

KI MOBILITY SOLUTIONS PRIVATE LIMITED

(CIN: U52590TN2018PTC125028)

Registered Office: No. 10, Jawahar Road, Chokkikulam, Madurai – 625002

Corporate Office : 8th Floor, Kochar Bliss, Plot No. Super A 8 & 9,

Thiru. Vi. Ka. Industrial Estate, Guindy, Chennai -600032

Tel No: +91-44-22508604**Email:** pavankumar.nvs@tvs.in **Website:** www.kimobility.in**NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF KI MOBILITY SOLUTIONS PRIVATE LIMITED AS PER THE DIRECTIONS OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, DIVISION BENCH (COURT-I), CHENNAI ('NCLT' OR 'TRIBUNAL') PURSUANT TO ORDER DATED MAY 3, 2024****MEETING DETAILS**

Day	Monday
Date	June 24, 2024
Time	11:30 A.M. (IST)
Mode of Meeting	Through Physical cum Other Audio Visual Means (OAVM)/ Video Conferencing
Venue	Registered Office at No. 10, Jawahar Road, Chokkikulam, Madurai – 625002

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BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL (NCLT)
DIVISION BENCH, (COURT I) CHENNAI
FORM NO. CAA. 2
[Pursuant to Section 230 (3) and Rule 6 and 7)]
Company Scheme Application :CA(CAA)/25(CHE)/2024
In the Matter of Section 230 to 232 read with other applicable provisions of The Companies Act, 2013
And
In the Matter of Composite Scheme of Arrangement(Demerger) and Amalgamation
Amongst
TVS Automobile Solutions Private Limited
(TVS ASL/Demerged/Transferee Company)
And
TASL Automobile Solutions Private Limited
(TASL/Resulting Company)
And
Ki Mobility Solutions Private Limited
(KMS/Transferor Company)
And
Their Respective Shareholders

Ki Mobility Solutions Private Limited
(CIN: U52590TN2018PTC125028)

A company incorporated under the Companies Act, 2013 having its registered office at
No. 10, Jawahar Road, Chokkikulam, Madurai - 625002

..Transferor/Applicant Company

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF KI MOBILITY SOLUTIONS PRIVATE LIMITED

To,

The Equity Shareholders of Ki Mobility Solutions Private Limited

NOTICE is hereby given that by an Order dated May 3, 2024, (the 'Order') the Hon'ble National Company Law Tribunal(NCLT), Division Bench (Court-I), Chennai has directed that a meeting of the Equity Shareholders of the Applicant Company be held at 11:30 A.M. (Indian Standard Time- IST), on Monday June 24, 2024 at its Registered Office at No. 10, Jawahar Road, Chokkikulam, Madurai – 625002, by means of physical cum OAVM-through other Audio Visual Means/ Video Conferencing in compliance with the applicable provisions of the Companies Act read with the General Circulars issued by the Ministry of Corporate Affairs (MCA), Government of India and Secretarial Standard-2 on General Meetings as issued by the Institute of Company Secretaries of India (SS-2), for the purpose of considering, and if thought fit, approving, with or without modification(s), approving the Composite Scheme of Arrangement(Demerger) and Amalgamation amongst TVS Automobile Solutions Private Limited (TVS ASL/Demerged/Transferee Company), TASL Automobile Solutions Private Limited (TASL/Resulting Company), Ki Mobility Solutions Private Limited (KMS/Transferor Company) and their Respective Shareholders ('Scheme' or 'the Scheme') as embodied in the said scheme which is being placed before the shareholders for approval by means of a resolution as provided in para 21 of the statement annexed to this notice

Take further notice that in pursuance of the said Order, a Meeting of the Equity Shareholders of the Applicant Company will be convened and held at 11:30 A.M. (IST), on Monday, June 24, 2024 at its Registered Office at No. 10, Jawahar Road, Chokkikulam, Madurai – 625002, at which time and place you are requested to attend.

Take further notice that pursuant to the NCLT Order and in compliance with the relevant circulars as also mentioned in the said Order, this meeting will be held by means of Physical cum OAVM (Other Audio Visual Means)/ Video Conferencing. Accordingly said notice will be made available through an email registered with the Company along with the relevant documents including the Ballot Paper enabling the Equity Shareholders of the Company to vote accordingly to the proposed resolution contained in the para 21 of the statement annexed to this Notice.

The quorum for the Meeting shall be 20 members.

In case the quorum as noted above, for the above meeting of the Applicant Company 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.

Persons entitled to attend and vote at the meeting may vote in person or by proxy or by electronic means , provided that all proxies in the prescribed form are deposited at the Registered Office of the Company at No. 10, Jawahar Road, Chokkikulam, Madurai – 625002, not later than 48 hours before the meeting or by means of an email addressed to pavankumar.nvs@tvs.in or balakrishnan.venkat@tvs.in

Copies of the Scheme and the Statement and other relevant documents as necessitated under Section 230 and Section 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and as per the directions of the Hon'ble National Company Law Tribunal, Division Bench (Court-I), Chennai, pursuant to order dated May 3, 2024 can be obtained free of charge at the Registered Office of the Company.

The Notice and Statement as aforementioned constitute a single and complete set of documents and should be read together as they form integral part of this document being served on the Equity shareholders of the Applicant company.

The Hon'ble NCLT has appointed Mr. P Sriram, Practicing Company Secretary, as the Chairperson of the said meeting.

The Hon'ble NCLT has appointed Mr. Praveen Ravichandran as the Scrutinizer of the said meeting.

The Scheme shall be considered approved by the Equity Shareholders of the Applicant Company if the resolution mentioned in this Notice has been approved by majority of persons representing three-fourth in value of the equity shareholders at the meeting either in person or by proxy or through electronic means, will be subject to the subsequent approval of the Tribunal.

Date: May 22, 2024

Place: Chennai

Sd/-
P. Sriram
Practicing Company Secretary
Chairman Appointed for the Meeting

Registered Office :

Ki Mobility Solutions Private Limited

CIN: U52590TN2018PTC125028

Registered Office: No. 10, Jawahar Road, Chokkikulam, Madurai - 625002

Notes:

- 1 A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company in accordance with the provisions of Companies Act, 2013. The form of proxy duly completed should, however, be deposited at the Registered Office of the Company not less than 48 (forty-eight) hours before the meeting.
- 2 All alterations made in the Form of Proxy should be initialled.
- 3 Only registered Equity Shareholders of the Company may attend and vote (either in person or by proxy or by authorised representative under applicable provisions of the Companies Act, 2013) at the Equity Shareholders Meeting as directed by the Hon'ble NCLT in this regard.
- 4 The authorised representative of a body corporate which is a registered Equity Shareholder of the Company may attend and vote at the Equity Shareholders meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorising such representative to attend and vote at the Equity Shareholders meeting is deposited at the Registered Office of the Company not later than 48 (forty-eight) hours before the meeting in pursuance of Section 113 of the Companies Act, 2013
- 5 A Member or his proxy is requested to hand over the enclosed attendance slip, duly completed and signed as per the specimen signature(s) registered with the Company at the entrance of the meeting hall.
- 6 Members are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Company/list of Beneficial Owners as received from the National Securities Depository Limited/Central Depository Services (India) Limited in respect of such joint holding will be entitled to vote.
- 7 **Pursuant to the Hon'ble NCLT Order dated May 3, 2024 referring to General circular number(s) 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020 and 20/2020 dated 5th May 2020 as issued by the Ministry of Corporate Affairs, New Delhi, thereby permitting the holding of General meetings through video conferencing or Other Audio Visual Means (OAVM)**
- 8 **The Company will be facilitating the necessary link as part of serving of the notice by an email for participation by electronic means or by OAVM for holding the said Equity Shareholders Meeting. Since it is not mandatory, the e-voting mechanism is not provided for this meeting which is being held by Physical cum Other Audio Visual Means (OAVM)/ Video Conferencing, which for all purposes being construed as a valid means of participation and considered for Quorum as per the Hon'ble NCLT Order.**
- 9 Equity shareholders including the institutional/corporate members who are intending to participate and vote through OAVM/Video Conference/ vote through electronic means shall vote in the Ballot paper provided along with this Notice and deposit the same to the Scrutinizer through an email addressed to praveenravi1137@gmail.com with a copy marked to pavankumar.nvs@tvs.in or balakrishnan.venkat@tvs.in
- 10 The Scrutinizer shall after the conclusion of the meeting make a consolidated Scrutinizer's Report of total votes cast including votes cast in person/ proxy/ electronic means/ Ballot paper in relation to the resolution as proposed in para 21 of the statement annexed to the Notice and submit the same to the Chairman of the meeting as appointed by the Hon'ble NCLT.
- 11 **In compliance with the Hon'ble NCLT Order, the attendance of the members participating through OAVM/ Video Conferencing shall be considered for the purpose of computing the Quorum under Section 103 of the Companies Act 2013, in addition to the members present in person and proxies entitled to attend and vote at the meeting.**

- 12 The Notice to all the Equity Shareholders, whose names appeared in the Register of Members of the Company, along with Attendance Slip, Proxy Form and the Ballot Paper are being sent through an e-mail. This Notice is also displayed/ posted on the website of the Company on www.kimobility.in
- 13 The material documents referred to in the accompanying Statement shall be open for inspection by the Equity Shareholders at the Registered Office and also at Corporate Office of the Company upto June 23, 2024 between 10:00 AM to 5:00 PM except on Saturdays, Sundays and Public Holidays.
- 14 Form CAA-2 as mandated in compliance with the order of Hon'ble NCLT, a paper publication to this effect was made on May 21, 2024 in Business Line in English (All India Edition) and in Makkal Kural (Tamil Nadu Edition) for vernacular- Tamil version.
- 15 The route map to the venue of the meeting is annexed hereto:

Enclosure : As above

Date: May 22, 2024

Place: Chennai

Sd/-

P. Sriram

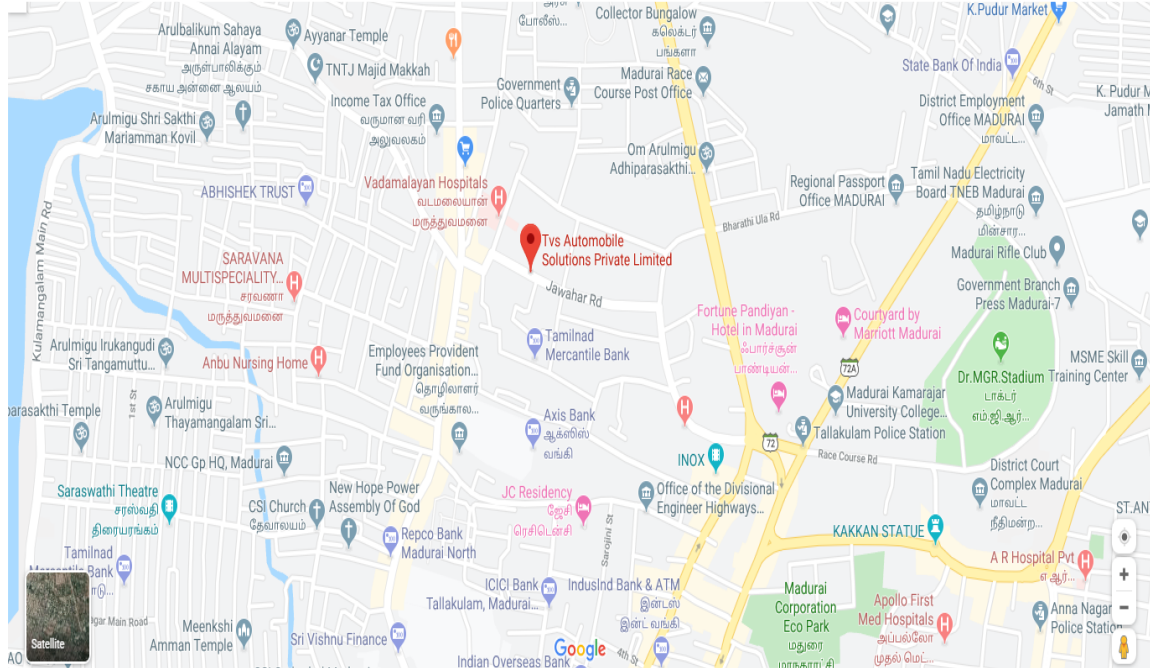
Practicing Company Secretary
Chairman Appointed for the Meeting

Registered Office :

Ki Mobility Solutions Private Limited

CIN: U52590TN2018PTC125028

Registered Office: No. 10, Jawahar Road, Chokkikulam, Madurai – 625002



**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, CHENNAI
FORM NO. CAA. 2
[Pursuant to Section 230 (3) and Rule 6 and 7)]
CA(CAA)/25(CHE)/2024
In the Matter of Section 230 to 232 of The Companies Act, 2013
And
In the Matter of Composite Scheme of Arrangement (Demerger) and Amalgamation
Amongst
TVS Automobile Solutions Private Limited
(TVS ASL/Demerged/Transferee Company)
And
TASL Automobile Solutions Private Limited
(TASL/ Resulting Company)
And
Ki Mobility Solutions Private Limited
(KMS/Transferor Company)
And
Their Respective Shareholders**

Ki Mobility Solutions Private Limited (CIN: U52590TN2018PTC125028)

A company incorporated under the Companies Act, 2013

having its registered office at No. 10, Jawahar Road, Chokkikulam, Madurai – 625002

...Transferor/ Applicant Company

STATEMENT/EXPLANATORY STATEMENT UNDER SECTION(S) 102, 230(3), 232 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 FOR THE MEETING OF EQUITY SHAREHOLDERS OF KI MOBILITY SOLUTIONS PRIVATE LIMITED CONVENED AS PER THE DIRECTIONS OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, DIVISION BENCH, (COURT I) CHENNAI

1. Pursuant to the Order dated May 3, 2024, passed by Hon'ble National Company Law Tribunal, Division Bench (Court-I), Chennai in the CA(CAA)/25(CHE)/2024, a meeting of the Equity Shareholders of the Applicant Company is scheduled to be held at 11:30 A.M. (IST), on Monday, June 24, 2024 at the Registered Office of the Company at No. 10, Jawahar Road, Chokkikulam, Madurai – 625002 by means of physical cum OAVM-through other Audio Visual Means/ Video Conferencing in compliance with the applicable provisions of the Companies Act read with the General Circulars issued by the Ministry of Corporate Affairs (MCA), Government of India and Secretarial Standard-2 on General Meetings as issued by the Institute of Company Secretaries of India (SS-2) to obtain their approval to the Composite Scheme of Arrangement (Demerger) and Amalgamation amongst TVS Automobile Solutions Private Limited (TVS ASL/Demerged/Transferee Company), TASL Automobile Solutions Private Limited (TASL/Resulting Company), Ki Mobility Solutions Private Limited (KMS/Transferor Company) and their Respective Shareholders ('Scheme' or 'the Scheme').
2. The Hon'ble National Company Law Tribunal, Division Bench (Court-I), Chennai by an Order dated May 3, 2024, was pleased to issue directions for convening of the meeting of the Equity Shareholders of the Applicant Company at 11:30 A.M. (IST), on Monday, June 24, 2024 at the Registered Office of the Company at No. 10, Jawahar Road, Chokkikulam, Madurai – 625002 to be presided over by

Mr. P. Sriram, Practicing Company Secretary as the Chairman of the Meeting. The said Order will be available for inspection at the Registered Office of the Company at No. 10, Jawahar Road, Chokkikulam, Madurai – 625002 and at the Corporate Office up to June 23, 2024 between 10.00 AM to 5.00 PM except Saturdays, Sundays and Public Holidays.

3. The Board of Directors of TVS Automobile Solutions Private Limited, TASL Automobile Solutions Private Limited and Ki Mobility Solutions Private Limited at their respective meetings held on September 2, 2023, have approved the Composite Scheme of Arrangement (Demerger) and Amalgamation, under which the entire Distribution Business undertaking of TVS Automobile Solutions Private Limited will get Demerged to TASL Automobile Solutions Private Limited followed by amalgamation of Ki Mobility Solutions Private Limited into and with TVS Automobile Solutions Private Limited. A copy of the Scheme, setting out the terms and conditions of the Scheme as approved by the Board of Directors of TVS Automobile Solutions Private Limited (Demerged/Transferee Company), TASL Automobile Solutions Private Limited (Resulting Company) and Ki Mobility Solutions Private Limited (Transferor Company) is enclosed herewith as **Annexure A**. The proposed scheme is envisaged to be effective from the Appointed Date i.e., April 1, 2023 but shall be made operative from the Effective Date (as defined in the Scheme).

4. **Particulars of the Companies**

4.1. **TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED**

4.1.1. TVS Automobile Solutions Private Limited (referred to as “TVS ASL” or “Demerged Company” or “Transferee Company”), was incorporated on the April 24, 2009 in the state of Tamil Nadu under the Companies Act, 1956. The Corporate Identity Number of TVS ASL is U34100TN2009PTC071439 and the Permanent Account Number(PAN) is AAGCM0329K. The registered office of TVS ASL is at No.10, Jawahar Road, Chokkikulam, Madurai 625002.

4.1.2. The main objects of the Demerged/Transferee Company are as follows:

- a. To deal in all automobile and other applications, spare parts and components for automobiles.
- b. To carry on the business of trading, services, repairs, body shops, body building, chassis, frames, powertrain components, parts, accessories, fittings, mobile workshops, garage equipment and tools, assemblies, fittings, mobile workshops, garage equipment and tools, assemblies, subassemblies, petrol pumps, service stations, auto insurance, consultancy, auto financing, auto leasing, design, provision of technical assistance and licensing, setting up of sales, services centres, and showrooms including production, processing, fabrication, assembling, alteration, buying, importing, marketing, selling, exporting, engineering, supplying and otherwise dealing in all kinds of automobiles, auto components & parts, motor cars, lorries, buses, vans, motor cycles, cycle cars, motors, scooters, vehicles suitable for propulsion on land, sea (or) in air (or) in any combination thereof and vehicles of all descriptions.
- c. To carry out all activities of research and development relating to automobiles, auto components, motor cars, lorries, buses, vans, motor cycles, cycle cars, motors, scooters, vehicles suitable for propulsion on land, sea (or) in air (or) in any combination thereof and vehicles of all description/s.
- d. To carry on the business of providing all kinds of assistance services, call centre services, contact centre services, help line services, CRM support services related to travel by Road, Sea or Land in India and abroad, for vehicles of all descriptions, including but not limited to passenger

vehicles, commercial vehicles, heavy vehicles, two wheelers, three wheelers, four wheelers and above, either through own network or otherwise

- e. To provide travel assistance, concierge services, medical assistance and all related support.
- f. To carry on the business of the service providers for facilitating all types of insurance, registration, quality and value certification and value additions and activities incidental or ancillary thereto with respect to motor vehicles of all types

4.1.3. The authorised, issued, subscribed and paid up capital of the Transferee Company as on September 30, 2023 is as follows:

Particulars	Amount in Rs.
Authorised Share Capital:	
2,00,00,000 equity shares of Rs. 10/- each	20,00,00,000/-
70,00,000 Compulsory Convertible Preference Shares of Rs. 10/- each	7,00,00,000/-
Total	27,00,00,000/-
Issued, Subscribed and Paid Up:	
1,20,20,736 Equity shares of Rs. 10/- each	12,02,07,360/-
Total	12,02,07,360/-

There is no change in the capital structure of the Transferee Company subsequent to September 30, 2023

4.1.4. The details of the directors of the Transferee Company/TVS Automobile Solutions Private Limited along with their addresses are as follows:

S.No.	Name	Director Identification Number (DIN)	Designation	Address
1	Mr. Ramachandhran Dinesh	00363300	Director	Door No. 16 Jawahar Road, Chokkikulam, Madurai - 625002
2	Ms. Shobhana Ramachandhran	00273837	Director	Door No. 16 Jawahar Road, Chokkikulam, Madurai – 625002
3	Mr. Muthuswami Lakshminarayan	00064750	Director	Villa 18, Arbors by the Lake, Kyalasanahalli, Bangalore – 560105
4	Mr. Srinivasa Raghavan Gopalan	06683396	Managing Director	29/13, 3 rd Trust Cross Street, Mandavelipakkam, Raja Annamalaipuram, Chennai – 600028
5	Mr. Aroon Raman	00201205	Director	403 Olympus 1 Prestige Acropolis

S.No.	Name	Director Identification Number (DIN)	Designation	Address
				Hosur Road, Koramangala, Bangalore South, Dharmaram C, Bengaluru, Karnataka -560029
6	Mr. Sachin Nithyanand Kamath	01592593	Director	Villa No. 17, Building No. 791, Qurm/ Bausher, Block No.16/1, Plot No. 2/6/299, Way 2307, Street No. Block 223 Muscat, Oman – 223
7	Mr. Narayanan Krishnamoorthy	05160091	Director	AF-4 Vanaj Vasudara Resi.Complex, 78 TPK Road, Madurai City, Madurai – 625003
8	Mr. Masashi Ogawa	05152175	Director	3-27-3, Kamimeguro, Meguro-Ku, Tokyo, Japan – 1530051
9	Mr. Yutaka Yoshida	08516640	Director	2901,1-3-2, Hamamatsucho Minatoku, Tokyo, Takamatsushi, Takamatsushi, Japan

4.1.5. The amount due to the Unsecured Creditors and Secured Creditors of the Transferee Company as on September 30, 2023 is Rs. 18,72,46,187/- and Rs. 14,94,70,617/- , respectively.

