

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

ATTENDANCE CUM ORDER SHEET OF THE HEARING  
HELD ON **21.02.2025** THROUGH VIDEO CONFERENCING

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**PRESENT:** HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)  
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

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**APPLICATION NUMBER** : CA(CAA)/3/2025

**PETITION NUMBER** :

**NAME OF THE PETITIONER(S)** : TVS Motor Company Ltd.

**NAME OF THE RESPONDENT(S)** :

**UNDER SECTION** : Sec 230-232 of CA, 2013

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**ORDER**

Present: Shri. Vishnu Jayaram, Ld. Counsel for the Applicant.

Vide separate order pronounced in the Open Court, the application is allowed.

Meetings ordered.

Sd/-  
**VENKATARAMAN SUBRAMANIAM**  
**MEMBER (TECHNICAL)**

Sd/-  
**SANJIV JAIN**  
**MEMBER (JUDICIAL)**

vs

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

Under Sections 230 to 232 of the Companies Act, 2013

In the matter of *Scheme of Arrangement between TVS Motor Company Limited  
and its shareholders*

**CA(CAA)/3(CHE)2025**

**TVS MOTOR COMPANY LIMITED,**  
CIN: L35921TN1992PLC022845  
AND HAVING ITS REGISTERED OFFICE AT "CHAITANYA",  
NO. 12, KHADER NAWAZ KHAN ROAD, NUNGAMBAKKAM,  
CHENNAI 600 006, TAMIL NADU, INDIA

*... Applicant Company*

***Order Pronounced on 21<sup>st</sup> February, 2025***

**CORAM**

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

*For Applicant(s): P.H.Arvinth Pandian, Senior Advocate*

**ORDER**

**(Hearing Conducted through VC)**

This is a Company Application(CA(CAA)/3(CHE)/2025) filed by the Applicant Company, namely **TVS MOTOR COMPANY LIMITED** (hereinafter Applicant Company) under section 230-232 of Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and

Amalgamations) Rules, 2016 in relation to the Scheme of Amalgamation (hereinafter referred to as the "SCHEME") proposed by the Applicant Company. The Scheme is appended at *Page Nos. 17 to 30* of this Application.

2. The Applicant Company in this Application has sought for the following reliefs;

	EQUITY SHAREHOLDERS	SECURED CREDITORS	UNSECURED CREDITORS
APPLICANT COMPANY	Meeting to be held	To Dispense with Meeting	Meeting to be held

3. The Steps involved in the scheme as provided by the Applicant is extracted here below:

**Enlist the Steps involved in the scheme (in brief):** The Scheme provides for the issuance of Non-convertible Redeemable Preference Shares by way of bonus to the Equity Shareholders of the Applicant Company by utilizing the general reserves/retained earnings of the Applicant Company as provided in Clause 4 of Part II of the Scheme. (Scheme starting from Page No.17 of Vol-1 of the Typeset.)

4. The Rationale of the Scheme as provided by the Applicant is extracted here below:

- (i) The Applicant Company has built up substantial surplus reserves, over the years from its retained profits. The surplus reserves are well above the Applicant Company's current and likely future business needs.
- (ii) Further, upon taking into consideration the Applicant Company's capability to generate strong free cash flow in the foreseeable future and the surplus reserves being more than what is needed to fund the Applicant Company's future growth, the Applicant Company is of the view that these excess funds can be optimally utilized to reward its shareholders.
- (iii) Accordingly, the Applicant Company has proposed inter alia, to distribute such funds amongst its shareholders by issuing fully paid-up Non-convertible Redeemable Preference Shares by way of bonus in terms of this Scheme.
- (iv) The Non-convertible Redeemable Preference Shares will be a listed security and while giving near-cash (traded, encashable) instrument in the hands of shareholders, give increased flexibility to the Applicant Company in managing its liquidity until redemption.
- (v) In view of the aforesaid factors, the Applicant Company has concluded that it can optimally utilize its surplus reserves by distributing a considerable portion of the same to its equity shareholders. To maintain high level of corporate governance and transparency, the Applicant Company proposes issuance of Non-convertible Redeemable Preference Shares by way of bonus to its equity shareholders under Sections 230 to 232 of the Act which will be subject to necessary statutory, regulatory and corporate approvals.

5. It is stated that, the Applicant Company is a public limited company incorporated under the provisions of Companies Act, 1956.

