TVS MOTOR COMPANY TVS
TVS Motor Company Limited, Registered Office : "Chaitanya" No.12, Khader Nawaz Khan Road, Chennai - 600006, Tamilnadu, India. Telephone : +91-44-28332115 Fax : +91-44-28332113

12th August 2025

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.
Scrip code: 532343

National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051.
Scrip code: TVSMOTOR

Dear Sir/Madam,

Sub: Disclosure under Regulations 30 and 51(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to approval of the Scheme of Arrangement between TVS Motor Company Limited and its shareholders

Ref: Our Letter dated 4th August 2025

In furtherance to our intimation dated 4th August 2025, we wish to inform that the Hon'ble National Company Law Tribunal, Chennai Bench ("**Tribunal**") has issued a certified copy of the order sanctioning the Scheme of Arrangement between TVS Motor Company Limited **("Company")** and its shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 **("Scheme**").

The certified copy of the Tribunal order is enclosed herewith and also uploaded on the Company's website.

The Company shall take further steps as required to give effect to the Scheme.

This is for your information and records.

Thanking you,

Yours faithfully

For **TVS MOTOR COMPANY LIMITED**

KELLIYA SUBRAMANIAN SRINIVASAN

Digitally signed by KELLIYA SUBRAMANIAN SRINIVASAN
Date: 2025.08.12 18:28:51 +05'30'

K S Srinivasan
Company Secretary
Encl :a/a

IN THE NATIONAL COMPANY LAW TRIBUNAL, DIVISION BENCH - I, CHENNAI

CP(CAA)/29(CHE)2025
In
CA(CAA)/3(CHE)/2025

Under Sections 230 to 232 of the Companies Act, 2013
In the matter of Scheme of Arrangement between TVS Motor Company Limited and its shareholders

TVS MOTOR COMPANY LIMITED
CIN NO: L35921TN1992PLC022845
Having registered office at:
"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam,
Chennai – 600 006, Tamil Nadu, India

...Petitioner Company

*Order Pronounced on **31st July, 2025***

CORAM

SANJIV JAIN, MEMBER (JUDICIAL)
VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

For Petitioner	*: Mr. P.H.Arvindh Pandian, Senior Advocate*
For RD	*: Mr. Avinash Krishnan Ravi, Advocate*
For OL	*: Ms. G. Sreekumari & Mr. B. Palani*

O R D E R

(Hearing conducted through Hybrid mode)

This Petition has been filed by the Company, **TVS Motor Company Limited** (for brevity "Petitioner Company") with its Shareholders under section 230-232 of Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Scheme of Arrangement (hereinafter referred to as the "SCHEME") proposed by the Company herein with its Shareholders. The Scheme is marked at **Page No.32-79** of the Petition.

2. 1ST MOTION APPLICATION – IN BRIEF

2.1. The Petitioner company had filed the First Motion Application vide CA(CAA)/3(CHE)/2025 seeking directions as follows

	Equity Shareholders	Secured Creditors	Unsecured Creditors
Petitioner Company	To Order Meeting	To Dispense with Meeting	To Order Meeting

2.2. Based on such application moved under Sections 230-232 of the Companies Act, 2013, directions were issued by this Tribunal, vide order dated 21.02.2025. Meeting of the Secured creditors of the Company was dispensed with. Directions for convening the meeting of equity shareholders and Unsecured Creditors of the Petitioner Company were issued.

2.3 Subsequently, the second motion petition was filed before the Tribunal by the company on 17.04.2025 for sanction of the Scheme of Arrangement.

3. **RATIONALE OF THE SCHEME**

(i) *The Company has built up substantial surplus reserves, over the years from its retained profits. The surplus reserves are well above the Company' current and likely future business needs.*

(ii) *Further, upon taking into consideration the Company's capability to generate strong free cash flow in the foreseeable future and the surplus reserves being more than what is needed to fund the Company's future growth, the Company is of the view that these excess funds can be optimally utilized to reward its shareholders.*

(iii) *Accordingly, the Company has proposed inter alia, to distribute such funds amongst its shareholders by issuing fully paid up Preference Shares by way of bonus in terms of this Scheme.*

(iv) *The Preference Shares will be a listed security and while giving near-cash (traded, encashable) instrument in the hands of shareholders, give increased flexibility to the Company in managing its liquidity until redemption.*

(v) *In view of the aforesaid factors, the Company has concluded that it can optimally utilize its surplus reserves by distributing a considerable portion of the same to its equity shareholders. In order to maintain high level of corporate governance and transparency, the Company proposes issuances of Preference Shares by way of bonus* *to its equity shareholders under sections 230 to 232 of the Act which will be subject to necessary statutory, regulatory and corporate approvals.*

The proposed Scheme is in the interest of the shareholders of the Company and it is not detrimental to the interest of other stakeholders.

4. In the second motion petition filed by the Petitioner Company, this Tribunal vide order dated **07.05.2025** directed the Petitioner Company to issue notice under Section 230 (3) in Form CAA-3, to the Statutory / Regulatory Authorities viz. (i) Regional Director (Southern Region), Chennai (ii) ROC, Chennai, (iii) Official Liquidator, (iv) Jurisdictional Income Tax Office, (v) Reserve Bank of India, (vi) SEBI, (vii) Competition Commission of India, (viii) Stock Exchanges and other sectoral regulators, who may govern the working of the respective companies, as well as for paper publication to be made in **"Business Standard" (All India Edition)** and **"Makkal Kural" Tamil (Tamil Nadu Edition)**.