4.2. **TASL AUTOMOBILE SOLUTIONS PRIVATE LIMITED**

4.2.1. TASL Automobile Solutions Private Limited (referred to as "TASL" or "Resulting Company"), was incorporated on the February 20, 2023 in the State of Tamil Nadu under the Companies Act, 2013. The Corporate Identity Number of TASL is U45300TN2023PTC158537 and the Permanent Account Number (PAN) is AAJCT9507B. The registered office of TASL is at No.10, Jawahar Road, Chokkikulam, Madurai – 625002. TASL is a Wholly Owned Subsidiary of TVS ASL.

4.2.2. The main objects of the Resulting Company are as follows:

- a. To deal in all automobile and other applications, spare parts and components for automobiles.
- b. To carry on the business of trading, services, repairs, body shops, body building, chassis, frames, powertrain components, parts, accessories, fittings, mobile workshops, garage equipment and tools, assemblies, subassemblies, petrol pumps, service stations, auto insurance, consultancy, auto financing, auto leasing, design, provision of technical assistance and licensing, setting up of sales, services centres & show rooms including production, processing, fabrication, assembling, alteration, buying, importing, marketing, selling, exporting, engineering, supplying and otherwise dealing in all kinds of automobiles, auto components & parts, motor cars, lorries, buses, vans, motor cycles, cycle cars, motors, scooters, vehicles suitable for propulsion on land, sea (or) in air (or) in any combination thereof and vehicles of all descriptions.

- c. To carry out all activities of research and development relating to automobiles, auto components, motor cars, lorries, buses, vans, motor cycles, cycle cars, motors, scooters, vehicles suitable for propulsion on land, sea (or) in air (or) in any combination thereof and vehicles of all descriptions.
- d. To carry on the business of providing all kinds of assistance services, call centre services, contact centre services, help line services, CRM support services related to travel by Road, Sea or Land in India and abroad, for vehicles of all descriptions, including but not limited to passenger vehicles, commercial vehicles, heavy vehicles, two wheelers, three wheelers, four wheelers and above, either through own network or otherwise.
- e. To provide travel assistance, concierge services, medical assistance and all related support.
- f. To carry on the business of the service providers for facilitating all types of insurance, registration, quality and value certification and value additions and activities incidental or ancillary thereto with respect to motor vehicles of all types

4.2.3 The authorised, issued, subscribed and paid up capital of the Resulting Company as on September 30, 2023 is as follows:

Particulars	Amount in Rs.
Authorised Share Capital:	
1,00,000 Equity shares of Rs. 10/- each	10,00,000/-
Total	10,00,000/-
Issued, Subscribed and Paid Up:	
10,000 Equity shares of Rs. 10/- each	1,00,000/-
Total	1,00,000/-

There is no change in the capital structure of the Transferee Company subsequent to September 30, 2023

4.2.3. The details of the directors of the Resulting Company/TASL Automobile Solutions Private Limited along with their addresses are as follows:

S.No.	Name	Director Identification Number (DIN)	Designation	Address
1	Mr. Tharuvai Ramasubramanian Srinivasan	08004648	Nominee Director	No 1002 Tower of Adyar, No 107, Lattice Bridge Road, Adyar, Chennai – 600020
2	Mr. Srinivasa Raghavan Gopalan	06683396	Nominee Director	29/13, 3rd Trust Cross Street, Mandavelipakkam, Raja Annamalaipuram, Chennai – 600 028

The Resulting company has no Unsecured Creditors and Secured creditors as on September 30, 2023

4.3. Ki MOBILITY SOLUTIONS PRIVATE LIMITED

4.3.1. Ki Mobility Solutions Private Limited (hereinafter referred to as “KMS” or "Transferor Company"), was incorporated on the September 30, 2018 in the state of Tamil Nadu under the Companies Act, 2013 in the name and style “Peninsula Auto Parts Private Limited”. The Corporate Identity Number of KMS is U52590TN2018PTC125028 and the Permanent Account Number (PAN) is AAKCP0950F. The registered office of KMS is at No.10, Jawahar Road, Chokkikulam, Madurai - 625002. The name of the Company was changed to Ki Mobility Solutions Private Limited with effect from October 13, 2020 as per the Certificate of Incorporation pursuant to the change of name issued by the Registrar of Companies, Chennai. KMS is a subsidiary of TVS ASL.

4.3.2. The main objects of the Transferor Company are as follows:

- a. To carry on the business of trading, distribution, services, repairs, body shops, body building, chassis, frames, powertrain components, parts, fittings, mobile workshops, garage equipment and tools, assemblies, lubricants, accessories for all types of vehicles, sub-assemblies, petrol pumps, service stations, consultancy, design, provision of technical assistance and licensing, setting up of sales, service centres and show rooms including production, processing, fabrication, assembling, alteration, buying, importing, marketing, selling, exporting, engineering, supplying and otherwise dealing in all kinds of automobiles, auto components and parts, motor cars, lorries, buses, vans, motor cycles, cycle cars, motors, scooters, vehicles suitable for propulsion on land, sea (or) in air (or) in any combination thereof and vehicles of all descriptions either in digital platform/online and/or offline and/or in any other form and to appoint Franchisees for all the above business activities.
- b. To deal in all automobile and other applications, spare parts and components for all types of automobiles, service of all types/brands of automobiles including providing of aggregator services through mechanics, automobile technicians, automobile garages and other service providers of like nature, either in digital platform/online and/or offline / and/or in any other form.
- c. To carry on the business of providing all kinds of assistance services, call centre services, contact centre services, help line services, CRM support services related to travel by Road, Sea or Land in India and abroad, for vehicles of all descriptions, including but not limited to passenger vehicles, commercial vehicles, heavy vehicles, two wheelers, three wheelers, four wheelers and above, either through own network or otherwise and to provide travel assistance, concierge services, medical assistance and all related support.
- d. To carry on the business of the service providers for facilitating all types of insurance, registration, quality and value certification and value additions and activities incidental or ancillary thereto with respect to vehicles of all types.

4.3.3 The authorised, issued, subscribed and paid up capital of the Transferor Company as on September 30, 2023 is as follows:

Particulars	Amount in Rs.
Authorised Share Capital:	
20,00,000 Equity shares of Rs. 10/- each	2,00,00,000/-
8,95,65,450 Compulsory Convertible Preference Shares of Rs. 10/- each	89,56,54,500/-
Total	91,56,54,500/-
Issued, Subscribed and Paid Up:	
10,33,115 Equity shares of Rs. 10/- each	1,03,31,150/-
1,14,668 Compulsory Convertible Preference Shares (Series B) of Rs.10/- each	11,46,680/-
1,34,864 Compulsory Convertible Preference Shares (Series C) of Rs.10/- each	13,48,640/-
Total	1,28,26,470/-

There is no change in the capital structure of the Transferor Company subsequent to September 30, 2023

4.3.3. The details of the directors of the Transferor Company/Ki Mobility Solutions Private Limited along with their addresses are as follows:

S.No.	Name	Director Identification Number (DIN)	Designation	Address
1	Mr. Ramachandhran Dinesh	00363300	Director	No.16, Jawahar Road, Chokkikulam, Madurai – 625 002
2	Mr. Srinivasa Raghavan Gopalan	06683396	Director	29/13, 3 rd Trust Cross Street, Mandavelipakkam, Raja Annamalaipuram, Chennai – 600 028
3	Mr. Sachin Nithyanand Kamath	01592593	Director	Villa No.17, Building No. 791, Qurum/ Bausher, Block No.16/1, Plot No.2/6/299, Way 2307, Street No. Block 223, Muscat, Oman – 223
4	Mr. Gael Escribe	09218085	Director	4 Square Du Trocadero, Paris – 75016, France
5	Mr. Ashish Kaushik	09289238	Director	Saman Court, Flat 5, 57A Crawford Street, London – W1H4JN, United Kingdom

S.No.	Name	Director Identification Number (DIN)	Designation	Address
6	Mr. Sandeep Sangwan	08617717	Director	212 A, DLF Aralias, Gurgaon, Sector 42, Gurgaon, Haryana 122003
7	Mr. Masashi Ogawa	05152175	Director	3-27-3, Kamimeguro, Meguro-Ku, Tokyo, Japan - 1530051

4.3.4. The amount due to the Unsecured Creditors and Secured Creditors of the Transferor Company as on September 30, 2023 is Rs. 130,16,46,354/- and Rs. 1,07,47,19,634/-, respectively.

5. **Relationship subsisting between the Companies who are parties to the Scheme**

The Demerged/Transferee Company is the holding company of the Resulting Company (100% holding in Equity) and of Transferor Company (87.12% holding in Equity)

6. **Rationale and Benefits of the Scheme**

RATIONALE FOR THE STEP I: DEMERGER

- The Demerger, transfer and vesting of the Demerged Undertaking will result in increased customer attention for the broking business by the Resulting Company and will enable the Resulting Company to focus on the Demerged Undertaking as its core activities thereby resulting in better strategic, operational and administrative efficiency.
- The Demerger, transfer and vesting of the Demerged Undertaking will enable the Resulting Company to raise funds required for the operations of the Demerged Undertaking. This will ensure better funding of operations of the Demerged Undertaking which in turn will facilitate growth and expansion of operations. This will also ensure timely re-payment to secured creditors, if any, and unsecured creditors.
- The Demerger, transfer and vesting of the Demerged Undertaking to the Resulting Company will help in the creation of a platform for future business activities, and to act as a gateway for growth and expanding business operations.
- There is no likelihood that the interests of any shareholder or creditor of either the Demerged Company or the Resulting Company would be prejudiced as a result of the Scheme. The Demerger, transfer and vesting of the Demerged Undertaking will not impose any additional burden on the members of the Demerged Company or the Resulting Company. The Scheme is not in any manner prejudicial or against public interest and would serve the interest of all shareholders, creditors and stakeholders.

RATIONALE FOR STEP II: AMALGAMATION

- The amalgamation of the Transferor Company with the Transferee Company will enable the direct shareholding in the Transferee Company for the shareholders of Transferor Company.
- The amalgamation of the Transferor Company with the Transferee Company will help in the creation of a platform for future business activities, and to act as a gateway for growth and expanding business

operations wherein the resources of the Transferor Company can be advantageously combined with the resources of the Transferee Company.

- The amalgamation would facilitate reduction in administrative costs and garner visibility in the market.
- The amalgamation will also enable smoother implementation of policy changes from a management perspective and shall also help enhance the efficiency and control of the entities.
- The consolidation of the business operations, undertakings, assets, liabilities etc. of the Transferor Company in a single entity, i.e. under the Transferee Company, and under a single centralized system of management, will result in the management being able to exercise greater control over the operations of the Companies. This will also result in the management being enabled to undertake any re-structuring/re-organisation of the various business undertakings of the Companies for the purposes of achieving optimum efficiency and/or to attract investments in the individual business undertakings of the Companies.
- There is no likelihood that the interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the Scheme. The Amalgamation will not impose any additional burden on the members of Transferor Company or the Transferee Company.

7. **The salient features of the Scheme are as follows:**

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

1.1 ...

1.2 ...

1.3 **“Appointed Date”** means 1st April 2023 or such other date as may be determined by the Board of Directors of the Demerged/Transferee Company, Resulting Company and Transferee Company or such other date as may be fixed /or approved by the Appropriate Authority being the date with effect from which this Scheme shall be deemed to be effective;

1.4 ...

1.5 ...

1.6 ...

1.7 **“Effective Date”** means the date on which the Scheme is sanctioned by the NCLT under Sections 230-232 of the Act. Any reference in the Scheme to “on the Scheme becoming effective” or “upon the Scheme becoming effective” or “effectiveness of the Scheme” and other similar expressions shall refer to the “Effective Date”;

1.8 ...

1.9 ...

1.10 **“Scheme” or “the Scheme” or “this Scheme”** means this Composite Scheme of Arrangement (Demerger) and Amalgamation in its present form submitted to the NCLT or with any modification(s) made under Clause 36 of this Scheme or with such other modifications/ amendments as the NCLT may direct;

2. ...

PART II

AMALGAMATION OF TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

3. ...

4. DEMERGER, TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY AND CANCELLATION OF EXISTING EQUITY SHARE CAPITAL OF THE RESULTING COMPANY CONSEQUENT TO THE DEMERGER

4.1 Upon this Part II becoming effective and with effect from the Appointed Date, the Demerged Undertaking shall stand demerged, transferred and vested in the Resulting Company, in accordance with Section 2(19AA) of the Income-Tax Act, 1961, as a going concern, without any further act or deed, as per the provisions contained herein, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to existing charges, if any, thereon.

4.2 Upon Part II coming into effect of this Scheme and with effect from the Appointed Date, the entire Demerged Undertaking, as defined in Clause 3.3 above shall pursuant to the provisions contained in Sections 230 to 232 and all other applicable provisions, if any, of the Act and without any further act or deed shall stand transferred to and vested in and/ or be deemed to be transferred to and vested in the Resulting Company as a going concern so as to vest in the Resulting Company all rights, title and interest pertaining to the Demerged Undertaking.

4.3 Without prejudice to the generality of the Clause 4.2 above, on and from the Appointed Date

4.4 All the movables including cash in hand, if any, of the Demerged Undertaking capable of passing by manual delivery, shall be so delivered or endorsed as the case may be, to the Resulting Company;

4.5 In respect of movables of the Demerged Undertaking other than those specified in sub-clause (a) above, including sundry debtors, outstanding loans, and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies and customers and other persons pertaining to the Demerged Undertaking, the following modus operandi for intimating to third parties shall to the extent possible be followed:

4.6 Demerged Company may give notice in such form as it may deem fit and proper, to each person, party, debtor, loanee or deposittee as the case may be, belonging to or related to the Demerged Undertaking, that pursuant to the NCLT having sanctioned the Scheme, the

said debt, loan, advances, bank balances or deposits be paid or made good or held on account of the Resulting Company as the person entitled thereto to the end and intent that the right of the Demerged Company to recover or realise the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change;

- 4.7 The Resulting Company may also give notice in such form as it may deem fit and proper to each person, debtor, loanee or depositor, as the case may be, belonging to or related to the Demerged Undertaking, that pursuant to the NCLT having sanctioned the Scheme, the said debt, loan or deposit be paid or made good or held on account of the Resulting Company and that the right of the Demerged Company to recover or realize the same stands extinguished.
- 4.8 In relation to other assets belonging to Demerged Undertaking, which require separate documents for transfer, or which the Demerged Company and/or the Resulting Company otherwise desire to transfer separately, the Demerged Company and the Resulting Company each will execute such deeds, documents or such other instruments or writings or create evidence, if any, as may be necessary.
- 4.9 In respect of such of the said assets and liabilities other than those referred to in clause 4.3(a) to (c) above, the same shall, without any further act, instrument or deed, be transferred to, and vested in, and/or be deemed to be transferred to and vested in, the Resulting Company.
- 4.10 With effect from the Appointed Date and upon the Scheme becoming effective, the Demerged Undertaking of the Demerged Company shall be so transferred, delivered or endorsed and delivered, as the case may be, by the Demerged Company, and shall upon transfer become the undertaking, assets and liabilities and an integral part of the Resulting Company.
- 4.11 For the purpose of giving effect to the order passed under Sections 230 to 232 in respect of this Scheme, the Resulting Company shall at any time pursuant to the orders on this Scheme, be entitled to get the recording of the change in the title and appurtenant legal right(s) upon the vesting of such Demerged Undertaking in the Resulting company.
- 4.12 The Demerged Company shall have taken all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, interest of immovable property, if any, is given to the Resulting Company.
- 4.13 Upon coming into effect of the Scheme and post allotment of equity shares by the Resulting Company in terms of the ratio provided in Clause 9.1 below, the shares held by Demerged Company in the Resulting Company shall be cancelled in accordance with provisions of Sections 66 of the Companies Act, 2013 and the order of the NCLT sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Companies Act, 2013 for the purpose of confirming reduction in effect to the following;
- A. The cancellation of pre-demerger will result in mirror shareholding of the shareholding pattern in the Resulting Company as it stands for the Demerged Company as of the First Record' Date. No consideration shall be payable to such pre-demerger shareholder on account of cancellation of their equity share capital pursuant to this Clause.

- B. The pre-demerger shareholder whose equity shares were cancelled in accordance with this Clause shall cease to be member in the Resulting Company in respect of the equity shares cancelled by the Company.
- C. The Resulting Company shall rectify the Register of Members deleting the names as member of the Resulting Company in respect- of the equity shares cancelled pursuant to this Clause
- D. Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And reduced" as a suffix to its name.

5. TRANSFER OF DEBTS AND LIABILITIES:

- 5.1 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description relatable to the Demerged Undertaking shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Resulting company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Resulting company and 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 such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause. However, the Resulting Company shall after the coming into effect of this Scheme in accordance hereof, , execute deeds of confirmation in favour of the secured creditors (if any) of the Demerged Undertaking of the Demerged Company or in favour of any other party to the contract or arrangement to which the Demerged Company are a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Resulting Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Demerged Undertaking as well as to implement and carry out all such formalities and compliances referred to above.
- 5.2 Where any of the liabilities and obligations/assets attributed to the Demerged Undertaking on the Appointed Date has been discharged/ sold by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge/sale shall be deemed to have been for and on behalf of the Resulting Company.
- 5.3 All loans raised and used, and liabilities incurred, if any, by the Demerged Company for the Demerged Undertaking after the Appointed Date, but prior to the Effective Date, for their operations shall be discharged by the Resulting Company in accordance with the terms as agreed by the Demerged Company.
- 5.4 All the loans, advances and other facilities sanctioned to the Demerged Company in relation to the Demerged Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to the Resulting Company and the said loans and advances shall be drawn and utilized either partly or fully by the Demerged Company from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by the Demerged Company in relation to the Demerged Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be

treated as loans, advances and other facilities made available to the Resulting Company and all the obligations of the Demerged Company in relation to the Demerged Undertaking shall be construed and shall become the obligation of the Resulting Company without any further act or deed on the part of the Resulting Company.

5.5 All loans raised and used, and liabilities repaid by the Demerged Company pertaining to its Remaining Business after the Appointed Date, but prior to the Effective Date, utilizing the surplus cash derived from the operations of Demerged Undertaking shall be discharged by the Demerged Company.

5.6 The demerger, transfer and vesting of the Demerged Undertaking as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the Demerged Undertaking,

Provided however, any reference in any security documents or arrangements, to which the Demerged Company is a party, wherein the assets of the Demerged Undertaking have been or are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Demerged Undertaking as are vested in the Resulting Company by virtue of this Scheme, to the end and intent that such security, charge, hypothecation and mortgage shall not extend or be deemed to extend, to any of the other assets of the Demerged Company or any of the assets of the Resulting Company,

Provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Resulting Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the Demerged Undertaking vested in the Resulting company,

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Demerged Company in relation to the Demerged Undertaking which shall vest in the Resulting Company by virtue of the vesting of the Demerged Undertaking with the Resulting Company and the Resulting Company shall not be obliged to create any further or additional security therefor after the Scheme has become operative.

5.7 All the existing securities, mortgages, charges, encumbrances or liens, if any, over the assets comprised in or relating to the liabilities of the Demerged Undertaking transferred to and vested in the Resulting Company by virtue of this Scheme, shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date.

