration (if any) paid to the employee for any such invention shall be as determined by the Management after consideration of each particular case. However, where such invention or discovery is considered by the Management as either directly or indirectly not connected with its manufacturing process, goods manufactured by it or services rendered by it, the Management will permit the employee concerned to obtain

Letters Patent in his own name, if it is found to be not against the interests of the Company.

22. **Strikes, Lock-outs, Lay-off and Closure-attendance :** Employees shall attend duty during period of strike, lockout, lay-off and closure unless instructed to the contrary in this respect. In addition, he will observe working hours other than normal, depending upon exigencies during such strike, lockout, lay-off or closure and shall be liable to perform such duties and responsibilities other than those performed by him during normal times, as may be assigned to him by the management. However, this does not preclude the right of the Management to reduce the compensation of the employees governed by these Rules and Regulations to an extent considered necessary on such occasions.

23. **Termination of Employment in Certain Cases :**

(i) **Physical and Mental Fitness - Medical Examination :**

The Management may, at its discretion, direct the employee to be examined by the Company's Medical Officer or by a Medical Practitioner specified by them in this behalf. If any such examination shows that the employee is suffering from any disease or complaint which is likely to affect his work / performance and which is incurable or not curable within a period of six months, the Management shall be entitled to terminate the services of such employee by giving 3 months notice or pay in lieu of notice.

(ii) The services of the employee can also be terminated under other circumstances, by either party by giving 3 months notice or pay in lieu of notice. The Company can however waive the notice period at its discretion to be given by the employee, who is desirous of leaving the Company. Pay in this context shall mean only basic pay and dearness allowance, which he was drawing at the time of leaving.

(iii) **General :**

The Management reserves the right to amend, alter, modify or totally withdraw this "RULES AND REGULATIONS OF SERVICE".

[Reference : Clause - III (16)]
[Other employment, business, etc.,]

Relations :

- | | |
|---------------------------------------|------------------------------------|
| 1. Father (including Step-father) | 22. Sister (including Step-sister) |
| 2. Mother (including Step-mother) | 23. Sister's husband |
| 3. Son (including Step-son) | 24. Sister's son / daughter |
| 4. Son's wife | 25. Husband's father |
| 5. Daughter (including Step-daughter) | 26. Husband's mother |
| 6. Father's father | 27. Husband's sister |
| 7. Mother's father | 28. Wife's father |
| 8. Mother's mother | 29. Wife's mother |
| 9. Father's mother | 30. Wife's brother |
| 10. Son's son | 31. Wife's brother's wife |
| 11. Son's son's wife | 32. Wife's sister's husband |
| 12. Son's daughter | 33. Wife's sister |
| 13. Son's daughter's husband | 34. Father's sister |
| 14. Daughter's husband | 35. Father's brother |
| 15. Daughter's son | 36. Wife's brother's children |
| 16. Daughter's son's wife | 37. Wife's sister's children |
| 17. Daughter's daughter | 38. Mother's sister |
| 18. Daughter's daughter's husband | 39. Mother's brother |
| 19. Brother (including Step-brother) | 40. Husband and wife |
| 20. Brother's wife | 41. Members of Hindu |
| 21. Brother's son / daughter | Undivided Family. |

Date : 30/07/14.

From :

Satyamarayana Murthy Y,
New Bank Colony, Opposite
Head Post Office, Tadepalligudem-
534101, Andhra Pradesh.

To,

The Management
TVS Motor Company Limited
Hosur.

Dear Sirs,

I have received a copy of "Rules and Regulations of Service"
applicable to me.

I have gone through the same and I accept in full terms and
conditions contained therein.

Thanking you,

Yours faithfully,


30/07/14.