5. In compliance with the said directions issued by this Tribunal, the Petitioner Company e-filed an Affidavit of Service before the Registry of this Tribunal on 06.06.2025. A perusal of the same discloses that the Petitioner Company effected paper publications as directed by the Tribunal in

"Business Standard (All India Edition) in English and "Makkal Kural" (Tamil Nadu Edition) in Tamil on 24.05.2025 respectively. The notices were also served on the following authorities:

S.No	Statutory authorities	Date of Notice
1	Regional Director, Southern Region, Chennai	22.05.2025
2	Deputy Commissioner of Income Tax	22.05.2025
3	Registrar of Companies, Chennai	23.05.2025
4	The BSE Limited	29.05.2025
5	The National Stock Exchange of India Ltd.	29.05.2025

Pursuant to the service of notice of the petition, the following statutory authorities have responded as follows:

6. STATUTORY AUTHORITIES

6.1. REGIONAL DIRECTOR

6.1.1 On issuance of notice, the Regional Director, Southern Region, Chennai has filed his report on 24.06.2025. The same is as follows:

Para	Observations
6	*Para 4.1 of Part II of the Scheme provides that upon the effectiveness of this scheme, the Company shall issue and allot, by way of bonus, 4 Preference Shares of face value of INR 10 each fully paid up to each equity shareholders of the company holding every 1 equity share of INR 1 each fully paid up, whose name is recorded in the register of members of the company and / or the records of the depository(ies) as equity shareholder of the company on the record date, by utilizing its general reserves / retained earnings.*

7	*Para No.6.1 of Part-III of the Scheme is reproduced as under:* *With effect from the effective date, the authorized Share Capital of the Company will automatically stand increased to INR 2050,00,00,000 (Indian Rupees Two Thousand and Fifty Crore) by simply filing the requisite forms with the Appropriate Authority and no separate procedure or instrument or deed shall be required to be followed under the Act. The Company shall pay differential stamp duty and registration fees, as may be applicable, for reclassification and increase in authorized preference share capital in terms of the Act.*
8	*As per the report dated 09.06.2025 of ROC, Chennai the Petitioner company is regular in filing their statutory returns and filed returns up to financial year ending 31st March 2024. ROC, Chennai has further stated that there is no prosecution / complaint / inspection pending against the Petitioner Company. Further, it is observed from the Independent Auditor's report for the financial year ended 31st March 2024 that there is no adverse remarks/qualification by the Statutory Auditor. Additionally, no investigation is pending against the petitioner company.*
9	*This Tribunal may direct the petitioner company to submit declaration /undertaking on the following points:* *(i) To submit declaration regarding active charge with SBI for an amount of Rs.1000 Crores is reflected in MCA21 portal.* *(ii) The company shall ensure compliance of Section 63(3) of the Companies Act, 2013.* *(iii) The company shall file necessary forms for increase in capital and in compliance with the applicable provisions of the Companies Act, 2013.*

राष्ट्रीय कम्पनी विधि अधिकरण NATIONAL COMPANY LAW TRIBUNAL सत्यमेव जयते CHENNAI CHENNAI BENCH चेन्नै न्यायपीठ

6.1.2. The RD, after examining the scheme, has placed the submission as mentioned in Para No.9 of the report and prayed that the petition be disposed of on merits.

6.1.3. The petitioner company, has filed an affidavit before the Tribunal on 24.06.2025 vide SR No. 2526, in response to the objections of the RD, declaring that the company has an active charge with the State Bank of India (SBI) for an amount of Rs.1000 crore. It is reflected in the MCA 21 portal. A copy of clarificatory letter dated 02.06.2025 issued to the ROC is placed on record. Also, a letter dated 25.06.2025 has been issued by State Bank of India certifying that the petitioner company does not have any outstanding in terms liabilities with the bank as on date. The letter is also placed on record.

6.1.4. It is stated that, with regard to the objection of the RD viz., the company shall ensure compliance of Sec 63(3) of the Companies Act 2013 and file the necessary forms for the increase of capital. The petitioner company also undertakes to comply with the same.

6.2. Bombay Stock Exchange Limited (BSE) & National Stock Exchange (NSE)

6.2.1. The Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) to whom the draft scheme of arrangement was sent by the petitioner company, have submitted their observations vide their individual observation letters dated

07.11.2024. The BSE has conveyed its no adverse observations with limited reference to the matters having a bearing on the listing / de-listing / continuous listing requirements within the provisions of Listing Agreement to enable the company to file the scheme with the Tribunal, inter alia their comments. Similarly, NSE vide its letter dated 07.11.2024 has furnished its comments, besides conveying its "No objection" to enable the company to file the draft scheme with the Tribunal. However, no specific response has been submitted by the BSE and NSE in response to the notice issued by the petitioner in pursuance to the order of this Tribunal. In the absence of any specific objections by the BSE and NSE, this Tribunal presumes that they have nothing to say in the matter.