The Authorized, issued and Paid-up share capital of the Applicant Company as on 31.03.2024 are as under:

Particulars	Rupees (INR)
<b>Authorized Share Capital</b>	
50,00,00,000 equity shares of Rs.1/- each	50,00,00,000
<b>Total</b>	<b>50,00,00,000/-</b>
<b>Issued, Subscribed and Paid-up Equity Share Capital</b>	
47,50,87,114 equity shares of Rs.1/- each	47,50,87,114
<b>Total</b>	<b>47,50,87,114/-</b>

6. Affidavit in support of the above application sworn for and behalf of the Applicant Company has been filed by Mr.K.S.Srinivasan S/o, Sarangapani Kelliya in the capacity of Authorised Signatory of the Applicant Company. It is also represented that the Registered office of the Applicant Company is situated No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006 within the territorial jurisdiction of this Tribunal.

7. The Applicant Company has filed Memorandum and Articles of Association *inter alia* delineating its object clauses as well as its last available Audited Annual Accounts for the year ended 31.03.2024 and

Provisional / Unaudited Financial Statements for the period ended on 30.09.2024.

8. The Board of Directors of the Applicant Company vide meeting held on 20.03.2024 has approved the proposed Scheme as contemplated above and copy of resolution passed thereon has been placed on record by the Applicant Company.

9. The Appointed date as specified in the Scheme is the **Effective date**. Further the Effective date as specified in the Scheme is, “the date on which last of the conditions specified in clause 12(conditions precedent) of this Scheme are complied with or waived, as applicable. All the references in the Scheme to the date of coming into effect of this Scheme” or effectiveness of this Scheme” or Scheme taking effect shall mean the effective date”.

10. The Statutory Auditors of the Applicant Company have examined the Scheme in terms of provisions of Sec. 232 of Companies Act, 2013 and the Rules made thereunder and certified that the Accounting Standards are in compliance with Section 133 of the

Companies Act, 2013. The said Certificates of the Statutory Auditor of the Applicant Company in this regard is placed at Pages **430-431** of the Company Application typeset.

11. It is stated that, PL Capital Markets Private Limited, an independent merchant banker, has confirmed that the share entitlement ratio is fair and proper by its fairness opinion thereon. (A copy of Fairness Report of PL Capital Markets Private Limited, an independent merchant banker is marked and annexed as **Annexure A 14.**)

12. It is stated that, the Applicant Company has annexed the observation letter from BSE and NSE dated 07.11.2024, as the Applicant Company is a listed public limited company.

13. The Applicant has annexed Chartered Accountant's Certificate indicating the number and value of unsecured creditors of the Applicant Company. It is observed from the list of unsecured creditors that there is a Non-Convertible Debenture holder for Rs.1,24,90,18,520/- equal to the value of 2% of the outstanding amount. Further it is observed that, the fairness report provided by the

PL Capital Markets Private Limited provides that bonus redeemable preference shares allotted for each equity shares held in Applicant Company would have no impact on its Non-Convertible Debenture Holders.

14. Taking into consideration the application filed by the applicant company and the documents filed therewith as well as the position of law, this Tribunal issues the following directions : -

**TVS MOTOR COMPANY LIMITED (APPLICANT COMPANY):**

**I. With respect to Equity Shareholders:**

- (i) There are **2,69,030 (Two Lakhs Sixty-Nine Thousand and thirty)** Equity Shareholders whose consent affidavits are placed at **Pg. Nos. 218-228**. The Applicant has provided the shareholding pattern in the Application at **Page No.288-289**.
- (ii) Meeting of the Equity Shareholders of the Applicant Company is directed to be held on **12.04.2025** at **10.00AM** in the registered office of the Applicant Company or through video conferencing or at any other suitable place



for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices.

**II. With respect to the Secured Creditors:**

- (i) It is stated by the Applicant Company that there is **1(one)** Secured Creditor, whose consent affidavit is placed at Page Nos. 293-299 and the certificate issued by the Chartered Accountant certifying the list of Secured Creditor is placed at Page No. 290-292 of the typed set filed with the application. It has sought dispensation with holding of meeting.
- (ii) Since it is represented by the Applicant Company that there is one Secured Creditor in the Company whose consent by way of Affidavit has been obtained and placed on record, the necessity of convening, holding and conducting the meeting is dispensed with.

**III. With respect to the Unsecured Creditors:**

- (i) There are **1584 (One Thousand Five Hundred Eighty Four)** Unsecured Creditors in the Applicant Company.

The Certificate issued by the Chartered Accountant certifying the list of Unsecured Creditors is placed at **Pg. No. 300-429**. It has sought for meeting to be ordered. We order accordingly.

