MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

TVS MOTOR COMPANY LIMITED

Company Number: 18-22845

सत्यमेव जयते

FRESH CERTIFICATE OF INCORPORATION CONSEQUENT ON CHANGE OF NAME

In the office of the Registrar of Companies, Tamil Nadu, Chennai-6
(Under the Companies Act, 1956 (I of 1956)

IN THE MATTER OF* TVS SUZUKI LIMITED

I hereby certify that TVS SUZUKI LIMITED

which was originally incorporated on TENTH day of JUNE 1992

under** Companies Act. 1956/1913 and under the name

***** SUNDARAM AUTO ENGINEERS (INDIA) PRIVATE LIMITED *******

having duly passed the necessary resolution on 07.11.2001 in terms of Section 21 / ~~22 (1) (e) / 22 (1) (b) / 44 / 43A (4)~~/31 of the companies Act, 1956 and the approval of the Central Government signified in writing having been accorded hereto in the Ministry of law, Justice and Company Affairs, Department of Company Affairs, Registrar of Companies, Chennai, Letter No. 22845/S.21/2001 dated 07.11.2001

the name of the said company in this day changed to

******* TVS MOTOR COMPANY LIMITED *************************

and this Certificate is issued pursuant to Section 23(1)/44/43A(4)/31 of the said Act.

Given under my hand at CHENNAI this SEVENTH Day of NOVEMBER

Two thousand ONE

SIXTEENTH KARTIKA

One thousand ~~nine~~ hundred and TWENTY THREE (Saka)

SEAL OF THE REGISTRAR OF COMPANIES * TAMIL NADU *

(V.A.VIJAYAN MENON)
Registrar of Companies
Tamil Nadu, Chennai

* Here give the name of the company as existing prior to the Change.

** Here give the name of the Act(s) under which the company was originally registered and incorporated.

Company Number: 18-22845

सत्यमेव जयते

FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT ON CHANGE OF NAME

In the office of the Registrar of Companies, Tamil Nadu, Chennai-6
(Under the Companies Act, 1956 (I of 1956)

IN THE MATTER OF* SUNDARAM AUTO ENGINEERS (INDIA) LIMITED

I hereby certify that SUNDARAM AUTO ENGINEERS (INDIA) LIMITED

which was originally incorporated on 10th day of June 1992

under** Companies Act, 1956/~~1913~~ and under the name

SUNDARAM AUTO ENGINEERS (INDIA) PRIVATE LIMITED

having duly passed the necessary resolution on 24.04.2000 in terms of Section 21 ~~/22(1)(e)/22(1)(b)/44/43A(4)/31~~ of the companies Act, 1956 and the approval of the Central Government signified in writing having been accorded hereto in the Ministry of law, Justice and Company Affairs, Department of Company Affairs, Registrar of Companies, Chennai, Letter No. 22845/S.21/C-II/2000 dated 25-04-2000

the name of the said company in this day changed to

*** TVS-SUZUKI LIMITED ***

and this Certificate is issued pursuant to Section 23(1)~~/44/43A(4)/31~~ of the said Act.

Given under my hand at CHENNAI this Twenty fifth / Fifth Day of April / Vaisakha

~~One thousand nine hundred and*~~ TWO THOUSAND

One thousand nine hundred and TWENTY TWO (Saka)

SEAL OF THE REGISTRAR OF COMPANIES TAMIL NADU

(V.A. VIJAYAN MENON)
Registrar of Companies
Tamil Nadu, Chennai

* Here give the name of the company as existing prior to the Change.

** Here give the name of the Act(s) under which the company was originally registered and incorporated.

FORM I R,

The Word " Private " deleted under the provisions of Section 43-A(2) of the C. A. 1956 and the company has become a Public Company with effect from 4/9/95

Addl. Registrar of Companies
Madras

CERTIFICATE OF INCORPORATION

No. 18-22845 of 19 92

I hereby certify that SUNDARAM AUTO ENGINEERS (INDIA) ~~PRIVATE~~ LIMITED

Deleted

*** *** ***

is this day incorporated under the Companies Act. 1956 (No. 1 of 1956) and that the Company is Limited.

Given under my hand at MADRAS

this TENTH day of JUNE
TWENTIETH JYAISTHA

One thousand nine hundred and NINETY TWO.

One thousand nine hundred and FOURTEEN (SAKA)

Seal of the Registrar of Companies
Tamilnadu

(SHRIRAM)
ADDL. Registrar of Companies
TAMIL NADU

J.S.C-I

FORM I R.

CERTIFICATE OF INCORPORATION

No. 18-22845 of 19 92.

I hereby certify that SUNDARAM AUTO ENGINEERS (INDIA) PRIVATE LIMITED. ***

*** ***

is this day incorporated under the Companies Act. 1956 (No. 1 of 1956) and that the Company is Limited.

Given under my hand at MADRAS

this TENTH day of JUNE
One thousand nine hundred and NINETY TWO.
TWENTIETH JYAISTHA
One thousand nine hundred and FOURTEEN (SAKA)

Seal of the Registrar of Companies
Tamilnadu

(SHRIRAM)
ADDL. Registrar of Companies
TAMIL NADU

J.S.C-I

UNDER THE COMPANIES ACT, 1956

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

TVS MOTOR COMPANY LIMITED

I. The name of the Company is 'TVS MOTOR COMPANY LIMITED'.

II. The Registered Office of the Company will be situated in the State of Tamil Nadu.

III. **A. The main objects to be pursued by the Company on its incorporation are: -**

1. To carry on all or any of the business of manufacturers and producers, importers and exporters, buyers, sellers, exchange dealers, stockists, suppliers and distributors, wholesale and retail dealers, repairers of and workmen in motorcycles, mini motorcycles, auto-scooters, scooters, scooterates, mopeds, motorcars, motor buses, mini buses, motor lorries, motor trucks, jeeps, trolleys, tractors, trailers, power tillers, sprayers, buses, motor vans, pick-up vans, ambulances, vehicles, and other conveyances of all kinds and description, components, parts thereof, spare parts, accessories, implements, materials and products for the transport or conveyances of passengers, merchandise and goods of every description, suitable for the propulsion on land, sea or air or any other conveyance thereof, whether propelled or assisted by means of petrol, diesel oil, power oil, spirit, gas, electricity, solar energy, atomic energy, animal, manual labour or any other powers whatsoever and all engine chassis, bodies, etc., used for all in connection with the above mentioned items.

2. To carry on the business of manufacturers and producers, importers and exporters, buyers, sellers, stockists, suppliers, exchange dealers and distributors, whole-sale and retail dealers, repairers of and workmen in all kinds of internal combustion engines, components thereof.

3. To carry on the business of manufacturers and producers, importers and exporters, buyers, sellers, exchange dealers, stockists, suppliers and distributors, whole-sale and retail dealers, repairers of and workmen in all kinds of power generators, output motors, lawn movers, components thereof, spare parts, accessories, tools, implements, materials and products used in connection with the above.

   (Clauses 1 to 3 were substituted vide special resolution passed at the extra-ordinary general meeting of the Company held on 24th April 2000) .

4. To carry on the business of retail and wholesale dealers in petrol, diesel, gas and oil agents, garage proprietors, repairers, cleaners and storers of taxicab, omni bus, auto-rickshaw, motor car, lorry, and other public or private conveyances and omni bus, motor car, lorry, motor-cycle, scooter, scooterate, moped or other vehicle repairers, garage builders, dealers in automotive components and accessories of all kinds and automobile engineers.

5. To carry on the business of electricians, electrical engineers, electrical contractors and repairers of all electronic equipment, used on all types of applications, and manufacturers of all kinds of electrical machinery and electrical apparatus for any purpose whatsoever.

6. To carry on the business of founders of ferrous and non- ferrous metals, sheet-metal work, press shop apparatus, welding engineers, refrigerator and air conditioning and environmental control system engineers.

   (Clauses 4 to 6 were inserted vide special resolution passed at the extra-ordinary general meeting of the Company held on 24th April 2000).

B. The objects incidental or ancillary to the attainment of the main objects are:-

1. To acquire land and buildings and alter or renovate the same for the purpose of business of the Company.

2. To develop the resources of and turn to account the lands, buildings and rights for the time being of the Company in such manner as the Company may think fit, and in particular by acquiring, draining, fencing, planting, building, improving, farming, gracing or mining.

3. To enter into arrangements for technical collaboration and or other forms of assistance including capital participation with foreign or Indian manufacturers of all types of goods or products manufactured or proposed to be manufactured or processed by the Company or for rendering specialised service falling within the objects of the Company and to pay for such technical assistance or collaboration, royalties or other fees in cash or in any other form.

4. To acquire, provide, construct, establish, run and maintain factories, workshops, buildings, plant, machinery, warehouse and other facilities necessary for any of the purposes or businesses of the Company.

5. To establish, maintain and operate training schools for apprentices, artisans, mechanics, technicians, engineers, supervisors or any employees or personnel employed in connection with all or any of the businesses of the Company.

6. To act as buying or selling agents or other types of agents and brokers of Government or Public authorities, or any Company, body corporate, association, firm or persons and perform all and the several duties, services and offices which such agents and brokers can do and perform and to enter into any agreement or agreements for any of the purposes aforesaid.

7. To acquire and run any industrial concern or factory considered necessary for all or any of the purposes or business of the Company.

8. To enter into any arrangement with any Government or authorities - municipal, local or otherwise - or any persons or Company in India or abroad that may seem conducive to the objects of the Company or any of them and to obtain from any such Government, authority, persons or Company any rights, privileges, charters, contracts, licenses and concessions necessary or convenient for carrying on any of the business which the Company is authorised to carry on.

9. To purchase, take on lease or in exchange or under amalgamation, license or concession or otherwise, absolutely or conditionally, solely or jointly with others and make, construct, maintain, work, hire, hold, improve, alter, pull down, remove or replace, enlarge, manage, control, let, sell, dispose of or exchange roads, canals, water-sources, ferries, piers, aerodromes, lands, buildings, warehouses, works, offices, factories, shops, mills, work-shops, railways, sidings, tramways, engines, machinery and apparatus, water rights, way leaves, trade marks, patents and designs, privileges or rights of any description or kind which may seem calculated directly or indirectly to advance the interests of the Company.

10. To bring, buy, sell, prepare, repair, convert, hire, alter, treat, manipulate, let on hire, import, export, dispose of and deal in machinery, implements, rolling stock, plant, hardware metals, natural and synthetic rubber, carbon-black, rayon, nylon, chemicals, sealants, plastics, cement, stone materials, tools, appliances, apparatus, products, substances and Articles of all kinds which are required for the purpose of any of the businesses which the Company has expressly or by implication authorised to carry on.

11. To acquire the whole or any part of the undertaking and assets of any business within the objects of the Company and any lands, privileges, rights, contracts, property or effects held or used in connection therewith and upon any such purchase to undertake the liabilities of any such company, association, partnership or person.

12. To act as agents or brokers, stockists, distributors and agents, representatives and as trustees for any person or company and to undertake and perform sub-contracts.

13. To amalgamate, enter into partnership, or into any arrangement for sharing profits, union of interests, co-operation, joint ventures or reciprocal concessions with any person or company carrying on or engaged in or about to carry on or engage in, any business or transactions which the Company is authorised to carry on.

14. To apply for, purchase, or otherwise acquire and protect and renew in any part of the world any patents, patent rights, brevets d'invention, licences, concessions and the like, conferring any exclusive or non -exclusive or limited rights to their use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop, or grant license in respect of or otherwise turn to account the property, rights or information so acquired, and to expend money to experimenting upon, testing or improving any such patents, invention, information or rights.

15. To establish or promote or concur in establishing or promoting any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company.

16. To subsidise, assist and guarantee the payment of money or the performance of any contract, engagement or obligation by any persons or companies, and in particular, customers of the Company or any persons or companies with whom the Company may have or intend to have business relations.

17. To enter into a contract or contracts of loan or guarantee with any company, firm or persons for payment or performance of any debts, contracts or obligations of and the payment of the capital and the dividends and interests on any stock, shares or securities of any company, firm or person in any case in which such loan or guarantee may be considered by the directors likely directly or indirectly to further the objects of the Company or the interests of members.

18. Generally to purchase, take on lease or in exchange, hire or otherwise acquire, any real and personal property and any rights or privileges which the Company may think necessary or convenient for the purpose of its business or which may enhance the value of any other property of the Company and in particular any land, buildings, easements, machinery, plant, vehicles and stock-in-trade.

19. To train or pay for the training in India or abroad of any of the Company's Employees, Officers, directors, Technicians or any candidate in the interest of or for furtherance of the Company's objects.

20. To invest and deal with the moneys of the Company not immediately required in any manner and in particular to accumulate funds or to acquire or take by subscriptions, purchase or otherwise howsoever or to hold shares or stock in or the security of any company, association or undertaking in India or abroad.

21. To lend and advance moneys or give credit to such persons or companies and on such terms as may seem expedient, and in particular to customers and others having dealings with the Company, and to guarantee the performance of any contract or obligation and the payment of or by any such persons or companies and generally to give guarantees and indemnities.

22. To receive money on deposit or loan at interest within the permissible limit and borrow or raise money in such manner as the Company shall think fit and in particular by the issue of debentures, or debenture stock (perpetual or otherwise) and to secure the repayment of any moneys borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future), including its uncalled capital, and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company of any obligation undertaken by the Company or any other person or company, as the case may be, PROVIDED that the Company shall not carry on any business of banking within the meaning of the Banking Regulation Act, 1949.

23. To insure any or all properties, godowns, stocks (in godowns or in transit), machinery, directors and employees with any insurance company, or companies against all kinds of risks to the Company or to its directors and employees.

24. To remunerate (by cash or otherwise or by other assets) any person, firm, association or company for services rendered or to be rendered or for rendering technical aid and advice, granting licenses or permissions for the use of patents, trade secrets, trade marks, processes and in acting as trustees for debenture-holders or debenture stock-holders of the Company or for services rendered in or about the formation or promotion of the Company or any company promoted by this Company or in introducing any party or business to the Company or in or about the conduct of the business of this Company or for guaranteeing payment of such debenture stock or other securities and any interest thereon.

25. To pay for any business, property or rights acquired or agreed to be acquired by the Company and generally to satisfy any obligation of the Company by the issue or transfer of shares of this Company or other company credited as fully or partly paid up or of debentures or other securities of this or any other company.

26. To pay, satisfy, or compromise, claims made against the Company which it may be necessary or seem expedient to pay, satisfy or compromise and also do so notwithstanding that the same may not be valid in law.

27. To open any kind of account in any Bank.

28. To draw, make, accept, endorse, discount, execute and issue and negotiate cheques, promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.

29. To pay for any rights or property acquired by the Company and to remunerate any person or company whether by cash payment or by the allotment of shares or debentures or other securities of the Company credited as paid up in full or in part or otherwise.

30. To pay out of funds of the Company all expenses which the Company may lawfully pay with respect to the formation and registration of the Company or the issue of its capital.

31. To sell, lease, mortgage, exchange or otherwise dispose of the property, assets or undertaking of the Company or any part thereof for such consideration as the Company may think fit, and in particular for shares, stocks, debentures or other securities of any other company whether or not having objects altogether or in part similar to those of the Company.

32. To distribute among the members in specie any property of the Company or any proceeds of the sale or disposal of any property of the Company, in the event of its being wound up but so that no distribution amounting to a reduction of capital be made except in accordance with the provisions of the Companies Act, 1956.

33. To improve, manage, develop, grant rights or privileges in respect of or otherwise deal with, all or any part of the property and rights of the Company.

34. To establish, join, support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the Company or the dependants or connections of such persons or the public and to make payments towards insurance and to subscribe, contribute or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general, or useful object, the support of which will in the opinion of the Company lead to the increase of its reputation or goodwill among its employees, customers, agents or the public.

35. Subject to the provisions of the Companies Act, 1956, to provide for the welfare of the directors, Trustees and Employees or Ex-Directors, Ex-Trustees or Ex-Employees of the Company and the wives, widows and families or the dependants or connections of such persons, by building or contributing to the building of houses, dwellings, by grants of money, pensions, gratuities, allowances, bonuses or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation or hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit and to subscribe or contribute or otherwise assist or to guarantee money to charitable, benevolent, religious, scientific, national or allied institutions, bodies and objects which shall have moral or other claims

to the support or aid by the Company either by reason of locality of operation or public and general utility but not for political purposes.

(The words “or otherwise” after the words “general utility” be replaced with the words “ but not for political purposes” vide special resolution passed at the extra-ordinary general meeting held on 24th April 2000).

36. To procure the Company to be registered or recognised in any part of the world outside India.

37. To open and keep a register or registers in any country or countries where it may be deemed advisable to do so, and to allocate any number of shares in the Company to such register or registers.

38. To create any depreciation fund, reserve fund, sinking fund or any other special fund whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for any other purpose conducive to the interest of the Company subject to the provisions of the Companies (Transfer of Profits to Reserves) Rules, 1975

39. Subject to Section 78 of the Companies Act, 1956, to place, to reserve or to distribute as dividend or bonus among the members or otherwise to apply, as the Company may from time to time think fit, any monies received by way of premium on shares or debentures issued at a premium by the Company and any monies received in respect of dividends accrued on forfeited shares.

40. To establish, provide and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments; to undertake and carry on scientific and technical researches, experiments and tests of all kinds to promote studies and researches both scientific and technical, investigations and inventions by providing, subsidising, endowing conferences and by providing or contributing to the remuneration of scientific or technical professors or teachers and by providing or contributing to the award of scholarships, prizes, grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the Company is authorised to carry on.

41 . Subject to the provisions of the Companies Act, 1956, or any other enactment in force, to indemnify and keep indemnified Members, Officers, Directors, Agents and Employees of the Company against proceedings, costs, damages, claims and demands in respect of anything done or ordered to be done by them for and in the interest of the Company and for any loss, damage or misfortune whatever and which shall happen in execution of the duties of their office or in relation thereto.