6.3. **INCOME TAX AUTHORITIES**

6.3.1 Despite private notice having been served and Public Notice effected in "Business Standard (All India Edition) in English and "Makkal Kural" (Tamil Nadu Edition) on 24.05.2025, there is no representation from the Department of Income Tax. This Tribunal in terms of Section 230(5) of the Companies Act, 2013 presumes that the Department of Income Tax does not have any objection to the sanction of the Scheme. (deemed consent)

6.3.2. In Company Petition CAA-284/ND/2018 vide Order dated 12.11.2018, the NCLT New Delhi has made the following observations with regard to the right of the IT Department in the Scheme of Amalgamation,

"taking into consideration the clauses contained in the Scheme in relation to liability to tax and also as insisted upon by the Income Tax and in terms of the decision in RE: Vodafone Essar Gujarat Limited v. Department of Income Tax (2013)353 ITR 222 (Guj) and the same being also affirmed by the Hon'ble Supreme Court and as reported in (2016) 66 taxmann.com.374(SC) from which it is seen that at the time of declining the SLPs filed by the revenue, however stating to the following effect vide its order dated April 15,2015 <u>that the Department is entitled to take out appropriate proceedings for recovery of any statutory dues from the transferor or transferee or any other person who is liable for payment of such tax dues, the said protection be afforded is granted. With the above observations, the petition stands allowed and the scheme of amalgamation is sanctioned."</u>

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7. VALUATION REPORT & FAIRNESS OPINION REPORT

7.1. The Petitioner Company has filed Valuation Report obtained from **BANSI S MEHTA,** Registered Valuer. The valuation report is placed as ***Annexure A8*** of the Petition typeset. The Approach and Methodology Valuation Analysis of the Independent valuer is extracted hereunder for reference.

Bansi S. Mehta Valuers LLP
Registered Valuer *Valuation Report*

4. **Consideration of Factors**

4.1 As mentioned earlier, pursuant to the Scheme, Bonus RPS would be issued to the shareholders of TVSM as on the Record date as specified in the Scheme. The ratio proposed for the issue of Bonus RPS is 4:1, i.e. 4 Bonus RPS shall be allotted for each equity share held in TVSM. Thus, only the shareholders of TVSM would be allotted Bonus RPS. Thus, there would be no change in shareholding of TVSM.

4.2 From the foregoing, it is evident that Bonus RPS would be issued to all the shareholders of TVSM on the Record Date. Accordingly, the question or aspect of adjusting the equities between two or more disparate groups of shareholders is not relevant in this case due to no impact on the shareholding of TVSM

4.3 Further, the Management believes that the company is capable of generating strong free cash flow in the foreseeable future and the surplus reserves is more than what is needed to fund TVSM's future growth.

4.4 Insofar as the NCD Holders of TVSM are concerned, it may be noted that the Bonus RPS proposed to be issued would rank subservient to the NCDs in the priority of claims. Existing NCD holders of TVSM would continue to hold the same NCDs without any change in the terms

4.5 As mentioned earlier the Bonus RPS would be issued out of the free reserves of TVSM. The free reserves and retained earnings of TVSM stood at INR 7,574 crores as on December 31, 2023. The amount outstanding towards NCDs as at December 31, 2023 stood at INR 125 crores. The redemption obligation of Bonus RPS proposed to be issued would be close to INR 1,900 crores. Accordingly, there is no economic impact of the proposed issue of Bonus RPS on the NCD holders of TVSM, since the retained earnings and free reserves of TVSM are sufficient to absorb redemption of Bonus RPS without affecting the NCDs

4.6 It may be noted that the ICAI had issued IVS on June 10, 2018 effective for all the valuation reports issued on or after July 1, 2018. IVS are mandatory for all valuations done under the Companies Act, 2013 by registered valuers who are members of the ICAI Registered Valuer Organisation, and recommendatory for valuation carried out under other statutes/ requirements However, as the current exercise does not entail valuation, the question of following IVS does not arise.

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APPENDIX – I: Terms of Bonus RPS

Terms of issue of the Non-Convertible Redeemable Preference Shares are as under:

Sr No	Particulars	Details
1.	Size of the Issue	Rs. 1,900.35 Cr
2.	Bonus Ratio	4:1 (4 Bonus RPS for every 1 equity share held)
3.	Face Value of Bonus RPS per share	Rs. 10/-
4.	Coupon Rate	6 % p.a.- payable at the time of redemption
5.	Redemption period	12 months from the date of allotment
6.	Listing on	NSE & BSE

7.2. The Petitioner Company has filed fairness opinion obtained from an independent merchant banker, which is extracted here below:

Our Recommendation:

As stated in the Valuation Report by Bansi S. Mehta Valuers LLP, they have opined the following:

"4 Bonus Redeemable Preference Shares allotted for each equity shares held in TVSM would have no impact on its Non-convertible Debenture holders"

The aforesaid scheme shall be pursuant to the Draft Scheme of Arrangement and shall be subject to applicable law, as may be applicable and other statutory approvals as may be required. The detailed terms and conditions of the scheme are more fully set forth in the Draft Scheme of Arrangement. PL has issued the Fairness Opinion with the understanding that Draft Scheme of Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Arrangement alters the transaction.