5.8 Any existing encumbrances over the assets and properties of the Resulting Company or any part thereof which relate to the liabilities and obligations of Resulting Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Demerged Undertaking transferred to and vested in the Resulting Company by virtue of this Scheme.

5.9 As regards any tax liability arising in connection with Income tax, Goods and Service Tax, VAT etc., in relation to the Demerged Undertaking, the Resulting Company undertakes to settle the liability directly or reimburse to the Demerged Company, if discharged by the Demerged Company directly.

It is hereby clarified that, for the purpose of this Clause 5.9, the term “liability” shall include duty, penalty, interest or any amount paid on composition.

6. ...

7. ...

8. **STAFF, WORKMEN AND EMPLOYEES OF DEMERGED UNDERTAKING**

8.1 On Part II of the Scheme becoming operative, all staff, workmen and employees of the Demerged Company pertaining to the Demerged Undertaking, as determined by the Board of Directors of the Demerged Company, who are in service as on the Effective Date shall become staff, workmen and employees of the Resulting company without any break in their service and on the basis that:

- A. their services shall have been continuous and shall not have been interrupted by reason of such transfer as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947 or the corresponding provision in any successor legislation thereto;
- B. the terms and conditions of service applicable to the said staff, workmen, and other employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer;
- C. in the event of retrenchment of such staff, workmen, or other employees, the Resulting Company shall be liable to pay compensation in accordance with law on the basis that the services of the staff, workmen, or other employees shall have been continuous and shall not have been interrupted by reason of such transfer; and
- D. in so far as the existing provident fund trusts, gratuity fund and pension and/or superannuation fund trusts created by the Demerged Company for its employees (including employees of the Demerged Undertaking) are concerned, the part of the funds referable to the employees who are being transferred shall be continued, for the benefit of the employees who are being transferred to the Resulting Company pursuant to this Scheme in the manner provided hereinafter. In the event that the Resulting Company has its own funds in respect of any of the funds referred to above, the amounts in such funds in respect of contributions pertaining to the employees of the Demerged Undertaking, subject to the necessary contributions pertaining to the employees of the Demerged Undertaking shall, subject to the necessary approvals and permissions, be transferred to the relevant funds of the Resulting Company. In the event that the Resulting Company does not have its own fund, in respect of any of the aforesaid matters, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute in respect of the employees engaged in the Demerged Undertaking to the relevant funds of the Demerged Company, until such time that the Resulting Company creates its own fund, at which time the contributions pertaining to the employees of the Demerged Undertaking shall be transferred to the funds created by the Resulting Company.

- E. The Resulting Company undertakes to continue to abide by any agreement/settlement entered into by the Demerged Company with the workmen in respect of the Demerged Undertaking.
- F. Any disciplinary action initiated by the Demerged Company against any workmen of the Demerged Undertaking shall have full force, effect and continuity as if it has been initiated by the Resulting Company instead of the Demerged Company.
- 8.2 The Resulting Company agrees that the service of all such employees with the Demerged Company, up to the Effective Date shall be taken into account for the purposes of all retirement benefits to which they may be eligible as on the Effective Date. Any question that may arise as to whether any staff, workman or employee belongs to or does not belong to the Demerged Undertaking of the Demerged Company, shall be mutually decided by the Board of Directors of the Demerged Company and the Resulting company or committee(s) thereof.
- 8.3 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or such other Special Fund, if any, or Trusts (hereinafter collectively referred as 'Funds') created for the benefit of the staff, workmen and employees of the Demerged Undertaking of the Demerged Company, with the approval of the concerned authorities, become funds of the Resulting Company, or shall be transferred to or merged with other similar funds of Resulting Company for all purposes whatsoever in relation to the administration of operation of such funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company in relation to such funds shall become those of the Resulting Company. It is clarified that the services of the staff, workmen and employees will be treated as having been continuous for the purpose of such funds.

9. CONSIDERATION

9.1 Upon Part II coming into effect of this Scheme and in consideration for the demerger, transfer and vesting of the Demerged Undertaking in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot equity shares credited as fully paid up, to the extent indicated below, to the members of the Demerged Company as on the Resulting Company Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title in the following manner:

“For every 1 fully paid-up Equity share of Rs.10/- held in Demerged Company, 1 Equity Share of Rs. 10/- shall be allotted in the Resulting Company”

9.2 No coupons shall be issued in respect of fractional entitlements, if any, by the Resulting Company, to the members of the Demerged Company at the time of issue and allotment of equity shares under Clause 9.1. In case any Equity shareholder's holding in the Demerged Company is such that the shareholder becomes entitled, pursuant to clause 9.1 above, to a fraction of equity shares of the Resulting Company, the Resulting Company shall round off the said entitlement to the nearest integer.

9.3 Equity Shares shall be issued by Resulting Company in dematerialized form to those equity shareholders of Demerged Company who hold shares of Demerged Company in dematerialized form, in to the account

in which Demerged Company shares are held or such other account as is intimated by the shareholders to Resulting Company or its Registrar and in physical form to those shareholders of Demerged Company who hold shares of Demerged Company in physical form. All those shareholders who hold shares of Demerged Company in physical form shall also have the option to receive the equity shares in Resulting Company in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to Demerged Company and / or its Registrar, otherwise, they would be issued equity shares in physical form.

9.4 The said equity shares to be issued and allotted by the Resulting company to the members of the Demerged Company as above shall be subject to the Memorandum of Association and Articles of Association of the Resulting company.

9.5 The Board of Directors of the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government / Regulatory authorities for the issue and allotment of equity shares to the members of the Demerged Company pursuant to Clause 9.1 of the Scheme.

9.6 Approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 42 read with Section 62 of the Companies Act, 2013 and the other relevant and applicable provisions of the Act, Companies Rules thereunder for the issue and allotment of Equity Shares by the Resulting Company, as provided in this Scheme.

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

10. ...

11. INCREASE IN THE AUTHORISED SHARE CAPITAL

11.1 With effect from the Appointed Date and upon the Scheme becoming effective, subject to any corrections and adjustments as may in the opinion of the Board of Directors of the Resulting Company be required, the Authorised Share Capital of the Resulting company be increased to the extent of the Equity Shares issued to the shareholders of the Demerged Company.

11.2 The Capital clause V of the Memorandum of Association of the Resulting Company shall, with effect from the Appointed Date and upon the Scheme becoming effective and without any further act, deed, matter or thing be replaced by the following clause:

“The authorized share capital of the Company is Rs. 27,10,00,000/- (Rupees Twenty Seven Crores and Ten Lakhs only) divided into 2,01,00,000 equity shares of Rs.10/- each (Rupees Ten only) and 70,00,000 Compulsorily Convertible Preference Shares of Rs. 10/- (rupees Ten Only) each with the rights, privileges and conditions attached thereto as per the relevant provisions of the Articles of Association of the Company and with the power to increase or reduce the Capital of the Company and to divide the shares in Capital for the time being into several classes (being those specified in the Companies Act) and to attach thereto respectively such preferential, qualified or special rights, privileges and conditions in such manner as may be permitted by the said Act or provided by the Articles of Association of the Company for the time being in force.”

The above clause is depicted in table herein below:

Particulars	Amount in Rs.
Authorized Share Capital	
2,01,00,000 Equity shares of Rs. 10/- each	20,10,00,000/-
70,00,000 Compulsory Convertible Preference Shares of Rs. 10/-each	7,00,00,000/-
Total	27,10,00,000/-

11.3 The filing fee and stamp duty, if any, to be paid by the Resulting Company on the increased portion of the Authorised Share Capital shall be paid in accordance with the provisions of the Act.

11.4 There are no changes in the Existing Capital Clause of the Articles of Association of the Resulting Company which states that “The Authorized Share capital of the company is as per clause V of the Memorandum of Association of this Company.”

11.5 Approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 13, Section 15 of the Companies Act 2013 and other relevant and applicable provisions of the Act, Companies Rules thereunder for the alteration of the Memorandum of Association for increase in the authorized share capital of the Resulting Company enabling the issue and allotment of Equity Shares by the Resulting Company, as provided in this Scheme.

12.

13. CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY TILL EFFECTIVE DATE

With Effect from the Appointed Date and upto and including the Effective Date:

- 13.1 The Demerged Company shall carry on, and be deemed to have been carrying on, all business activities relating to the Demerged Undertaking and shall be deemed to have been held for and on account of, and in trust for, the Resulting Company.
- 13.2 All profits or income arising or accruing in favour of the Demerged Company in relation to the Demerged Undertaking (including profits on sale of investments, if any) and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, dividend distribution tax, securities transaction tax, taxes withheld/paid in foreign country, etc.) or losses arising or incurred by the Demerged Company in relation to the Demerged Undertaking shall, for all purpose, be treated as and deemed to be the profits or income, taxes or losses, as the case may be of the Resulting Company.
- 13.3 Similarly, all profits accruing to and losses incurred by the Demerged Company in relation to the remaining business shall for all purposes be treated as the profits or losses as the case may be of the Demerged Company.
- 13.4 Any loans and advances provided by the Resulting Company to the Demerged Company relating to the Demerged Undertaking from the Appointed Date till the Effective Date will stand cancelled and there shall be no further obligation / outstanding in that behalf.

- 13.5 The Demerged Company shall carry on the activities of the Demerged Undertaking with reasonable diligence and business prudence and shall not, without prior written consent of the Resulting company, alienate, charge or otherwise deal with or dispose off any of their business undertakings(s) or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Demerged Company prior to the Appointed Date).
- 13.6 The Resulting 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, wherever necessary, for such consents, approvals (and sanctions which the Resulting Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any law for time being in force for carrying on business by the Resulting Company.
- 13.7 Pending Sanction of the Scheme, the Demerged Company shall be entitled to approach the Central Government for approval of merger of its wholly owned subsidiaries with the Demerged Company and it is expressly clarified that the assets and liabilities arising pursuant to such merger of its wholly owned subsidiaries of the Demerged Company shall be considered as “Demerged Undertaking” of the Demerged Company for the purposes of Part II of this Scheme.
- 13.8 The Demerged Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees related to the Demerged Undertaking without the consent of the Board of Directors of the Resulting Company.
- 13.9 Pending sanction of the Scheme, the Demerged Company shall not make any change in its capital structure either by any increase, (by issue of equity shares on a rights basis, bonus shares, convertible debentures or otherwise) decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner which may, in any way, affect the Share Exchange Ratio (as provided for in Clauses 9.1), except by mutual consent of the respective Boards of Directors of the Demerged Company and the Resulting Company or as may be expressly permitted under this Scheme or as may be required to give effect to the Scheme.

14. ...

15. **REMAINING BUSINESS**

15.1 The Remaining Business and all the assets, liabilities, contingent liabilities and obligations pertaining thereto shall continue to belong to and continue to be vested in and be managed by the Demerged Company.

15.2 All legal, taxation or other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Appointed Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company (or successor thereof). The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company (or successor thereof) relating to the Remaining Business.

15.3 All contracts, deeds, bonds, agreements, insurance policies and other instruments of whatsoever nature other than those relating to the Demerged Undertaking to which the

Demerged Company is a party, subsisting or having effect on or before the Appointed Date shall continue to be in full force and effect by or against the Demerged Company.

15.4 The Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business for and on its own behalf.

15.5 All profits accruing to the Demerged Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Demerged Company (or successor thereof).

15.6 Without prejudice to the foregoing, the Demerged Company undertakes to pay all amounts including interest, penalties, damages etc. which the Resulting Company may be called upon to pay or secure in respect of the Remaining Business.

15.7 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Resulting Company in relation to Remaining Business including litigations, suits, recovery proceedings relating to labour issues, the Demerged Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Demerged Company. Any other litigation, suit, recovery proceedings of labour matters pertaining to Remaining Business that may, arise after the Appointed Date, shall also stand transferred to the Demerged Company and no liability shall be vested in the Resulting Company.

PART III

AMALGAMATION OF KI MOBILITY SOLUTIONS PRIVATE LIMITED WITH TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED

16. ...

17. TRANSFER AND VESTING OF MERGER UNDERTAKING

17.1 On the Appointed Date, the provisions of this Part III of the Scheme shall take effect only after the demerger, transfer and vesting of the Demerged Undertaking of TVS ASL into and with the Resulting Company in terms of Part II of the Scheme. Upon Part III of the Scheme becoming effective from the Appointed Date, the Transferor Company (which expression includes the assets, liabilities and the entire business undertakings of the Transferor Company) shall stand amalgamated with and be vested in TVS ASL/ Transferee Company as a going concern, without any further act or deed, as per the provisions contained herein and in this Scheme.

17.2 The business undertakings of the Transferor Company shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

- (a) *With effect from the Appointed Date, the whole of the Merger Undertaking of the Transferor Company comprising their entire business, all assets and liabilities of whatsoever nature and wheresoever situated, including the immovable properties, if any, shall, under the provisions of Section 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in Sub-clauses (b), to (e) below), be transferred to and vested in and/ or be deemed to be transferred to and vested in TVS ASL/Transferee Company as a going concern so as to become, as from the Appointed Date, the Merger Undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.*

Provided that for the purpose of giving effect to the vesting, order passed under Sections 230 to 232 in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders under this Scheme be entitled to get the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Transferor Company in accordance with the provisions of Sections 230 to 232 of the Act, recorded at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.

- (b) *All movable assets including cash in hand, if any, of the Transferor Company, capable of transfer by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company. Such delivery shall be made on a date mutually agreed upon between the Boards of Directors of the Transferor Company and the Transferee Company.*
- (c) *In respect of movables other than those specified in sub-clause (b) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, the following modus operandi for intimating third parties shall, to the extent possible, be followed:*
- (i) *The Transferor Company shall give notice in such form as it may deem fit and proper, to each person, debtor, loanee or depositor as the case may be, belonging to or related to the Transferor Company, that pursuant to the NCLT having sanctioned the Scheme, the said debts, loans, advances, bank balances or deposits be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the respective Transferor Company to recover or realise the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change;*
- (ii) *The Transferee Company shall also give notice in such form as it may deem fit and proper to each person, debtor, loanee or depositor as the case may be, belonging to or related to the Transferor Company, that pursuant to the NCLT having sanctioned the Scheme the said debt, loan, advance*

or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferor Company to recover or realise the same stands extinguished.

(d) In relation to the assets, if any, belonging to the Transferor Company, which require separate documents of transfer, or which the Transferor Company and/or the Transferee Company otherwise desire to be transferred separately, the Transferor Company and the Transferee Company each will execute such deeds, documents or such other instruments or writings or create evidence, if any, as may be necessary.

(e) In respect of such of the said assets and liabilities other than those referred to in 17.2(a) to (d) above, the same shall, without any further act, instrument or deed, be transferred to, and vested in, and/or be deemed to be transferred to and vested in, the Transferee Company.

17.3 With effect from the Appointed Date and upon the Scheme becoming effective, the Merger Undertaking of the Transferor Company shall be so transferred, delivered or endorsed and delivered, as the case may be, by the Transferor Company, and shall upon transfer become the Merger Undertaking, assets and liabilities and an integral part of the Transferee Company.

17.4 For the purpose of giving effect to the order passed under Sections 230 to 232 in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get the recording of the change in the title and appurtenant legal right(s) upon the vesting of such Merger Undertaking in the Transferee Company.

17.5 The Transferor Company shall have taken all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, interest of immovable property, if any, is given to the Transferee Company.

17.6 From the Effective Date and till such time that the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in its name, in so far as may be necessary.

18.

19. TRANSFER OF DEBTS AND LIABILITIES

19.1 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of the Transferor Company shall also, under the provisions of Section 230 to 232 of the Act, without any further act or deed, be transferred to or be deemed to be

transferred to the Transferee Company so as to become from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and 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 such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause. However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors (if any) of the Transferor Company or in favour of any other party to the contract or arrangement to which the Transferor Company are a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company as well as to implement and carry out all such formalities and compliances referred to above.

- 19.2 Loans or other obligations, if any, 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 shares, securities, debentures or notes issued by Transferor Company, and held by the Transferee Company are concerned, the same shall, unless sold or transferred by Transferee Company, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall have no effect and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.
- 19.3 Where any of the liabilities and obligations/assets attributed to the Transferor Company on the Appointed Date has been discharged/ sold by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge/sale shall be deemed to have been for and on behalf of the Transferee Company.
- 19.4 All liabilities and obligations attributed to the Transferor Company, including its unsecured loans taken over by the Transferee Company may be discharged by the Transferee Company in the manner as and when it falls due for repayment or in any other manner as the Transferee Company may deem fit.
- 19.5 All loans raised and used, and liabilities incurred, if any, by the Transferor Company after the Appointed Date, but prior to the Effective Date, for their operations shall be discharged by the Transferee Company.
- 19.6 All the loans, advances and other facilities sanctioned to the Transferor Company by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to the Transferee Company and the said loans and advances shall be drawn and utilized either partly or fully by the Transferor Company from the Appointed Date

till the Effective Date and all the loans, advances and other facilities so drawn by the Transferor Company (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to the Transferee Company and all the obligations of the Transferor Company in relation to any loan agreement shall be construed and shall become the obligation of the Transferee Company without any further act or deed on the part of the Transferee Company.

- 19.7 The transfer and vesting of the Merger Undertaking of the Transferor Company as aforesaid shall be subject to the existing securities, charges and mortgages, if any subsisting, over or in respect of the property and assets or any part thereof of the respective Transferor Company.

Provided however that any reference in any security documents or arrangements (to which any Transferor Company is a party) pertaining to the assets of the Transferor Company offered, or agreed to be offered, as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Merger Undertaking of the said Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that, such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the said Transferor Company or any of the assets of the Transferee Company.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Company vested in the Transferee Company.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation of the Transferor Company with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefor, after the amalgamation has become operative.

- 19.8 All the existing securities, mortgages, charges, encumbrances or liens, if any, over the assets comprised in or relating to the liabilities of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme, shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date.

- 19.9 Any existing encumbrances over the assets and properties of the Transferor Company or any part thereof which relate to the liabilities and obligations of Transferor Company prior to the Effective Date

shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.

20. ...

21. ...

22. STAFF, WORKMEN AND EMPLOYEES

22.1 All the executives, staff, workmen, and other employees in the service of the Transferor Company, immediately before the Appointed Date, under this Scheme shall become the executives, staff, workmen, and other employees of the Transferee Company, on the basis that:

- a) Their services shall have been continuous and shall not have been interrupted by reason of such transfer as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947 or the corresponding provision in any successor legislation thereto;
- b) The terms and conditions of service applicable to the said staff, workmen, and other employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer;
- c) In the event of retrenchment of such staff, workmen, or other employees, the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the staff, workmen, or other employees shall have been continuous and shall not have been interrupted by reason of such transfer; and
- d) It is provided that as far as the Provident Fund, Gratuity, Pension, Superannuation Fund or any other special funds that are applicable to the employees of the Transferee Company and existing in the Transferee Company for the benefit of the staff, workmen and other employees of the Transferee Company shall also be extended to the employees of the Transferor Company upon the Scheme becoming finally effective. The said benefits shall be extended to the employees of the Transferor Company even if such benefits were not available to the employees during their tenure in the Transferor Company, by virtue of non-applicability of the relevant provisions to the Transferor Company. Notwithstanding what is stated herein above, in respect of applicability of Employees Provident Fund to the employees of Transferor Company with retrospective effect from a date to be determined by the Board of Directors of Transferee Company the extension of benefit to the employees of Transferor Company shall be subject to the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the approvals of the authorities concerned for giving effect to the implementation date. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations, in whatsoever nature, that are

available to the employees of the Transferee Company shall also be available to all the employees of the Transferor Company in relation to Provident Fund, Gratuity and Pension and/ or Superannuation Fund or any other special fund, however subject to the provisions of the relevant and applicable statutes.

- e) In the event that the Transferee Company have their own funds in respect of any of the funds referred to above, the amounts in such funds in respect of contributions pertaining to the employees of the Transferor Company, shall subject to the necessary approvals and permissions, be transferred to the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own fund, in respect of any of the aforesaid matters, the Transferee Company may, subject to necessary approvals and permissions, continue to contribute in respect of the employees of the Transferor Company to the relevant funds of the Transferor Company, until such time that the Transferee Company creates its own fund, at which time the contributions pertaining to the employees of the Transferor Company shall be transferred to the funds created by the Transferee Company.