42. To take or concur in taking all such steps and proceedings as may seem best calculated to uphold and support the credit of the Company and to obtain and justify public confidence and to avert or minimise financial disturbances which might affect the Company.

43. To apply for, promote and obtain any Act of Parliament, charter, privilege, concession, license or authorisation of any Government, State or Municipality, provisional order or license of any authority for enabling the Company to carry on any of its objects into effect or for extending any of the powers of the Company or effecting any modification of the constitution of the Company or for any other purposes which may seem expedient and to oppose any proceedings on applications which may seem calculated directly or indirectly to prejudice the interests of the Company.

44. To agree to refer to arbitration and to refer to arbitration any disputes present or future between the Company and any other company, firm or individual and to submit the same to arbitration in India or abroad either in accordance with Indian or any foreign system of law.

(Clause 1 deleted vide special resolution passed at the extra-ordinary general meeting of the Company held on 24th April 2000).

(Clauses 2 to 45 were renumbered as clauses 1 to 44 vide special resolution passed at the extra-ordinary general meeting of the company held on 24th April 2000).

C. The other objects of the Company not included in (A) and (B) are:-

1. (i) To carry on and undertake the businesses of trading, hire purchase and leasing company and to finance lease/hire purchase operations of all kinds either singly/jointly/or on a syndication/ consortium/participative/lead basis including import leasing / hire purchase, cross border leasing / hire purchase, lease / hire purchase funding, lease / hire management, provide venture capital, vendor plans, purchasing, selling, hiring or letting on hire, all kinds of plant and machinery and equipment that the company may think fit and to assist in financing of all and every kind and description of hire purchase or deferred payment or similar transactions and to subsidise, finance or assist in subsidising or financing the sale or maintenance of any goods, articles or commodities of all and every kind and description upon any terms whatsoever and to purchase or otherwise deal in all forms of immovable and movable property including land and buildings, plant and machinery, equipment , ship, aircraft, automobiles including two wheelers and three wheelers, tractors, tillers , threshers, dryers, motor vehicles of all kinds, engines , generators , computer software and hardware, all types and kinds of appliances, domestic or otherwise, computers and all consumer, commercial and industrial items and to lease or otherwise deal with them in any manner whatsoever including resale thereof , regardless of whether the property purchased and leased be new and / or used.

(ii) To undertake and carry on all operations and transactions in regard to business of any kind in the same way as an individual capitalist may lawfully undertake and carry out and, in particular, the financing of hire purchase contracts relating to property or assets of any description, either fixed or movable, such as houses, lands, vehicles and government bonds.

(iii) To carry on the businesses of finance, foreign exchange, investment company and an investment trust company and to invest in and / or finance and / or promote and / or establish in its own name or as a holding company, or by entering into partnership with others, investment companies, finance companies and brokerage houses, borrow and raise monies to underwrite, sub-underwrite, to invest in, to acquire and hold, sell, buy or otherwise deal in shares, debentures, debenture stocks, bonds, units, obligations and securities issued or guaranteed by Indian or Foreign Governments, States, Dominions, Sovereigns, Municipalities, or Public Authorities or bodies and shares, stocks, debentures, debenture stocks, bonds, obligations and securities issued and guaranteed by any company, corporation, society, firm or person whether incorporated or established in India or elsewhere but not to do the business of banking as defined in the Banking Regulation Act, 1949.

(iv) To carry on the business of bill discounting, hundi discounting, cheque discounting and discounting of any other type of negotiable instruments and other type of instruments, to purchase, accept, assign debts and to carry on the business of accepting, co-accepting of negotiable instruments and related activities.

(v) To undertake and execute or constitute any trust and to subscribe and act as and to undertake and carry on the office or offices and duties of trustees, custodian trustees, executors, administrators, liquidators, receivers, treasurers, attorneys, nominees and agents and to manage the funds of all kinds of trusts and to render periodic advice on investments, finance, taxation and to invest these funds from time to time in various forms including shares, term loans, debentures etc. and carry on custodial services and as a custodian to send on behalf of clients, the securities for registration of transfers, collect dividends and other returns/incomes and to carry on all other functions as are normally carried on by custodians and to safekeep the securities etc.

(vi) To give advice on or to offer, give, take, circulate and/or otherwise organise, accept or implement, any take-overs, mergers, demergers, amalgamation or acquisitions or schemes for diversification, rehabilitation or restructuring of any business, concern, undertaking, company, body corporate, partnership or other firm or any association of persons, whether incorporated or not, by acquisition of shares or assets and liabilities and whether as a going concern or as a part of the concern or otherwise as may be required, having regard to business exigencies, and to promote or procure the incorporation, formation or setting up of any concern or undertaking whether as Company, body corporate, partnership or any other association of persons for engaging in any industrial, commercial or business activities.

(vii) To carry on the business of money changers and to deal in foreign exchange in cash, traveller's cheques or in any other form.

(viii) To undertake trading / dealing in foreign exchange in all markets both domestic and international and to conduct any other activities related to these markets.

(Clause 1 was amended vide special resolution passed at the extra-ordinary general meeting of the Company held on 24th April 2000).

2. To carry on the business of manufacture and selling of ceramic, metallic, plastic and polymer goods, metal, ceramic, plastic, and polymer insulants.

3. To carry on the business of manufacture and selling of chemicals, resins, plastics, adhesives, precipitates.

4. To carry on the business of manufacture and selling of all types of scientific and surgical instruments, appliances and equipment.

5. To construct, lay down, establish, fix, erect, equip and maintain generators, machinery, electrical equipment and cables, lines, accumulators, lamps, fittings and apparatus in the capacity of principals, contractors or otherwise .

6. To carry on the business of manufacture and selling of all kinds of apparatus and equipment using electronic devices together with instrumentation intended for testing, controlling, observing and maintaining the equipment and apparatus mentioned above.

7. To carry on business as Technical Consultants, Advisers and Purveyors of Technical know-how, formulae, processes and applied technology and to organise and pursue research and development in areas chosen from time to time.

8. To take part in the management , supervision or control of the business or operations of any company or undertaking and for that purpose to appoint and remunerate any directors, accountants or other experts or agents.

9. To carry on the business of hirers of and dealers in computers, electronic calculators and to generally act as consultants and advisors on information systems, and Purveyors of information services based on the use of computers, electronic calculators and to furnish to the users, systems help, know-how programmes and other software relating to use of such machines and allied peripherals.

10. To purchase, take on lease or otherwise acquire, cultivate, improve, develop and turn in to account any land (agricultural or otherwise) by planting, paving, draining, farming, cultivating, letting on lease laying out and preparing for building purposes, constructing, altering, pulling down, decorating, maintaining, furnishing and fitting up and improving any land and building thereon.

11. To undertake and execute any trusts the undertaking whereof may seem desirable and also to undertake the office of executor, administrator, receiver, and to keep for any Company, Government Authority or body, any register relating to any stocks, funds or shares or securities, or to undertake any duties in relation to the registration of transfers, the issue of certificates or otherwise .

12. To appoint Trustees to hold securities on behalf of and to protect the interests of the Company.

13. To carry on all or any of the business of the engineers, machinists, tool makers, wire drawers, millwrights, founders, tube makers and iron and steel convertors .

14. (i) To carry on the business of an investment company and for that purpose to invest in, acquire any shares, stocks, debentures, debenture-stock, bonds, obligations or securities by original subscription,

participation in syndicates, tender, purchase, exchange or otherwise and to subscribe for the same whether or not fully paid up, either conditionally or otherwise, to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof and to advance, deposit or lend money against securities and properties to or with any company, body corporate, firm, person or association or without security and on such terms as may be determined from time to time.

(ii) To accept gift of properties movable or immovable and to deal with such properties in any manner as may seem expedient.

(iii) To act as technical advisors or consultants, investment advisors, financial consultants, management consultants, market surveyors and provide advice, services and consultancy in various fields, such as, general, administrative, commercial, financial, legal, economic, labour, industrial, public relations, scientific, technical, direct and indirect taxation and other levies, statistical, accountancy, quality control, inventory control, data processing, human behaviour, portfolio management, and / or to offer such services or technical know-how and / or management services to any company, body corporate, firm or person or persons and also all merchant banking activities and organising collections and repayment of public deposits to various corporate bodies.

(Clause 14 amended vide special resolution passed at the extra-ordinary general meeting of the Company held on 24th April 2000).

15. To carry on all or any of the business of the saddlers, galvanisers, metal workers, welders, woodworkers, metallurgists, electro-platers, annealers, japanners, painters, packing case manufacturers and welding apparatus.

(The words “and packing care manufacturers” be replaced with the words “packing case manufactures and welding apparatus” vide special resolution passed at the extra-ordinary general meeting of the Company held on 24th April 2000).

16. To carry on all or any of the businesses of the heavy and light, electrical, pneumatic, hydraulic and or electric, plant and machinery, designs in existence today or to be invented hereafter.

17. To carry on in all their respective branches all or any of the business of builders, masonry, structural, general construction contractors and road builders.

18. To carry on the business of merchants and dealers in brick, timber, hardware and other building requisites, builders’ merchants, brick and tile, terracotta makers, ceramic and porcelain ware manufacturers and marble manufacturers.

19. To do all on any of the above things in any part of the world either as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise either alone or in conjunction with others.

IV. The liability of the Members is limited.

V. The Authorised Share Capital of the Company is Rs 2100,00,00,000 (Rupees two thousand and one hundred crore) divided into 100,00,00,000 (Hundred 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 determin ed by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privilegs or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislatie provisions for the time being in force.

(As replaced from the effective date viz., 12th May 2026, by Clause 6.1 of the Scheme of Arrangement between TVS Motor Company Limited and its shareholders under sections 230 to 232 of the Companies Act, 2013 sanctioned by the Hon’ble National Company Law Tribunal vide its order dated 6th May 2026)

We, the several persons, whose names and addresses are subscribed hereto, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names:

Serial No	Names, Addresses, Description and Occupations of subscribers	No. of Equity shares taken by each subscriber	Signature
1	H LAKSHMANAN Company Executive S/o Late Sri S Harihara Iyer 1-B, Monna Apartments 4, Bhaskarapuram, Madras 600 004	10 (TEN ONLY)	Sd/-
2	R SUBRAMANIAN Company Executive S/o Late Sri G Rama Subbu Flat 12, "River View" Apartment Srinagar Colony, Saidapet Madras 600 015	10 (TEN ONLY)	Sd/-
3	V N VENKATANATHAN Company Executive S/o Dr V N Seshadri Acharya 25, Nachiappan Street, Mahalingapuram, Madras 600 034	10 (TEN ONLY)	Sd/-
		30 (THIRTY ONLY)	

Witness to all the above signatures:

R MADHAVAN Sd/-
Company Executive S/o Sri K Rajagopalan
29, Thiagaraja Gramani Street , Thyagaraya Nagar
Madras 600 017
Dated at Madras this 28th day of May 1992.

TVS MOTOR COMPANY LIMITED

ARTICLES OF ASSOCIATION

(Altered by Special Resolution passed by the shareholders through postal ballot on 6th September 2022)

ARTICLES OF ASSOCIATION OF

TVS MOTOR COMPANY LIMITED

The regulations 1 to 105 comprised in these Articles of Association were adopted pursuant to the Special Resolution passed by the shareholders of the Company through postal ballot on 21st December 2017, in substitution for and to the entire exclusion of the earlier regulations comprised in the extant Articles of Association of the Company.

APPLICABILITY OF TABLE 'F'

1. The regulations contained in Table F, in Schedule I to the Companies Act, 2013 (Table 'F'), shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in this Articles or by the said Act.

   The regulations for the management of the Company and for the observance by the members thereof and their representatives and to any exercise of the Statutory Powers of the Company with reference to the repeal or alteration, additions, substitutions, modifications and variations to its regulations in the manner prescribed under the Companies Act, 2013, shall be such as are contained in these articles.

Interpretation

In the interpretation of these Articles, the following expressions shall have the following meanings, unless repugnant to the subject or context:

2. (a) "Articles" means the Articles of Association as adopted including any alteration, modification and substitution thereto, from time to time, in accordance with the provisions of these Articles and Act.

   (b) Memorandum of Association" or "Memorandum" means the Memorandum of Association as adopted including any alteration, modification and substitution thereto, from time to time, in accordance with the provisions of these Articles and Act.

   (c) 'Month' means a calendar month.

   (d) Promoters means Sundaram-Clayton Limited and their successors and assigns

   (e) 'Seal' means the Common Seal for the time being of the Company   require.

   (f) "The Act" or "The Companies Act" means the Companies Act, 2013, or any statutory modification or re-enactment thereof for the time being in force, and shall be deemed to include rules, regulations, notifications, guidelines, circulars or clarifications made, issued / given thereunder from time to time and applicable and subsisting provisions of the Companies Act, 1956, if any, along with relevant rules made there under.

(g) "The Company" or "This Company" means 'TVS Motor Company Limited'.

3. The marginal notes, titles, sub-titles, heading or sub-heading used hereto in these Articles shall not affect the construction hereof.

Words importing the masculine gender shall include the feminine and neuter gender.

Words importing the singular number include, where the context admits or requires, the plural number and vice versa.

Save as aforesaid and unless the context otherwise requires, words or expressions defined or contained in these Articles, shall bear the same meaning as defined in the act, SEBI laws in force at the date at which these articles become binding on the Company.

Share capital and variation of rights

4. (a) *Capital and Shares*

The authorized share capital of the Company shall be such amount and be divided into such class, number or kind of Shares as may be provided in the Memorandum of Association, from time to time.

(b) The board shall have power to modify, increase, reduce, consolidate, subdivide or otherwise alter the share capital and to divide the Shares into several classes and attach thereof such preferential, deferred, qualified, special rights, privileges or conditions, in such manner as may be permitted by the Act for issuing, allotting or otherwise dispose of the same or any of them to such persons, in such proportion either at a premium or at par, as fully or partly paid up, for cash or for consideration other than cash, by way of payment or part payment for any property or assets or goods of any kind whatsoever acquired or services availed or upon conversion of shares or loans, and to vary, modify or abrogate any such rights, privileges or conditions.

(c) The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

American Depository Receipts (ADRs) / Global Depository Receipts (GDRs)

5. The Company shall, subject to the applicable provisions of the Act, compliance with all Laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board and applicable security laws.

6. (a) (i) Every Member or allottee of Shares of the Company shall be entitled to receive one certificate specifying the name of the person(s) in whose favour it is issued, the Shares to which it relates, the certificate number and the amount paid up thereon.

(ii) Such certificate shall be issued only in pursuance of a resolution passed by the Board or a Committee of the Board in this regard and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation or in case of issue of bonus Shares.

Provided that if the letter of allotment is lost or destroyed, the Board or a Committee of the board may impose such reasonable terms, if any, as to seek supporting evidence and indemnity and the payment of out of-pocket expenses incurred by the Company in investigating evidence, as it may think fit.

(iii) Every such certificate shall be signed by two Directors, one of whom shall be the managing director, if any, and the Company Secretary, wherever the company has appointed a Company Secretary, or any person authorised by the board.

(iv) Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued indicating the date of issue.

(b) Save as otherwise provided in SEBI laws, every person whose name is entered as a Member in the register of Members shall be entitled to receive within two months after allotment or within one month after the application for registration of transfer or transmission, or such time as may be required under the Act and the Rules –

(i) one certificate for all his Shares without payment of any charges ; or

(ii) several certificates issued for one or more of his Shares, upon payment of Rs. 100/- for every certificate or such charges as may be fixed by the Board or a Committee of the board for each certificate after the first. The charges may be waived off by the board or the Committee.

(c) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

7. (a) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of

such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(b) The provisions of Articles (6) and (7)(a) shall mutatis mutandis apply to debentures of the Company.

8. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

9. (a) The Company may exercise the powers of paying commissions conferred by sub-Section (6) of Section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section and rules made thereunder.

(b) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-Section (6) of Section 40.

(c) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid securities or partly in the one way and partly in the other.

10. (a) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(b) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

11. (a) Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

(b) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari-passu therewith

12. Subject to the provisions of Section 55, the Company shall have power to issue any kind of preference shares with a right to vary, modify and alter thereafter, on such terms and conditions and be redeemed in such manner including by conversion into shares, as provided under the Act.

Issue of securities with differential rights

13. The share capital of the Company may be classified into shares with differential rights including for dividend, voting or otherwise decided by the board of directors of the Company, in accordance with the provisions of the Act.

Lien

14. (a) The Company shall have a first and paramount lien—

    (i) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

    (ii) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company

    Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

    (b) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

15. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

    Provided that no sale shall be made—

    (a) unless a sum in respect of which the lien exists is presently payable; or

    (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

16. (a) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

    (b) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(c) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings.

17. (a) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(b) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

(c) Subject to the Act and these articles, the right of lien under the Articles (14) to 16 shall extend to other securities.

Calls on shares

18. (a) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that the call money and intervals between calls shall be at the discretion of the board or a Committee of the board.

(b) Each member shall, subject to receiving at least fourteen days' notice specifying the time, place and mode of payment, pay to the Company, as specified, the amount called on his shares.

(c) A call may be revoked or postponed at the discretion of the Board.

19. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

20. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

21. (a) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(b) The Board shall be at liberty to waive payment of any such interest wholly or in part.

22. (a) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these

regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(b) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

23. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him.

Transfer of shares

24. (a) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

(b) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

(c) Every instrument of transfer shall be left at the Office for registration, accompanied by the certificate of the Share to be transferred or, if no such certificate is in existence, by the Letter of Allotment of the Share and such other evidences as the Board may require to prove the title of the transferor or his right to transfer the Share.

(d) Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register, unless the Board decide otherwise, shall be returned to the person depositing the same.

25. The Board may, subject to the right of appeal conferred by Section 58 decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the Company has a lien.

26. The Board may decline to recognise any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-Section (1) of Section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

(d) The board shall have power on giving not less 7 (seven) days previous notice or such lesser period as may be specified by SEBI, by advertisement in a vernacular and in an English newspaper having wide circulation in the city, town or village in which the office of the Company is situated and by publishing a notice on website of the Company.