Based on the information, data made available to us, including the Valuation Report, to the best of our knowledge and belief, the issue of 6% Cumulative Non-convertible Redeemable Preference Shares to its equity shareholders by way of bonus in the ratio of 4:1, would have no impact on its Non-convertible

Debenture holders as opined by Bansi S. Mehta Valuers LLP in relation to the proposed Draft Scheme of Arrangement is Fair to the Non-convertible Debenture holders in our opinion.

8. ACCOUNTING TREATMENT

The Petitioner Company has stated that the Statutory Auditors of the Petitioner Company have examined the Scheme and certified that the accounting treatment specified in the Scheme is in accordance with the accounting principles laid down under Section 133 of the Companies Act, 2013 read with rules made thereunder and other Generally Accepted Accounting Principles in India. The Certificate issued by the Statutory Auditor certifying the Accounting Treatment of the Petitioner Company is placed at **Annexure A 15** of the typed set filed along with this petition.

9. OBSERVATIONS OF THIS TRIBUNAL

In the instant case, the equity shares of the petitioner company are listed on the BSE Limited and National Stock Exchange of India Limited. The petitioner had submitted the said Scheme with BSE Limited and National Stock Exchange of India Limited for their "no objection(s)" in compliance with Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under SEBI Master Circular No. SEBI/ HO/ CFD/ DIL1/ CIR/ P/ 2021/ 0000000665 dated 23rd November 2021. The petitioner has received observation letters dated 7th April 2022 from National Stock Exchange of India Limited and 19th April 2022 from Bombay Stock Exchange Limited.

9.1. It is noted that, this Tribunal in CP(CAA)/1(CHE)/2023 dated 06.03.2023 passed an order with similar factual background, wherein, the preference shares were issued by way of bonus to the equity shareholders by utilizing its general reserves.

9.2. After analysing the Scheme in detail, this Tribunal is of the view that the scheme as contemplated by the petitioner company seems to be *prima facie* beneficial to the shareholders and will not be in any way detrimental to the interest of the shareholders of the Company. In the absence of any other objections having been placed on record before this Tribunal and since all the requisite statutory compliances having been fulfilled except some statutory formalities as observed by the Regional Director for which the petitioner company has given undertaking by way of affidavit, this Tribunal sanctions the Scheme of Arrangement appended as ***"Annexure A 2"*** with the Company Petition as well as the prayer made therein.

9.3. Notwithstanding the above, if there is any deficiency found or, violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal will not come in the way of action being taken, albeit, in accordance with law, against the concerned persons, directors and officials of the petitioners.

9.4. While approving the Scheme as above, it is clarified that this order shall not be construed as an order in any way granting exemption from payment of stamp duty, taxes or any other charges, if any, payment is due or required in accordance with law or in respect to any permission/compliance with any other requirement which may be specifically required under any law.

10. THIS TRIBUNAL DO FURTHER ORDER:

(i) The petitioner company shall issue and allot, by way of bonus, 4 Preference shares of face value of INR 10 each fully paid up to each equity shareholder of the Company holding every 1 equity share of INR 1 each fully paid up, whose name is recorded in the register of members of the Company and /or the records of the depository(ies) as equity shareholder of the Company on the Record Date, by utilizing its general reserves / retained earnings.

(iii) The Appointed date means the Effective Date which means the scheme in its present form or with any modification(s) and amendment(s) made under Clause 11 of the scheme duly approved or imposed or directed by the Tribunal.

(iv) The Petitioner Company shall file the revised Memorandum and Articles of Association with the Registrar of Companies and further make the requisite payments of the differential fee (if any) for the enhancement of Authorized Capital of the Petitioner Company.

(viii) The Scheme of Arrangement is approved subject to the directions given. All Authorities concerned to act on production of certified copy of this order.

(ix) The Petitioner Company shall within thirty days of the date of receipt of this order cause a certified copy of this order to be delivered to the Registrar of Companies for compliance and related action as per the provisions of law.

(x) Any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.

11. Accordingly, the Company Petition No. **CP(CAA)/29(CHE)/2025** stands allowed on the aforementioned terms.

-Sd-

VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

-Sd-

SANJIV JAIN
MEMBER (JUDICIAL)

SLA

C.A. Applicant Pawan Jhabakh.

A-1

SCHEME OF ARRANGEMENT

BETWEEN

TVS MOTOR COMPANY LIMITED

AND

ITS SHAREHOLDERS

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

राष्ट्रीय कम्पनी विधि अधिकरण NATIONAL COMPANY LAW TRIBUNAL सत्यमेव जयते CHENNAI CHENNAI BENCH चेन्नै न्यायपीठ

For TVS Motor Company Limited

K S Srinivasan
Company Secretary

TVS MOTOR COMPANY LIMITED CHENNAI 600 006

A. PREAMBLE

This Scheme (*as defined hereinafter*) is presented under Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*) and provides for the issuance of Preference Shares (*as defined hereinafter*) by way of bonus to the shareholders of TVS Motor Company Limited ("**Company**") by utilising the general reserves/ retained earnings of the Company. The Scheme also provides for various other consequential matters or otherwise integrally connected herewith.