23. AUTHORISED SHARE CAPITAL AND CHANGE IN OBJECT CLAUSE

- 23.1 Upon the Scheme becoming fully effective, the authorised share capital of the Transferor Company shall stand combined with the authorised share capital of the Transferee Company
- 23.2 Consequently, upon amalgamation of the Transferor Company into and with the Transferee Company, the authorized share capital of the Transferee Company will be as under:

Particulars	Amount in Rs.
Authorized Share Capital	
2,20,00,000 Equity shares of Rs. 10/- each	22,00,00,000/-
9,65,65,450 Compulsory Convertible Preference Shares of Rs. 10/-each	96,56,54,500/-
Total	118,56,54,500/-

- 23.3 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended by deleting the existing Clause and replacing it by the following:

“V. The Authorised Share Capital of the Company shall be Rs. 118,56,54,500 (Rupees One Hundred and Eighteen Crores Fifty-Six Lakhs Fifty-Four Thousand and Five Hundred only) divided into Rs. 22,00,00,000 (Rupees Twenty-Two Crores Only) comprising of 2,20,00,000 (Two Crores and Twenty Lakhs Only) equity shares of Rs. 10/- each (Rupee Ten only) and Rs. 96,56,54,500 (Rupees Ninety Six Crores Fifty Six Lakhs Fifty

Four Thousand Five Hundred Only) comprising of 9,65,65,450 (Nine Crores Sixty Five Lakhs Sixty Five Thousand Four Hundred and Fifty Only) preference shares of Rs.10/- each (Rupees Ten Only) each with the rights, privileges and conditions in attaching thereto as are provided by the regulations of the Company for the time being with powers to increase or reduce the Capital for the time being into several classes, and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company to vary, modify or abrogate, any such rights, privileges or conditions in such manner as may for the time being provided for by the regulations of the Company.”

- 23.4 There are no changes in the Existing Share Capital Clause of the Articles of Association of the Transferee Company which states that “The Authorized Share capital of the company shall be in accordance with Clause V of the Memorandum of Association of the Company.”
- 23.5 Filing fees and stamp duty, if any, paid by the Transferor Company on its authorised share capital shall be set off and be deemed to have been so paid by the Transferee Company on the combined authorised share capital. The Transferee Company shall not be required to pay the stamp duty to the extent set off for its increased authorised share capital and accordingly, the Transferee Company shall be required to pay only the balance fee stamp duty in relation to its increased authorised share capital after setting off the fees and stamp duty already paid by the Transferor Company on its authorised share capital.
- 23.6 With effect from the Appointed Date, and upon the Scheme becoming effective, the main object clause of the Memorandum of Association of Transferee Company shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities Transferor Company, pursuant to the provisions of Sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act. Accordingly, the Memorandum of Association of the Transferee Company shall be altered and amended and necessary revisions in numbering of the clauses inserted shall be carried out.
- 23.7 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be sufficient for the alteration to the Memorandum and Articles of Association of the Transferee Company as may be required under the Act. The approval of this Scheme under Section 230 read with section 232 of the Companies Act, 2013 shall be deemed to have the approval under sections 13, 14, 61 and 64 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.

24. CONSIDERATION

24.1 Upon the Scheme becoming fully effective, in consideration of the transfer and vesting of the Merger Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall without any further applications, act, instrument or deed, issue and allot equity shares to the extent indicated below, to the equity shareholders of the Transferor Company, as on the Amalgamation Record Date or to their respective heirs, executors, administrators, or other legal representatives, or the successors-in-life in the following manner:

“1336 fully paid-up equity shares of Rs. 10 each of Transferee Company shall be issued and allotted for every 100 Equity Shares of Rs.10/- each held by the shareholders of Transferor Company”

“1336 fully paid-up (0.001% Series CCPS B and Series CCPS C) Compulsorily Convertible Preference Shares of Rs. 10/- each of Transferee Company shall be issued and allotted for every 100 Compulsorily Convertible Preference Shares of Rs 10/- each held by the shareholders of Transferor Company”

Fractions, if any, arising out of such allotment shall be rounded off to the nearest whole number.

(The above ratio as detailed in which the equity shares of the Transferee Company are to be allotted to the shareholders of the Transferor Companies by the Transferee Company is hereinafter referred to as the "Share Exchange Ratio.")

The terms of the Compulsory Convertible Preference Shares (“CCPS”) as agreed between the holders of the CCPS in the Transferor Company shall be applicable to the CCPS issued pursuant to Clause 24.1 above.

24.2 Equity shares shall be issued by Transferee Company in dematerialized form to those equity shareholders of Transferor Companies who hold shares of the Transferor Companies in dematerialized form, in to the account in which Transferor Company's shares are held or such other account as is intimated by the shareholders to Transferee Company/ or its Registrar and in physical form to those shareholders of Transferor Companies who hold shares of Transferor Companies in physical form. All those shareholders who hold shares of Transferor Companies in physical form shall also have the option to receive the equity shares in Transferee Company in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to Transferee Company and / or its Registrar, otherwise, they would be issued equity shares in physical form.

24.3 Upon Equity Shares being issued and allotted by the Transferee Company to the shareholders of the Transferor Companies, in accordance with Clause 24.1, the share certificates in relation to the shares held by the said shareholders in the Transferor Companies shall be deemed to have been cancelled and extinguished and be of no effect on and from such issue and allotment.

- 24.4 The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment by the Transferee Company of Equity Shares to the members of the Transferor Companies under the Scheme.
- 24.5 The said Equity Shares to be issued and allotted by the Transferee Company shall be subject to Memorandum of Association & Articles of Association of the Transferee Company and shall rank *pari passu* in all respects from the date of allotment in terms of this scheme, with the existing equity shares of the Transferee Company, with all rights thereto, and shall be entitled to full dividend, if any, which may be declared by the Transferee Company after the Appointed Date of the scheme.
- 24.6 In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of the Transferor Companies, the Board of Directors or any Committee thereof of the Transferee Company at its sole discretion shall be empowered in appropriate circumstances, even subsequent to the Amalgamation Record Date or the Appointed Date, as the case may be to effectuate such a transfer in the Transferee Company as if such changes in the registered holders were operative on the Amalgamation Record Date, in order to remove any difficulties arising to the transfer of the share in the Transferee Company and in relation to any new shares, after the Scheme becomes effective. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in the Transferee Company on account of the difficulties if any in the transition period.

Approval of this Scheme by the Shareholders of the Transferee Company shall be deemed to be the due compliance of Section 62(1)(c) of the Companies Act, 2013 and any other relevant provisions of the Act and such other regulations as are relevant and applicable for the issue and allotment of new equity shares by the Transferee Company

25. ...

26. CANCELLATION OF EQUITY SHARES

- 26.1 The Transferor Company is a subsidiary of the Transferee Company which holds the paid-up share capital of the Transferor Company.
- 26.2 All equity shares held by the Transferee Company in the share capital of the Transferor Company as on the Effective Date, shall stand cancelled, without any further act or deed, upon this Scheme becoming effective. In lieu thereof no allotment of any new shares as per this Scheme or any payment shall be made to any person whatsoever.

27.

28. CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY TILL EFFECTIVE DATE

With effect from the Appointed Date and up to and including the Effective Date:

- 28.1 The Transferor Company shall carry on, and be deemed to have been carrying on, all business activities and shall be deemed to have been held for and on account of, and in trust for, the Transferee Company.
- 28.2 All profits or income or taxes, including but not limited to income tax, fringe benefit tax, advance taxes, tax deducted at source by or on behalf of the Transferor Company, minimum alternate tax credit, dividend distribution tax, securities transaction tax, taxes withheld/ paid in foreign country, wealth tax, sales tax, value added tax, excise duty, service tax, customs duty, refund, reliefs, etc, accruing or arising to the Transferor Company, or losses arising or expenditure incurred by it, on and from Appointed Date upto the Effective Date, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure or the said taxes of the Transferee Company.
- 28.3 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 off any of its business undertakings(s) or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Transferor Company prior to the Appointed Date).
- 28.4 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, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required/ granted under any law for time being in force for carrying on business of the Transferee Company.
- 28.5 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 of the Transferee Company.
- 28.6 The Transferor Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees without the consent of the Board of Directors of the Transferee Company.
- 28.7 Pending Sanction of the Scheme, the Transferor Company shall be entitled to approach the Central Government for approval of merger of its wholly owned subsidiaries with the Transferor Company and it is expressly clarified that the assets and liabilities arising pursuant to such merger of its wholly owned subsidiaries of Transferor Company shall be considered as “Remaining Undertaking” of the Transferee Company for the purposes of Part II of this Scheme.

29.

30. DISSOLUTION OF TRANSFEROR COMPANY

30.1 Subject to an order being made by the NCLT under Section 232 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.

PART IV

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE ENTIRE SCHEME

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37. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional on and subject to –

37.1 The sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities including the Reserve Bank of India (as applicable) and Insurance Regulatory and Development Authority of India (as applicable) concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.

37.2 The Scheme being agreed to by the respective requisite majorities of the members of the Companies, if meetings of Equity Shareholders of the said companies are convened by the NCLT, and the sanction of the NCLT being accorded to the Scheme.

37.3 The sanction by the NCLT under Sections 230 and 232 and other applicable provisions of the Act being obtained by the Companies.

38. ...

8. The Salient features as set out above being only the salient features of the Scheme as are statutorily required to be included in this explanatory statement, the members are requested to read the entire text of the Scheme (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the proposed Scheme.

EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

9. The directors of the Resulting Company/ TASL Automobile Solutions Private Limited, Transferor Company/ Applicant Company/Ki Mobility Solutions Private Limited and Demerged/Transferee Company/TVS Automobile Solutions Private Limited, may be deemed to be concerned and/or interested in the Scheme to the extent of their shareholding that may be held by them, if any, or by the Companies, firms, institutions, trusts of which they are directors, partners, members or trustee in

the Resulting Company/TASL Automobile Solutions Private Limited, Applicant Company /Transferor company/Ki Mobility Solutions Private Limited and Demerged/Transferee Company/TVS Automobile Solutions Private Limited may be deemed to be concerned and/or interested in the Scheme to the extent of their shareholding. None of the directors, Key Managerial Personnel ('KMPs') or relatives of the directors and KMPs of the Resulting Company/TASL Automobile Solutions Private Limited, Transferor Company/Ki Mobility Solutions Private Limited and Demerged/Transferee Company/TVS Automobile Solutions Private Limited, have any material, financial or other interest, in the Scheme, except as shareholders to the extent appearing in the Register of Directors' shareholding and Register of Members maintained by the Resulting Company/TASL Automobile Solutions Private Limited, Transferor Company/Applicant Company Ki Mobility Solutions Private Limited and Demerged/Transferee Company/TVS Automobile Solutions Private Limited respectively. The directors holding the shares in the Applicant company do not have any other interest in the Scheme otherwise than that as shareholder in general. Further, none of the managers, key managerial personnel and relatives of the directors of Applicant/Resultant Company/Ki Mobility Solutions Private Limited is concerned or interested, financially or otherwise in the proposed Scheme except to the extent of their shareholding. Save as aforesaid, none of the Directors /key managerial personnel of the Applicant/Resultant Company/Ki Mobility Solutions Private Limited have any material interest in the proposed Scheme.

10. The details of the present Directors, Key Managerial Personnels of the Demerged/Transferee Company/**TVS Automobile Solutions Private Limited** and their shareholding either individually or jointly as a first holder or as a nominee in the Resulting Company/TASL Automobile Solutions Private Limited, Transferor company/Ki Mobility Solutions Private Limited and Demerged/Transferee Company/TVS Automobile Solutions Private Limited, as on February 14, 2024, is as under:

Name of the Director & Key Managerial Personnel	Position	Equity Shares held in (in Nos.)		
		TVS Automobile Solutions Private Limited	TASL Automobile Solutions Private Limited	Ki Mobility Solutions Private Limited
Mr. Ramachandhran Dinesh	Director	3,51,131	-	-
Ms. Shobhana Ramachandhran	Director	65,563	-	-
Mr. Muthuswami Lakshminarayan	Director	5,000	-	740
Mr. Aroon Raman	Director	1,13,969	-	555
Mr. Sachin Nithyanand Kamath	Director	-	-	-
Mr. Narayanan Krishnamoorthy	Director	5,000	-	-
Mr. Masashi Ogawa	Director	-	-	-
Mr. Yutaka Yoshida	Director	-	-	-
Mr. Srinivasa Raghavan Gopalan	Managing Director	1,11,400	-	-

11. The details of the present Directors, Key Managerial Personnels of **TASL Automobile Solutions Private Limited** and their shareholding either individually or jointly as a first holders or as a nominee in Resulting Company/TASL Automobile Solutions Private Limited, Transferor Company/Ki Mobility Solutions Private Limited and Demerged/Transferee Company/TVS Automobile Solutions Private Limited, as on February 14, 2024, is as under:

Name of the Director & Key Managerial Personnel	Position	Equity Shares held in (in Nos.)		
		TVS Automobile Solutions Private Limited	TASL Automobile Solutions Private Limited	Ki Mobility Solutions Private Limited
Mr.Tharuvai Ramasubramanian Srinivasan	Nominee Director	-	1*	1,600
Mr. Srinivasa Raghavan Gopalan	Nominee Director	1,11,400	-	-

* Share held as nominee shareholder on behalf of TVS Automobile Solutions Private Limited

12. The details of the present Directors, Key Managerial Personnels of **Ki Mobility Solutions Private Limited** and their shareholding either individually or jointly as a first holders or as a nominee in Resulting Company/TASL Automobile Solutions Private Limited, Transferor company/Ki Mobility Solutions Private Limited and Demerged/Transferee Company/TVS Automobile Solutions Private Limited, as on 4 February 14, 2024, is as under:

Name of the Director & Key Managerial Personnel	Position	Equity Shares held in (in Nos.)		
		TVS Automobile Solutions Private Limited	TASL Automobile Solutions Private Limited	Ki Mobility Solutions Private Limited
Mr. Ramachandhran Dinesh	Director	3,51,131	-	-
Mr. Srinivasa Raghavan Gopalan	Director	1,11,400	-	-
Mr. Sachin Nithyanand Kamath	Director	-	-	-
Mr. Gael Escribe	Director	-	-	2,500
Mr. Ashish Kaushik	Director	-	-	-
Mr. Sandeep Sangwan	Director	-	-	-
Mr. Masashi Ogawa	Director	-	-	-

PRE AND POST SCHEME SHAREHOLDING PATTERN

13. The capital structure of the Resulting Company/TASL Automobile Solutions Private Limited, Transferor Company/Ki Mobility Solutions Private Limited and Demerged/Transferee Company/TVS Automobile Solutions Private Limited prior to the Scheme has already been provided under Para 4 of this Statement.
14. The capital structure of the Resulting Company/TASL Automobile Solutions Private Limited, Transferor Company/Ki Mobility Solutions Private Limited and Demerged/Transferee Company/TVS Automobile Solutions Private Limited post the Scheme becoming effective, is as follows:

14.1 Name of the Company: Ki Mobility Solutions Private Limited

Upon the proposed Scheme becoming effective, the entire share capital of Ki Mobility Solutions Private Limited shall stand cancelled.

14.2 Name of the Company: TVS Automobile Solutions Private Limited

Particulars	Amount in Rs.
Authorized Share Capital	
2,20,00,000 Equity shares of Rs. 10/- each	22,00,00,000/-
9,65,65,450 Compulsory Convertible Preference Shares of Rs. 10/-each	96,56,54,500/-
Total	118,56,54,500/-

14.3 Name of the Company: TASL Automobile Solutions Private Limited

Particulars	Amount in Rs.
Authorized Share Capital	
2,01,00,000 Equity shares of Rs. 10/- each	20,10,00,000/-
70,00,000 Compulsory Convertible Preference Shares of Rs. 10/-each	7,00,00,000/-
Total	27,10,00,000/-

PRE- AND POST-SCHEME SHAREHOLDING PATTERN

15. The pre and post Scheme shareholding pattern of the Demerged/Transferee Company/TVS Automobile Solutions Private Limited is as follows:

List of Equity shareholders:

Equity:

Shareholder Category	Pre Scheme		Post Scheme	
	No. of Shares of Rs. 10/- each	% of Shareholding	No. of Shares of Rs. 10/- each	% of Shareholding
Promoter/ Promoter Group shareholding	44,31,736	36.87	64,31,783	46.61
Non-Promoter shareholding	75,89,000	63.13	73,67,369	53.39
Grand Total	120,20,736	100.00	137,99,152	100.00

CCPS:**List of 0.001% Compulsory Convertible Preference shareholders (Series B)**

Name of the Preference shareholder	Pre Scheme position		Post Scheme position	
	No. of Shares of Rs. 10/- each	% of Shareholding	No. of Shares of Rs. 10/- each	% of Shareholding
Investors (Non-Promoter)	-	-	15,31,964	100.00
Grand Total	-	-	15,31,964	100.00

List of 0.001% Compulsory Convertible Preference shareholders (Series C)

Name of the Preference shareholder	Pre Scheme position		Post Scheme position	
	No. of Shares of Rs. 10/- each	% of Shareholding	No. of Shares of Rs. 10/- each	% of Shareholding
Investors (Non-Promoter)	-	-	18,01,783	100.00
Grand Total	-	-	18,01,783	100.00

16. The pre and post Scheme shareholding pattern of TASL Automobile Solutions Private Limited is as follows:

Shareholder Category	Pre Scheme		Post Scheme	
	No. of Shares of Rs. 10/- each	% of Shareholding	No. of Shares of Rs. 10/- each	% of Shareholding
Promoter/ Promoter Group shareholding	10,000	100.00	44,31,736	36.87
Non-Promoter shareholding	-	-	75,89,000	63.13
Grand Total	10,000	100.00	120,20,736	100.00

17. Ki Mobility Solutions Private Limited shall stand amalgamated with TVS Automobile Solutions Private Limited. The pre shareholding pattern of Ki Mobility Solutions Private Limited is as follows. The shares of Ki Mobility Solutions Private shall stand cancelled post Scheme becoming effective:

List of Equity shareholders:**Equity:**

Shareholder Category	Pre Scheme		Post Scheme	
	No. of Shares of Rs. 10/- each	% of Shareholding	No. of Shares of Rs. 10/- each	% of Shareholding
Promoter/ Promoter Group shareholding	9,00,000	87.12	-	-
Non-Promoter shareholding	1,33,115	12.88	-	-
Grand Total	10,33,115	100.00	-	-

CCPS:

List of 0.001% Compulsory Convertible Preference shareholders (Series B)

Name of the Preference shareholder	Pre Scheme position		Post Scheme position	
	No. of Shares of Rs. 10/- each	% of Share Holding	No. of Shares of Rs. 10/- each	% of Share Holding
Investors (Non-Promoter)	1,14,668	100.00	-	-
Grand Total	1,14,668	100.00	-	-

List of 0.001% Compulsory Convertible Preference shareholders (Series C)

Name of the Preference shareholder	Pre Scheme position		Post Scheme position	
	No. of Shares of Rs. 10/- each	% of Share Holding	No. of Shares of Rs. 10/- each	% of Share Holding
Investors (Non-Promoter)	1,34,864	100.00	-	-
Grand Total	1,34,864	100.00	-	-

18. Valuation and Approvals

18.1 Mr. Subodh Kumar, Registered Valuer (Securities or Financial Assets), Regn. No. IBBI/RV/05/2019/11705 submitted his Valuation Report to the Board of Directors of TVS Automobile Solutions Private Limited, TASL Solutions Private Limited and Ki Mobility Solutions Private Limited. Share exchange ratio in which equity shares of the Resulting Company should be issued and allotted to the shareholders of the

Demerged Company; and the share exchange ratio in which equity shares of the Transferee Company should be issued and allotted to the shareholders of the Transferor Company.

18.2 The Board of Directors of TVS Automobile Solutions Private Limited, TASL Solutions Private Limited and Ki Mobility Solutions Private Limited at their meeting held on September 2, 2023 had **unanimously** approved the Scheme based on the aforementioned Valuation Report recommending the Share Exchange Ratio, and based on other considerations and such other considerations.