27. On giving not less than seven days' previous notice in accordance with Section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Transmission of shares

28. (a) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

(b) Nothing in clause (a) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

29. (a) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(i) to be registered himself as holder of the share; or

(ii) to make such transfer of the share as the deceased or insolvent member could have made.

(b) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

30. (a) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(c) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer deed signed by that member.

31. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

No fee shall be payable to the Company, in respect of the registration of the transfer or transmission of shares, or for registration of any power of attorney, probate , letters of administration or other similar documents.

Forfeiture of shares

32. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

33. The notice aforesaid shall -

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

34. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

35. (a) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(b) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

Dematerialization & Rematerialization of securities

36. (a) *Dematerialization & Rematerialization of securities:*

The Company shall be entitled to dematerialize / rematerialize all or any of its existing securities, held in the depositories and / or to offer its fresh securities or buy back its securities in a dematerialized form pursuant to the Depositories Act and the relevant rules thereof.

(b) *Securities in Depositories in be in fungible form:*

All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 88,89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owner(s).

(c) *Rights of Depositories & Beneficial Owners:*

Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered owner for the purpose of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

Save as otherwise provided as above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

37. (a) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

(b) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

38. (a) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(b) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(c) The transferee shall thereupon be registered as the holder of the share; and

(d) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

39. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

40. Subject to the provisions of Section 61, the Company may, by ordinary resolution,—

(a) Increase its share capital by such amount as it thinks expedient;

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

41. Where shares are converted into stock,—

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

42. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account.

This Article is not to derogate any power the Company would have under Law, if it were omitted.

Capitalisation of profits

43. (a) The Company in general meeting may, upon the recommendation of the Board, resolve—

(i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(ii) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii);

(c) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

(d) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

44. (a) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have power—

(i) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(ii) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(c) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of Securities

45. Notwithstanding anything contained in these articles but subject to the provisions of Sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares / securities or other specified securities.

General meetings

46. All general meetings other than annual general meeting shall be called extraordinary general meeting.

47. The Board may, whenever it thinks fit, call an extraordinary general meeting or it shall do so upon a requisition received from such number of shareholders who hold, on the date of receipt of requisition, not less than 1/10th of such of the paid up share capital of the Company as that date carries the right of voting and such meeting shall be held at the Registered office or at such place and time, in accordance with the provisions of the Act.

Proceedings at general meetings

48. (a) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(b) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in Section 103 of the Act.

49. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.

50. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

51. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

Adjournment of meeting

52. (a) The Chairperson may, with the consent of the members, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(b) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(c) Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

53. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.

(c) At any general meeting a resolution put to the vote at the meeting shall, unless a poll is demanded under Section 109 of the Act or voting is carried out electronically, be decided on a show of hands in accordance with the Act.

In the case of an equality of votes, the Chairman shall, have a right to vote, both on a show of hand & a casting vote at the poll in addition to the vote or votes to which he may be entitled as a member.

54. The Company shall voting facility through electronic means to its Shareholders in terms of the Act and rules made thereunder and other applicable laws.

A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

55. (a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

56. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

57. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

58. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

59. (a) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(b) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

60. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Proxy

61. The instrument appointing the Proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or other authority shall be deposited at the registered office of the Company, not later than 48 hours before the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.

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

Proxy or Proxies so appointed need not be a member or members, as the case may be, of the Company.

62. An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105.

63. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Provided nevertheless that the Chairman shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of Proxy and that the same has not been revoked.

Restriction on voting:

No Member shall be entitled to exercise any voting rights either personally or by Proxy at any meeting of the Company in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, exercised, any right of lien but the Board may by a resolution waive the operation of this Article.

Questions at general meeting how decided

64. (a) At any general meeting a resolution put to vote of the meeting shall, unless a poll is demanded or the voting is carried out electronically, be decided on a show of hands. Before or on the declaration of the result of the voting on any resolution by show of hands, a poll may be ordered to be taken by the Chairman of the meeting either of his own motion or shall be ordered to be taken by him on a demand made by the members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power or holding shares on which an aggregate sum of not less than Rs.5,00,000/- or such higher amount as may be prescribed has been paid-up, and unless poll is so demanded, a declaration by the Chairman that a passing of resolution or otherwise by show of hands under subsection (1) of Section 107 and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact of passing of such resolution or otherwise.

(b) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

(c) Where a poll is to be taken, the Chairman of the meeting shall appoint such number of scrutineers, as he deems necessary, to scrutinize the votes given on the poll and to report thereon to him in the manner as may be prescribed. One of the scrutineers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.

(d) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.

(e) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

(f) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

Records and Registers

65. (a) The Company shall keep and maintain all statutory registers at its Registered Office or at such places as approved by the board.

The records and registers allowed for inspection as per the provisions of the Act (Sections 85, 88, 94, 119, 120, 170, 171, 186, 187 and 189 of the Act) shall—

(i) be kept at the registered office of the Company; and

(ii) be open to inspection by any Member without charge, during 10.00 a.m. to 1.00 p.m. on all working days other than Saturdays and Sundays.

(iii) Such member ***only*** shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of Rs. 10/- per page or such other fees as may be fixed by the Board, with a copy of the records, provided that a Member who has made a request for provision of a soft copy of the records, shall be entitled to be furnished with the same free of cost.

(iv) Notwithstanding anything contained above, any member shall be entitled to be furnished within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company for furnishing the records relating to the period immediately preceding financial year but not more than 8 preceding financial years, on payment of the following fees:

- For annual reports - Rs. 100/- per copy.

- Any other records which are allowed for inspection and taking extract - Rs. 10/- per page.

(b) Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act, shall be sent by the Company to every member at his request within seven days of the request on payment of the sum of Rs. 100/- per copy.

(c) Registers / records of the Company may be maintained in the formats prescribed under the Act and rules made thereunder in electronic form in such manner as the Board of directors of the company may think fit.

Board of Directors

66. (a) The minimum number of directors shall not be less than 3 (three) or such number of directors as may be prescribed by the Act / other laws, from time to time and shall not be more than 15 (fifteen).

Provided that, if the number of directors exceeds 15 or such other limit prescribed under the Act and the Rules, prior permission of the members in accordance with the provisions of the Act.

(b) **[The Board shall have the power to determine the directors, whose period of office is or is not liable to retire by rotation.*

A director retiring by rotation shall be eligible for re-election. At every Annual General Meeting of the Company, one third of such of the directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire *from office of director.*

*An Independent Director appointed under Section 149 of the Act, 2013 shall not be subject to retirement by rotation under this Article.]**

[*Amended by a Special Resolution passed by the shareholders through Postal Ballot dated 6th September 2022]

67. (a) **Additional Director**

The Board shall have power at any time, and from time to time, to appoint an individual as an Additional Director, provided the number of the directors and Additional Directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles and in accordance with the Act.

The Additional Director(s), shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting, subject to the provisions of the Act.

(b) **Alternate Directors**

The Board may, subject to the provisions of the Act, appoint a person (not being a person holding any alternate directorship for any other director in the Company), to act as an Alternate Director for a director (hereinafter in this Article called the "original director") during his absence for a period of not less than three months from India.

(c) **Appointment in Casual Vacancy**

If the office of any director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board, subject to the provisions of the Act.

Any person so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office, if it had not been vacated by him.

(d) **Nominee Director**

Board may appoint any individual as a director nominated by any institution in pursuance of the provisions of any law for the time in being force or of any agreement or by the Central Government or State Government by virtue of its shareholding in Government Company.

Such Nominee Director(s) shall not be liable to retirement by rotation and shall hold office only so long as the conditions specified in the agreement remain in force.

Nominee Director(s) shall be entitled to the same rights and privileges and be subject to the same obligation as any other director of the Company.

Other provisions relating to appointment of Nominee Director:

(i) Notwithstanding anything to the contrary contained in the Articles so long as any moneys remain owing by the Company to any financial institutions as defined under the Act (hereinafter in this Article referred to as "the FI") out of any loans/debentures assistance granted by them to the company or so long as the FI holds or continues to hold debentures/shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished by the FI on behalf of the Company remains outstanding, the FI shall have a right to appoint from time to time, any person(s) as a Director or Directors, whole-time or non-whole-time (which Director or Directors, is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

(ii) The Board shall have no power to remove from office the Nominee Director/s. At the option of the FI such Nominee Director/s shall not be required to hold any share qualifications in the Company. Also at the option of the FI such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

(iii) The Nominee Director/s so appointed shall hold the office only so long as any moneys remain owing by the company to the FI or so long as the FI holds or continues to hold debentures/shares in the company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the company to the FI are paid off or on the FI ceasing to hold debentures/shares in the company or on the satisfaction of the liability of the company arising out of the guarantee furnished by the FI.

(iv) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General meetings, Board Meetings and Meetings of the Committees of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The FI shall also be entitled to receive all such notices and minutes.

(v) The company shall pay to the Nominee Director/s sitting fees, and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, monies or remuneration in any form is payable to the directors of the company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the FI and the same shall accordingly be paid by the Company directly to the FI. Any expenses that may be incurred by the FI on such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the FI or, as the case may be, to such Nominee Director/s.

(vi) Provided that if any such Nominee Director/s is/are an Officer/s of the FI, the sitting fees, in relation to such Nominee Director/s shall also accrue to the FI and the same shall accordingly be paid by the Company directly to the FI.

(vii) Provided also that in the event of the Nominee Director/s being appointed as Whole time Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the FI and have such rights as are usually exercised or available to a Whole time Director in the management of the affairs of the Company. Such Whole time Director/s, shall be entitled to receive such remuneration, fees, commission, and monies as may be approved by the FI.

(e) **Debenture Director**

Any trust deed for securing debentures may, if so arranged, provide for the appointment, from time to time, by the trustees thereof or by the holders of debentures, of some person or persons to be Director(s) of the Company and may empower such trustees or holders of debentures, from time to time, to remove and re-appoint any Director(s) so appointed.

The Debenture Director shall not be liable to retire by rotation.

The trust deed may contain such ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect not withstanding any of the other provisions herein contained. But he shall be counted in determining the number of retiring directors.

(f) **Independent Director**

The Company shall have such number of Independent Directors on the Board, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under SEBI Listing Regulations.

(g) **Small Shareholders' Director**

(i) The Company may have, the director(s) elected by the small shareholders in such manner and on such terms and conditions as may be provided under the Act, the Rules and other applicable laws.

(ii) In the event of Company having Independent Directors in compliant with the Act or other laws, the board *suo moto* designate one of the Independent Director as Small Shareholders' Director and such director comply with the provisions and rules made thereunder.

(iii) The appointment of Small Shareholders' Director is only at the discretion of the board.

68. (a) The remuneration of the directors shall, in so far as it consists of a monthly / quarterly payment, be deemed to accrue from day-to-day.

(b) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(i) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or

(ii) execution of duties in connection with the business of the Company or any task on behalf of the Company.

(c) The Directors who are neither Managing Director nor Whole-Time Director may be paid a remuneration exclusive of any fees and reimbursement of expenses payable to them for attending meetings etc. as may be permitted under the act, and decided by the Board.

(d) All other remuneration, if any, payable by the Company to each Director, whether in respect of his services as a Managing Director or a Director in the whole or part time employment of the Company or otherwise shall be determined in accordance with of the Act.

(e) If any Director, being willing, called upon to perform extra services or to make any special exertions for any of the purposes of the Company or as a Members of a Committee of the Board then, subject to Section 197 of the Act, the Board may remunerate the Directors so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.

Powers of the Board

69. Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law:

(1) General Powers:

The business of the Company shall be managed by the Board which shall at all times act for and on behalf of the Company. The Board shall exercise all powers, other than those, which may be exercised only by the Company in general meeting, to carry on the business of the Company.

(2) General Authority:

Wherever in the Act it has been provided that the Company shall have any right privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its Articles, then and in that case this regulation hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transactions as have been permitted by the Act without there being any specific regulation in that behalf herein provided.

(3) Power to delegate:

The Board may delegate all or any of its powers to any persons so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than those specifically prohibited by the Act, and any such appointment or delegation may be made on such terms, and subject to such conditions as the Board may think fit, and the Board may at any time remove any persons so appointed and may annul any such delegation.

70. The Company may exercise the powers conferred on it by Section 88 with regard to the keeping of a foreign register and the Board may (subject to the provisions of that Section) make and vary such regulations as it may think fit respecting the keeping of any such register.

71. The Board may pay all expenses incurred in setting up and registering the Company.

72. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

73. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

Deposits

74. Subject to the provisions of Sections 179 and 180 of the Act, the Board may, from time to time, at its discretion by a resolution passed at a meeting of the Board accept deposits from members either in advance of calls or otherwise and

generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Power to issue debentures

75. Subject to the provisions of sections 71 of the Act, any kind of debentures or other securities whether secured or unsecured may be issued at a discount, premium or otherwise and may be issued on condition that they may be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, appointment of Directors and otherwise with the consent of the Company in General meeting accorded by a Special Resolution and any further variation thereof.

Proceedings of the Board

76. (a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(b) Subject to the provisions of the Act, directors may participate through Electronic Mode in a Meeting, as permitted by law;

(c) Subject to the provisions contained in the Act, notice for a meeting of the directors be issued under the instructions of the Chairman or in his absence other executive directors of the Company, by the Company Secretary / any other officer of the Company.

(d) If a meeting of the Board could not be held for want of a quorum, then the meeting shall automatically stand adjourned to such other date and time (if any) as may be fixed by the Chairman not being later than thirty days from the date originally fixed for the meeting.

77. (a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

78. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

79. (a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

80. (a) The meetings of the board / committee may be convened and conducted in a secured way through digital applications.

(b) All the documents relating to the meeting including:

(i) Notice of the board / committee meetings

(ii) Any notification relating to change in meeting schedules

(iii) Agenda for the meetings along with enclosures

(iv) Presentation on / by :

- Performance,
- external agencies,
- Corporate Law Updates
- Directors

(v) Draft minutes for approval of directors

(vi) Signed minutes of board / committee meetings

(vii) Circular resolution if any for approval of directors, with assent or dissent option

would be made available through digital application.

81. Chairman Emeritus/ Mentor

(a) The Board shall have power to appoint suitable persons who have made or are likely to render significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, or in recognition of their status in the community as the Chairman Emeritus of the Company, to guide the Board.

(b) The Chairman Emeritus shall hold office until such time as shall be decided by the Board.

(c) The Chairman Emeritus shall be entitled to receive notice of and to attend Board / Committee Meetings of the Company but shall not be entitled to vote thereat and shall not be deemed to be a party to any decision of the Board or Committee thereof.

(d) The Chairman Emeritus shall not be deemed to be a director for any purposes of the Act or any other statute or rules made there under or these Articles including for the purpose of determining the maximum number of Directors which the Company can appoint.

(e) The Board may decide to make any payment in any manner for any services rendered by the Chairman Emeritus to the Company.

(f) If at any time the Chairman Emeritus is appointed as a Director of the Company and he may retain the title of Chairman Emeritus.

82. (a) The board of directors shall have the power to appoint the same individual to hold and occupy both the positions of chairman and managing director

or chief executive officer (CEO) or such equivalent managerial position thereof, in the Company.

(b) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(c) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

83. (a) A committee may elect a Chairperson of its meetings.

(b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

84. (a) A committee may meet and adjourn as it thinks fit.

(b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

85. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

86. Save as otherwise expressly provided in the Act, a **resolution in writing,** signed by majority of the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

87. Subject to the provisions of the Act -

(a) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.

(c) The board may appoint a whole time key managerial personnel, holding necessary qualifications, to hold more than one position in the company at the same time.

88. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, Company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, Company secretary or chief financial officer.

Managing or Whole – Time Director(s) or Manager

89. (a) Subject to the provisions of the Act, the Board may from time to time appoint one or more of their directors as to be Managing Director or Managing Directors (in which expression shall include Joint or Deputy Managing Director) or Whole-time Director(s) or Manager of the Company, from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.

(b) The re-appointment of Managing Director or whole time director or any other executive director consequent to determination of their office by retirement by rotation shall not affect their current tenure of appointment and will not be treated as break in their respective office.

(c) Subject to the provisions of the Act and of these Articles, the remuneration of the Managing Director or Whole-time Director or any other executive director or manager shall from time to time be fixed by the Board, by way of fixed monthly or any other periodicity payment decided by the board or by participation in such profits or any other mode not expressly prohibited by the Act.

(d) Subject to the provisions of the Act, the Directors, may from time to time entrust and confer upon a Managing Director, whole time director(s), executive director(s) or managers for the time being such of the powers exercisable upon such terms and conditions and with such restrictions as they may think fit either collaterally with or to the exclusion of and in substitution for all or any of their own powers and from time to time revoke, withdraw, alter or vary ail or any of such powers

The seal

90. (a) The Board shall provide for the safe custody of the seal.

(b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of a director and of the secretary or such other person as the Board may appoint for the purpose; and they shall sign every instrument to which the seal of the Company is so affixed in their presence.

Dividends and Reserve

91. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

92. Subject to the provisions of Section 123, the Board may from time to time pay to the members such interim dividends.

93. (a) The Board may, from time to time, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves , at their discretion.

(b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

94. (a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

(d) Subject to the provisions of the Act, the board may retain the dividends payable upon shares in respect of which any person is under Article 29 entitled to become a member or which any person under that Article is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same.

(e) A transfer of shares shall not cause the right to any dividend declared thereon before the registration of the transfer.

95. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls in relation to the shares or otherwise.

96. Any dividend, interest or other monies payable in cash in respect of shares may be paid by any banking channels or cheque or warrant sent through the permissible mode of despatch to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct and every such cheque or warrant shall be made payable to the order of the person to whom it

is sent.

97. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

98. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

99. No dividend shall bear interest against the Company.

Accounts

100. (a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.

(b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company.

(c) Notwithstanding anything contained in the provisions of Section 128 of the Act, on requisition by a director for inspection of books of accounts of any subsidiary company shall be done only by a person authorised in this behalf with an unanimous consent of the directors present at the meeting.