B. BACKGROUND AND DESCRIPTION OF THE COMPANY

The Company is incorporated under the provisions of the Companies Act, 1956 and has its corporate identity number L35921TN1992PLC022845. The registered office of the Company is situated at "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006, Tamil Nadu, India. The Company is a reputed two and three-wheeler manufacturer globally, championing progress through sustainable mobility with its four state-of-the-art manufacturing facilities in Hosur, Mysuru and Nalagarh in India and Karawang in Indonesia. The equity shares of the Company are listed on the Stock Exchanges (*as defined hereinafter*). The non-convertible debentures of the Company are listed on the National Stock Exchange of India Limited.

C. RATIONALE FOR THIS SCHEME

(i) The Company has built up substantial surplus reserves, over the years from its retained profits. The surplus reserves are well above the Company's current and likely future business needs.

(ii) Further, upon taking into consideration the Company's capability to generate strong free cash flow in the foreseeable future and the surplus reserves being more than what is needed to fund the Company's future growth, the Company is of the view that these excess funds can be optimally utilized to reward its shareholders.

(iii) Accordingly, the Company has proposed *inter alia*, to distribute such funds amongst its shareholders by issuing fully paid up Preference Shares by way of bonus in terms of this Scheme.

(iv) The Preference Shares will be a listed security and while giving near-cash (traded, encashable) instrument in the hands of shareholders, give increased flexibility to the Company in managing its liquidity until redemption.

(v) In view of the aforesaid factors, the Company has concluded that it can optimally utilize its surplus reserves by distributing a considerable portion of the same to its equity shareholders. In order to maintain high level of corporate governance and transparency, the Company proposes issuance of Preference Shares by way of bonus to its equity shareholders under Sections 230 to 232 of the Act which will be subject to necessary statutory, regulatory and corporate approvals.

The proposed Scheme is in the interest of the shareholders of the Company and it is not detrimental to the interest of other stakeholders.

For TVS Motor Company Limited

K S Srinivasan
Company Secretary

D. PARTS OF THIS SCHEME

This Scheme is divided into the following parts:

(i) **PART I** deals with the definitions, share capital and date of taking effect and implementation of this Scheme;

(ii) **PART II** deals with the issue of Preference Shares by way of bonus; and

(iii) **PART III** deals with the general terms and conditions that would be applicable to this Scheme.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

1.1 In this Scheme, unless inconsistent with the subject or context thereof (a) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; (b) all terms and words not defined in this Scheme shall have the meaning ascribed to them under the relevant Applicable Law (*as defined hereinafter*); and (c) the following expressions shall have the meanings ascribed hereunder:

"Act" means the Companies Act, 2013;

"Appointed Date" means the Effective Date of this Scheme;

"Applicable Law" means any applicable central, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Company; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Company as may be in force from time to time;

"Appropriate Authority" means:

(a) the government of any jurisdiction (including any central, state/, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;

(b) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities;

(c) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation), SEBI, the Tribunal; and

For TVS Motor Company Limited

K S Srinivasan
Company Secretary

(d) Stock Exchanges.

"Board" means board of directors of the Company and shall include a committee of directors and / or any person authorized by the board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to this Scheme and / or any consequential or incidental matter relating thereto;

"Effective Date" means the date on which last of the conditions specified in Clause 12 (Conditions Precedent) of this Scheme are complied with or waived, as applicable. All the references in the Scheme to the date of "**coming into effect of this Scheme**" or "**effectiveness of this Scheme**" or "**Scheme taking effect**" shall mean the Effective Date.

"INR" means Indian Rupee, the lawful currency of the Republic of India;

"Income Tax Act" means the Income-tax act, 1961 as may be amended or supplemented from time to time and shall include any statutory replacement or re-enactment thereof, read together with all applicable by-laws, rules, regulations, orders, ordinances, policies, directions, supplements issued thereunder;

"Person" means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

"Preference Shares" means 6% cumulative non-convertible redeemable preference shares of INR 10 each of the Company to be issued by way of bonus by the Company to its equity shareholders as on Record Date, pursuant to this Scheme, the principal terms and conditions for which have been set out in **Schedule 1** to this Scheme;

"RBI" means the Reserve Bank of India;

"Record Date" means such date as may be fixed by the Board after Effective Date to determine the shareholders of the Company, who shall be entitled to receive the Preference Shares, pursuant to this Scheme;

"**RoC**" means the Registrar of Companies having jurisdiction over the Company;

"**SEBI**" means the Securities and Exchange Board of India;

"**SEBI Circulars**" means the circulars issued by the SEBI pursuant to regulations 11, 37, 59A, 94 and 94A of the SEBI LODR Regulations;

"**SEBI LODR Regulations**" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

"**Scheme**" means this scheme of arrangement as modified from time to time;

"Stock Exchanges" means BSE Limited and the National Stock Exchange of India Limited, collectively;

"Taxation" or **"Tax"** or **"Taxes"** includes all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions, taxes under the

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For TVS Motor Company Limited

K S Srinivasan
Company Secretary

TVS MOTOR COMPANY LIMITED
CHENNAI
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Income Tax Act and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of tax, whether by way of deduction or collection at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Company or any other Person and all penalties, charges, costs and interest relating thereto; and

"Tribunal" means the Chennai bench of the National Company Law Tribunal.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting the singular shall include the plural and *vice versa*;

1.2.2 reference to any law or legislation shall include the rules and regulations thereunder and amendments thereto;

1.2.3 headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same;

1.2.4 the words "include" and "including" are to be construed without limitation; and

1.2.5 the Schedules shall constitute an integral part of this Scheme.