- (ii) Meeting of the Unsecured Creditors of the Applicant Company is directed to be held on **12.04.2025** at **11.30AM** in the registered office of the Applicant Company or through video conferencing or at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices.

15. The quorum for the meeting of the Applicant Company shall be as follows;

Applicant Company

S.No	CLASS	QUORUM	DATE OF MEETING	TIME
1	EQUITY SHAREHOLDERS	30	12.04.2025	10.00 AM
2	UNSECURED CREDITORS	30	12.04.2025	11.30 AM

- i) The Chairperson appointed for the above said meetings shall be **Mr. Prasanta Kumar Mohanty (78239 83461)**. The Fee of the Chairperson for the aforesaid meeting shall be **Rs.2,00,000/-**

**(Rupees Two Lakh only)** in addition to meeting his incidental expenses including the transport expenses, if any. The Chairperson(s) will file the reports of the meeting within a week from the date of holding of the above said meetings.

- ii) **Shree Kumar (98410 52625)** appointed as a Scrutinizer would be entitled to a fee of **Rs.1,00,000/- (Rupees One Lakh Only)** for services in addition to meeting incidental expenses.
- iii) In case the quorum as noted above, for the above meeting of the Applicant Companies is not present at the meeting, then the meeting shall be adjourned by half an hour, and thereafter the person(s) present and voting shall be deemed to constitute the quorum. For the purpose of computing the quorum the valid proxies shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meeting, is filed with the registered office of the applicant companies at least 48 hours before the meeting. The Chairperson appointed herein along with Scrutinizer shall ensure that the proxy registers are properly maintained. However, every endeavour should be made by the applicant companies to attain at least the quorum fixed, if not more in relation to approval of the scheme.
- iv) The meetings shall be conducted as per applicable procedure prescribed under the MCA Circular MCA General Circular Nos. (i) 20/2020 dated 5<sup>th</sup> May, 2020 (AGM Circular), (ii) 14/2020, dated 08.04.2020 (EGM Circular-I) and (iii) 17/2020 dated 13.04.2020 (EGM Circular-II);
- v) That individual notices of the above said meetings shall be sent by the Applicant Company through registered post or speed post or through courier or e-mail, one month in advance before the scheduled date of the meeting, indicating the day, date, the place and the time as aforesaid, together with a copy of Scheme, copy of explanatory statement, required to be sent under the Companies Act, 2013 and the prescribed form of proxy shall also be sent along

and in addition to the above any other documents as may be prescribed under the Act or rules may also be duly sent with the notice.

- vi) That the Applicant Company shall publish advertisement with a gap of at least 30 clear days before the aforesaid meetings, indicating the day, date and the place and time as aforesaid, to be published in the English Daily "*The Hindu*" (*All India Edition*), and "*Dinamalar Tamil*" (*Tamil Nadu Edition*) in Vernacular stating the copies of Scheme, the Explanatory Statement required to be furnished pursuant to Section 230 of the Companies Act, 2013 and the form of proxy shall be provided free of charge at the registered office of the Applicant Companies.
- vii) The Chairperson shall as aforesaid be responsible to report the result of the meeting within a period of 3 days of the conclusion of the meeting with details of voting on the proposed scheme.
- viii) The company shall individually send notice to concerned Regional Director, MCA, Registrar of Companies, Official Liquidator, Securities Exchange Board of India (SEBI), National Stock Exchange (NSE), Bombay Stock Exchange (BSE) and the Income Tax Authorities as well as other Sectoral regulators who may have significant bearing on the operation of the applicant companies or the Scheme *per se* along with copy of required documents and disclosures required under the provisions of Companies Act, 2013 read with Companies (Compromises, Arrangements, Amalgamations) Rules, 2016.
- ix) The applicant company shall further furnish copy of the Scheme free of charge within 1 day of any requisition for the Scheme made by every creditor or member of the applicant company entitled to attend the meetings as aforesaid.
- x) The Authorized Representative of the Applicant Company shall furnish an affidavit of service of notice of meetings and

publication of advertisement and compliance of all directions contained herein at least a week before the proposed meetings.

- xi) All the aforesaid directions are to be complied with strictly in accordance with the applicable law including forms and formats contained in the Companies (Compromises, Arrangements, Amalgamations) Rules, 2016 as well as the provisions of the Companies Act, 2013 by the Applicants.

16. The Application stands **allowed** on the aforesaid terms.

-Sd-

**VENKATRAMAN SUBRAMANIAM**  
MEMBER (TECHNICAL)

-Sd-

**SANJIV JAIN**  
MEMBER (JUDICIAL)