Service of documents

101. (a) Save as otherwise provided, service of documents will be made in compliance with the provisions of the Act.

(b) Where a member desires to receive documents through a particular mode, other than Registered Post / Speed Post / Courier with or without acknowledgement due/ e-mail / through electronic mode or such other modes as may be decided by the Board or Committee thereof, a prior intimation to be given to the Company 14 days prior to the concerned meeting / event. The Company shall specify a sum sufficient to defray the expenses of doing so and such sum to be paid upfront before effecting such mode of service, without seeking further approval from the members in a general meeting.

(c) For continued service of documents through a particular mode, the member is required to renew the option every year.

(d) A document or notice advertised in a newspaper circulating in the neighborhood of the office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every member who has no registered address in India and has not supplied to the company an address within India for the serving of documents on or the sending of notices to him.

Winding up

102. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

103. Every officer and statutory / cost / secretarial auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

The Company may take and maintain any insurance as the board may think fit on behalf of the aforesaid persons for indemnifying against any liability for their acts in relation to the Company for which they may be liable.

Secrecy Clause

104. (a) Every officer and auditors, Servant, Agent, Accountant or other person employed or engaged in the business of the Company, shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customs and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

(b) No member shall be entitled to visit any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

General Powers

105. Where any provisions of the said Act, provides that the board shall do such deeds and acts to carry out a particular transaction, only if it is so authorised in its Articles, in respect of all such acts, deeds, things, rights, privileges and authority, this Article hereby authorizes the Company to carry out the same, without the need for any specific or explicit Article in that behalf.

Serial No	Names, Addresses, Description and Occupations of subscribers	Names, Addresses, Description and Occupations of witness
1	Sd/- H LAKSHMANAN S/o Late Sri S Harihara Iyer Company Executive 1-B, Monna Apartments 4, Bhaskarapuram, Madras 600 004	
2	Sd/- R SUBRAMANIAN S/o late Sri G Rama Subbu Company Executive Flat 12, "River View" Apartment Srinagar Colony Saidapet Madras 600 015	Sd/- R MADHAVAN S/o Sri K Rajagopalan Company Executive 29, Thiagaraja Gramani Street Thyagaraya Nagar Madras 600 017
3	Sd/- V N VENKATANATHAN S/o Dr V N Seshadri Acharya Company Executive 25, Nachiappan Street Mahalingapuram Madras 600 034	

Dated at Madras this 28th day of May 1992.

(Special Resolution passed in the Extra Ordinary General Meeting of the shareholders of the company held on 20th September, 1999 as per the directions of the Hon'ble High Court of Madras, for approving the scheme of amalgamation)

RESOLVED THAT, subject to such approvals, as may be necessary from the Honorable High Court of Madras under section 391 and other applicable provisions of the Companies Act, 1956 and such other statutory or other authorities, the scheme of amalgamation of TVS-Suzuki Limited with Sundaram Auto Engineers (India) Limited (a copy of which is placed before the meeting and for the purpose of identification initialed by the Chairman of the meeting) be and is hereby agreed and approved.

RESOLVED FURTHER THAT, the board of directors of the company and any person authorised by the board of directors, be and are hereby severally authorised to take all such steps, as may be necessary or desirable and do all such acts, deeds, things and matters, as may be considered necessary to give effect to the aforesaid scheme of amalgamation and this resolution and to accept such alteration, modification, and/or conditions, if any, which may be proposed, required or imposed by the High Court of Judicature at Madras, while sanctioning the said scheme.

IN THE HIGH COURT OF JUDICATURE AT MADRAS
(ORIGINAL JURISDICTION)
Friday, the 10th day of December 1999
The Honorable Mr. Justice R. Jayasimha Babu
C.P. Nos. 303 and 304 of 1999

In the matter of Companies
Act, (Act') of 1956
And
In the matter of TVS-SUZUKI Ltd

C.P. No. 303/99

TVS-SUZUKI LIMITED
rep. by its Director,
Shri H. Lakshmanan,
8, Haddows Road,
Chennai - 600 006.

.. Petitioner.

Company Petition praying this Court

1. That the scheme of amalgamation annexed herewith and marked as Annexure 1 as approved by the equity share holders of the Petitioner Company at their meeting held on 20th September 1999, be sanctioned so as to bind all the equity shareholders of the Petitioner company and the Petition company, all the equity shareholders of the Transferee company and the Transferee company.
2. That, in accordance with the 'Scheme of amalgamation' the name of the transfree company, be changed from its existing name of "Sundaram Auto Engineers (India) Limited ' to TVS-Suzuki Limited on and from the effective date.
3. That the petitioner company may be dissolved without winding up.

C.P. No. 304/99

In the matter of Companies Act, (Act') of 1956
And
In the matter of Sundaram Auto Engineers (India) Ltd.,

SUNDARAM AUTO ENGINEERS (INDIA) LIMITED
represented by its Director,
Shri V.N. Venkatanathan,
8, Haddows Road,
Chennai - 600 006.

.. Petitioner.

Company Petition praying this Court

1. That the scheme of amalgamation annexed herewith and marked as Annexure 1 as approved by the equity shareholders of the Petitioner Company at their meeting held on 20th September 1999, be sanctioned so as to bind all the equity shareholders of the Petitioner company and the Petitioner company, all the equity shareholders of the Transferor company and the Transferor company.
2. That, in accordance with the 'Scheme of amalgamation' the name of the Petitioner company be changed from its existing name of "Sundaram Auto Engineers (India) Limited ' to TVS-Suzuki Limited on and from the effective date.
3. That the transferor company may be dissolved without winding up.

These Company petitions coming on this day before this Court for hearing in the presence of Mr. C. Harikrishnan, Senior Counsel appearing for M/s. S.K. Srinivasan & R. Vijayaraghavan Advocate for the petition are in both the Company Petition Nos. 303 and 304 of 1999 and Mr. N.T. Arunan, Central Government Standing Counsel appearing for the Regional Director, Department of Company Affair and upon reading the common order dated 2.7.99 and made in Company Application Nos. 714 and 715 of 1999. Whereby the said company viz., TVS-Suzuki Ltd., the petitioner company in Company petition No.303/99 here in was directed to convene a meeting of the shareholders of the above named company for the purpose of considering and if thought fit approving with or without modification the proposed scheme of amalgamation of the petitioner/transferor Company with Sundaram Auto Engineers (India) Ltd., the petitioner/ Transferee company in Company petition No.304/99 and the advertisement having been made in one issue of New Indian Express and Dhina Mani dated 24.8.99 each containing the advertisement of the said meeting and the report of the chairman of the said meeting as to the result of the meeting and it is appearing from the said report that the scheme of Amalgamation has been approved by requisite statutory majority and the common order dated 2.7.99 and made in Company Application Nos.714 and 715 of 1999 where by the said company viz.,Sundaram Auto Engineers (India) Ltd., the Petitioner Company in Company Petition No. 304/ 99 herein was directed to convene a meeting of the shareholders of the above named company for the purpose of considering and if thought fit approving with or without modification the proposed scheme of Amalgamation the petitioner companies viz., TVS-Suzuki Ltd., the Transferor Company in Company Petition No.303/99 and Sundaram Auto Engineers (India) Ltd. the petitioner/transferee company in Company Petition No. 304/99 and the advertisement having been made in one of Dhinamani and New Indian Express dated 24.8.99 each containing the advertisement of the said meeting and the report of the Chairman of the said meeting as to the result of the meeting and it is appearing from the said report that the scheme of amalgamation has been approved unanimously and the Company Petition No. 303 & 304/99 filed herein and that the Central Government also does not have any objection for the approval of the "scheme of amalgamation" and this Court doth hereby sanction including the clause of the scheme of Amalgamation as set out in the schedule hereunder with effect from 22.4.99 this Court Doth hereby declare the same to be binding on the shareholders of the said companies and on the said companies and this Court Doth further order as follows:

1. That the transferee company shall be at liberty to change its name to TVS-Suzuki Ltd immediately after the dissolution of the present transferor company after following the procedures prescribed by Section 21 of the Companies Act.
2. That the parties to the scheme of amalgamation or other person interestedshall be at liberty to apply to this Court for any direction that may be necessary in regard to carrying out of this Scheme hereunder, and
3. That the Official Liquidator and shall have the books and records of the transferor company examined by a competent Chartered Accountant and shall report to the Court as to whether the affairs of the Company had been conducted in a manner not prejudicial to the interest of its members or to the public interest.
4. That the official liquidator shall seek directions regarding the appointment of the Chartered Accountant within ten days.

SCHEME
SCHEME OF AMALGAMATION
OF
TVS SUZUKI LIMITED
WITH
SUNDARAM AUTO ENGINEERS (INDIA) LIMITED

PART I

Definitions

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

1. TRANSFEROR COMPANY

   The 'Transferor Company' means TVS-Suzuki Limited, a company registered under the Companies Act, 1956, having its registered office at No.8 Haddows Road, Chennai 600 006 (hereinafter called "Transferor Company").

2. TRANSFEREE COMPANY

   The 'Transferee Company' means Sundaram Auto Engineers (India) Limited, a company registered under the Companies Act, 1956, having its registered office at No.8 Haddows Road, Chennai 600 006 (hereinafter called "Transferee Company").

3. ACT

   The 'Act' means the Companies Act, 1956 (1 of 1956) (including any statutory modification or re-enactment thereof for the time being in force)

4. APPOINTED DATE

   The 'Appointed date' means the commencement of business on 22.4.1999

5. EFFECTIVE DATE

   The 'Effective date' means the last of the following dates, namely: (a) date on which certified copies of the orders of the High Court of Madras, under sections 391, 392 and 394 of the Act are filed with the Registrar of Companies and (b) date on which the last of all such consents, approvals, permissions, resolutions, agreements, sanction and orders necessary thereto have been obtained or passed.

6. SCHEME

   "The Scheme" means this Scheme of Amalgamation in its present form or with any modification(s) approved, imposed, or directed by the High Court of Madras.

PART II

The Scheme

1. TRANSFER OF ASSETS

1.1 With effect from the 'Appointed date' and subject to the provisions of this Scheme in relation to the mode of transfer and vesting all the undertakings and the entire businesses and all the movable and immovable properties, real or personal, corporeal or incorporeal, including fixed assets, capital work-in-progress, current assets, investments, lending contracts, benefits of any security arrangements, reversions, powers, authorities, allotments, approvals, import entitlements, consents, licences including factory/industrial registrations, import licences, royalty contracts, engagements, arrangements, rights, title, interest, quotas, benefits and advantages of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession and/or in the control of or vested in 'or granted in favour of or enjoyed by the Transferor Company including but without being limited to all patents, trademarks, copy rights, trade names and other industrial or intellectual property rights of any nature whatsoever and licences in respect thereof, privileges, liberties, easements, advantages, exemptions, benefits, leases, leasehold rights, tenancy rights, ownership flats, quota rights, permits, approvals, authorisations, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, power lines, communication lines and other services, reserves, deposits, provisions, funds, benefit of all agreements, subsidies, grants, tax credits, sales-tax, turnovertax, excise and all other interests arising to the Transferor Company and any accretions or additions thereto after the Appointed date (hereinafter collectively referred to as 'the said assets') shall be transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company, without any further act or deed or instrument, pursuant to the provisions of sections 391 and 394 of the Act for all the estate, right, title and interest of the Transferor Company therein, so as to become as and from the 'Appointed Date', the estate, assets, rights, title and interests of the Transferee Company.

1.2 The transfer/vesting, as aforesaid, shall be, subject to existing charges/hypothecation/mortgage (if any as may be subsisting) over or in respect of the said assets or any part thereof. Provided, however, that any reference in any security documents or arrangements to which the Transferor company is a party, to such assets of the Transferor Company, offered or agreed to be offered as security for any financial assistance both availed and to be availed upto any limit for which sanctions have already been obtained by the Transferor Company or obligations, to the secured creditors of the Transferor Company, shall be construed as references only to the assets pertaining to the Transferor Company as are vested in the Transferee Company by virtue of the sub-clause (1.1) hereof, to the end and intent that such security, mortgage and/or charge shall not extend or be deemed to extend, to any of the assets or to any of the other units or divisions of the Transferee Company, unless specifically agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company.

1.3 It is expressly provided that in respect of such of the said assets as are movable in nature or are otherwise capable of transfer by manual or constructive delivery and/or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of sections 391 and 394 of the Act, such transfer being deemed to have taken place at the location of the Registered Office of the Transferee Company, i.e in the State of Tamil Nadu.

1.4 In respect of the said assets other than those referred to in sub-clauses 1.2 and 1.3 above, the same shall as more particularly provided in sub-clause 1.1 hereof, without any further act, instrument or deed, be transferred to and vested in and/or deemed to be transferred and vested in the Transferee Company on the Appointed date, pursuant to the provisions of sections 391 and 394 of the Act. The vesting of all such assets, shall by virtue of the provisions of this Scheme, and the effect of the provisions of this Scheme, and the effect of the provisions of sections 391 and 394 of the Act, be deemed to have taken place at the location of the Registered Office of the Transferee Company, i.e in the state of Tamil Nadu.

2. TRANSFER OF DEBTS AND LIABILITIES

2.1 With effect from the Appointed date, all debts, liabilities, duties and obligations of the Transferor Company, including debentures and contingent liabilities not provided in its books (hereinafter referred to as "the said liabilities") and any accretions and additions or decretions thereto after the Appointed Date shall also, pursuant to the provisions of sections 391 and 394 of the Act, stand transferred or be deemed to be transferred without any further act or instrument or deed to the Transferee Company so as to become as and from that date, the debts, liabilities, duties and obligations of the Transferee Company. It shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which the said liabilities have arisen, in order to give effect to the provisions of this clause. PROVIDED ALWAYS that nothing in this clause shall or is intended to enlarge the security for any loan, deposit or other indebtedness created by the Transferor Company prior to the 'Appointed Date' which shall be transferred to and vested in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be required or obliged in any manner to create any further or additional security therefor after the 'Appointed Date' or otherwise.

2.2 The Transferee company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which the Transferor Company is a party or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

2.3 Upon this Scheme coming into effect, any loan or other obligations due between or amongst the Transferor company and the Transferee company, shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by the Transferor company and held by the Transferee company, and vice versa, are concerned, the same shall, unless sold or transferred by the Transferor Company or the Transferee Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the 'Effective date' and shall be of no effect and the Transferor company or the Transferee company, as the case may be, shall have no further obligation outstanding in that behalf.

3. LEGAL PROCEEDINGS

Upon this Scheme coming into effect, all legal or other proceedings by or against the Transferor Company pending on the 'Effective date', shall not abate, be discontinued or be in any way prejudicially affected by reason of transfer of the said assets and liabilities of the Transferor Company or of anything contained in the Scheme; but, the said proceedings shall be continued, prosecuted and be enforced by or against the Transferee Company, in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Transferor company if the Scheme had not been made.

4. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

With effect from the 'Appointed Date' and up to and including the 'Effective date',

4.1 the Transferor Company shall carry on and be deemed to have been carrying on all business activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the said assets, for and on behalf of and on account of and in trust for the Transferee Company.

4.2 all profits or income accruing or arising to the Transferor Company or losses arising or expenditure incurred by it shall for all purposes be treated as and be deemed to be the profits or income or losses or expenditure, as the case may be, of the Transferee Company.

4.3 the Transferor Company shall carry on its business activities with proper prudence and diligence and shall not, without prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose of any of the said assets (except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the "Appointed Date")

4.4 the Transferee Company shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, as are necessary, for such consents, approvals and sanctions which the Transferee Company may require.

4.5 the Transferor Company shall continue to comply with the provisions of the Act including those relating to preparation, presentation, circulation and filing of accounts as and when they become due for compliance.

4.6 the Transferor Company shall not declare or pay any dividend for the period commencing from the 'Appointed Date' upto and including the 'Effective Date' without the prior written consent of the Transferee Company.

4.7 the Transferor Company shall not make any modification to its capital structure either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, reclassification, sub-division or reorganisation or in any other manner, whatsoever, except by mutual consent of the Board of Directors of the Transferor Company and the Transferee Company.

4.8 the Transferor Company shall not vary except in the ordinary course of business the terms and conditions of the employment of its employees without the consent of the board of directors of the Transferee Company.

5. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

5.1 Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party subsisting or having effect immediately before the amalgamation, shall be, in full force and effect, against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite arrangement, confirmations or novations to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or becomes necessary.

5.2 For the removal of doubts, it is expressly made clear that the dissolution of the Transferor company, without the process of winding up as contemplated hereinafter, shall not affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor company is a party and shall not affect any right, privilege, obligation or liability, acquired, deemed to be vested or incurred under any such contracts, agreements, deeds or any instrument and all such references in such agreements, contracts and instruments to the Transferor company shall be construed as reference to the Transferee company with effect from the 'Effective Date'.

6. AUTHORISED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

6.1 The share capital of the Transferor company as of 22nd April, 1999, is as follows:

Authorised

2,50,00,000 equity shares of RS.10/- each Rs.25,00,00,000

Issued, Subscribed and Paid-up

2,31,00,000 equity shares of RS.10/- each Rs.23,10,00,000

6.2 The share capital of the Transferee company as of 22nd April, 1999 is as follows:

Authorised

80,000 equity shares of Rs. 10/- each	Rs.8,00,000
20,00010% Non-cumulative redeemable Preference shares of Rs. 10/-	Rs 2,00,000

Issued, Subscribed and Paid-up

70 equity shares of Rs. 10/- each	Rs.700

7. ISSUE OF SHARES BY THE TRANSFEREE COMPANY

7.1 Upon the Scheme being sanctioned and finally effective, in consideration of the transfer and vesting all the said assets, liabilities and rights, duties and obligations etc of the undertaking of the Transferor Company in the Transferee Company, in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any application or deed, issue and allot one equity share of Rs. 10/- each credited as fully paid up in the capital of the Transferee Company (hereinafter referred to as "New equity shares") to the shareholders of transferor Company, whose names are recorded in its Register of Members, on a date (Record Date) to be fixed by the Board of Directors of the Transferee Company or any Committee thereof, for every one equity share of the face value of Rs. 10/- each held by the said shareholders in the Transferor Company, PROVIDED THAT in respect of shares held in depository (ies), the depository (ies) shall be advised by the TRANSFEREE COMPANY to credit the new equity shares in the same ratio as above upon allotment to the shareholders of the Transferor company, who hold their shares in depository(ies).