18.3 The consideration upon the Scheme becoming effective is as follows:

(A) Upon Demerger:

“For every 1 fully paid-up Equity Share of Rs.10/- held in Demerged Company, 1 Equity Share of Rs. 10/- shall be allotted in the Resulting Company”

(B) Upon Amalgamation:

“1336 fully paid-up Equity Shares of Rs. 10 each of Transferee Company shall be issued and allotted for every 100 Equity Shares of Rs.10/- each held by the shareholders of Transferor Company”

“1336 fully paid-up (0.001% Series CCPS B and Series CCPS C) Compulsorily Convertible Preference Shares of Rs. 10/- each of Transferee Company shall be issued and allotted for every 100 Compulsorily Convertible Preference Shares of Rs 10/- each held by the shareholders of Transferor Company”

Note: The exchange ratio will be applicable and extended as part of the scheme for the unissued ESOP portion.

The above ratio in which shares are to be allotted, upon the Scheme becoming effective, has been arrived at basis the valuation report enclosed as **Annexure F**.

18.4 At the Board Meeting held on September 2, 2023, all the Directors of the Transferor Company, approved the Scheme.

18.5 A copy of the Provisional Unaudited Financial Statements of TVS Automobile Solutions Private Limited for the period ended September 30, 2023, the Provisional unaudited Financial Statements of TASL Automobile Solutions Private Limited for the period ended September 30, 2023 and the Provisional Unaudited Financial Statements of Ki Mobility Solutions Private Limited for the period ended September 30, 2023 are enclosed herewith as **Annexure B, C and D, respectively**.

19. The Applicant Company/Ki Mobility Solutions Private Limited will make a Petition under Section 230-232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 to the Hon'ble National Company Law Tribunal, Chennai Bench, for sanctioning of the Scheme.

20. Under Section 230 of the Companies Act, 2013, the proposed Scheme will have to be approved by a majority in number representing three-fourths in value of the Equity Shareholders present and voting either in person or by proxy at the meeting.

RESOLUTION PROPOSED TO BE APPROVED AT THE MEETING

21. It is in the interest of the Equity Shareholders of the Applicant Company that the said Scheme of Amalgamation should be approved. Accordingly, the following resolutions will be moved at the meeting convened pursuant to this Notice.

“RESOLVED that pursuant to the provisions of Section 230 read with Section 232 of the Companies Act, 2013 (Including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions of the Companies Act, 2013, Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other rules, circulars, notifications made there under and the enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to the requisite approval(s), consents, sanctions and permissions of the Central Government, other concerned regulatory authorities and the sanction of the Hon’ble National Company Law Tribunal, Chennai Bench (hereinafter also referred to as “NCLT” or “the Tribunal”) and/or such other appropriate authority/ies, as may be applicable, if any, and all such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, the Composite Scheme of Arrangement (Demerger) and Amalgamation between TVS Automobile Solutions Private Limited, TASL Automobile Solutions Private Limited, Ki Mobility Solutions Private Limited and their Respective Shareholders placed before this meeting, be and is hereby approved.”

“FURTHER RESOLVED THAT Mr R Dinesh, Mr. Srinivasa Raghavan Gopalan, Directors and Mr V Balakrishnan, Company Secretary, be and are hereby severally authorised to take all steps as may be necessary or desirable and to do all such acts, deeds, things and matters, as may be considered necessary to give effect to the aforesaid Scheme and this resolution and to accept such alteration, modification and/or conditions, if any, which may be proposed, required or imposed by the Hon’ble National Company Law Tribunal, Chennai Bench, while sanctioning the said Composite Scheme of Arrangement (Demerger) and Amalgamation”.

22. The rights and interests of the members and the creditors of TVS Automobile Solutions Private Limited, TASL Automobile Solutions Private Limited and Ki Mobility Solutions Private Limited will not be prejudicially affected by this Scheme.
23. No investigation proceedings are pending under the provisions of Chapter XIV of the Companies Act, 2013 or under the provisions of the Companies Act, 1956 against the Applicant Company.
24. No winding up petition is pending against the Applicant Company.
25. In compliance with the provisions of Section 232(2) of the Companies Act, 2013, the Board of Directors of the Applicant Company, have adopted a Report, inter-alia, explaining the effect of the Scheme on each class of shareholders (promoter and non-promoter shareholders) and key managerial personnel. A copy of the Report adopted by the Board of Directors of the Applicant Company is enclosed to this Explanatory Statement as **Annexure E**.
26. The Scheme is not expected to have any adverse effect on the Key Managerial Personnel, directors, secured or unsecured creditors, non-promoter members, and employees of the Applicant Company wherever relevant, as no sacrifice or waiver is at all called from them nor their rights sought to be modified in any manner.
27. An equity shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her. Such proxy need not be a member of the Applicant Company. The instrument appointing the proxy should however be deposited at the Registered Office of the Applicant Company not later than 48 (Forty Eight) hours prior to the commencement of the meeting.
28. Corporate members intending to send their authorised representatives to attend the meeting are requested to lodge a certified true copy of the resolution of the Board of Directors or other governing

body of the body corporate not later than 48 (Forty Eight) hours before commencement of the meeting, authorising such person to attend and vote on its behalf at the meeting.

The following documents will be available for inspection by the Shareholders of the Applicant Company at, Registered Office at No. 10, Jawahar Road, Chokkikulam, Madurai – 625002 up to June 23, 2024 between 10.00 AM to 5.00 PM except Saturdays, Sundays and Public Holidays and also available at the Corporate Office :

- a) Certified copy of the Order of the Hon'ble National Company Law Tribunal, Division Bench, Chennai dated May 3, 2024 passed in CA(CAA)/25/CHE/2024 directing and convening of the meeting of Equity Shareholders of the Applicant Company/Ki Mobility Solutions Private Limited.
 - b) Composite Scheme of Arrangement (Demerger) and Amalgamation.
 - c) Memorandum and Articles of Association of TVS Automobile Solutions Private Limited, TASL Automobile Solutions Private Limited and Ki Mobility Solutions Private Limited.
 - d) Annual Reports of TVS Automobile Solutions Private Limited and Ki Mobility Solution Private Limited for the last three financial years ended March 31 2021, March 31, 2022 and March 31, 2023. TASL Automobile Solutions was incorporated on February 20, 2023. The annual report of TASL Automobile Solutions is therefore unavailable.
 - e) Copies of the Provisional Unaudited Financial Statements of Ki Mobility Solutions Private Limited for the period ended September 30, 2023, the Provisional Unaudited Financial Statements of TVS Automobile Solutions Private Limited for the period ended September 30, 2023 and the provisional unaudited Financial Statements of TASL Automobile Solutions Private Limited for the period ended September 30, 2023
 - f) Copies of the Resolutions passed by the respective Board of Directors of TVS Automobile Solutions Private Limited, TASL Automobile Solutions Private Limited and Ki Mobility Solutions Private Limited on September 2, 2023 approving the Scheme.
 - g) Report adopted by the Board of Directors of the Applicant Company as required under Section 232(2)(c) of the Companies Act, 2013.
 - h) Auditors Certificate in relation to the accounting treatment proposed in the Scheme of Amalgamation.
 - i) Copy of the Company Application CA(CAA)/25/CHE/2024 and the Affidavit in support thereof.
29. This statement may be treated as an Explanatory Statement under Section 230 of the Companies Act, 2013 read with Sections 102 and 110 of the Companies Act, 2013. A copy of the Scheme and Explanatory statement may also be obtained free of cost from the registered office of the Applicant Company.

Date: May 22, 2024

Place: Chennai

Sd/-

P. Sriram

Practicing Company Secretary

Chairman Appointed for the Meeting

Registered Office :

Ki Mobility Solutions Private Limited

Registered Office

No. 10, Jawahar Road,

Chokkikulam,

Madurai - 625002

COMPOSITE SCHEME OF ARRANGEMENT (DEMERGER) AND AMALGAMATION

AMONGST

TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED

(TVS ASL/Demerged Company/Transferee Company)

AND

TASL AUTOMOBILE SOLUTIONS PRIVATE LIMITED

(TASL/ Resulting Company)

AND

KI MOBILITY SOLUTIONS PRIVATE LIMITED

(KMS/ Transferor Company)

THEIR RESPECTIVE SHAREHOLDERS

**(Under the provisions of Section 230 to 232 and other applicable provisions of the
Companies Act, 2013)**

A. **PREAMBLE**

This Composite Scheme of Arrangement (Demerger) and Amalgamation (“**Scheme**”), provides for the following:

Step I - Demerger, transfer and vesting of Distribution Business Undertaking (“Demerged Undertaking”) from TVS Automobile Solutions Private Limited (“Demerged Company”) to TASL Automobile Solutions Private Limited (“Resulting Company”)

Step II – Amalgamation of Ki Mobility Solutions Private Limited (“Transferor Company”) with TVS Automobile Solutions Private Limited (“Transferee Company”).

DESCRIPTION OF COMPANIES

1. **TVS Automobile Solutions Private Limited** (hereinafter referred to as “**TVS ASL**” or “**Demerged Company**” or “**Transferee Company**”), was incorporated on the 24th day of April 2009 in the state of Tamil Nadu under the Companies Act, 1956. The Corporate Identity Number of TVS ASL is U34100TN2009PTC071439. TVS ASL is engaged in the business of (a) purchase, storage, marketing, sale, and distribution of automobile parts through a direct sourcing model without the use of any distributor operated automated e-commerce platform; and (b) insurance broking business (comprising of consultancy and registered intermediary services) (collectively the “**Traditional Distribution Business**”). The registered office of TVS ASL is at No.10, Jawahar Road, Chokkikulam, Madurai 625002.
2. **TASL Automobile Solutions Private Limited** (hereinafter referred to as “**TASL**” or “**Resulting Company**”), was incorporated on the 20th day of February 2023 in the State of Tamil Nadu under the Companies Act, 2013. The Corporate Identity Number of TASL is U45300TN2023PTC158537. TASL is engaged in the business of sale of motor vehicle parts and accessories. The registered office of TASL is at No.10, Jawahar Road, Madurai - 625002.
3. **Ki Mobility Solutions Private Limited** (hereinafter referred to as “**KMS**” or “**Transferor Company**”), was incorporated on the 30th day of September 2018 in the state of Tamil Nadu under the Companies Act, 2013. The Corporate Identity Number of KMS is U52590TN2018PTC125028. KMS is engaged in the business of (i) digital platform-based distribution of parts and accessories; (ii) service aggregation; (iii) multi brand service management; (iv) providing 24x7 emergency roadside assistance to individual customers, fleets etc.; and (v) providing service to passenger vehicles, commercial vehicles, electric vehicles, and two wheelers. The registered office of KMS is at No.10, Jawahar Road, Madurai - 625002.

B. RATIONALE FOR THE SCHEME

RATIONALE FOR THE STEP I: DEMERGER

- The Demerger, transfer and vesting of the Demerged Undertaking will result in increased customer attention for the broking business by the Resulting Company and will enable the Resulting Company to focus on the Demerged Undertaking as its core activities thereby resulting in better strategic, operational and administrative efficiency.
- The Demerger, transfer and vesting of the Demerged Undertaking will enable the Resulting Company to raise funds required for the operations of the Demerged Undertaking. This will ensure better funding of operations of the Demerged Undertaking which in turn will facilitate growth and expansion of operations. This will also ensure timely re-payment to secured creditors, if any, and unsecured creditors.
- The Demerger, transfer and vesting of the Demerged Undertaking to the Resulting Company will help in the creation of a platform for future business activities, and to act as a gateway for growth and expanding business operations.
- There is no likelihood that the interests of any shareholder or creditor of either the Demerged Company or the Resulting Company would be prejudiced as a result of the Scheme. The Demerger, transfer and vesting of the Demerged Undertaking will not impose any additional burden on the members of the Demerged Company or the Resulting Company. The Scheme is not in any manner prejudicial or against public interest and would serve the interest of all shareholders, creditors and stakeholders

RATIONALE FOR STEP II: AMALGAMATION

- The amalgamation of the Transferor Company with the Transferee Company will enable the direct shareholding in the Transferee Company for the shareholders of Transferor Company.
- The amalgamation of the Transferor Company with the Transferee Company will help in the creation of a platform for future business activities, and to act as a gateway for growth and expanding business operations wherein the resources of the Transferor Company can be advantageously combined with the resources of the Transferee Company.
- The amalgamation would facilitate reduction in administrative costs and garner visibility in the market.

- The amalgamation will also enable smoother implementation of policy changes from a management perspective and shall also help enhance the efficiency and control of the entities.
- The consolidation of the business operations, undertakings, assets, liabilities etc. of the Transferor Company in a single entity, i.e. under the Transferee Company, and under a single centralized system of management, will result in the management being able to exercise greater control over the operations of the Companies. This will also result in the management being enabled to undertake any re-structuring/re-organisation of the various business undertakings of the Companies for the purposes of achieving optimum efficiency and/or to attract investments in the individual business undertakings of the Companies.
- There is no likelihood that the interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the Scheme. The Amalgamation will not impose any additional burden on the members of Transferor Company or the Transferee Company.

C. PARTS OF THE SCHEME

The Scheme is divided into the following parts:

- Part I – deals with Definitions, Interpretations and Share Capital
- Part II– deals with the Demerger, transfer and vesting of "Demerged Undertaking" of TVS ASL into TASL, the Resulting Company
- Part III – deals with the Amalgamation of KMS with TVS ASL
- Part IV – deals with General Terms and Conditions that will be applicable to the Scheme

D. DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the National Company Law Tribunal, Chennai Bench, shall be given effect to as per the following chronology and sequence:

- (i) Demerger, transfer and vesting of Demerged Undertaking from Demerged Company to Resulting Company (Part II of the Scheme)

- (ii) Amalgamation of Transferor Company with Transferee Company (Part III of the Scheme)

Further, the Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

PART I

DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings as mentioned herein below:

- 1.1. **“Act” or “the Act”** means the Companies Act, 2013, /Companies Act, 1956 and rules made there under and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force;
- 1.2. **“Applicable Law(s)”** means any statute, notification, bye laws, rules, regulations, guidelines, circulars or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force;
- 1.3. **“Appointed Date”** means 1st April 2023 or such other date as may be determined by the Board of Directors of the Demerged/Transferee Company, Resulting Company and Transferee Company or such other date as may be fixed /or approved by the Appropriate Authority being the date with effect from which this Scheme shall be deemed to be effective;
- 1.4. **"Appropriate Authority"** means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange of India or any other country including the Registrar of Companies, Regional Director, Official Liquidator, Company Law Board, Competition Commission of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, National Company Law Tribunal or any

court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction and such other sectoral regulators or authorities as may be applicable;

- 1.5. **“Board of Directors”** or **“Board”** shall mean the Board of Directors or any committee thereof of the Transferor Company, Transferee Company/Demerged Company and Resulting Company, as the context requires;
- 1.6. **“Companies”** means TVS ASL, TASL and KMS collectively;
- 1.7. **“Effective Date”** means the date on which the Scheme is sanctioned by the NCLT under Sections 230-232 of the Act. Any reference in the Scheme to “on the Scheme becoming effective” or “upon the Scheme becoming effective” or “effectiveness of the Scheme” and other similar expressions shall refer to the “Effective Date”;
- 1.8. **"KMS" or "Transferor Company"** means Ki Mobility Solutions Private Limited, a Company incorporated under the Companies Act, 2013 and having its registered office at No.10, Jawahar Road, Madurai - 625002.;
- 1.9. **“Parties”** shall mean collectively the Transferor Company, Demerged/Transferee Company and the Resulting Company and **“Party”** shall mean each of them, individually;
- 1.10. **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Composite Scheme of Arrangement (Demerger) and Amalgamation in its present form submitted to the NCLT or with any modification(s) made under Clause 36 of this Scheme or with such other modifications/ amendments as the NCLT may direct;
- 1.11. **"TASL" or “Resulting Company”** means TASL Automobile Solutions Private Limited, a company incorporated under the Companies Act, 2013 and having its registered office at No.10, Jawahar Road, Madurai - 625002;
- 1.12. **“Tribunal”** or **“NCLT”** means the National Company Law Tribunal, Chennai Bench, or such other authority empowered to sanction the Scheme as per the provisions of the Act
- 1.13. **"TVS ASL" or “Transferee Company” or “Demerged Company”** means TVS Automobile Solutions Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at No.10, Jawahar Road, Chokkikulam, Madurai 625002;
- 1.14. All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other Applicable Laws, rules, regulations and byelaws as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. **SHARE CAPITAL**

2.1. The authorized, issued, subscribed and paid-up share capital of TVS ASL (Demerged Company/Transferee Company) as on 31/03/2023 is as under:

Particulars	Amount in Rs.
Authorized Share Capital	
2,00,00,000 Equity shares of Rs. 10/- each	20,00,00,000/-
70,00,000 Compulsory Convertible Preference Shares of Rs. 10/-each	7,00,00,000/-
Total	27,00,00,000/-
Issued, subscribed and paid-up Share Capital	
1,20,20,736 Equity shares of Rs. 10/- each	12,02,07,360/-
Total	12,02,07,360/-

Subsequent to 31/03//2023, there has been no change in issued, subscribed and paid-up share capital of TVS ASL.

2.2. The authorized, issued, subscribed and paid-up share capital of TASL (Resulting Company) as on 31/03/2023 is as under:

Particulars	Amount in Rs.
Authorized Share Capital	
1,00,000 Equity shares of Rs. 10/- each	10,00,000/-
Total	10,00,000/-
Issued, subscribed and paid-up Share Capital	
10,000 Equity shares of Rs. 10/- each	1,00,000/-
Total	1,00,000/-

Subsequent to 31/03/2023 , there has been no change in issued, subscribed and paid-up share capital of TASL.

2.3. The authorized, issued, subscribed and paid-up share capital of KMS (Transferor Company) as on 31/03/2023 is as under:

Particulars	Amount in Rs.
Authorized Share Capital	
20,00,000 Equity shares of Rs. 10/- each	2,00,00,000/-
8,95,65,450 Compulsory Convertible Preference Shares of Rs. 10/-each	89,56,54,500/-
Total	91,56,54,500/-

Issued, subscribed and paid-up Share Capital	
10,33,115 Equity shares of Rs. 10/- each	1,03,31,150/-
1,14,668 Compulsory Convertible Preference Shares (Series B) of Rs. 10/- each	11,46,680/-
1,34,864 Compulsory Convertible Preference Shares (Series C) of Rs. 10/- each	13,48,640/-
Total	1,28,26,470/-

Subsequent to 31/03/2023 there has been no change in issued, subscribed and paid-up share capital of KMS.

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PART II
DEMERGER, TRANSFER AND VESTING OF "DEMERGED UNDERTAKING" OF
TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED TO TASL AUTOMOBILE
SOLUTIONS PRIVATE LIMITED

3. DEFINITIONS

In this Part of the Scheme, concerning the demerger, transfer and vesting of the Demerged Undertaking of TVS ASL into and with the Resulting Company, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 3.1 **“Book Value(s)”** shall, for the purpose of this Part, mean the value(s) of the assets and liabilities of the Demerged Undertaking as appearing in the books of accounts of the Demerged Company (ie TVS ASL), at the close of the business as on the day immediately preceding the Appointed Date and excluding any value arising out of revaluation;
- 3.2 **“Demerged Company”** means TVS Automobile Solutions Private Limited;
- 3.3 **“Demerged Undertaking”** shall mean the Traditional Distribution business of the Demerged Company on a going concern basis and shall without limitation include the following:
- i. all assets, wherever situated, whether movable or immovable, tangible or intangible, including plant and machinery, furniture, office equipment, current assets, inventories, receivables, cash balances, bank balances with inland and overseas banks, loans and advances earnest moneys, deposits with agents, customers and third parties, advances, consents, registrations, authorities, allotments, approvals, contracts, engagements, arrangements, title, interest, benefits, telephones, telexes, facsimile, internet connections, leased lines, electrical connections, certificates from international bodies, contracts, rights and benefits under insurance policies, claims, advantages of whatsoever nature and where-so-ever situated, trademarks, patents, copyrights, privileges, goodwill and all other rights including lease rights, licenses, powers and facilities of every kind, nature and description whatsoever appertaining/allocated to the Traditional Distribution Business by the Demerged Company as on the Appointed Date as per records of the Demerged Company.
 - ii. All necessary records, files, papers, engineering and process information, computer programmes, data catalogues, quotations, sales and advertising materials, list of

present and former customers and suppliers, customers credit information, customer pricing information and other records in connection with or relating to the Traditional Distribution Business.