2. SHARE CAPITAL

The share capital of the Company as on 29 February 2024 is as follows:

Particulars	INR
Authorised share capital	
50,00,00,000 equity shares of INR 1 each	50,00,00,000
Total	50,00,00,000
Issued, subscribed and paid up capital	
47,50,87,114 equity shares of INR 1 each	47,50,87,114
Total	**47,50,87,114**

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Company till the date of approval of the Scheme by the Board of the Company.

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

This Scheme set out herein in its present form or with any modification(s) and amendment(s) made under Clause 11 of this Scheme duly approved or imposed or directed by the Tribunal shall be effective and operative from the Effective Date.

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For TVS Motor Company Limited

K S Srinivasan
Company Secretary

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PART II

ISSUE OF PREFERENCE SHARES BY WAY OF BONUS

4. ISSUE OF PREFERENCE SHARES BY WAY OF BONUS

4.1 Upon the effectiveness of this Scheme, the Company shall issue and allot, by way of bonus, 4 Preference Shares of face value of INR 10 each fully paid up to each equity shareholder of the Company holding every 1 equity share of INR 1 each fully paid up, whose name is recorded in the register of members of the Company and/or the records of the depository(ies) as equity shareholder of the Company on the Record Date, by utilizing its general reserves/ retained earnings.

4.2 The issue and allotment of Preference Shares, is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Company or its shareholders and as if the procedure laid down under the Act and such other Applicable Law(s) as may be applicable were duly complied with. It is clarified that the approval of the shareholders of the Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of Preference Shares.

4.3 Subject to the Applicable Law, the Preference Shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. The register of members maintained by the Company and/ or other relevant records, whether in physical or electronic form, maintained by the Company, the relevant depository and registrar and transfer agent in terms of Applicable Law(s) shall (as deemed necessary by the Board of the Company) be updated to reflect the issue of Preference Shares in terms of this Scheme. The shareholders of the Company who hold equity shares in physical form, should provide the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required, to the Company, prior to the Record Date to enable it to issue the Preference Shares.

However, if no such details have been provided to the Company by the equity shareholders holding equity shares in physical share certificates on or before the Record Date, the Company shall deal with the relevant Preference Shares in such manner as may be permissible under the Applicable Law, including by way of issuing the corresponding Preference Shares of the Company in dematerialised form to a trustee nominated by the Board of the Company ("**Trustee of the Company**") who shall hold these Preference Shares in trust for the benefit of such shareholder. The Preference Shares of the Company held by the Trustee of the Company for the benefit of the shareholder shall be transferred to the respective shareholder once such shareholder provides details of his/her/its demat account to the Trustee of the Company, along with such other documents as may be required by the Trustee of the Company. The respective shareholders shall have all the rights that of the preference shareholders, including the right to receive dividend and other corporate benefits, pending the transfer of Preference Shares from the Trustee of the Company. All costs and expenses incurred in this respect shall be borne by the Company.

4.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Company, the Board of the Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in

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order to remove any difficulties arising to the transferor or transferee of equity shares or Preference Shares, after the effectiveness of this Scheme.

4.5 No Preference Shares will be issued under this Scheme in respect of any equity shares of the Company that have been forfeited. The issuance of Preference Shares pursuant to this Scheme in respect of any equity shares of the Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Company.

4.6 The equity shares of the Company lying in 'Unclaimed Suspense Account' shall also be eligible for issuance of Preference Shares and such Preference Shares shall be dealt with in the same manner as said equity shares lying in the said Unclaimed Suspense Account. The Preference Shares to be issued by the Company *in lieu* of the equity shares of the Company held in the investor education protection fund shall be issued to investor education protection fund in favour of such shareholders of the Company.

4.7 In the event, the Company restructures its equity share capital by way of share split / consolidation / issue of bonus shares / any other manner during the pendency of the Scheme, the share entitlement ratio, as per Clause 4.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions.

4.8 The issue of such a bonus to equity shareholders does not involve any release of assets by the Company to shareholders at the time of issuance of Preference Shares by way of bonus.

4.9 The Company shall apply for listing of Preference Shares on the Stock Exchanges in terms of and in compliance of SEBI Circulars and other relevant provisions as may be applicable. The Preference Shares, issued pursuant to this Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange.

4.10 The Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.

4.11 Subject to receipt of the requisite approvals, if any, the Preference Shares shall be issued within a period of 30 (thirty) days from the Record Date to the shareholders of the Company eligible to receive the Preference Shares.