7.2 The Transferee Company shall before allotment of the equity shares in terms of the Scheme, increase its Authorised share capital by the creation of at least such number of equity shares of Rs.10/- each, as may be necessary, to satisfy its obligations under the provisions of the Scheme.

7.3 For the purpose as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the requisite consent or approval of the Reserve Bank of India, Securities and Exchange Board of India, concerned Stock Exchanges and other authorities for the issue and allotment and listing of the new equity shares issued to the shareholders of the Transferor Company by the Transferee Company in terms of paragraph 7.1 herein above.

7.4 The equity shares of the Transferee Company, including the new equity shares issued in terms of this Scheme shall, without any further act or deed, subject to applicable regulations, be listed and/or admitted to trading on the relevant stock exchange/s where the equity shares of the Transferor Company are already listed and/or admitted to trading.

7.5 Upon this Scheme becoming finally effective, all shareholders of the Transferor Company, shall surrender their share certificates for cancellation thereof to the Transferee Company. Notwithstanding anything to the contrary, upon new shares in the Transferee Company being issued and allotted by it to the shareholders of the Transferor Company, whose names appear on the Register of members of the Transferor Company on such Record date to be fixed as aforesaid, the share certificates in relation to the shares held by them in the Transferor Company shall be cancelled and deemed to have been cancelled and to be of no effect on and from such Record Date.

7.6 The new equity shares to be issued by the Transferee Company to the shareholders of the Transferor Company shall be subject to the memorandum and articles of association of the Transferee Company and shall rank for dividend, for voting rights and in all other respects pari passu with the existing equity shares of the Transferee company. Provided so however that in respect of dividend, the shareholders of the Transferee Company shall be entitled to dividend, if any, declared after the Appointed date, in respect of the profits of the period after 31st March, 1999, only.

7.7 Subject to an order being made by the High Court of Madras under section 394 of the Act, the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provisions of the Act and the rules made thereunder.

7.8 The Transferor Company and the Transferee Company shall also obtain, if required, such other consents or approvals, as may be required under any statute or contract not specifically referred to in this Scheme.

8 EMPLOYEES

8.1 All the employees in service of the Transferor Company, on the date immediately preceding the date on which this Scheme finally takes effect i.e the 'Effective date' shall become the employees of the Transferee Company on such date, without any break or interruption in service and on the terms and conditions not less favorable than those subsisting with reference to the Transferor Company, as the case may be, on the said date. PROVIDED THAT the position, rank and designation of the employees of the Transferor Company would be decided by the Transferee Company.

8.2 It is expressly provided that, as far as the provident fund, gratuity fund, superannuation fund, pension fund or any other special Scheme(s)/fund(s) created or existing for the benefit of the employees of the Transferor Company are concerned, whether managed by themselves or by any outsiders, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes, whatsoever related to the administration or operation of such Schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such Scheme. It is the aim and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company, and that the past services of the employees of the Transferor Company be reckoned for the purpose of the aforesaid funds or provisions.

9 CHANGE OF NAME OF THE TRANSFEREE COMPANY

Upon the Scheme coming into effect, the name of the Transferee Company shall without any further act or deed on the part of the Transferee company be changed from its existing name of 'Sundaram Auto Engineers (India) Limited' to TVS-Suzuki Limited'.

10 TREATMENT OF MISCELLANEOUS EXPENDITURE AND RESERVES

10.1 It is further provided that upon the Scheme coming into effect, the respective balance/s appearing under the head of "Miscellaneous Expenditure (to the extent not written off or adjusted)" in the books of the Transferor Company shall be debited by the Transferee company in its books of account to "Miscellaneous Expenditure (to the extent not written off or adjusted) Account" and the same shall thereafter be dealt with in the same manner as it would have been dealt with had it been incurred by the Transferee Company.

10.2 Subject to the provisions of clause 10.1 above, the reserves and surplus of the Transferor Company whether capital or revenue, shall be recorded in the books of the Transferee Company at their existing carrying amounts and in the same form as they appear in the books of the Transferor Company at the Appointed Date.

11 APPLICATION TO THE HIGH COURT OF MADRAS

The Transferor Company and the Transferee Company shall, with reasonable despatch, apply under sections 391, 392 and 394 of the Act to the High Court of Judicature at Madras for sanctioning this 'Scheme of Amalgamation' and for an order or orders under sections 391 and 394 of the Act for carrying the Scheme into effect and for dissolution of the Transferor Company without the process of winding up under the provisions of law, as also any order or orders, as may be necessary and appropriate under the Act.

12 MODIFICATIONS/AMENDMENTS TO THE SCHEME

12.1 The Transferor Company and the Transferee Company, through their respective board of directors or other persons, duly authorised by the respective boards in this regard, may make or assent to any alteration or modification to this Scheme or to any conditions or limitations, which the High Court of Madras or any other Competent Authority may deem fit to direct, approve or impose and may give such directions, as they may consider necessary, to settle any doubt, question or difficulty, arising under the Scheme or in regard to its implementation or in any manner connected therewith and to do all such acts, deeds, matters and things necessary for putting this Scheme into effect.

12.2 After dissolution of the Transferor Company, the Transferee Company by its board of directors or other persons, duly authorised by its board in this regard, shall be authorised, to take such steps, as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reasons of any order of the High Court of Judicature at Madras or of any directive or order of any other authorities or otherwise, however, arising out of, under or by virtue of this Scheme and/or matters concerning or connected therewith.

13 SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

This Scheme is conditional on and subject to -

13.1 the sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.

13.2 the approval of and agreement to the Scheme by the requisite majority of such classes of persons of the Transferor Company and the Transferee Company, as may be directed by the High Court of Judicature at Madras on the applications made for directions under section 391 of the Act for calling meetings and necessary resolutions being passed under the Act for the purpose.

13.3 the sanction by the High Court of Judicature at Madras under sections 391 and 394 and other applicable provisions of the Act being obtained by the Transferor company and the Transferee Company.

13.4 the requisite approval of the Reserve Bank of India being obtained under the provisions of Foreign Exchange Regulation Act, 1973, for the issue of shares in the Transferee Company to the non-resident shareholders of the Transferor Company in accordance with the provisions of the Scheme.

13.5 in the event of any of the said sanctions and approvals referred to in the preceding clause 13.1 to 13.4 above not being obtained and/or the Scheme not being sanctioned by the High Court before 31st March, 2000 or within such further period or periods as may be agreed upon between the Transferor Company by its Board of Directors and the Transferee Company by its Board of Directors (and which the Board of Directors of both the companies are hereby empowered and authorised to agree to and extend from time to time without any limitations) the Scheme of amalgamation shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as may otherwise arise in law.

14 EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with negotiations leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme and in relation to or in connection with the Scheme and incidental to the completion of the amalgamation of the Transferor Company in pursuance of this Scheme shall be borne and paid by the respective companies.

WITNESS The Honorable Thiru KONAKUPPAKAPPIL GOPINATHAN BALAKRISHNAN, the Chief Justice at Madras, as aforesaid, the 10th day of December, 1999.

DEPUTY REGISTRAR

ORIGINAL

Certified to be a true copy /

Dated this the 21st day of Dec 1999.

COURT OFFICER (OS)

(Ordinary Resolution passed in the Extra Ordinary General Meeting of the Shareholders of the company held on 30th June 1999)

RESOLVED THAT the consent of the company be and is hereby accorded to the board of directors under section 293(1) (d) of the Companies Act, 1956 to borrow any sum or sums of moneys from time to time notwithstanding that the money or moneys to be borrowed, together with the moneys already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital and its free reserves, that is to say, reserves not set apart for any specific purposes, provided however, the total amount so borrowed and outstanding at any one time shall not exceed Rs. 250 crores (Rupees two hundred and fifty crores only).

RESOLVED FURTHER THAT the board of directors be and is hereby authorized to do all such acts, deeds, matters and things and to execute all such documents or writings as they may consider necessary, usual, requisite or proper for the purpose of giving effect to this resolution.

(Ordinary Resolution passed in the Extra Ordinary General Meeting of the shareholders of the company held on 24th April 2000)

RESOLVED THAT, subject to the approval of the shareholders in a general meeting, the consent of the company be and is hereby accorded in terms of section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to the board of directors of the company for mortgaging and / or charging by the board of directors of the company of all the immovable / movable fixed assets being vested in the company pursuant to the order of the Hon'ble High Court of Madras dated 10th December 1999 sanctioning the scheme of amalgamation of TVS-Suzuki Limited with the company, wheresoever situate, present and future, and the undertaking or undertakings of the company together with power to take over the management of the business and concern of the company in certain events to or in favour of:

a) State Bank of India, Chennai Main Branch, the trustees for the holders of the 15.5% secured redeemable non convertible debentures of Rs. 100 each aggregating to Rs. 100 crores (since reduced to Rs. 88 crores).

b) State Bank of India, Corporate Accounts Group Branch (SBI) to secure the repayment of the term loan of Rs. 50 crores advanced by them.

c) Industrial Development Bank of India (IDBI) to secure the term loan of Rs. 22.50 crores advanced by them under Project Finance Scheme.

d) IDBI to secure the short term loan of Rs. 10 crores advanced by them, and

e) ICICI Limited (ICICI) to secure the term loan of Rs. 25 crores advanced/to be advanced by them.

together with interest, commitment charges, liquidated damages, premium on redemption, trustees' remuneration, costs, charges, expenses and all other monies in respect of the debentures issued / term loans raised by the company.

RESOLVED FURTHER THAT the above charges created in favour of the trustees for debenture holders / SBI / IDBI and ICICI shall rank pari passu in all respect and shall further be subject to second charge in favour of State Industries Promotion Corporation of Tamilnadu (SIPCOT) to secure the IFST loan of Rs. 1 crore advanced by them.

RESOLVED FURTHER THAT the board of directors be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such documents or writings as they may consider necessary, usual, requisite or proper for the purpose of giving effect to this resolution.

(Special resolution passed in the Extra Ordinary General Meeting of the shareholders of the company held on 24th April 2000).

RESOLVED THAT subject to the provisions of section 21 of the Companies Act, 1956 and in terms of the scheme of amalgamation sanctioned by the Hon'ble High court of Madras under sections 391 - 394 of the Companies Act, 1956 the name of the company be and is hereby changed from Sundaram Auto Engineers (India) Limited to TVS-Suzuki Limited.

(Ordinary Resolution passed in the Extra-Ordinary General Meeting of the shareholders of the company held on 24th May 2000)

RESOLVED THAT Mr Venu Srinivasan be and is hereby appointed as Managing Director of the company for a period of five years with effect from 24th April 2000 and that no remuneration be paid to him as Managing Director of the company.

(Ordinary Resolution passed in the Extra-Ordinary General Meeting of the shareholders of the company held on 2nd June 2000)

RESOLVED THAT pursuant to the provisions of section 293(1)(e) and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to contribute to charitable and other funds not directly related to the business of the Company or the welfare of its employees any amount, which will not exceed Rs. 50 crores(Rupees fifty crores only) in each of the financial years commencing from the financial year ending 31.03.2001 notwithstanding that such contributions exceed 5% of the company's average net profits as determined in accordance with the provisions of sections 349 and 350, during the immediately preceding three financial years.

RESOLVED FURTHER THAT the Board of Directors shall be at liberty to contribute to such charitable and other funds in any financial year such sum as may be permitted under section 293(1)(e) of the Companies Act, 1956, or any amendment thereof made from time to time notwithstanding that such sum exceeds Rs.50 crores in any financial year.

RESOLVED FURTHER THAT the managing director of the company be and is hereby vested with necessary powers to determine the quantum of such contributions to be made in each financial year within the above limit and also to do all such things as may be necessary and incidental to carry out this resolution.

(Special Resolution passed in the ninth Annual General Meeting of the shareholders of the company held on 21st September 2001)

RESOLVED THAT subject to the provisions of Sections 198 and 309 of the Companies Act, 1956 and other applicable provisions, if any, the Independent Directors of the Company (as defined in Clause 49 of the listing agreement with Stock Exchanges) be paid, in addition to sitting fees for attending the meetings of the Board or of a Committee thereof and travelling and stay expenses, a commission not exceeding 1% on the net profits of the company per annum, subject to a maximum of Rs.2,00,000/- to each of the Independent Directors, payable quarterly, for a period of five years commencing from the financial year 2001-2002.

(Special Resolution passed in the Extra-ordinary General Meeting of the shareholders of the company held on 7th November 2001)

"RESOLVED THAT subject to the approval of the Central Government pursuant to section 21 of the Companies Act, 1956 the name of the Company be and is hereby changed from TVS-Suzuki Limited to TVS Motor Company Limited."

"RESOLVED FURTHER that the name 'TVS-Suzuki Limited' wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by the new name 'TVS Motor Company Limited'."

(Ordinary Resolution passed in the tenth Annual General Meeting of the shareholders of the company held on 20th September 2002)

RESOLVED THAT subject to the provisions of Sections 198, 269 and 309 of the Companies Act, 1956 (the Act) read with Schedule XIII and other applicable provisions of the Act, Mr Venu Srinivasan, managing director be paid remuneration by way of commission of a sum not exceeding 2% of the net profits of the company computed in accordance with the provisions of Section 349 of the Companies Act, 1956, as determined by the board or of a committee thereof for each financial year, commencing from 1st April 2001 and ending with the current tenure of his office viz., 23rd April 2005.

RESOLVED FURTHER THAT the aggregate of remuneration drawn by Mr Venu Srinivasan, managing director from the company and Sundaram-Clayton Limited in which also he is managing director shall not exceed the limits prescribed from time to time under Section III of Part II of Schedule XIII to the Companies Act, 1956.

(Special resolution passed at the Eleventh Annual General Meeting of the shareholders of the company held on 12th September 2003)

RESOLVED THAT in supersession of the special resolution passed by the shareholders in the ninth annual general meeting of the company held on 21st September 2001, and subject to the provisions of Sections 198 and 309 of the Companies Act, 1956, and other applicable provisions, if any, the independent directors of the company (as defined in Clause 49 of the Listing Agreement with Stock Exchanges) be paid, in addition to sitting fees for attending the meetings of the board or committee thereof, and traveling and stay expenses, a commission not exceeding 1% on the net profits of the company per annum, subject to a maximum of Rs.3,60,000/- to each of the independent director, payable quarterly, for a period five years commencing from 1st April 2003.

(Special resolution passed in the Extra-Ordinary General meeting of the shareholders of the company held on 19th January 2004 as per the directions of the Hon'ble High Court of Madras, for approving the scheme of arrangement)

RESOLVED THAT, subject to such approvals, as may be necessary from the Hon'ble High Court of Madras, under Section 391 and other applicable provisions of the Companies Act, 1956 and such other statutory or other authorities, the composite scheme of arrangement of Lakshmi Auto Components Ltd with Sundaram Auto Components Ltd and TVS Motor Company Ltd (a copy of which is placed before the meeting and for the purpose of identification, initialled by the chairman of the meeting) be and is hereby agreed and approved.

RESOLVED FURTHER THAT, the board of directors of the company and any person authorised by the board of directors, be and are hereby severally authorised to take all such steps, as may be necessary or desirable and do all such acts, deeds, things and matters, as may be considered necessary to give effect to the aforesaid composite scheme of arrangement and this resolution and to accept such alteration, modification and / or conditions, if any, which may be proposed, required or imposed by the High Court of Judicature at Madras while sanctioning the said scheme.

IN THE HIGH COURT OF JUDICATURE AT MADRAS
(ORIGINAL JURISDICTION)

Tuesday, the twenty third day of March 2004

The Honourable Mr Justice R Balasubramanian

Comp.Pettn Nos.11 to 13/2004 and

Comp.Appln.No.421/2004

And

(Connected Comp. Appln.Nos.2025 to 2027/2003)

In the matter of the Companies Act (I of 1956)

And

In the matter of composite scheme of arrangement among

Lakshmi Auto Components Ltd, Sundaram Auto Components Ltd

And

TVS Motor Company Ltd

C.P.No.11/2004

Lakshmi Auto Components Ltd
Rep. By its Director
Shri C Narasimhan
Having its registered office at
"Jayalakshmi Estates", V floor
No.24, (Old No.8) Haddows Road,
Chennai 600 006 ...... Petitioner/ Transferor

C.P.No.12/2004
Sundaram Auto Components Ltd
Rep. By its Director
Shri V N Venkatanathan
Having its registered office at
"Jayalakshmi Estates",
No.24, (Old No.8) Haddows Road,
Chennai 600 006 ...... Petitioner/ Transferee 1

C.P.No.13/2004
TVS Motor Company Ltd
Rep. By its Director
Shri H Lakshmanan
Having its registered office at
"Jayalakshmi Estates",
No.24, (Old No.8) Haddows Road,
Chennai 600 006 ...... Petitioner/ Transferee 2

C.A.No.421/2004
The official Liquidator,
High Court, Madras – 108 ...... Applicant
Vs
Lakshmi Auto Components Ltd
"Jayalakshmi Estates",
No.24, (Old No.8) Haddows Road,
Chennai 600 006 ...... Respondent/ Transferor
Madras 600 034

C.P.No.11/2004

This company petition praying this court to pass an order that the composite scheme of arrangement among the petitioner company, the transferee company (1) and the transferee company (2) annexed herewith and marked as Annexure-1, as approved by the equity shareholders of the petitioner company at their meeting held on 19th January 2004, may be sanctioned by this Hon'ble court so as to bind all the equity shareholders of the petitioner company and on the petitioner company with effect from 1.4.2003.