- iii. All liabilities including rupee loans, contingent liabilities, debts, current liabilities and provisions, duties and obligations, appertaining/allocated to the Resulting Company in connection with or relating to the Traditional Distribution Business on the Appointed Date.
- iv. Without prejudice to the generality of sub-clauses (i) to (iii) above, the Demerged Undertaking of the Demerged Company shall include all assets and properties, whether movable or immovable, real or personal, fixed assets, in possession or reversion, corporeal or incorporeal, tangible or intangible, present assets including stock, claims, powers, authorities, allotments, approvals, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights, tenancy rights, permits, authorisations, quota rights, trademarks, copyrights, patents and intellectual properties, provisions, funds, import quotas, import licenses, industrial designs, labels, label designs, equipment and installations and utilities, electricity, water and other service connections, records, files, employees, benefits of agreements, contracts and arrangements, powers, authorities, balances with all regulatory authorities, liberties, advantages, easements and all the right, title, interest, goodwill, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts, earnest moneys/ security deposits and all other rights, claims and powers, of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Demerged Undertaking of the Demerged Company, as on the commencement of the Appointed Date and all earnest money and/or deposits including security deposits paid by the demerged Company in relation to the Demerged Undertaking as on the commencement of the Appointed Date and all other rights, benefits available under any rules, regulations, statutes including direct and indirect tax laws in relation to the Demerged Undertaking and in each case, as on the Appointed Date and as modified and altered from time to time to the effective date.
- v. All permanent employees employed in and/or relatable to the Demerged Undertaking as on the Effective Date;
- vi. All investments held by Demerged Company, including consideration receivable on sale of any investments and investment in TVS Insurance Broking Private Limited

(subject to approval of Insurance Regulatory and Development Authority), except investment in Ki Mobility Solutions Private Limited.

- vii. Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking shall be decided by the Board of Directors of the Demerged Company and the Resulting Company either by themselves or through a committee appointed by them in this regard, on the basis of such evidence as they deem relevant (including the books and records of the Demerged Company);

and for the avoidance of doubt, excluding the investment by TVS ASPL in KMS.

3.4 **“Resulting Company”** means TASL Automobile Solutions Private Limited;

3.5 ***“Remaining Business or Remaining Undertaking” shall mean business of the Demerged Company which does not form part of the Demerged Undertaking being only the investment in KMS held by the Demerged Company”.***

3.6 **“Resulting Company Record Date”** shall mean the date to be fixed jointly by the Board of Directors of the Demerged Company and the Resulting Company for the purposes of determining the shareholders of the Demerged Company, to whom shares would be issued and allotted by the Resulting Company as consideration for the demerger in accordance with Clause 9 of this Scheme.

3.7 **“TVS ASPL ESOS 2017”** shall mean the Employee Stock Option Scheme formulated by the Demerged Company in the year 2017.

3.8 **“TVS ASPL employees”** shall mean the eligible employees under TVS ASPL ESOS 2017.

4. DEMERGER, TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY AND CANCELLATION OF EXISTING EQUITY SHARE CAPITAL OF THE RESULTING COMPANY CONSEQUENT TO THE DEMERGER

4.1 Upon this Part II becoming effective and with effect from the Appointed Date, the Demerged Undertaking shall stand demerged, transferred and vested in the Resulting Company, in accordance with Section 2(19AA) of the Income-Tax Act, 1961, as a going concern, without any further act or deed, as per the provisions contained herein, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to existing charges, if any, thereon.

- 4.2 Upon Part II coming into effect of this Scheme and with effect from the Appointed Date, the entire Demerged Undertaking, as defined in Clause 3.3 above shall pursuant to the provisions contained in Sections 230 to 232 and all other applicable provisions, if any, of the Act and without any further act or deed shall stand transferred to and vested in and/ or be deemed to be transferred to and vested in the Resulting Company as a going concern so as to vest in the Resulting Company all rights, title and interest pertaining to the Demerged Undertaking.
- 4.3 Without prejudice to the generality of the Clause 4.2 above, on and from the Appointed Date
- a) All the movables including cash in hand, if any, of the Demerged Undertaking capable of passing by manual delivery, shall be so delivered or endorsed as the case may be, to the Resulting Company;
 - b) In respect of movables of the Demerged Undertaking other than those specified in sub-clause (a) above, including sundry debtors, outstanding loans, and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies and customers and other persons pertaining to the Demerged Undertaking, the following modus operandi for intimating to third parties shall to the extent possible be followed:
 - (i) Demerged Company may give notice in such form as it may deem fit and proper, to each person, party, debtor, loanee or depositor as the case may be, belonging to or related to the Demerged Undertaking, that pursuant to the NCLT having sanctioned the Scheme, the said debt, loan, advances, bank balances or deposits be paid or made good or held on account of the Resulting Company as the person entitled thereto to the end and intent that the right of the Demerged Company to recover or realise the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change;
 - (ii) The Resulting Company may also give notice in such form as it may deem fit and proper to each person, debtor, loanee or depositor, as the case may be, belonging to or related to the Demerged Undertaking, that pursuant to the NCLT having sanctioned the Scheme, the said debt, loan or deposit be paid or

made good or held on account of the Resulting Company and that the right of the Demerged Company to recover or realize the same stands extinguished.

- c) In relation to other assets belonging to Demerged Undertaking, which require separate documents for transfer, or which the Demerged Company and/or the Resulting Company otherwise desire to transfer separately, the Demerged Company and the Resulting Company each will execute such deeds, documents or such other instruments or writings or create evidence, if any, as may be necessary.
 - d) In respect of such of the said assets and liabilities other than those referred to in clause 4.3(a) to (c) above, the same shall, without any further act, instrument or deed, be transferred to, and vested in, and/or be deemed to be transferred to and vested in, the Resulting Company.
- 4.4 With effect from the Appointed Date and upon the Scheme becoming effective, the Demerged Undertaking of the Demerged Company shall be so transferred, delivered or endorsed and delivered, as the case may be, by the Demerged Company, and shall upon transfer become the undertaking, assets and liabilities and an integral part of the Resulting Company.
- 4.5 For the purpose of giving effect to the order passed under Sections 230 to 232 in respect of this Scheme, the Resulting Company shall at any time pursuant to the orders on this Scheme, be entitled to get the recording of the change in the title and appurtenant legal right(s) upon the vesting of such Demerged Undertaking in the Resulting company.
- 4.6 The Demerged Company shall have taken all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, interest of immovable property, if any, is given to the Resulting Company.
- 4.7 Upon coming into effect of the Scheme and post allotment of equity shares by the Resulting Company in terms of the ratio provided in Clause 9.1 below, the shares held by Demerged Company in the Resulting Company shall be cancelled in accordance with provisions of Sections 66 of the Companies Act, 2013 and the order of the NCLT sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Companies Act, 2013 for the purpose of confirming reduction in effect to the following;
- a) The cancellation of pre-demerger will result in mirror shareholding of the shareholding pattern in the Resulting Company as it stands for the Demerged Company as of the First Record' Date. No consideration shall be payable to such pre-

demerger shareholder on account of cancellation of their equity share capital pursuant to this Clause.

- b) The pre-demerger shareholder whose equity shares were cancelled in accordance with this Clause shall cease to be member in the Resulting Company in respect of the equity shares cancelled by the Company.
- c) The Resulting Company shall rectify the Register of Members deleting the names as member of the Resulting Company in respect- of the equity shares cancelled pursuant to this Clause
- d) Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And reduced" as a suffix to its name.

5. TRANSFER OF DEBTS AND LIABILITIES

- 5.1 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description relatable to the Demerged Undertaking shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Resulting company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Resulting company and 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 such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause. However, the Resulting Company shall after the coming into effect of this Scheme in accordance hereof, , execute deeds of confirmation in favour of the secured creditors (if any) of the Demerged Undertaking of the Demerged Company or in favour of any other party to the contract or arrangement to which the Demerged Company are a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Resulting Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Demerged Undertaking as well as to implement and carry out all such formalities and compliances referred to above.
- 5.2 Where any of the liabilities and obligations/assets attributed to the Demerged Undertaking on the Appointed Date has been discharged/ sold by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge/sale shall be deemed to have been for and on behalf of the Resulting Company.

- 5.3 All loans raised and used, and liabilities incurred, if any, by the Demerged Company for the Demerged Undertaking after the Appointed Date, but prior to the Effective Date, for their operations shall be discharged by the Resulting Company in accordance with the terms as agreed by the Demerged Company.
- 5.4 All the loans, advances and other facilities sanctioned to the Demerged Company in relation to the Demerged Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to the Resulting Company and the said loans and advances shall be drawn and utilized either partly or fully by the Demerged Company from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by the Demerged Company in relation to the Demerged Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to the Resulting Company and all the obligations of the Demerged Company in relation to the Demerged Undertaking shall be construed and shall become the obligation of the Resulting Company without any further act or deed on the part of the Resulting Company.
- 5.5 All loans raised and used, and liabilities repaid by the Demerged Company pertaining to its Remaining Business after the Appointed Date, but prior to the Effective Date, utilizing the surplus cash derived from the operations of Demerged Undertaking shall be discharged by the Demerged Company.
- 5.6 The demerger, transfer and vesting of the Demerged Undertaking as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the Demerged Undertaking,

Provided however, any reference in any security documents or arrangements, to which the Demerged Company is a party, wherein the assets of the Demerged Undertaking have been or are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Demerged Undertaking as are vested in the Resulting Company by virtue of this Scheme, to the end and intent that such security, charge, hypothecation and mortgage shall not extend or be deemed to extend, to any of the other assets of the Demerged Company or any of the assets of the Resulting Company,

Provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Resulting Company

shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the Demerged Undertaking vested in the Resulting company,

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Demerged Company in relation to the Demerged Undertaking which shall vest in the Resulting Company by virtue of the vesting of the Demerged Undertaking with the Resulting Company and the Resulting Company shall not be obliged to create any further or additional security therefor after the Scheme has become operative.

- 5.7 All the existing securities, mortgages, charges, encumbrances or liens, if any, over the assets comprised in or relating to the liabilities of the Demerged Undertaking transferred to and vested in the Resulting Company by virtue of this Scheme, shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date.
- 5.8 Any existing encumbrances over the assets and properties of the Resulting Company or any part thereof which relate to the liabilities and obligations of Resulting Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Demerged Undertaking transferred to and vested in the Resulting Company by virtue of this Scheme.
- 5.9 As regards any tax liability arising in connection with Income tax, Goods and Service Tax, VAT etc., in relation to the Demerged Undertaking, the Resulting Company undertakes to settle the liability directly or reimburse to the Demerged Company, if discharged by the Demerged Company directly.

It is hereby clarified that, for the purpose of this Clause 5.9, the term “liability” shall include duty, penalty, interest or any amount paid on composition.

6. CONTINUATION OF LEGAL PROCEEDINGS

- 6.1 With effect from the Appointed Date and upon the scheme becoming effective, all suits, actions and proceedings of whatsoever nature by or against the Demerged Undertaking of the Demerged Company on the Effective Date shall be continued and enforced by or against the Resulting Company. In the event of any difference or difficulty on whether any specific legal or other proceeding relates to the Demerged Undertaking or not, a certificate jointly issued by the Demerged Company and the Resulting Company as to whether such proceeding relates to the Demerged Undertaking or not shall be conclusive evidence of the matters.

- 6.2 If proceedings are taken against the Demerged Company, in respect of matters referred above pertaining to the Demerged Undertaking, it shall defend the same in accordance with the advice of and cost of the Resulting Company and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 6.3 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company in respect of matters referred above pertaining to the Demerged Undertaking, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.
- 6.4 The transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking of the Demerged Company under Clause 4 and 5 and the continuance of proceedings by or against the Resulting Company under Clause 6 hereof shall not affect any transactions or any proceedings already completed by the Demerged Company on and after the Appointed Date to the end and intent that, subject to Clause 7, the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of the Resulting Company.

7. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 7.1 With effect from the Appointed Date and upon the Scheme becoming effective, all contracts deeds, bonds, agreements, arrangements and other instruments of whatsoever nature pertaining to the Demerged Undertaking of the Demerged Company, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect immediately before the Appointed Date, shall be in full force and effect against or in favour of the Resulting Company as the case may be, and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary thereto. The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any multipartite agreements, arrangements, confirmations or novations to which the Demerged Company will, if necessary also be a party in order to give formal effect to the provisions of the clause, if so required or becomes necessary.
- 7.2 With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, privileges, powers, facilities, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by any Government body, local

authority or by any other person) of every kind and description of whatsoever nature in relation to the Demerged Undertaking of the Demerged Company, or to the benefit of which the Demerged Undertaking of Demerged Company may be eligible, or having effect immediately before the Effective Date, shall be and remain in full force and effect in favour of or against the Resulting Company, as the case may be, and may be enforced fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a beneficiary or obligee thereto.

- 7.3 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licences, permissions or approvals or consents required to hold, sell, or deal with in any manner, the Demerged Undertaking of the Demerged Company shall stand vested in or transferred to the Resulting Company without any further act or deed, and shall be appropriately mutated by the Company concerned therewith in favour of the Resulting Company. The benefit of all such statutory and regulatory permissions, licences, approvals and consents including statutory licenses, approvals, permissions or approvals or consents required to hold, sell, deal with in any manner, and exercise any right as a holder of the Demerged Undertaking of the Demerged Company shall vest in and become available to the Resulting Company pursuant to the Scheme.
- 7.4 In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person and availed by the Demerged Undertaking of the Demerged Company are concerned, the same shall vest with, and be available to, the Resulting Company on the same terms and conditions.
- 7.5 The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite agreement, confirmations or novations to which the Demerged Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if it is so required or if it becomes necessary.

8. STAFF, WORKMEN AND EMPLOYEES OF DEMERGED UNDERTAKING

- 8.1 On Part II of the Scheme becoming operative, all staff, workmen and employees of the Demerged Company pertaining to the Demerged Undertaking, as determined by the Board of Directors of the Demerged Company, who are in service as on the Effective Date shall become staff, workmen and employees of the Resulting company without any break in their service and on the basis that:
- a. their services shall have been continuous and shall not have been interrupted by reason of such transfer as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947 or the corresponding provision in any successor legislation thereto;

- b. the terms and conditions of service applicable to the said staff, workmen, and other employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer;
- c. in the event of retrenchment of such staff, workmen, or other employees, the Resulting Company shall be liable to pay compensation in accordance with law on the basis that the services of the staff, workmen, or other employees shall have been continuous and shall not have been interrupted by reason of such transfer; and
- d. in so far as the existing provident fund trusts, gratuity fund and pension and/or superannuation fund trusts created by the Demerged Company for its employees (including employees of the Demerged Undertaking) are concerned, the part of the funds referable to the employees who are being transferred shall be continued, for the benefit of the employees who are being transferred to the Resulting Company pursuant to this Scheme in the manner provided hereinafter. In the event that the Resulting Company has its own funds in respect of any of the funds referred to above, the amounts in such funds in respect of contributions pertaining to the employees of the Demerged Undertaking, subject to the necessary contributions pertaining to the employees of the Demerged Undertaking shall, subject to the necessary approvals and permissions, be transferred to the relevant funds of the Resulting Company. In the event that the Resulting Company does not have its own fund, in respect of any of the aforesaid matters, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute in respect of the employees engaged in the Demerged Undertaking to the relevant funds of the Demerged Company, until such time that the Resulting Company creates its own fund, at which time the contributions pertaining to the employees of the Demerged Undertaking shall be transferred to the funds created by the Resulting Company.
- e. The Resulting Company undertakes to continue to abide by any agreement/settlement entered into by the Demerged Company with the workmen in respect of the Demerged Undertaking.
- f. Any disciplinary action initiated by the Demerged Company against any workmen of the Demerged Undertaking shall have full force, effect and continuity as if it has been initiated by the Resulting Company instead of the Demerged Company.

8.2 The Resulting Company agrees that the service of all such employees with the Demerged Company, up to the Effective Date shall be taken into account for the purposes of all

retirement benefits to which they may be eligible as on the Effective Date. Any question that may arise as to whether any staff, workman or employee belongs to or does not belong to the Demerged Undertaking of the Demerged Company, shall be mutually decided by the Board of Directors of the Demerged Company and the Resulting company or committee(s) thereof.

It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or such other Special Fund, if any, or Trusts (hereinafter collectively referred as 'Funds') created for the benefit of the staff, workmen and employees of the Demerged Undertaking of the Demerged Company, with the approval of the concerned authorities, become funds of the Resulting Company, or shall be transferred to or merged with other similar funds of Resulting Company for all purposes whatsoever in relation to the administration of operation of such funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company in relation to such funds shall become those of the Resulting Company. It is clarified that the services of the staff, workmen and employees will be treated as having been continuous for the purpose of such funds.

9. CONSIDERATION

- 9.1 Upon Part II coming into effect of this Scheme and in consideration for the demerger, transfer and vesting of the Demerged Undertaking in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot equity shares credited as fully paid up, to the extent indicated below, to the members of the Demerged Company as on the Resulting Company Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title in the following manner:

“For every 1 fully paid-up Equity share of Rs.10/- held in Demerged Company, 1 Equity Share of Rs. 10/- shall be allotted in the Resulting Company”

- 9.2 No coupons shall be issued in respect of fractional entitlements, if any, by the Resulting Company, to the members of the Demerged Company at the time of issue and allotment of equity shares under Clause 9.1. In case any Equity shareholder's holding in the Demerged Company is such that the shareholder becomes entitled, pursuant to clause 9.1 above, to a fraction of equity shares of the Resulting Company, the Resulting Company shall round off the said entitlement to the nearest integer.

- 9.3 Equity Shares shall be issued by Resulting Company in dematerialized form to those equity shareholders of Demerged Company who hold shares of Demerged Company in dematerialized form, in to the account in which Demerged Company shares are held or such other account as is intimated by the shareholders to Resulting Company or its Registrar and in physical form to those shareholders of Demerged Company who hold shares of Demerged Company in physical form. All those shareholders who hold shares of Demerged Company in physical form shall also have the option to receive the equity shares in Resulting Company in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to Demerged Company and / or its Registrar, otherwise, they would be issued equity shares in physical form.
- 9.4 The said equity shares to be issued and allotted by the Resulting company to the members of the Demerged Company as above shall be subject to the Memorandum of Association and Articles of Association of the Resulting company.
- 9.5 The Board of Directors of the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government / Regulatory authorities for the issue and allotment of equity shares to the members of the Demerged Company pursuant to Clause 9.1 of the Scheme.
- 9.6 Approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 42 read with Section 62 of the Companies Act, 2013 and the other relevant and applicable provisions of the Act, Companies Rules thereunder for the issue and allotment of Equity Shares by the Resulting Company, as provided in this Scheme.
- 9.7 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Part II Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Part II Record Date, after the effectiveness of this Scheme

10. EMPLOYEE STOCK OPTION PLAN

- 10.1 Upon the coming into effect of the Scheme, the Resulting Company shall formulate an employee stock option scheme (“TASL ESOS 2023”) by adopting the same terms and conditions as were applicable in TVS ASPL ESOS 2017 formulated by the Demerged Company.
- 10.2 TVS ASPL employees of the Demerged Company who hold ESOPs under the TVS ASPL ESOS 2017 (i) which have been granted but have not vested; and (ii) which have vested but have not been exercised, on or before the Effective Date, shall upon this Scheme coming into effect, be issued 1 (One) ESOP under TASL ESOS 2023 for every 1 (One) ESOP under the TVS ASPL ESOS 2017.

- 10.3 The exercise price of the ESOPs to be issued under the TASL ESOS 2023 to the ESOP holders of TVS ASPL ESOS 2017 shall remain unchanged.
- 10.4 The Resulting Company shall, subject to applicable laws, take into account the period during which the ESOPs under the TVS ASPL ESOS 2017 were held by the TVS ASPL employees for determination of the minimum vesting period required for TASL ESOS 2023.
- 10.5 The Transferee Company shall, subject to applicable laws, take into account the period elapsed, after vesting of ESOPs under the TVS ASPL ESOS 2017, for determination of the maximum exercise period provided for exercise of ESOPs issued under TASL ESOS 2023.
- 10.6 The approval granted to the Scheme by the shareholders or any other regulatory authority shall be deemed to be the approval granted for adoption of TASL ESOS 2023 to be adopted by the Resulting Company
- 10.7 Nothing provided in this Scheme shall affect the terms and conditions of TVS ASPL ESOS 2017 and the benefits available to TVS ASPL employees under TVS ASPL ESOS 2017 shall be continued by the Demerged Company.