5 **ACCOUNTING TREATMENT**

Upon this Scheme coming into effect and with effect from Effective Date, the Company shall account for issue and allotment of Preference Shares in its books of account in the following manner:

5.1 The Company shall credit its share capital account in its books of account with the aggregate face value of the Preference Shares issued by way of bonus pursuant to Clause 4.1 of this Scheme, to the equity shareholders whose name is recorded in the register of members of the Company and/or the records of the depository(ies) as equity shareholder of the Company on the Record Date; and

5.2 The Company shall debit its general reserves and/ or retained earnings in its books of account with the aggregate face value of the Preference Shares issued pursuant to Clause 4.1 of this

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Scheme to the equity shareholders whose name is recorded in the register of members of the Company and/or the records of the depository(ies) as equity shareholder of the Company on the Record Date.

PART III

GENERAL TERMS & CONDITIONS

6. CHANGE IN AUTHORISED SHARE CAPITAL OF THE COMPANY

6.1 With effect from the Effective Date, the authorised share capital of the Company will automatically stand increased to INR 2050,00,00,000 (Indian Rupees two thousand and fifty crore) by simply filing the requisite forms with the Appropriate Authority and no separate procedure or instrument or deed shall be required to be followed under the Act. The Company will pay necessary stamp duty and registration fees, as may be applicable, for reclassification and increase in authorised preference share capital in terms of the Act.

6.2 Consequently, with effect from Effective Date, the Clause V of the Memorandum of association of the Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Section 13 and other applicable provisions of the Act, and be replaced by the following clause:

"The Authorised Share Capital of the Company is Rs 2050,00,00,000 (Rupees two thousand and fifty crore) divided into 50,00,00,000 (Fifty crore) equity shares of Re 1 (Rupee one only) each and 200,00,00,000 (two hundred crore) preference shares of Rs 10 (Rupees ten) each with power to increase or reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force."

6.3 It is clarified that the approval of the shareholders of the Company to this Scheme shall be deemed to be their consent/ approval also to the alteration of the memorandum of association and articles of association of the Company and the Company shall not be required to seek separate consent/ approval of its shareholders for such alteration of the memorandum of association and articles of association as required under Sections 13, 14, 61, 62 and 64 and other applicable provisions of the Act.

7. IMPACT OF THE SCHEME ON NON-CONVERTIBLE DEBENTURE HOLDERS OF THE COMPANY

7.1 Pursuant to this Scheme, there will be no change in terms and conditions of the Non-Convertible Debentures ("**NCDs**") of the Company. Details of NCDs of the Company, listed on the National Stock Exchange of India Limited, are set-out in **Schedule 2**.

7.2 Safeguards for the protection of holders of NCDs of the Company: The NCD holders of the Company as on the Effective Date will continue to hold NCDs of the Company, without any interruption, on same terms, including the coupon rate, tenure, redemption price, quantum, and nature of security, ISIN, etc. A certificate from statutory auditor of the Company certifying

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the payment/ repayment capability of the Company against the outstanding NCDs is referred in Schedule 2 hereto.

7.3 Exit offer to holders of NCDs of the Company: The NCDs of the Company will continue to be freely tradable and listed on the Stock Exchanges. Pursuant to the Scheme, there is no change in terms and conditions of NCDs and accordingly, no exit offer is required to be provided to holders of NCDs of the Company.

7.4 In view of provisions of this Clause 7 above, the Scheme will not have any adverse impact on the holders of the NCDs.

8. NON RESIDENTS

8.1 Regulation 6 of the Foreign Exchange Management (Debt Instruments) Regulations, 2019 (**"FEMA Debt Regulations"**) has permitted Indian companies to issue non-convertible redeemable preference shares to non-resident shareholders including by way of distribution as bonus from its general reserves under a scheme of arrangement approved by the Tribunal in India under the provisions of the Act, subject to prescribed terms and conditions. The allotment of the Preference Shares by way of bonus to the shareholders of the Company in terms of this Scheme shall be made in accordance with the provisions of FEMA Debt Regulations and accordingly the Company is not required to procure a specific approval from the RBI in regard to allotment of Preference Shares by way of bonus to non-resident shareholders of the Company. Such non-resident shareholders of the Company shall be responsible for complying with the Applicable Laws, including of their country of residence at the time of allotment and/ or sale of Preference Shares and/ or repatriation of money received from the sale of such Preference Shares and the Company shall not be responsible or liable for the same in any manner whatsoever.

8.2 In accordance with the regulations prescribed by SEBI and RBI, the Company shall take all necessary steps towards listing of the Preference Shares issued by way of bonus as prescribed under the Applicable Law.

9. DIVIDENDS

9.1 The Company shall be entitled to declare and pay dividend to its shareholders in the ordinary course of business, whether interim or final.

9.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Company, to demand or claim or be entitled to any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board, and subject to approval, if required, of the shareholders of the Company.

10. APPLICATIONS/ PETITIONS TO THE TRIBUNAL

10.1 The Company shall dispatch, make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, under whose jurisdiction the registered office of the Company is situated, for sanction of this Scheme under the provisions of Applicable Law, and shall apply for such approvals as may be required under Applicable Law.

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10.2 The Company shall be entitled, pending the sanction of this Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Company may require for the issue of Preference Shares to the equity shareholders of the Company.

11. MODIFICATION OR AMENDMENTS TO THIS SCHEME

11.1 On behalf of Company, the Board acting themselves or through authorized Persons, may consent jointly but not individually, to any modifications or amendments to this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate to the Company and solve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for making this Scheme effective.