C.P.No.12/2004

This company petition praying this court to pass an order that the composite scheme of arrangement among the transferor company, the petitioner company and the transferee company (2) annexed herewith and marked as Annexure 1, as approved by the equity shareholders of the petitioner company at their meeting held on 19th January 2004 may be sanctioned by this court so as to bind all the equity shareholders of the petitioner company and on the petitioner company with effect from 1.4.2003.

C.P.No.13/2004

This company petition praying this court to pass an order that the composite scheme of arrangement among the transferor company and the transferee company (1) and the petitioner company annexed herewith and marked as Annexure 1, as approved by the equity shareholders of the petitioner company at their meeting held on 19th January 2004 may be sanctioned by this court so as to bind all the equity shareholders of the petitioner company and on the petitioner company with effect from 2.4.2003.

C.A.No.421/2004

This company application praying this court to pass any orders as this Hon'ble court may deem fit and proper according to the circumstances of the matter.

These company petitions alongwith company application coming on this day before this court for hearing in the presence of Mr S K Srinivasan, Advocate for the petitioners in all the company petition Nos.11 to 13 of 2004 and Mr M T Arunan, Addl. Central Government standing counsel appearing for the Regional Director, southern region, Department of Company Affairs, Chennai and Mr M Ahmed Kunju, Deputy Official Liquidator for Official Liquidator, High court, Madras, applicant in C.A.No.421/2004, and upon reading the order dated 10.12.2003 and made in company application No.2025/2003, whereby the said company viz., Lakshmi Auto Components Ltd the petitioner company in C.P.No.11/2004 herein was directed to convene a meeting of the equity shareholders of the above named company for the purpose of considering and if thought fit approving with or without modification the proposed composite scheme of Arrangement among Lakshmi Auto Components Ltd with Sundaram Auto Components Ltd and TVS Motor Company Ltd and the advertisement having been made in one issue of English Daily "The New Indian Express" dated 22.12.2003 and another issue of Tamil Daily "Dinamalar" dated 22.12.2003, each containing the advertisement of the said meeting and the report of the chairman of the said meeting as to the result of the meeting and it is appearing from the said report that the scheme of arrangement has been approved by overwhelming majority, and upon reading the order dated 10.12.2003 and made in company application Nos.2026/2003 whereby the said company viz., Sundaram Auto Components Ltd, the petitioner company in C.P.No.12/2004 herein was directed to convene a meeting of the equity shareholders of the above named company for the purpose of considering and if thought fit approving with or without modification the proposed composite scheme of arrangement among Lakshmi Auto Components Ltd with Sundaram Auto Components Ltd and TVS Motor Company Ltd and the advertisement having been made in one issue of English Daily "The New Indian express" dated 22.12.2003 and another issue of Tamil Daily "Dinamani" dated 22.12.2003 each containing the advertisement of the said meeting and the report of the chairman of the said meeting as to the result iof the meeting and it is appearing from the said report that the scheme of arrangement has been approved unanimously and upon receiving the order dated 10.12.2003 and made in company application No.2027/2003 whereby the said company viz, TVS Motor Company Ltd, the petitioner company in C.P.No.13/2004 herein was directed to convene a meeting of the equity shareholders of the above named company for the purpose of considering and if thought fit approving with or without modification the proposed scheme of arrangement among Lakshmi Auto Components Ltd, the transferor company in C.P.No.11/2004 with Sundaram Auto Components Ltd and TVS Motor Company Ltd, the petitioner/ transferee companies in C.P.Nos.12 & 13/2004 and the advertisement having been made in one issue of English daily "The New Indian Express" dated 22.12.2003 and another issue of Tamil Daily "Dinamani" dated 22.12.2003 each containing the advertisement of the said meeting and the report of the chairman of the said meeting as to the result of the meeting and it is appearing from the said report that the scheme of arrangement has been approved by overwhelming majority and upon reading the company petition Nos.11 to 13 of 2004, and the advertisement of these company petition having been made in one issue of Englsih Daily "The New Indian Express" dated 6.2.2004 and in another issue of Tamil Daily "Dinamani" dated 6.2.2004, Judge's Summons Report of the official Liquidator, High Court, Madras filed in C.A.No.421/ 2004 and the affidavit of the Regional Director, Southern Region, Department of Company Affairs, Chennai filed in court on 23.3.2004, stating that the Central Government does not support or oppose the petitions and this court having observed that the entire scheme is beneficial to all the three companies concerned and there being no legal impediment for approving the composite scheme and this court having further observed that the report filed by the Official Liquidator do not show any malfeasance or misfeasance in the affairs of the transferor company viz., Lakshmi Auto Components Ltd, and this court doth hereby sanction the composite scheme of arrangement as setout in respect of Lakshmi Auto Components Ltd and Sundaram Auto Components Ltd in the schedule hereunder with effect from 1.4.2003 and in respect of Lakshmi Auto Components Ltd and TVS Motor Company Ltd from 2.4.2003 and this court doth hereby declare the same to be binding on the shareholders of the said companies and on the said companies and this court doth further order as follows:

1. That, the petitioner companies herein do file with the Registrar of Companies, Chennai, a certified copy of the order within 30 days from this date.

2. That, the parties to the scheme of arrangement or other person interested shall be at liberty to apply to this court for any directions that may be necessary in regard to carrying out of this scheme hereunder.

3. That, the transferor company viz., Lakshmi Auto Components Ltd be and is hereby dissolved without winding up.

4. That the Addl. Central Government Standing Counsel be and is hereby entitled to a consolidated fee of Rs.10,000/- (Rupees ten thousand only).

ANNEXURE- Scheme of arrangement

COMPOSITE SCHEME OF ARRANGEMENT
UNDER SECTIONS 391- 394 OF THE COMPANIES ACT, 1956
AMONG
LAKSHMI AUTO COMPONENTS LIMITED WITH
SUNDARAM AUTO COMPONENTS LIMITED AND
TVS MOTOR COMPANY LIMITED AND
THEIR RESPECTIVE MEMBERS

PREAMBLE

1. As a measure of rationalization and simplification, the board of directors of the respective companies mentioned herein below are of the opinion that the proposed restructuring under this scheme will ensure better operation management and consolidation of activities. Besides, the proposed restructuring, when it materializes, would result in focussed attention, centralized administration, economy of operation, integrated business approach, greater efficiency and improvement in professional management.

2. The composite scheme of arrangement, as proposed under this Scheme, is among the holding company, namely TVS Motor Company Limited and its subsidiaries, namely Lakshmi Auto Components Limited and Sundaram-Auto Components Limited, in order to have better, more efficient and economical control, besides enhancing the intrinsic value of the shareholding to the investors.

3. LAKSHMI AUTO COMPONENTS LIMITED (hereinafter referred to as Transferor company or LAC, as the case may be), a listed company, is engaged in the manufacture and supply of moulded rubber components, air brake hoses and brake chamber diaphragms for automotive applications, moulded plastic components and sub-assemblies for automotive and non-automotive applications and or engine parts/components required for motorcycles, mopeds and scooters.

4. SUNDARAM AUTO COMPONENTS LIMITED, (hereinafter referred to as Transferee Company (1) or SAC), as the case may be), a wholly owned subsidiary of LAC, is engaged in the business of carrying out research activities, pertaining to automotive industries.

5. TVS MOTOR COMPANY LIMITED (hereinafter referred to as Transferee Company (2) or TVS-M, as the case may be) is engaged in the business of manufacturing and marketing of a wide range of two wheelers, namely motorcycles, mopeds, scooters and scooterettes.

6. This composite scheme of arrangement (hereinafter referred to as Scheme) provides for –

   6.1 Transfer of Rubber and Plastics Businesses (as defined hereinafter) of LAC to SAC in terms of Part III of the Scheme on a slump sale basis; and

   6.2 Amalgamation of the remaining business (as defined hereinafter) of LAC in terms of Part IV of the Scheme with TVS-M.

7. The Scheme is divided into the following parts:

   7.1 Part I which deals with the definitions

   7.2 Part II which deals with the introduction of LAC, SAC and TVS-M

   7.3 Part III which deals with the transfer of rubber and plastics businesses of LAC to SAC.

   7.4 Part IV which deals with the amalgamation of remaining business of LAC (including engine components business and Investments in SAC under the Scheme with TVS-M); and

   7.5 Part V which deals with the general terms and conditions applicable to transfer of rubber and plastics businesses of LAC to SAC and amalgamation of engine components business and Investments in SAC under the Scheme with TVS-M)

PART I - DEFINITIONS

In this Scheme, unless inconsistent with the subject or context thereof, the following expressions shall have the following meanings:

1. "ACT"

   'The Act' means the Companies Act, 1956 (1 of 1956) (including any statutory modification or re-enactment thereof for the time being in force)

2. "APPOINTED DATE"

2.1 'The Appointed date (1)' means the commencement of business on 1.4.2003 or such other date as may be fixed by the High Court of Judicature at Madras for Transfer of rubber and plastics businesses of LAC to SAC in terms of Part III of the Scheme on a slump sale basis.

2.2 'The Appointed date (2)' means the commencement of business on 2.4.2003 or such other date as may be fixed by the High Court of Judicature at Madras for the amalgamation of the remaining business of LAC including engine components business and Investments in SAC under the Scheme with TVS-M, in terms of Part IV of the Scheme with TVS-M.

3. "EFFECTIVE DATE"

'The Effective date' means the last of the following dates, namely;

3.1 date on which certified copies of the orders of the Hon'ble High Court of Madras, sanctioning the scheme under sections 391, 392 and 394 of the Act are filed with the Registrar of Companies, Chennai and

3.2 date on which the last of all such consents, approvals, permissions, resolutions, agreements, sanction and orders necessary thereto have been obtained or passed.

4. "RUBBER AND PLASTICS BUSINESSES"

Rubber and Plastics Businesses means all assets and liabilities, duties, rights and obligations of every description of Harita Rubber Division and Sundaram Plastics Division of LAC and shall mean and include –

4.1 Plant located at Hosur-Thally Road, Belagondapalli, Hosur 635 114, which is engaged in the manufacture and supply of moulded rubber components, air brake hoses and brake chamber diaphragms for automotive applications.

4.2 Plant located at Hosur-Thally Road, Belagondapalli, Hosur 635 114, which is engaged in the manufacture and supply of moulded plastic components and sub-assemblies for automotive and non-automotive applications.

4.3 All movable assets, including plant and machinery, furniture and fixtures, motor vehicles, two wheelers, telephones, telexes, e-mail connections, facsimile connections, communication facilities, equipment, design and technology and installations and all assets and properties, including but without being limited to the current assets and advances, inventories of every kind or type, receivables, actionable claims, funds, cash and bank balances, investments as also all the liabilities and debts pertaining to the Rubber and Plastics Businesses.

4.4 Lease rights, tenancy rights, permits, quota rights, industrial and other licences, trade marks, patents, product registrations and other intellectual property rights and licences, hire purchase and lease arrangements, all the privileges and benefits of all contracts, agreements and all other rights, powers, authorities, permits, allotments, quota rights, approvals, consents, privileges, liberties, advantages, easements and all rights, title, interest, benefit and advantage, reserves, provisions, all other rights, claims and powers of whatsoever nature and wheresoever situated pertaining to the Rubber and Plastics Businesses.

4.5 All debts, liabilities, duties and obligations, pertaining or relatable to the Rubber and Plastics Businesses. For the purpose of this Scheme, it is clarified that the debts or liabilities pertaining to the Rubber and Plastics Businesses shall include:

4.5.1 the liabilities which arose out of the activities or operations of the Rubber and Plastics Businesses.

4.5.2 specific loans and borrowings (including debentures, if any) raised, incurred and/or utilized solely for the activities or operations of the Rubber and Plastics Businesses.

4.6 All records, files, papers, engineering and process information, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers, customer, credit information, customer pricing information and other records, whether in physical form or electronic form in connection with or relating to the Rubber and Plastics Businesses.

4.7 All permanent employees of LAC engaged in or in relation to the Rubber and Plastics Businesses of LAC.

4.8 All earnest moneys, advances, and/or security deposits paid by LAC in connection with or relating to the Rubber and Plastics Businesses.

5. "ENGINE COMPONENTS BUSINESS"

'Engine Components Business' means all assets and liabilities, duties, rights and obligations of every description of Engine Component Division of LAC and shall mean and include:

5.1 Plant located at Harita, Hosur 635 109 carrying on the business of machining, plating, heat treatment to facilitate manufacturing of critical engine parts required for motorcycles, mopeds and scooters on sub-contracting basis to TVS-M.

5.2 All movable assets, including plant and machinery, furniture and fixtures, motor vehicles, two wheelers, telephones, telexes, e-mail connections, facsimile connections, communication facilities, equipment and installations and all assets and properties, including but without being limited to the current assets, advances, inventories of every kind or type, receivables, actionable claims, funds, cash and bank balances, as also all the liabilities and debts pertaining to the Engine Components business;

5.3 Lease rights, tenancy rights, permits, quota rights, industrial and other licences, trade marks, patents, product registrations and other intellectual property rights and licences, hire purchase and lease arrangements, all the privileges and benefits of all contracts, agreements and powers, authorities, allotments, approvals, consents, privileges, liberties, advantages, easements, title, interest, benefit and advantage, reserves, provisions, all other rights, claims and powers of whatsoever nature and wheresoever situated pertaining to the Engine Components business.

5.4 All debts, liabilities, duties and obligations, pertaining or relatable to the Engine Components business. For the purpose of this Scheme, it is clarified that the debts or liabilities pertaining to the Engine Components business shall include:

5.4.1 the liabilities which arose out of the activities or operations of the Engine Components business.

5.4.2 specific loans and borrowings (including debentures, if any) raised, incurred and/or utilized solely for the activities or operations of the Engine Components Business.

5.5 All records, files, papers, engineering and process information, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers, customer, credit information, customer pricing information and other records, whether in physical form or electronic form in connection with or relating to the Engine Components Business.

5.6 All permanent employees of LAC engaged in or in relation to the Engine Components business of LAC.

5.7 All earnest moneys, advances, and/or security deposits paid by LAC in connection with or relating to the Engine Components business.

6. "REMAINING BUSINESS OF LAC"

Remaining Business means all the business and divisions of LAC, as existing after the transfer of Rubber and Plastics Businesses to SAC, including but not limited to –

(i) Engine Components Business

(ii) Investment in the equity shares of SAC including the equity shares allotted in consideration of the transfer of Rubber and Plastics Businesses to SAC, pursuant to this Scheme,

(iii) Other investments in listed and unlisted entities.

7. "RECORD DATE"

'Record date" means the date or dates to be fixed by the board of directors of SAC and TVS-M for the purpose of issue of shares of the respective companies to LAC/ its successor and the shareholders of LAC respectively, pursuant to this Scheme.

8. SCHEME

"Scheme" or "The Scheme" means this composite scheme of arrangement in its present form or with such other modification(s)/amendments as may be approved, imposed or directed by the Hon'ble High Court of Madras.

9. LAC

LAC means Lakshmi Auto Components Limited, a company registered under the Companies Act, 1956, having its registered office at No.24 (Old No.8) Haddows Road, Chennai 600 006.

10. SAC

SAC means Sundaram Auto Components Limited, a company registered under the Companies Act, 1956, having its registered office at No.24 (Old No.8) Haddows Road, Chennai 600 006.

11. TVS-M

TVS-M means TVS Motor Company Limited, a company registered under the Companies Act, 1956, having its registered office at No.24 (Old No.8) Haddows Road, Chennai 600 006.

PART II – GENERAL

1. LAKSHMI AUTO COMPONENTS LIMITED

1.1 LAC was incorporated under the Companies Act, 1956 on 13th October, 1986 under the name Lakshmi Auto Components Private Limited and subsequently the word "Private" was deleted from its name effective

2nd December, 1987 pursuant to the provisions of section 43A(2) of the Act. LAC has become a full-fledged public limited company effective 14th December, 1987.

1.2 LAC has primarily three divisions, namely Harita Rubber division, Sundaram Plastics division and Engine Components division.

1.2.1 Harita Rubber division is engaged in the manufacture and supply of moulded rubber components, air brake hoses and brake chamber diaphragms for automotive and non-automotive applications;

1.2.2 Sundaram Plastics division is engaged in the manufacture and supply of moulded plastic components and sub-assemblies for automotive and non-automotive applications.

1.2.3 Engine Components division carries on the business of machining, plating, heat treatment to facilitate manufacturing of critical engine parts required for motorcycles, mopeds and scooters on sub-contracting basis to TVS-M.

1.3 The Authorized capital of LAC is Rs.15,00,00,000/- divided into 1,50,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid up capital is Rs.13,50,00,000/-, divided into 1,35,00,000 equity shares of Rs.10/- each as of date.

1.4 The paid up capital of LAC is held by TVS-M to the extent of 66.07% and the balance is held by the public shareholders. The shares of LAC are listed on Madras Stock Exchange, Bombay Stock Exchange and National Stock Exchange.

2. SUNDARAM AUTO COMPONENTS LIMITED

2.1 SAC was incorporated under the Companies Act, 1956 on 10th June, 1992 under the name Sundaram Auto Components Private Limited and subsequently the word "Private" was deleted from its name effective 4th September, 1995 pursuant to the provisions of section 43A(2) of the Act. The Company has become a full-fledged public limited company effective 29th September, 2001.

2.2 SAC is engaged in the business of carrying out research activities pertaining to automotive industries.

2.3 The Authorized capital of SAC is Rs.5,00,00,000 divided into 50,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid up capital is Rs.25,00,000 divided into 2,50,000 equity shares of Rs.10/- each.

2.4 LAC acquired the entire stake from the then shareholders of SAC on 1st April, 2003 thereby making SAC its wholly owned subsidiary.

3. TVS MOTOR COMPANY LIMITED

3.1 TVS-M was incorporated under the Companies Act, 1956 on 10th June, 1992 under the name Sundaram Auto Engineers (India) Private Limited and subsequently the word "Private" was deleted from its name effective 4th September, 1995, pursuant to the provisions of section 43A(2) of the Act. Subsequently, the name was changed to TVS-Suzuki Limited effective 25th April, 2000 and eventually to its present name effective 7th November, 2001.

