4th August 2025

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

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

Dear Sir/Madam,

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

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We are pleased to inform you that the Hon'ble National Company Law Tribunal, Chennai Bench ("**Tribunal**") has sanctioned the Scheme of Arrangement between TVS Motor Company Limited **("Company")** and its shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 **("Scheme**") in relation to issue and allot, by way of bonus, 4 Preference Shares of face value of INR 10 each fully paid up to each equity shareholders of the company holding every 1 equity share of INR 1 each fully paid up.

A copy of the order as uploaded by the Hon'ble Tribunal on its website today, i.e. 4th August 2025 sanctioning the Scheme is enclosed herewith.

Upon receipt of the certified copy of the order passed by the Hon'ble Tribunal, the Company shall take further steps to give effect to the Scheme.

This is for your information and records.

Thanking you,

Yours faithfully

For **TVS MOTOR COMPANY LIMITED**

KELLIYA SUBRAMANIAN SRINIVASAN
Digitally signed by KELLIYA SUBRAMANIAN SRINIVASAN
Date: 2025.08.04 21:49:28 +05'30'

K S Srinivasan
Company Secretary
Encl :a/a

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

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

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

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

…Petitioner Company

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

CORAM

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

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

O R D E R

(Hearing conducted through Hybrid mode)

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

2. **1ST MOTION APPLICATION – IN BRIEF**

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

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

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

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

3. RATIONALE OF THE SCHEME

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

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

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

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

(v) *In view of the aforesaid factors, the Company has concluded that it can optimally utilize its surplus reserves by distributing a considerable portion of the same to its equity shareholders. In order to maintain high level of corporate governance and transparency, the Company proposes issuances of Preference Shares by way of bonus*

to its equity shareholders under sections 230 to 232 of the Act which will be subject to necessary statutory, regulatory and corporate approvals.

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

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

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

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

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

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

6. **STATUTORY AUTHORITIES**

6.1. REGIONAL DIRECTOR

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

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

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

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

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

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

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

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

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

6.3. INCOME TAX AUTHORITIES

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

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

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

7. VALUATION REPORT & FAIRNESS OPINION REPORT

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

Bansi S. Mehta Valuers LLP
Registered Valuer

Valuation Report

4. **Consideration of Factors**

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

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

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

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

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

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

Bansi S. Mehta Valuers LLP
Registered Valuer

Valuation Report

APPENDIX – I: Terms of Bonus RPS

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

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

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

Our Recommendation:

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

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

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

Based on the information, data made available to us, including the Valuation Report, to the best of our knowledge and belief, the issue of 6% Cumulative Non-convertible Redeemable Preference Shares to its equity shareholders by way of bonus in the ratio of 4:1, would have no impact on its Non-convertible Debenture holders as opined by Bansi S. Mehta Valuers LLP in relation to the proposed Draft Scheme of Arrangement is Fair to the Non-convertible Debenture holders in our opinion.

8. ACCOUNTING TREATMENT

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

9. OBSERVATIONS OF THIS TRIBUNAL

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

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

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

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

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

10. THIS TRIBUNAL DO FURTHER ORDER:

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

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

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

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

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

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

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

-Sd-	**-Sd-**
VENKATARAMAN SUBRAMANIAM MEMBER (TECHNICAL)	**SANJIV JAIN** MEMBER (JUDICIAL)

SLA