11.2 For the purposes of giving effect to this Scheme or to any modification hereof, the Board acting themselves or through authorized Persons may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on the Company, in the same manner as if the same were specifically incorporated in this Scheme.

12. CONDITIONS PRECEDENT

12.1 Unless otherwise decided (or waived), the Scheme is conditional upon and subject to the following conditions precedent:

12.1.1 obtaining no-objection letter from the Stock Exchanges in relation to the Scheme under Regulation 37 and 59A of the SEBI LODR Regulations;

12.1.2 the Company complying with other provisions of the SEBI Circular, including seeking approval of the shareholders, holders of NCDs of the Company and such other classes of persons of the Company through e-voting, as applicable;

12.1.3 the sanction and order of the Tribunal, under Sections 230 to 232 of the Act being obtained by the Company; and

12.1.4 certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the RoC.

12.2 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Company may have under or pursuant to all Applicable Law(s).

12.3 On the approval of this Scheme by the shareholders and such other classes of Persons of the Company, if any, the shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the bonus set out in this Scheme, related matters and this Scheme itself.

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13. **WITHDRAWAL OF THIS SCHEME, NON-RECEIPT OF APPROVALS**

13.1 The Company shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.

13.2 In the event of withdrawal of the Scheme under Clause 13.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Company or their respective shareholders or creditors or employees or any other Person.

13.3 In the event of any of the requisite sanctions and approvals not being obtained on or before such date as may be agreed to by the Company, this Scheme shall become null and void.

14. **MISCELLANEOUS**

14.1 This Scheme and issuance of Preference Shares by way of bonus hereunder is intended exclusively for the shareholders of the Company and does not constitute an offer or an invitation to the public to subscribe to the preferences shares. Neither this Scheme, nor any related document shall be construed as an offer document or prospectus in any manner or for any purpose whatsoever.

14.2 All actions taken by the Company pursuant to and in accordance with this Scheme shall be deemed to have not breached any terms and conditions or any other provisions of the Law.

14.3 This Scheme is an "arrangement" between the Company and its shareholders under Sections 230 to 232 of the Act and does not envisage the transfer of vesting of any properties and/or liabilities as contemplated in Sections 230 to 232 of the Act. This Scheme does not involve any "conveyance" or "transfer" of any property/liabilities and does not relate to amalgamation or merger of companies in terms of Sections 230 to 232 of the Act, and therefore no stamp duty shall be payable on the Scheme and / or the order sanctioning this Scheme. However, stamp duty, if any, in regard to any instrument / deed / contract / Tribunal order pertaining to the issue and allotment of the Preference Shares by way of bonus shall be paid by the Company as per Applicable Law.

15. **COSTS AND TAXES**

All costs, charges and expenses in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/ or incidental to the completion of this Scheme shall be paid by the Company. For the avoidance of doubt, it is clarified that equity shareholders of the Company will be required to bear and pay all taxes as maybe applicable to them in relation to the Preference Shares held by them.

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Company Secretary

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SCHEDULE 1

PRINCIPAL TERMS AND CONDITIONS FOR ISSUE OF PREFERENCE SHARES

Issuer	TVS Motor Company Limited/ Company
Type of Instrument	Cumulative Non-Convertible Redeemable Preference Shares
Face value	INR 10 (ten)
Coupon Rate	6% per annum
Tenure	12 months from the date of allotment
Redemption	The Company shall redeem Preference Shares at INR 10 of nominal value
Credit Rating	To be obtained from a credit rating agency after Effective Date
Market Lot	One Preference Share or as required by Stock Exchanges
Listing	To be listed on the Stock Exchanges on which the equity shares of the Company are listed
Taxation	The allotment, dividend, redemption amount of Preference Shares issued by way of bonus, are subject to Taxes including any withholding / deduction as may be applicable in accordance with provisions of Income Tax Act as amended from time to time
Lock in Period	There is no lock in for the Preference Shares

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Company Secretary

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SCHEDULE 2

Details of NCDs of the Company listed on the National Stock Exchange of India Limited as on the date of the Board of the Company approving the Scheme:

Particulars	Description
ISIN	INE494B08036
No of NCDs	12,500
Face value per NCDs	1,00,000
Bid Opening Date	13th March 2023
Bid Closing Date	13th March 2023
Date of Allotment	14th March 2023
Redemption price	1,00,000
Redemption date	13th March 2026
Terms of redemption	Debentures will be redeemed at par
Redemption premium/ discount	Not Applicable
Redemption amount	INR 1,25,00,00,000
Coupon rate	Repo rate + 140 basis points
Coupon frequency	Annual
Credit Rating	CARE AA+ (Stable)
Call option	NA
Latest audited financials along with notes to accounts and any audit qualifications	Refer to following URL on the website of the Company: www.tvsmotor.com

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Particulars	Description
Auditors' certificate certifying the NCDs payment/ repayment capability of the Company	Refer to following URL on the website of the Company: www.tvsmotor.com
Fairness Report	Refer to following URL on the website of the Company: www.tvsmotor.com
Put options	NA
Early redemption scenario details	Not Applicable
Put date	Not Applicable
Put price	Not Applicable
Call price	Not Applicable
Call date	Not Applicable
Put notification time	Not Applicable
Call notification time	Not Applicable

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