3.2 TVS-M is engaged in the business of manufacturing and marketing of a wide range of two wheelers, namely motorcycles, mopeds, scooters and scooterettes.

3.3 The authorized capital of TVS-M is Rs.25,00,00,000 divided into 2,50,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid up capital is Rs.23,10,00,700 divided into 2,31,00,070 equity shares of Rs.10/- each as of date. It has been proposed by the board of directors of TVS-M to sub-divide its present equity shares of Rs.10/-each into equity shares of Re.1/- each, subject to the approval of its shareholders at a general meeting, as on a date to be determined by the board of directors of TVS-M or of a Committee thereof. In such an event, the Authorized capital of TVS-M will stand modified as Rs.25,00,00,000 divided into 25,00,00,000 equity shares of Re.1/- each and accordingly the issued, subscribed and paid up capital will be Rs.23,10,00,700 divided into 23,10,00,700 equity shares of Re.1/- each.

3.4 The paid up capital of TVS-M is held by M/s Sundaram-Clayton Limited and its subsidiaries, to the extent of 58.90% and the balance is held by the public shareholders. The shares are listed in Madras Stock Exchange, Bombay Stock Exchange and The National Stock Exchange.

Part III – TRANSFER OF RUBBER AND PLASTIC BUSINESSES OF LAC UNDER THE SCHEME TO SAC

On and from the Appointed date (1), namely 1st April, 2003, the entire Rubber and Plastics Businesses of LAC shall stand transferred and vested to/in SAC, in the manner described hereunder, as a going concern together with its assets both movable and immovable and liabilities, rights, duties and obligations etc of every description at a slump value of Rs.12.25 crores upon the coming into effect of the Scheme.

1. TRANSFER OF ASSETS

1.1 With effect from the 'Appointed date (1)' namely 1st April, 2003, and subject to the provisions of this Scheme in relation to the mode of transfer and vesting the Rubber and Plastics Businesses together with all the movable and immovable properties, real or personal, corporeal or incorporeal, including fixed assets, capital work-in-progress, current assets, lending contracts, benefits of any security arrangements, reversions, powers, authorities, allotments, approvals, import entitlements, consents, licences including factory/ industrial registrations, import licences, royalty contracts, engagements, arrangements, rights, title, interest, quotas, benefits and advantages of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession and/or in the control of or vested in or granted in favour of or enjoyed by the Rubber and Plastics Businesses of LAC, including but without being limited to all patents, trademarks, copy rights, trade names and other industrial or intellectual property rights of any nature whatsoever and licences in respect thereof, privileges, liberties, easements, advantages, exemptions, benefits, leases, leasehold rights, tenancy rights, ownership flats, quota rights, permits, approvals, authorisations, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, power lines, communication lines and other services, deposits, provisions, funds, benefit of all agreements, subsidies, grants, tax credits, sales-tax, turnover tax, excise and all other interests arising to the Rubber and Plastic Businesses of LAC and any accretions or additions thereto after the Appointed date (1) (hereinafter collectively referred to as 'the said assets') shall, by way of slump sale, be transferred to and vested in and/or deemed to have been transferred to and vested in SAC, without any further act or deed or instrument, pursuant to the provisions of sections 391-394 of the Act, so as to become as and from the 'Appointed Date (1)', the estate, assets, rights, title and interests of SAC.

1.2 The transfer/vesting of Rubber and Plastics Businesses, as aforesaid, shall be, subject to existing charges/ hypothecation/mortgage (if any as may be subsisting) over or in respect of the said assets or any part thereof. Provided, however, that any reference in any security documents or arrangements to which LAC is a party, to such assets of the Rubber and Plastics Businesses of LAC, offered or agreed to be offered as security for any financial assistance both availed and to be availed upto any limit for which sanctions have already been obtained by LAC or obligations, to the secured creditors of LAC, shall be construed as references only to the assets belonging to the Rubber and Plastics Businesses of LAC as are vested in SAC by virtue of the sub-clause (1.1) hereof, to the end and intent that such security, mortgage and/or charge shall not extend or be deemed to extend, to any of the assets of other units or divisions of SAC, unless specifically agreed to by SAC with such secured creditors and subject to the consents and approvals of the existing secured creditors of SAC.

1.3 It is expressly provided that in respect of movable assets of the Rubber and Plastics Businesses, including plant and machinery, cash on hand, stocks, capable of being transferred by manual or constructive delivery and/or by endorsement and delivery, the same shall be handed over by physical delivery or constructive delivery or by endorsement and delivery to the end and intent that the property therein of LAC passes to SAC and such transfer being deemed to have taken place at the location of the Registered Office of SAC, i.e. in the State of Tamil Nadu.

1.4 In respect of such assets of Rubber and Plastics Businesses of LAC other than those referred to in sub-clause 1.3 above, the same shall as more particularly provided in sub-clause 1.1 hereof, without any further act, instrument or deed, be transferred to and vested in and/or deemed to be transferred and vested in SAC on the Appointed date (1), pursuant to the provisions of sections 391-394 of the Act. The vesting of all such assets of Rubber and Plastics Businesses, shall by virtue of the provisions of this Scheme, and the effect of the provisions of this Scheme, and the effect of the provisions of sections 391-394 of the Act, be deemed to have taken place at the location of the Registered Office of SAC, i.e. in the state of Tamil Nadu.

For the removal of doubts, it is hereby expressly clarified that all the rights, title and interest of LAC in the leasehold properties in relation to the Rubber and Plastics Businesses shall, pursuant to the provisions of section 394(2) of the Act and the provisions of the Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in SAC.

1.5 Upon the coming into force of the Scheme and subject to other provisions contained in this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, relating to the Rubber and Plastics Businesses to which LAC is a party or to the benefit of which LAC may be eligible, and which are subsisting or having effect immediately before the effective date shall remain in full force and effect against or in favour of SAC and may be enforced as fully and effectually as if instead of LAC, SAC had been a party or beneficiary or obligee thereto.

1.6 SAC shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite arrangement, confirmations or novations to which LAC is a party, in order to give formal effect to the provisions of this clause, if so required or becomes necessary.

1.7 For the removal of doubts and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licences, product registrations, certificates, clearances or authorities, given by, issued to or executed in favour of LAC in relation to the Rubber and Plastics Businesses shall stand transferred to SAC as if the same were originally given by, issued to, or executed in favour of SAC and the right and benefits under the same shall be available to SAC.

2. TRANSFER OF DEBTS AND LIABILITIES

2.1 With effect from the Appointed date (1) namely 1st April, 2003, all the following debts, liabilities, duties and obligations of the Rubber and Plastics Businesses of LAC, including debentures and contingent liabilities not provided in its books (hereinafter referred to as "the said liabilities"), pursuant to the provisions of sections 391-394 of the Act, stand transferred or be deemed to be transferred without any further act or instrument or deed to SAC so as to become as and from that date, the debts, liabilities, duties and obligations of SAC.

2.1.1 the liabilities, which arose out of the activities or operations of the Rubber and Plastics Businesses.

2.1.2 the specific loans or borrowings raised, incurred and utilized solely for the activities or operations of the Rubber and Plastics Businesses, and

2.2 Where any of the liabilities and obligations of LAC, as on the Appointed Date (1), deemed to be transferred to SAC, have been discharged by LAC, after the Appointed Date (1), and prior to the Effective Date, such discharge shall be deemed to have been for and on account of SAC and all loans raised and used and all liabilities and obligations incurred by LAC for the operations of Rubber and Plastics Businesses, after the Appointed Date (1) and prior to the Effective Date, shall be deemed to have been raised, used or incurred for and on behalf of SAC and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to SAC and shall become the liabilities and obligations of SAC which shall meet, discharge and satisfy the same.

2.3 SAC may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of LAC in respect of Rubber and Plastics Businesses or in favour of any other party to any contract or arrangement to which LAC is a party or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions. SAC shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of LAC and to implement or carry out all such formalities or compliances referred to above on the part of LAC to be carried out or performed.

2.4 Nothing in this clause shall or is intended to enlarge the security for any loan, deposit or other indebtedness created by LAC prior to the Appointed Date (1), which shall be transferred to and vested in SAC by virtue of transfer and SAC shall not be required or obliged in any manner to create any further or additional security therefor after the 'Appointed Date (1) or otherwise'.

3. EMPLOYEES

3.1 All the employees in service of the Rubber and Plastics Businesses of LAC, on the date immediately preceding the date on which this Scheme finally takes effect i.e. the 'Effective date' shall become the employees of SAC on such date, without any break or interruption in service and on the terms and conditions not less favorable than those subsisting with reference to LAC, as the case may be, on the said date. PROVIDED THAT the position, rank and designation of the employees of the Rubber and Plastics Businesses of LAC would be decided by SAC.

3.2 It is expressly provided that, as far as the provident fund, gratuity fund, superannuation fund, pension fund or any other special Scheme(s)/fund(s) created or existing for the benefit of the employees of the Rubber and Plastics Businesses of LAC are concerned, whether managed by themselves or by any outsiders, upon the Scheme becoming finally effective, SAC shall stand substituted for LAC for all purposes, whatsoever related to the administration or operation of such Schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such Scheme. It is the aim and intent that all the rights, duties, powers and obligations of LAC in relation to such funds of Rubber and Plastics Businesses shall become those of SAC, and that the past services of the employees of the Rubber and Plastics Businesses of LAC be reckoned for the purpose of the aforesaid funds or provisions.

4. ISSUE OF SHARES BY SAC TO LAC

In consideration of the transfer and vesting of all assets and liabilities, duties, rights and obligations relating to the Rubber and Plastics Businesses of LAC under Part III of this scheme, SAC shall without any further act or deed, issue and allot to LAC or its successor, namely TVS-M in terms of Part IV of this Scheme, 24,50,000 equity shares of Rs.10/- each at a premium of Rs.40/- per share amounting to Rs.12.25 crores, being the slump value for transfer of Rubber and Plastics Businesses, credited as fully paid up on a date to be fixed by the board of directors of SAC or any committee thereof. The new equity shares allotted pursuant to the scheme shall rank *pari passu* in all respects with the existing equity shares of SAC and SAC, also being a subsidiary of TVS-M, will continue to be unlisted.

5. TREATMENT OF ACCOUNTS

5.1 SAC shall upon the Scheme becoming operative, record the assets and liabilities of the Rubber and Plastics Business of LAC transferred to and vested in it at the written down value as per the applicable provisions of the Income-tax Act, 1961 and/or at the book value as appearing in the books of LAC, as the case may be, as at the close of business of a day immediately preceding the Appointed date (1).

5.2 The difference between the value at which assets and liabilities of Rubber and Plastics Businesses of LAC are transferred by way of slump sale to SAC and the value at which those assets and liabilities of Rubber and Plastics Businesses appear in the books of LAC, shall be adjusted in the books of LAC against the general reserve account.

Part IV – AMALGAMATION OF REMAINING BUSINESS OF LAC INCLUDING ENGINE COMPONENTS BUSINESS AND INVESTMENTS IN SAC UNDER THE SCHEME WITH TVS-M

1. TRANSFER OF ASSETS

1.1 With effect from the 'Appointed date (2)', namely 2.4.2003 and subject to the provisions of this Scheme in relation to the mode of transfer and vesting of all the Remaining Business of LAC together with all the movable and immovable properties, real or personal, corporeal or incorporeal, including fixed assets, capital work-in-progress, current assets, investments, lending contracts, benefits of any security arrangements, reversions, powers, authorities, approvals, import entitlements, consents, licences including factory/industrial registrations, import licences, royalty contracts, engagements, arrangements, rights, title, interest, quotas, benefits and advantages of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession and/or in the control of or vested in or granted in favour of or enjoyed by the Remaining Business of LAC including but without being limited to all patents, trademarks, copy rights, trade names and other industrial or intellectual property rights of any nature whatsoever and licences in respect thereof, privileges, liberties, easements, advantages, exemptions, benefits, leases, leasehold rights, tenancy rights, ownership flats, quota rights, permits, approvals, authorisations, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, power lines, communication lines and other services, deposits, provisions, funds, benefit of all agreements, subsidies, grants, tax credits, sales-tax, turnover tax, excise and all other interests arising to the Remaining Business of LAC and any accretions or additions thereto after the Appointed date (2) (hereinafter collectively referred to as 'the said assets') shall be transferred to and vested in and/or deemed to be transferred to and vested in TVS-M, without any further act or deed or instrument, pursuant to the provisions of sections 391-394 of the Act, so as to become as and from the 'Appointed Date (2)', the estate, assets, rights, title and interests of TVS-M.

1.2 The transfer/vesting, of the Remaining Business of LAC as aforesaid, shall be, subject to existing charges/ hypothecation/mortgage (if any as may be subsisting) over or in respect of the said assets of Remaining Business of LAC or any part thereof. Provided, however, that any reference in any security documents or arrangements to which LAC is a party, to such assets of the Remaining Business of LAC, offered or agreed to be offered as security for any financial assistance both availed and to be availed upto any limit for which sanctions have already been obtained by LAC or obligations, to the secured creditors of LAC, shall be construed as references only to the assets pertaining to the Remaining Business of LAC as are vested in TVS-M by virtue of the sub-clause (1.1) hereof, to the end and intent that such security, mortgage and/or charge shall not extend or be deemed to extend, to any of the assets of the other units or divisions of TVS-M, unless specifically agreed to by TVS-M with such secured creditors and subject to the consents and approvals of the existing secured creditors of TVS-M.

1.3 It is expressly provided that in respect of movable assets of the Remaining Business of LAC including plant and machinery, cash on hand, stocks, capable of being transferred by manual or constructive delivery and/or by endorsement and delivery, the same shall be handed over by physical delivery or constructive delivery or by endorsement and delivery to the end and intent that the property therein of LAC passes to TVS-M and such transfer being deemed to have taken place at the location of the Registered office of TVS-M, i.e in the State of Tamil Nadu.

1.4 In respect of such of the assets of Remaining Business of LAC other than those referred to in sub-clause (1.3) above, the same shall as more particularly provided in sub-clause 1.1 hereof, without any further act, instrument or deed, be transferred to and vested in and/or deemed to be transferred and vested in TVS-M on the Appointed date (2), pursuant to the provisions of sections 391-394 of the Act. The vesting of all such assets, shall by virtue of the provisions of this Scheme, and the effect of the provisions of this Scheme, and the effect of the provisions of sections 391-394 of the Act, be deemed to have taken place at the location of the Registered Office of TVS-M, i.e. in the state of Tamil Nadu.

For the removal of doubts, it is hereby expressly clarified that all the rights, title and interest of LAC in the leasehold properties in relation to the Remaining business of LAC shall, pursuant to the provisions of section 394(2) of the Act and the provisions of the Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in TVS-M.

1.5 Upon the coming into force of the Scheme and subject to other provisions contained in this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature, relating to the Remaining Business to which LAC is a party or to the benefit of which LAC may be eligible, and which are subsisting or having effect immediately before the effective date shall remain in full force and effect against or in favour of TVS-M and may be enforced as fully and effectually as if instead of LAC, TVS-M had been a party or beneficiary or obligee thereto.

1.6 TVS-M shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite arrangement, confirmations or novations to which LAC is a party, in order to give formal effect to the provisions of this clause, if so required or becomes necessary.

1.7 For the removal of doubts and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licences, product registrations, certificates, clearances or authorities, given by, issued to or executed in favour of LAC in relation to the Remaining Business shall stand transferred to TVS-M as if the same were originally given by, issued to, or executed in favour of TVS-M and the right and benefits under the same shall be available to TVS-M.

2. TRANSFER OF DEBTS AND LIABILITIES

2.1 With effect from the Appointed date (2) namely 2.4.2003, all debts, liabilities, duties and obligations of the Remaining Business of LAC, including debentures and contingent liabilities not provided in its books (hereinafter referred to as "the said liabilities"), pursuant to the provisions of sections 391-394 of the Act, stand transferred or be deemed to be transferred without any further act or instrument or deed to TVS-M so as to become as and from that date, the debts, liabilities, duties and obligations of TVS-M.

2.1.1 the liabilities which arose out of the activities or operations of the Remaining Business;

2.1.2 the specific loans or borrowings raised, incurred and utilized solely for the activities or operations of the Remaining Business, and

2.2 Where any of the liabilities and obligations of LAC, as on the Appointed Date (2), deemed to be transferred to TVS-M, have been discharged by LAC, after the Appointed Date (2), and prior to the Effective Date, such discharge shall be deemed to have been for and on account of TVS-M and all loans raised and used and all liabilities and obligations incurred by LAC for the operations of Remaining business, after the Appointed Date (2) and prior to the Effective Date, shall be deemed to have been raised, used or incurred for and on behalf of TVS-M and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to TVS-M and shall become the liabilities and obligations of TVS-M which shall meet, discharge and satisfy the same.

2.3 TVS-M may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of LAC in respect of Remaining Business of LAC or in favour of any other party to any contract or arrangement to which LAC is a party or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions. TVS-M shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of LAC and to implement or carry out all such formalities or compliances referred to above on the part of LAC to be carried out or performed.

2.4 Nothing in this clause shall or is intended to enlarge the security for any loan, deposit or other indebtedness, created by LAC, prior to the 'Appointed Date (2)', which shall be transferred to and vested in TVS-M by virtue of amalgamation and TVS-M shall not be required or obliged in any manner to create any further or additional security therefor after the "Appointed Date (2)" or otherwise.

For the removal of doubts, it is clarified that, upon the Scheme coming into effect, all properties and liabilities of the Remaining business of LAC, after fully giving effect to the transfer of Rubber and Plastics Businesses as contemplated under Part III of the scheme, shall become the properties and liabilities of TVS-M, by virtue of this amalgamation, in compliance of the provisions of section 2(1B) of the Income-tax Act, 1961.