11. INCREASE IN THE AUTHORISED SHARE CAPITAL

- 11.1 With effect from the Appointed Date and upon the Scheme becoming effective, subject to any corrections and adjustments as may in the opinion of the Board of Directors of the Resulting Company be required, the Authorised Share Capital of the Resulting company be increased to the extent of the Equity Shares issued to the shareholders of the Demerged Company.
- 11.2 The Capital clause V of the Memorandum of Association of the Resulting Company shall, with effect from the Appointed Date and upon the Scheme becoming effective and without any further act, deed, matter or thing be replaced by the following clause:

“The authorized share capital of the Company is Rs. 27,10,00,000/- (Rupees Twenty Seven Crores and Ten Lakhs only) divided into 2,01,00,000 equity shares of Rs.10/- each (Rupees Ten only) and 70,00,000 Compulsorily Convertible Preference Shares of Rs. 10/- (rupees Ten Only) each with the rights, privileges and conditions attached thereto as per the relevant provisions of the Articles of Association of the Company and with the power to increase or reduce the Capital of the Company and to divide the shares in Capital for the time being into several classes (being those specified in the Companies Act) and to attach thereto respectively such preferential, qualified or special rights, privileges and conditions in such manner as may be permitted by the said Act or provided by the Articles of Association of the Company for the time being in force.”

The above clause is depicted in table herein below:

Particulars	Amount in Rs.
Authorized Share Capital	
2,01,00,000 Equity shares of Rs. 10/- each	20,10,00,000/-
70,00,000 Compulsory Convertible Preference Shares of Rs. 10/-each	7,00,00,000/-
Total	27,10,00,000/-

- 11.3 The filing fee and stamp duty, if any, to be paid by the Resulting Company on the increased portion of the Authorised Share Capital shall be paid in accordance with the provisions of the Act.
- 11.4 There are no changes in the Existing Capital Clause of the Articles of Association of the Resulting Company which states that “The Authorized Share capital of the company is as per clause V of the Memorandum of Association of this Company.”
- 11.5 Approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 13, Section 15 of the Companies Act 2013 and other relevant and applicable provisions of the Act, Companies Rules thereunder for the alteration of the Memorandum of Association for increase in the authorized share capital of the Resulting Company enabling the issue and allotment of Equity Shares by the Resulting Company, as provided in this Scheme.

12. ACCOUNTING TREATMENT

Treatment in the books of the Demerged Company

Upon Part II of the Scheme becoming effective and with effect from the Appointed Date, accounting treatment in the books of accounts of the Demerged Company shall be accounted as notified under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time, i.e., as follows:

- 12.1 All the assets, liabilities and reserves related to the Demerged Undertaking as appearing in the books of accounts of the Demerged Company shall stand transferred to and vested in the Resulting Company pursuant to the Scheme and shall be reduced from the respective book value of assets, liabilities and reserves of the Demerged Company.
- 12.2 Loans and advances and other dues outstanding between the Demerged Company and the Resulting company relating to the Demerged Undertaking will stand cancelled and there shall be no further obligation / outstanding in that behalf.

- 12.3 The excess of difference between the book value of assets and the book value of liabilities and reserves of the Demerged Undertaking transferred to and vested in the Resulting Company shall be adjusted to the demerger deficit account.
- 12.4 Investments in the form of equity share capital of the Resulting Company as on the Appointed Date will stand cancelled and be adjusted to the demerger deficit account of the Demerged Company.

Treatment in the books of the Resulting Company

Upon Part II of the Scheme becoming effective and with effect from the Appointed Date, the Resulting Company shall account for the demerger and vesting of the Demerged Undertaking with the Resulting Company in their books of account in accordance with ‘Pooling of Interest Method’ mentioned in Appendix C to IND AS 103 - “Business Combination” and such other IND AS as may be applicable or prescribed under Section 133 of the Companies Act, 2013,

- 12.5 The Resulting Company shall upon the Scheme becoming effective and with effect from the Appointed Date, record the assets, liabilities and reserves of the Demerged Undertaking, transferred to and vested in it pursuant to this Scheme, at their respective book values, as appearing in the books of the Demerged Company as at the close of business of a day immediately preceding the Appointed Date.
- 12.6 Loans and advances and other dues outstanding between the Demerged Company and the Resulting company, including the loans and advances provided by the Resulting company to the Demerged Company from the Appointed Date till the Effective Date, relating to the Demerged Undertaking will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 12.7 Upon coming into effect of this scheme, the share capital held by Demerged Company in the Resulting Company shall be cancelled as specified in Clause 4.7 above and amount of such share capital, as stands cancelled, be adjusted to the Capital Reserve Account
- 12.8 The Resulting Company shall credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to Clause 9.1 of this Scheme.
- 12.9 The identity of the reserves pertaining to Demerged Undertaking shall be preserved and shall appear in the financial statements of the Resulting Company in the same form in which they appeared in the financial statements of Demerged Company and it shall be aggregated with the corresponding balance appearing in the financial statements of the Resulting Company, if any, as on the Appointed Date

- 12.10 The excess / deficit of the value of the net assets and reserves of the Demerged Undertaking, as recorded in the books of account of the Resulting Company over the face value of equity shares issued by the Resulting company, would be adjusted against retained earnings (if debit) or be recorded as 'Capital Reserve' (if credit) in the books of the Resulting Company and shall be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.
- 12.11 In case of any differences in the accounting policies, the accounting policies followed by the Resulting Company shall prevail to ensure that the financial statements of Resulting Company reflect the financial position on the basis of consistent and harmonized accounting policies as adopted by the management of Resulting Company.
- 12.12 The financial information presented in the financial statements of the Resulting Company in respect of prior periods shall be restated as if the amalgamation had occurred from the beginning of the preceding period in the financial statements irrespective of the Appointed date.

13. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

With Effect from the Appointed Date and upto and including the Effective Date:

- 13.1 The Demerged Company shall carry on, and be deemed to have been carrying on, all business activities relating to the Demerged Undertaking and shall be deemed to have been held for and on account of, and in trust for, the Resulting Company.
- 13.2 All profits or income arising or accruing in favour of the Demerged Company in relation to the Demerged Undertaking (including profits on sale of investments, if any) and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, dividend distribution tax, securities transaction tax, taxes withheld/paid in foreign country, etc.) or losses arising or incurred by the Demerged Company in relation to the Demerged Undertaking shall, for all purpose, be treated as and deemed to be the profits or income, taxes or losses, as the case may be of the Resulting Company.
- 13.3 Similarly, all profits accruing to and losses incurred by the Demerged Company in relation to the remaining business shall for all purposes be treated as the profits or losses as the case may be of the Demerged Company.
- 13.4 Any loans and advances provided by the Resulting Company to the Demerged Company relating to the Demerged Undertaking from the Appointed Date till the Effective Date will stand cancelled and there shall be no further obligation / outstanding in that behalf.

- 13.5 The Demerged Company shall carry on the activities of the Demerged Undertaking with reasonable diligence and business prudence and shall not, without prior written consent of the Resulting company, alienate, charge or otherwise deal with or dispose off any of their business undertakings(s) or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Demerged Company prior to the Appointed Date).
- 13.6 The Resulting 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, wherever necessary, for such consents, approvals (and sanctions which the Resulting Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any law for time being in force for carrying on business by the Resulting Company.
- 13.7 Pending Sanction of the Scheme, the Demerged Company shall be entitled to approach the Central Government for approval of merger of its wholly owned subsidiaries with the Demerged Company and it is expressly clarified that the assets and liabilities arising pursuant to such merger of its wholly owned subsidiaries of the Demerged Company shall be considered as “Demerged Undertaking” of the Demerged Company for the purposes of Part II of this Scheme.
- 13.8 The Demerged Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees related to the Demerged Undertaking without the consent of the Board of Directors of the Resulting Company.
- 13.9 Pending sanction of the Scheme, the Demerged Company shall not make any change in its capital structure either by any increase, (by issue of equity shares on a rights basis, bonus shares, convertible debentures or otherwise) decrease, reduction, reclassification, subdivision or consolidation, re-organisation, or in any other manner which may, in any way, affect the Share Exchange Ratio (as provided for in Clauses 9.1), except by mutual consent of the respective Boards of Directors of the Demerged Company and the Resulting Company or as may be expressly permitted under this Scheme or as may be required to give effect to the Scheme.

14. CONSEQUENTIAL MATTERS RELATING TO TAX

Part II of this Scheme dealing with the demerger, transfer and vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company has been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA) of the Income-Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the Scheme shall

stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-Tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

- 14.1 Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/or indirect, payable by or on behalf of the Demerged Undertaking of the Demerged Company from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with the revenue authorities and including the right to carry forward of accumulated losses under the Income-Tax Act, 1961, shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, accumulated losses and credits pertaining to indirect taxes of the Resulting Company.
- 14.2 Upon the Scheme coming into effect on the Appointed Date all existing and future incentives, unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, deductions including but not limited to deductions available in respect of income tax, MAT credit, TDS credit, TCS credit, foreign tax credit under the Income-tax Act, 1961 or the Double Taxation Avoidance Agreements, excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax, goods and service tax (including input tax credit) etc relating to the Demerged Undertaking to which the Demerged Company is entitled to shall be available to and vest in the Resulting Company.
- 14.3 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall expressly be permitted to revise, its financial statements and returns (including Tax Deducted at Source returns) along with prescribed forms, filings and annexure (including but not limited to tax deducted at source certificates) under the direct and indirect tax laws and any other laws prevalent in India, if required to give effect to the provisions of the Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired. The Resulting Company is also expressly permitted to claim refunds / credits in respect of any transaction between or amongst the Demerged Company and Resulting Company. With respect to the tax deducted at source certificates issued in the name of Demerged Company after the Appointed Date, the same will be deemed to be issued in the name of the respective Resulting Company for tax purposes.
- 14.4 In accordance with the GST laws or the erstwhile Cenvat Credit Rules framed under the Central Excise Act, 1944 as applicable and prevalent on the Appointed Date, the unutilized credits relating to excise duties paid on inputs/ capital goods/ input services lying in the accounts of the Demerged Company relating to the Demerged Undertaking shall be permitted to be transferred to the credit of the Resulting Company, as if all such unutilized credits were lying to the account of the Resulting Company. The Resulting Company shall accordingly be entitled to set off all such unutilized credits against the excise duty/ GST payable by it.

- 14.5 In accordance with the GST laws or the erstwhile Value Added Tax Act as are prevalent on the Appointed Date in respect of each state, the unutilized credits, benefits, exemptions, if any, relating to GST/ VAT paid on inputs, work in process, capital goods lying in the accounts of the Demerged Company relating to the Demerged Undertaking shall be permitted to be transferred to the credit of the Resulting Company, as if all such unutilized credits were lying to the account of the Resulting Company. The Resulting Company shall accordingly be entitled to set off all such unutilized credits against the GST/ VAT/ CST payable by it.
- 14.6 Further, after the Resulting Company obtains registration under Goods and Service Tax Law and other identified legislations, the Demerged Company, for effecting the above as mentioned, will initiate necessary documentation and procedures as required for transfer of unutilized credits under the indirect tax laws/ export incentives/ benefits/ licenses/ scrips received or receivable under the foreign trade policy pertaining to the Demerged Undertaking.
- 14.7 Where the Demerged Company is entitled to various benefits under incentive schemes including any export schemes and policies in relation to the Demerged Undertaking and pursuant to this Scheme it is declared that the benefits under all such schemes and policies shall be transferred to and vest in the Resulting Company and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by the Resulting Company from the Appointed Date as if the Resulting Company were originally entitled to all benefits under such incentive scheme and/ or policies, subject to which the benefits under the incentive schemes were made available to the Demerged Company with respect to the Demerged Undertaking.
- 14.8 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, tax holidays, incentives, concessions and other authorizations in relation to the Demerged Undertaking of the Demerged Company, shall stand transferred by the order of the NCLT to the Resulting Company, the Resulting Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the NCLT. Wherever required, the Demerged Company and Resulting Company shall obtain prior approval from the concerned authorities.

15. REMAINING BUSINESS

- 15.1 The Remaining Business and all the assets, liabilities, contingent liabilities and obligations pertaining thereto shall continue to belong to and continue to be vested in and be managed by the Demerged Company.

- 15.2 All legal, taxation or other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Appointed Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company (or successor thereof). The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company (or successor thereof) relating to the Remaining Business.
- 15.3 All contracts, deeds, bonds, agreements, insurance policies and other instruments of whatsoever nature other than those relating to the Demerged Undertaking to which the Demerged Company is a party, subsisting or having effect on or before the Appointed Date shall continue to be in full force and effect by or against the Demerged Company.
- 15.4 The Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business for and on its own behalf.
- 15.5 All profits accruing to the Demerged Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Demerged Company (or successor thereof).
- 15.6 Without prejudice to the foregoing, the Demerged Company undertakes to pay all amounts including interest, penalties, damages etc. which the Resulting Company may be called upon to pay or secure in respect of the Remaining Business.
- 15.7 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Resulting Company in relation to Remaining Business including litigations, suits, recovery proceedings relating to labour issues, the Demerged Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Demerged Company. Any other litigation, suit, recovery proceedings of labour matters pertaining to Remaining Business that may, arise after the Appointed Date, shall also stand transferred to the Demerged Company and no liability shall be vested in the Resulting Company.

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PART III

AMALGAMATION OF KI MOBILITY SOLUTIONS PRIVATE LIMITED WITH TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED

16. DEFINITIONS

In this Part of the Scheme, concerning the amalgamation of KMS into and with TVS ASL, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 16.1 **“Amalgamation Record Date”** shall mean the date to be fixed jointly by the Board of Directors of the Transferor Company and the Transferee Company for the purposes of determining the equity shareholders of the Transferor Company, to whom shares would be issued and allotted by the Transferee Company as consideration for the amalgamation in accordance with Clause 24 of this Scheme.
- 16.2 **“Book Value(s)”** shall, for the purpose of this part, mean the value(s) of the assets and liabilities of the Transferor Company as appearing in the books of accounts of the Transferor Company at the close of the business as on the day immediately preceding the Appointed Date and excluding any value arising out of revaluation
- 16.3 **“Eligible Employee(s)”** shall mean employees of the Transferor Company who have been issued Employee Stock Option Scheme by the Transferor Company;
- 16.4 **“Merger Undertaking”** shall mean and include the whole of the undertakings of the Transferor Company, as a going concern and shall without limitation include the following:
- i. all assets, wherever situated, whether movable or immovable, tangible or intangible, including plant and machinery, furniture, office equipment, current assets, inventories, receivables, cash balances, investments, bank balances with inland and overseas banks, loans and advances earnest moneys, deposits with agents, customers and third parties, advances, consents, registrations, authorities, allotments, approvals, contracts, engagements, arrangements, title, interest, benefits, telephones, telexes, facsimile, internet connections, leased lines, electrical connections, certificates from international bodies, contracts, rights and benefits under insurance policies, claims, advantages of whatsoever nature and where-so-ever situated, trademarks, patents, copyrights, privileges, goodwill and all other rights including lease rights, licenses, powers and facilities of every kind, nature and description whatsoever appertaining to the Transferor Company.

- ii. All necessary records, files, papers, engineering and process information, computer programmes, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customer pricing information and other records in connection with or relating to the Transferor Company.
- iii. All liabilities including rupee loans, contingent liabilities, debts, current liabilities and provisions, duties and obligations, appertaining to the Transferor Company.
- iv. Without prejudice to the generality of sub-clauses (i) to (iii) above, the Merger Undertaking of the Transferor Company shall include all assets and properties, whether movable or immovable, real or personal, fixed assets, in possession or reversion, corporeal or incorporeal, tangible or intangible, present assets including stock, claims, powers, authorities, allotments, approvals, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights, tenancy rights, permits, authorisations, quota rights, trademarks, copyrights, patents and intellectual properties, provisions, funds, import quotas, import licenses, industrial designs, labels, label designs, equipment and installations and utilities, electricity, water and other service connections, records, files, employees, benefits of agreements, contracts and arrangements, powers, authorities, balances with all regulatory authorities, liberties, advantages, easements and all the right, title, interest, goodwill, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts, earnest moneys/ security deposits and all other rights, claims and powers, of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the commencement of the Appointed Date and all earnest money and/or deposits including security deposits paid by the Transferor Company as on the commencement of the Appointed Date and all other rights, benefits available under any rules, regulations, statutes including direct and indirect tax laws in relation to the Transferor Company and in each case, as on the Appointed Date and as modified and altered from time to time to the effective date.
- v. All permanent employees employed in and/or relatable to the Transferor Company as on the Effective Date;
- vi. Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Transferor Company or whether it arises out of the activities or operations of the Transferor Company shall be decided by the Board of Directors of the Transferor Company and the Transferee Company either by themselves or through a committee appointed by them in this regard, on the basis of such evidence as they deem relevant (including the books and records of the Transferor Company).

17. TRANSFER AND VESTING OF MERGER UNDERTAKING

- 17.1 On the Appointed Date, the provisions of this Part III of the Scheme shall take effect only after the demerger, transfer and vesting of the Demerged Undertaking of TVS ASL into and with the Resulting Company in terms of Part II of the Scheme. Upon Part III of the Scheme becoming effective from the Appointed Date, the Transferor Company (which expression includes the assets, liabilities and the entire business undertakings of the Transferor Company) shall stand amalgamated with and be vested in TVS ASL/ Transferee Company as a going concern, without any further act or deed, as per the provisions contained herein and in this Scheme.
- 17.2 The business undertakings of the Transferor Company shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:
- (a) With effect from the Appointed Date, the whole of the Merger Undertaking of the Transferor Company comprising their entire business, all assets and liabilities of whatsoever nature and wheresoever situated, including the immovable properties, if any, shall, under the provisions of Section 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in Sub-clauses (b), to (e) below), be transferred to and vested in and/ or be deemed to be transferred to and vested in TVS ASL/Transferee Company as a going concern so as to become, as from the Appointed Date, the Merger Undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

Provided that for the purpose of giving effect to the vesting, order passed under Sections 230 to 232 in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders under this Scheme be entitled to get the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Transferor Company in accordance with the provisions of Sections 230 to 232 of the Act, recorded at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.

- (b) All movable assets including cash in hand, if any, of the Transferor Company, capable of transfer by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company. Such delivery shall be made on a date mutually agreed upon between the Boards of Directors of the Transferor Company and the Transferee Company.

- (c) In respect of movables other than those specified in sub-clause (b) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, the following modus operandi for intimating third parties shall, to the extent possible, be followed:
- (i) The Transferor Company shall give notice in such form as it may deem fit and proper, to each person, debtor, loanee or deposittee as the case may be, belonging to or related to the Transferor Company, that pursuant to the NCLT having sanctioned the Scheme, the said debts, loans, advances, bank balances or deposits be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the respective Transferor Company to recover or realise the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change;
 - (ii) The Transferee Company shall also give notice in such form as it may deem fit and proper to each person, debtor, loanee or deposittee as the case may be, belonging to or related to the Transferor Company, that pursuant to the NCLT having sanctioned the Scheme the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferor Company to recover or realise the same stands extinguished.
- (d) In relation to the assets, if any, belonging to the Transferor Company, which require separate documents of transfer, or which the Transferor Company and/or the Transferee Company otherwise desire to be transferred separately, the Transferor Company and the Transferee Company each will execute such deeds, documents or such other instruments or writings or create evidence, if any, as may be necessary.
- (e) In respect of such of the said assets and liabilities other than those referred to in 17.2(a) to (d) above, the same shall, without any further act, instrument or deed, be transferred to, and vested in, and/or be deemed to be transferred to and vested in, the Transferee Company.
- 17.3 With effect from the Appointed Date and upon the Scheme becoming effective, the Merger Undertaking of the Transferor Company shall be so transferred, delivered or endorsed and delivered, as the case may be, by the Transferor Company, and shall upon transfer become the Merger Undertaking, assets and liabilities and an integral part of the Transferee Company.
- 17.4 For the purpose of giving effect to the order passed under Sections 230 to 232 in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get the recording of the change in the title and appurtenant legal right(s) upon the vesting of such Merger Undertaking in the Transferee Company.

17.5 The Transferor Company shall have taken all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, interest of immovable property, if any, is given to the Transferee Company.

17.6 From the Effective Date and till such time that the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in its name, in so far as may be necessary.