3. EMPLOYEES

3.1 All the employees in service of the Remaining Business of LAC, on the date immediately preceding the date on which this Scheme finally takes effect i.e. the 'Effective date' shall become the employees of TVS-M on such date, without any break or interruption in service and on the terms and conditions not less favorable than those subsisting with reference to LAC, as the case may be, on the said date. PROVIDED THAT the position, rank and designation of the employees of the Remaining business of LAC would be decided by TVS-M.

3.2 It is expressly provided that, as far as the provident fund, gratuity fund, superannuation fund, pension fund or any other special Scheme(s)/fund(s) created or existing for the benefit of the employees of the Remaining Business of LAC are concerned, whether managed by themselves or by any outsiders, upon the Scheme becoming finally effective, TVS-M shall stand substituted for LAC for all purposes, whatsoever related to the administration or operation of such Schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such Scheme. It is the aim and intent that all the rights, duties, powers and obligations of LAC in relation to such funds shall become those of TVS-M, and that the past services of the employees of the Remaining Business of LAC be reckoned for the purpose of the aforesaid funds or provisions.

4 ISSUE OF SHARES BY TVS-M TO THE SHAREHOLDERS OF LAC

4.1 Cancellation of shares

Share capital of LAC is held by TVS-M and its nominees to the extent of 66.07%. Upon the Scheme coming into effect and in consideration of the transfer and vesting of all assets and liabilities of the Remaining Business of LAC in TVS-M, consequent to the amalgamation of Remaining business with TVS-M, in terms of this Scheme, 89,20,000 equity shares of Rs.10/- each of LAC, being held by TVS-M shall stand extinguished and/or cancelled and no allotment in lieu of and against the same shares of TVS-M will be made.

4.2 Allotment of shares

Upon the Scheme being sanctioned and finally effective, in consideration of the transfer and vesting of all the said assets, liabilities and rights, duties and obligations etc of the Remaining Business of LAC in terms of this Scheme, TVS-M shall subject to the provisions of the Scheme and without any application or deed,

4.2.1 issue and allot one equity share of Rs.10/- each, credited as fully paid up (hereinafter referred to as "New Equity shares") for every seven equity shares of the face value of Rs.10/- each held by the shareholders of LAC, or

4.2.2 in the event of the proposed sub-division of TVS-M's existing equity shares of Rs.10/- each into equity shares of Re.1/- each, becoming effective before the 'effective date', issue and allot 10 equity shares of Re1/- each, (hereinafter referred to as "New Equity shares") for every seven equity shares of the face value of Rs.10/- each held by the shareholders of LAC.

Whose names are recorded in its Register of Members, except for the shares cancelled as per clause 4.1 above, on a date (Record Date) to be fixed by the Board of Directors of TVS-M or any committee thereof. It is also clarified that, in terms of the proposed allotment of shares, TVS-M will allot in the aggregate 6,54,285 equity shares of Rs.10/- each or in the aggregate 65,42,857 equity share of Re.1/- each, as the case may be, credited as fully paid up in the paid capital of TVS-M to the shareholders of LAC in terms of this clause and the resulting balance, if any, not divisible by seven shall be ignored.

4.2.3 On approval of the scheme by the shareholders of TVS-M pursuant to section 391 of the Act, it shall be deemed that the shareholders of TVS-M have also accorded all the relevant consents under section 81(1A) of the Act or any other provisions of the Act to the extent the same may be considered applicable for the issue and allotment of the New Equity Shares of TVS-M to the shareholders of LAC as provided in this scheme.

4.2.4 The new equity shares issued in terms of the above clauses shall be issued in dematerialized form by TVS-M to such of those shareholders of LAC, who have notified in writing to TVS-M on or before such date as may be determined by the board of directors of TVS-M or a committee thereof, and have furnished the requisite details of their client account number, depository participant number (DP id) with National Securities Depository Limited (NSDL) or Central Depository (India) Services Limited (CDSL) In respect of those shareholders, who do not exercise such option within the specified date, such new equity shares shall be issued in physical form (share certificates). However, in the case of shares held in physical form by the shareholders of LAC under more than one share certificate, TVS-M will issue a single share certificate in physical form for the entire new equity shares allotted by TVS-M to minimize the expenses in dematerialization of the new equity shares in the hands of such shareholders of LAC.

4.3 Fractional entitlements

4.3.1 No fractional certificates shall be issued by TVS-M in respect of fractional entitlements, if any, to which the shareholders of LAC may be entitled on issue and allotment of the new equity shares of TVS-M.

4.3.2 The Board of directors of TVS-M shall instead, consolidate all such fractional entitlements to which the shareholders of LAC may be entitled on issue and allotment of the new equity shares of TVS-M as aforesaid and thereupon issue and allot equity shares in lieu thereof to a Director or an Officer of the Transferee company with the express understanding that such Director or Officer to whom such equity shares are issued and allotted shall hold the same in trust for those entitled to the fractions and sell the same at the best available price, in one or more lots and by private sale/placement or by auction or by any other manner, as may be deemed fit (the decision of such director/officer, as to the timing, method of sale, and the price at which such sale has been given effect to, shall be final and binding) and pay to TVS-M, the net sale proceeds thereof whereupon the Transferee company shall, subject to withholding tax, if any, distribute such net sale proceeds to the shareholders of LAC in proportion to their fractional entitlements.

4.4 Listing of new equity shares

4.4.1 The new equity shares of TVS-M, issued in terms of clause 4.2 of Part IV of this Scheme shall, subject to applicable regulations, be listed and admitted to trading on the relevant stock exchange/s where the equity shares of LAC are already listed and/or admitted to trading

4.4.2 For the purpose as aforesaid, TVS-M shall, if and to the extent required, apply for and obtain the requisite consent or approval of the Reserve Bank of India, Securities and Exchange Board of India, concerned Stock Exchanges and other authorities for listing of the new equity shares of TVS-M, issued to the shareholders of LAC in terms of clause 4.2 herein above.

4.5 Record date

Notwithstanding anything to the contrary, upon new equity shares in TVS-M being issued and allotted by it to the shareholders of LAC, whose names appear on the Register of members of LAC on such Record date to be fixed as aforesaid, the share certificates in relation to the shares held by them in LAC shall be cancelled and deemed to have been cancelled and to be of no effect on and from such Record Date. The credit to the depository accounts of the shareholders of LAC shall be deemed to have been extinguished and to be of no effect on and from such Record date, consequent to the allotment of new equity shares by TVS-M in terms of clause 4.2 of Part IV of this Scheme.

4.6 New equity shares rank *pari passu*

The new equity shares to be issued by TVS-M to the shareholders of LAC shall be subject to the memorandum and articles of association of TVS-M and shall rank *pari passu* in all respects including dividend, if any, that may be declared by TVS-M after the effective date.

5. TREATMENT OF VARIOUS ASSETS, LIABILITIES AND RESERVES

5.1 Inter-company dues between LAC and TVS-M

To the extent that there are inter-company loans, deposits and other balances, if any, as between LAC in respect of Remaining Business of LAC and TVS-M, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf between LAC and TVS-M relating to Remaining Business of LAC and corresponding effect shall be given in the books of account and records of TVS-M for the reduction of any assets or liabilities, as the case may be. For the removal of doubt, it is clarified that, in view of the above, there would be no accrual of interest or other charges in respect of any such inter-company loans, deposits or balances, with effect from the Appointed date (2).

5.2 Recording of Assets and Liabilities

Upon the coming into effect of the Scheme and with effect from the Appointed date, all assets both tangible and intangible and the liabilities of the Remaining Business of LAC shall be recorded and reflected in the books of TVS-M at their respective book values and in accordance with the applicable Accounting Standards as prescribed by the Institute of Chartered Accountants of India, a day immediately preceding the Appointed Date (2), subject to the following adjustments:

5.2.1 Any loans and/or advances given to/by LAC as on the Appointed date (2) shall be extinguished by passing appropriate entries in the books of TVS-M.

5.2.2 The surplus, if any, of value of the assets over the value of liabilities of LAC, transferred to and recorded in the books of TVS-M, subject to adjustments as mentioned above, pursuant to the scheme shall be transferred to Capital Reserve Account. However, if the value of liabilities of LAC exceeds the value of assets, such difference shall be reflected as Goodwill in the books of TVS-M.

5.2.3 Any such Capital Reserve/Goodwill as arising out of the amalgamation of Remaining business of LAC, while giving effect to the adjustment as contemplated in terms of clause 5.2.2 hereinabove, upon the scheme coming into effect, will be adjusted against the General reserve account of TVS-M, in terms of the Accounting Standards prescribed by the Institute of Chartered Accountants of India.

PART V – GENERAL TERMS AND CONDITIONS APPLICABLE TO THE TRANSFER OF RUBBER AND PLASTICS BUSINESSES OF LAC TO SAC AND AMALGAMATION OF ENGINE COMPONENTS BUSINESS OF LAC WITH TVS-M

1 DISSOLUTON OF LAC

Subject to an order being made by the Hon'ble High Court of Madras under section 394 of the Act, LAC shall be dissolved without the process of winding up in accordance with the provisions of the Act and the rules made thereunder.

2. LEGAL PROCEEDINGS

Upon this Scheme coming into effect, all legal, taxation or other proceedings, including those before any statutory or quasi-judicial authority or tribunal, by or against LAC under any statute, pending on the 'Effective date', shall not abate, be discontinued or be in any way prejudicially affected by reason of transfer of the said assets and liabilities of Rubber and Plastics Businesses to SAC and amalgamation of Remaining Business of LAC with TVS-M or of anything contained in the Scheme; but, the said proceedings shall be continued, prosecuted and be enforced by or against SAC in respect of transfer of Rubber and Plastic business and against TVS-M, in respect of amalgamation of the Remaining Business, in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against LAC, if the scheme had not been made.

3. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

3.1 Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which LAC is a party subsisting or having effect immediately before the transfer and amalgamation as contemplated under this scheme, shall be, in full force and effect, against or in favour of SAC and TVS-M in respect of their respective businesses vested in terms of this scheme and may be enforced as fully and as effectively as if instead of LAC, SAC and TVS-M had been a party thereto. SAC and TVS-M shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite arrangements, confirmations or novations to which LAC will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or becomes necessary.

3.2 For the removal of doubts, it is expressly made clear that the dissolution of LAC, without the process of winding up as contemplated hereinbefore, shall not affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which LAC is a party and shall not affect any right, privilege, obligation or liability, acquired, deemed to be vested or incurred under any such contracts, agreements, deeds or any instrument and all such references in such agreements, contracts and instruments to LAC in respect of Rubber and Plastics Businesses and the Remaining Business shall be construed as reference to SAC and TVS-M respectively with effect from the 'Effective Date'.

4. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

With effect from the 'Appointed Date (1)' and 'Appointed Date (2)' and up to and including the 'Effective date',

4.1 LAC shall carry on and be deemed to have been carrying on all business activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the said assets, for and on behalf of and on account of and in trust for SAC in respect of Rubber and Plastics Businesses and in trust for TVS-M in respect of the Remaining business.

4.2 All profits or income accruing or arising to LAC or losses arising or expenditure incurred by it shall for all purposes be treated as and be deemed to be the profits or income or losses or expenditure, as the case may be, of SAC in respect of Rubber and Plastics Businesses and of TVS-M in respect of Remaining Business.

4.3 LAC shall carry on its business activities with proper prudence and diligence and shall not, without prior written consent of SAC and TVSM, alienate, charge or otherwise deal with or dispose of any of the said assets (except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by it prior to the respective "Appointed Dates").

4.4 SAC and TVS-M shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, as are necessary, for such consents, approvals and sanctions which SAC and TVS-M may require in order to give effect to the Scheme.

4.5 LAC shall continue to comply with the provisions of the Act including those relating to preparation, presentation, circulation and filing of accounts as and when they become due for compliance.

4.6 LAC shall be entitled to declare and pay dividend to its shareholders for any financial year or any period after the Appointed date subject, however, to the prior written approval of the board of directors of SAC and TVS-M, It is clarified that the aforesaid provision in respect of declaration of dividend is enabling provision only and shall not be deemed to confer any right on any member of LAC to demand or claim any dividend, which, subject to the provisions of the said Act, shall be entirely at the discretion of the board of directors of LAC.

4.7 LAC, SAC and TVS-M shall not make any modification to its capital structure either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise, decrease or reclassification or sub-division other than what has already been agreed to and proposed to be done by TVS-M in terms of sub-clause 3.3 of clause (3) of Part II of this Scheme or re-organization or in any other manner, whatsoever, except with the mutual consent of the board of directors of LAC, SAC and TVS-M.

4.8 LAC shall not vary except in the ordinary course of business the terms and conditions of the employment of its employees without the consent of the board of directors of SAC and TVS-M.

5 MODIFICATIONS/AMENDMENTS TO THE SCHEME

5.1 LAC, SAC and TVS-M, through their respective board of directors or other persons, duly authorised by the respective boards in this regard, may make or assent to any alteration or modification to this Scheme or to any conditions or limitations, which the Hon'ble High Court of Madras or any other Competent Authority may deem fit to direct, approve or impose and may give such directions, as they may consider necessary, to settle any doubt, question or difficulty, arising under the Scheme or in regard to its implementation or in any manner connected therewith and to do all such acts, deeds, matters and things necessary for putting this Scheme into effect.

5.2 After dissolution of LAC, TVS-M by its board of directors or other persons, duly authorised by its board in this regard, shall be authorised, to take such steps, as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reasons of any order of the Hon'ble High Court of Judicature at Madras or of any directive or order of any other authorities or otherwise, however, arising out of, under or by virtue of this Scheme and/or matters concerning or connected therewith.

6. APPLICATION TO THE HON'BLE HIGH COURT OF MADRAS

LAC, SAC and TVS-M shall, with reasonable despatch, apply under sections 391, 392 and 394 of the Act to the Hon'ble High Court of Judicature at Madras for sanctioning this 'Composite scheme of arrangement' for transfer of Rubber and Plastics Businesses and amalgamation of Remaining Business in terms of Part III and Part IV of this scheme and for dissolution of LAC without the process of winding up under the provisions of law, as also any order or orders, as may be necessary and appropriate under the Act.

7 SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

This Scheme is conditional on and subject to –

7.1 Approval of the Stock Exchanges with which the equity shares of LAC and TVS-M are listed under clause 24(f) of the Listing Agreement.

7.2 the sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.

7.3 the approval of and agreement to the Scheme by the requisite majority of the respective members of LAC, SAC and TVS-M, as may be directed by the Hon'ble High Court of Judicature at Madras on the applications made for directions under section 391 of the Act for calling meetings and necessary resolutions being passed under the Act for the purpose.

7.4 the sanction by the Hon'ble High Court of Judicature at Madras under section 391 and other applicable provisions of the Act being obtained by LAC, SAC and TVS-M.

7.5 the certified copy of the Orders of the High Court of Judicature at Madras sanctioning the Scheme being filed with the Registrar of Companies, Chennai, Tamil Nadu.

7.6 the requisite approval, if any, of the Reserve Bank of India being obtained under the provisions of Foreign Exchange Management Act, 1999, for the issue of shares by TVS-M to the non-resident shareholders of LAC in accordance with the provisions of the Scheme

7.7 In the event of any of the said sanctions and approvals referred to in the preceding clauses not being obtained and/or the Scheme not being sanctioned by the Hon'ble High Court before 30th June, 2004 or within such further period or periods as may be agreed upon between the Board of Directors of LAC, SAC and TVS-M (and which the Board of Directors of the respective companies are hereby empowered and authorized to agree to and extend from time to time without any limitations), the Scheme of amalgamation shall stand revoked, cancelled, become null and void and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as may otherwise arise in law.

In the event of cancellation of this Scheme, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* to or by LAC, SAC and TVS-M or any of them and each of LAC, SAC and TVS-M shall bear and pay their respective costs, charges and expenses in connection with the scheme.

8. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of LAC, SAC and TVS-M in relation to or in connection with negotiations leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme and in relation to or in connection with the Scheme and incidental to the completion of the dissolution of LAC in pursuance of this Scheme shall be borne and paid by the respective companies.

WITNESS, the Honorable Thiru Bollampally Subhashan Reddy, Chief Justice at Madras aforesaid, this the 23rd day of March 2004.

DEPUTY REGISTRAR (O.S)

Certified to be a true copy dated this 31st day of March 2004

Court Officer (O.S)

(Ordinary resolution passed in the Extra-Ordinary General Meeting of the shareholders of the company held on 29th March 2004)

RESOLVED THAT pursuant to the provisions of section 293 (1)(e) and other applicable provisions of the Companies Act, 1956, consent of the company be and is hereby accorded to the Board of Directors of the company to contribute to charitable and other funds not directly related to the business of the Company or the welfare of its employees any amount, which will not exceed Rs.5 crores (Rupees five crores only) or 5% of the average net profits of the company as determined in accordance with the provisions of sections 349 and 350 of the Companies Act, 1956, during the immediately preceding three financial years, whichever is higher in each of the financial years commencing from the financial year ending 31.3.2004.

RESOLVED FURTHER THAT Mr H Lakshmanan, director of the company be and is hereby vested with necessary powers to determine the quantum of such contributions to be made in each financial year within the above limit and also to do all such things as may be necessary and incidental to carry out this resolution.

(Ordinary resolution passed in the Extra-Ordinary General Meeting of the shareholders of the company held on 29th March 2004)

RESOLVED THAT consent of the company be and is hereby accorded to the board of directors under section 293(1)(d) and other applicable provisions of the Companies Act, 1956 to borrow any sum or sums of moneys from time to time notwithstanding that the money or moneys to be borrowed, together with the moneys already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital and its free reserves, that is to say, reserves not set apart for any specific purposes, provided however, the total amount so borrowed and outstanding at any one time shall not exceed Rs. 25 crores (Rupees twenty five crores only) or the aggregate of the paid up capital and free reserves of the company whichever is higher.

WITNESS, the Honorable Thiru Bollampally Subhashan Reddy, Chief Justice at Madras aforesaid, this the 23rd day of March 2004.

DEPUTY REGISTRAR (O.S)

Certified to be a true copy dated this 31st day of March 2004

Court Officer (O.S)