18. SEQUENCE OF EVENTS

18.1 It is clarified that the provisions of Part III shall take effect only after the demerger, transfer and vesting of the Demerged Undertaking of TVS ASL into and with the Resulting Company in terms of Part II hereof.

19. TRANSFER OF DEBTS AND LIABILITIES

19.1 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of the Transferor Company shall also, under the provisions of Section 230 to 232 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and 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 such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause. However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors (if any) of the Transferor Company or in favour of any other party to the contract or arrangement to which the Transferor Company are a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company as well as to implement and carry out all such formalities and compliances referred to above.

19.2 Loans or other obligations, if any, 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 shares, securities, debentures or notes issued by Transferor Company, and held by the Transferee Company are concerned, the same shall, unless sold or transferred by Transferee Company, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall have no effect and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.

- 19.3 Where any of the liabilities and obligations/assets attributed to the Transferor Company on the Appointed Date has been discharged/ sold by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge/sale shall be deemed to have been for and on behalf of the Transferee Company.
- 19.4 All liabilities and obligations attributed to the Transferor Company, including its unsecured loans taken over by the Transferee Company may be discharged by the Transferee Company in the manner as and when it falls due for repayment or in any other manner as the Transferee Company may deem fit.
- 19.5 All loans raised and used, and liabilities incurred, if any, by the Transferor Company after the Appointed Date, but prior to the Effective Date, for their operations shall be discharged by the Transferee Company.
- 19.6 All the loans, advances and other facilities sanctioned to the Transferor Company by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to the Transferee Company and the said loans and advances shall be drawn and utilized either partly or fully by the Transferor Company from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by the Transferor Company (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to the Transferee Company and all the obligations of the Transferor Company in relation to any loan agreement shall be construed and shall become the obligation of the Transferee Company without any further act or deed on the part of the Transferee Company.
- 19.7 The transfer and vesting of the Merger Undertaking of the Transferor Company as aforesaid shall be subject to the existing securities, charges and mortgages, if any subsisting, over or in respect of the property and assets or any part thereof of the respective Transferor Company.

Provided however that any reference in any security documents or arrangements (to which any Transferor Company is a party) pertaining to the assets of the Transferor Company offered, or agreed to be offered, as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Merger Undertaking of the said Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that, such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the said Transferor Company or any of the assets of the Transferee Company.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Company vested in the Transferee Company.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation of the Transferor Company with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefor, after the amalgamation has become operative.

19.8 All the existing securities, mortgages, charges, encumbrances or liens, if any, over the assets comprised in or relating to the liabilities of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme, shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date.

19.9 Any existing encumbrances over the assets and properties of the Transferor Company or any part thereof which relate to the liabilities and obligations of Transferor Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.

20. CONTINUATION OF LEGAL PROCEEDINGS

20.1 Upon coming into effect of this Scheme, all suits, actions and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or Tribunal or Court authorities as the case be) by or against the Transferor Company pending on the Effective Date shall be continued and/or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against the Transferee Company.

20.2 If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

- 20.3 In case of any litigation, suits, recovery proceedings which are to be initiated or may be intimated against the Transferor Company, Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.

21. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 21.1 With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature pertaining to the Merger Undertaking of the Transferor Company, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Appointed Date, 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 effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.
- 21.2 With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licences (including software licences), accreditations to trade and industrial bodies, privileges, powers, facilities, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by any government body, local authority or by any other person) of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible, or having effect immediately before the Effective Date, shall be and remain in full force and effect in favour of or against the Transferee Company, as the case may be, and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary or obligee thereto.
- 21.3 In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any government body, local authority or by any other person and availed of by the Transferor Company are concerned, the same shall vest with, and be available to, the Transferee Company on the same terms and conditions.
- 21.4 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licences, permissions or approvals or consents required to hold, sell, or deal with in any manner, the Merger Undertaking of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed. The benefit of all such statutory and regulatory permissions, licences, approvals and consents including statutory licences, approvals, permissions or approvals or consents required to hold, sell, deal with in any manner, and exercise any right as a holder of the Merger Undertaking of the Transferor Company shall vest in and become available to the Transferee Company pursuant to the Scheme.

- 21.5 The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite agreement, confirmations or novations in order to give formal effect to the provisions of this Scheme, if it is so required or if it becomes necessary.

22. STAFF, WORKMEN AND EMPLOYEES

- 22.1 All the executives, staff, workmen, and other employees in the service of the Transferor Company, immediately before the Appointed Date, under this Scheme shall become the executives, staff, workmen, and other employees of the Transferee Company, on the basis that:

- a) Their services shall have been continuous and shall not have been interrupted by reason of such transfer as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947 or the corresponding provision in any successor legislation thereto;
- b) The terms and conditions of service applicable to the said staff, workmen, and other employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer;
- c) In the event of retrenchment of such staff, workmen, or other employees, the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the staff, workmen, or other employees shall have been continuous and shall not have been interrupted by reason of such transfer; and
- d) It is provided that as far as the Provident Fund, Gratuity, Pension, Superannuation Fund or any other special funds that are applicable to the employees of the Transferee Company and existing in the Transferee Company for the benefit of the staff, workmen and other employees of the Transferee Company shall also be extended to the employees of the Transferor Company upon the Scheme becoming finally effective. The said benefits shall be extended to the employees of the Transferor Company even if such benefits were not available to the employees during their tenure in the Transferor Company, by virtue of non-applicability of the relevant provisions to the Transferor Company. Notwithstanding what is stated herein above, in respect of applicability of Employees Provident Fund to the employees of Transferor Company with retrospective effect from a date to be determined by the Board of Directors of Transferee Company the extension of benefit to the employees of Transferor Company shall be subject to the provisions of The Employees Provident Fund and Miscellaneous

Provisions Act, 1952 and the approvals of the authorities concerned for giving effect to the implementation date. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations, in whatsoever nature, that are available to the employees of the Transferee Company shall also be available to all the employees of the Transferor Company in relation to Provident Fund, Gratuity and Pension and/ or Superannuation Fund or any other special fund, however subject to the provisions of the relevant and applicable statutes.

- e) In the event that the Transferee Company have their own funds in respect of any of the funds referred to above, the amounts in such funds in respect of contributions pertaining to the employees of the Transferor Company, shall subject to the necessary approvals and permissions, be transferred to the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own fund, in respect of any of the aforesaid matters, the Transferee Company may, subject to necessary approvals and permissions, continue to contribute in respect of the employees of the Transferor Company to the relevant funds of the Transferor Company, until such time that the Transferee Company creates its own fund, at which time the contributions pertaining to the employees of the Transferor Company shall be transferred to the funds created by the Transferee Company.

23. AUTHORISED SHARE CAPITAL AND CHANGE IN OBJECT CLAUSE

- 23.1 Upon the Scheme becoming fully effective, the authorised share capital of the Transferor Company shall stand combined with the authorised share capital of the Transferee Company
- 23.2 Consequently, upon amalgamation of the Transferor Company into and with the Transferee Company, the authorized share capital of the Transferee Company will be as under:

Particulars	Amount in Rs.
Authorized Share Capital	
2,20,00,000 Equity shares of Rs. 10/- each	22,00,00,000/-
9,65,65,450 Compulsory Convertible Preference Shares of Rs. 10/-each	96,56,54,500/-
Total	118,56,54,500/-

- 23.3 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended by deleting the existing Clause and replacing it by the following:

“V. The Authorised Share Capital of the Company shall be Rs. 118,56,54,500 (Rupees One Hundred and Eighteen Crores Fifty-Six Lakhs Fifty-Four Thousand and Five Hundred only) divided into Rs. 22,00,00,000 (Rupees Twenty-Two Crores Only) comprising of 2,20,00,000 (Two Crores and Twenty Lakhs Only) equity shares of Rs. 10/- each (Rupee Ten only) and Rs. 96,56,54,500 (Rupees Ninety Six Crores Fifty Six Lakhs Fifty Four Thousand Five Hundred Only) comprising of 9,65,65,450 (Nine Crores Sixty Five Lakhs Sixty Five Thousand Four Hundred and Fifty Only) preference shares of Rs.10/- each (Rupees Ten Only) each with the rights, privileges and conditions in attaching thereto as are provided by the regulations of the Company for the time being with powers to increase or reduce the Capital for the time being into several classes, and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company to vary, modify or abrogate, any such rights, privileges or conditions in such manner as may for the time being provided for by the regulations of the Company.”

- 23.4 There are no changes in the Existing Share Capital Clause of the Articles of Association of the Transferee Company which states that “The Authorized Share capital of the company shall be in accordance with Clause V of the Memorandum of Association of the Company.”
- 23.5 Filing fees and stamp duty, if any, paid by the Transferor Company on its authorised share capital shall be set off and be deemed to have been so paid by the Transferee Company on the combined authorised share capital. The Transferee Company shall not be required to pay the stamp duty to the extent set off for its increased authorised share capital and accordingly, the Transferee Company shall be required to pay only the balance fee stamp duty in relation to its increased authorised share capital after setting off the fees and stamp duty already paid by the Transferor Company on its authorised share capital.
- 23.6 With effect from the Appointed Date, and upon the Scheme becoming effective, the main object clause of the Memorandum of Association of Transferee Company shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities Transferor Company, pursuant to the provisions of Sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act. Accordingly, the Memorandum of Association of the Transferee Company shall be altered and amended and necessary revisions in numbering of the clauses inserted shall be carried out.
- 23.7 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be sufficient for the alteration to the Memorandum and Articles of

Association of the Transferee Company as may be required under the Act. The approval of this Scheme under Section 230 read with section 232 of the Companies Act, 2013 shall be deemed to have the approval under sections 13, 14, 61 and 64 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.

24. CONSIDERATION

- 24.1 Upon the Scheme becoming fully effective, in consideration of the transfer and vesting of the Merger Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall without any further applications, act, instrument or deed, issue and allot equity shares to the extent indicated below, to the equity shareholders of the Transferor Company, as on the Amalgamation Record Date or to their respective heirs, executors, administrators, or other legal representatives, or the successors-in-life in the following manner:

“1336 fully paid-up equity shares of Rs. 10 each of Transferee Company shall be issued and allotted for every 100 Equity Shares of Rs.10/- each held by the shareholders of Transferor Company”

“1336 fully paid-up (0.001% Series CCPS B and Series CCPS C) Compulsorily Convertible Preference Shares of Rs. 10/- each of Transferee Company shall be issued and allotted for every 100 Compulsorily Convertible Preference Shares of Rs 10/- each held by the shareholders of Transferor Company”

Fractions, if any, arising out of such allotment shall be rounded off to the nearest whole number.

(The above ratio as detailed in which the equity shares of the Transferee Company are to be allotted to the shareholders of the Transferor Companies by the Transferee Company is hereinafter referred to as the "Share Exchange Ratio.")

The terms of the Compulsory Convertible Preference Shares (“CCPS”) as agreed between the holders of the CCPS in the Transferor Company shall be applicable to the CCPS issued pursuant to Clause 24.1 above.

- 24.2 Equity shares shall be issued by Transferee Company in dematerialized form to those equity shareholders of Transferor Companies who hold shares of the Transferor Companies in dematerialized form, in to the account in which Transferor Company’s shares are held or such other account as is intimated by the shareholders to Transferee Company/ or its

Registrar and in physical form to those shareholders of Transferor Companies who hold shares of Transferor Companies in physical form. All those shareholders who hold shares of Transferor Companies in physical form shall also have the option to receive the equity shares in Transferee Company in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to Transferee Company and / or its Registrar, otherwise, they would be issued equity shares in physical form.

- 24.3 Upon Equity Shares being issued and allotted by the Transferee Company to the shareholders of the Transferor Companies, in accordance with Clause 24.1, the share certificates in relation to the shares held by the said shareholders in the Transferor Companies shall be deemed to have been cancelled and extinguished and be of no effect on and from such issue and allotment.
- 24.4 The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment by the Transferee Company of Equity Shares to the members of the Transferor Companies under the Scheme.
- 24.5 The said Equity Shares to be issued and allotted by the Transferee Company shall be subject to Memorandum of Association & Articles of Association of the Transferee Company and shall rank pari passu in all respects from the date of allotment in terms of this scheme, with the existing equity shares of the Transferee Company, with all rights thereto, and shall be entitled to full dividend, if any, which may be declared by the Transferee Company after the Appointed Date of the scheme.
- 24.6 In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of the Transferor Companies, the Board of Directors or any Committee thereof of the Transferee Company at its sole discretion shall be empowered in appropriate circumstances, even subsequent to the Amalgamation Record Date or the Appointed Date, as the case may be to effectuate such a transfer in the Transferee Company as if such changes in the registered holders were operative on the Amalgamation Record Date, in order to remove any difficulties arising to the transfer of the share in the Transferee Company and in relation to any new shares, after the Scheme becomes effective. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in the Transferee Company on account of the difficulties if any in the transition period.

Approval of this Scheme by the Shareholders of the Transferee Company shall be deemed to be the due compliance of Section 62(1)(c) of the Companies Act, 2013 and any other relevant provisions of the Act and such other regulations as are relevant and applicable for the issue and allotment of new equity shares by the Transferee Company

25. EMPLOYEE STOCK OPTIONS PLAN

- 25.1 With respect to the stock options granted by the Transferor Company under the employees' stock options scheme of the Transferor Company including the benefit of exercise price (hereinafter referred as "ESOP Scheme"), upon coming into effect of this Scheme, the Transferee Company shall issue stock options to Eligible Employees taking into account the Share Exchange Ratio as specified in Clause 24 of this Scheme and on the same terms and conditions as (which are not less favourable than those) provided in the ESOP Scheme.
- 25.2 It is hereby clarified that upon this Scheme becoming effective, options granted by the Transferor Company to the eligible employees under the ESOP Scheme shall automatically stand cancelled and fresh options shall be granted by the Transferee Company to the eligible employees of the Transferor Company on the basis of the Share Exchange Ratio specified in Clause 24 of this Scheme, such that Eligible Employee, shall, as option holders of the Transferee Company, enjoy the same economic benefit as they would have received under ESOP Scheme. Fractional entitlements, if any, arising pursuant to the applicability of Share Exchange Ratio as above shall be rounded off to the nearest higher. The exercise price payable for options granted by the Transferee Company to the eligible employees shall be based on the exercise price payable by such eligible employees under ESOP Scheme as adjusted after taking into account the effect of the Share Exchange Ratio, if any.
- 25.3 It is also hereby clarified that in relation to the options granted by the Transferee Company to the eligible employees, the period during which the options granted by the Transferor Company were held by or deemed to have been held by the eligible employees shall be taken into account for determining the minimum vesting period required under the Applicable Law or agreement or deed for stock options granted under the ESOP Scheme.
- 25.4 The approval granted to the Scheme by the shareholders shall be deemed to be the approval for issuance of options under this Scheme.

The Transferor Company and the Transferee Company shall take all such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause of the Scheme.

26. CANCELLATION OF EQUITY SHARES

- 26.1 The Transferor Company is a subsidiary of the Transferee Company which holds the paid-up share capital of the Transferor Company.

- 26.2 All equity shares held by the Transferee Company in the share capital of the Transferor Company as on the Effective Date, shall stand cancelled, without any further act or deed, upon this Scheme becoming effective. In lieu thereof no allotment of any new shares as per this Scheme or any payment shall be made to any person whatsoever.

27. ACCOUNTING TREATMENT

Upon Part III of the Scheme becoming effective and with effect from the Appointed Date, amalgamation of Transferor Company with the Transferee Company shall be accounted in the books of Transferee Company under the 'Pooling of Interest Method' mentioned in Appendix C to IND AS 103 - "Business Combination" and such other IND AS as may be applicable or prescribed under Section 133 of the Companies Act, 2013:

- 27.1 The Transferee Company shall, upon the Scheme coming into effect and with effect from the Appointed Date, record the assets, liabilities and reserves (including share or securities premium) of the Transferor Company, vested in it pursuant to this Scheme, at their respective book values thereof and in the same form as appearing in the books of the Transferor Company.
- 27.2 To the extent there are inter-corporate loans or advances or dues or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.
- 27.3 The identity of the reserves (including share or securities premium) pertaining to the Transferor Company shall be preserved and shall appear in the merged financial statements of Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company and it shall be aggregated with the corresponding balance appearing in the financial statements of Transferee Company, as on the Appointed Date.
- 27.4 The investments in shares of the Transferor Company as appearing, inter alia, in the books of Transferee Company shall stand cancelled.
- 27.5 The Transferee Company shall issue and allot equity shares and Compulsorily Convertible Preference Shares in accordance with 24.1 above and credit the face value of such equity shares and preference shares to its respective share capital account.
- 27.6 The excess / deficit of the value of the net assets and reserves of the Transferor Company recognised by the Transferee Company over the face value of such equity shares and preference shares issued by the Transferee Company and value of cancellation of the investments held by Transferee Company in equity share capital of Transferor Company, would be adjusted against retained earnings (if debit) or be recorded as 'Capital Reserve' (if credit) in the books of Transferee Company and shall be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

- 27.7 In case of any differences in the accounting policies between the Transferor Company and Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent and harmonized accounting policies as adopted by the management of Transferee Company, and adjustments to the carrying values of assets and liabilities shall appropriately be made within Other Equity.
- 27.8 The financial information presented in the financial statements of the Transferee Company in respect of prior periods shall be restated as if the amalgamation had occurred from the beginning of the preceding period in the financial statements irrespective of the Appointed date
- 27.9 As the Transferor Company shall stand dissolved without being wound up upon the Scheme becoming effective, there is no accounting treatment prescribed under this Scheme in the books of the Transferor Company.

28. CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY TILL EFFECTIVE DATE

With effect from the Appointed Date and up to and including the Effective Date:

- 28.1 The Transferor Company shall carry on, and be deemed to have been carrying on, all business activities and shall be deemed to have been held for and on account of, and in trust for, the Transferee Company.
- 28.2 All profits or income or taxes, including but not limited to income tax, fringe benefit tax, advance taxes, tax deducted at source by or on behalf of the Transferor Company, minimum alternate tax credit, dividend distribution tax, securities transaction tax, taxes withheld/ paid in foreign country, wealth tax, sales tax, value added tax, excise duty, service tax, customs duty, refund, reliefs, etc, accruing or arising to the Transferor Company, or losses arising or expenditure incurred by it, on and from Appointed Date upto the Effective Date, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure or the said taxes of the Transferee Company.
- 28.3 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 off any of its business undertakings(s) or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Transferor Company prior to the Appointed Date).
- 28.4 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, wherever necessary, for such consents, approvals and

sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required/ granted under any law for time being in force for carrying on business of the Transferee Company.

- 28.5 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 of the Transferee Company.
- 28.6 The Transferor Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees without the consent of the Board of Directors of the Transferee Company.
- 28.7 Pending Sanction of the Scheme, the Transferor Company shall be entitled to approach the Central Government for approval of merger of its wholly owned subsidiaries with the Transferor Company and it is expressly clarified that the assets and liabilities arising pursuant to such merger of its wholly owned subsidiaries of Transferor Company shall be considered as “Remaining Undertaking” of the Transferee Company for the purposes of Part II of this Scheme.

29. CONSEQUENTIAL MATTERS RELATING TO TAX

- 29.1 This Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under the tax laws, specifically Section 2(1B) of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law with retrospective effect or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme
- 29.2 With effect from the Appointed Date and upon the Scheme becoming effective, all the existing and future incentives, un-availed credits including the unutilized Input GST credits, Cenvat credit, unutilized VAT credit, benefit of carried forward losses and other statutory benefits, deductions available in respect of income tax, MAT credit, TDS credit, TCS credit, foreign tax credit under the Income-tax Act, 1961 or the Double Taxation Avoidance Agreements, excise (including Modvat / Cenvat), Customs, VAT, sales tax,

Goods and Service tax (including any input tax credits) etc, deposits with statutory authorities, margin money, retention money and other deposits and balances pertaining to the Transferor Company shall, under the provisions of Section 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to, and vested in, and/or be deemed to be transferred to, and vested in, the Transferee Company.

- 29.3 Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/or indirect, payable by or on behalf of the Transferor Company from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with the revenue authorities and including the right to carry forward of accumulated losses, and all tax credits shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, accumulated losses and tax credits pertaining to indirect taxes and direct taxes of the Transferee Company in accordance with the applicable tax laws.
- 29.4 Upon the Scheme becoming effective, the Transferor Company and the Transferee Company are expressly permitted to revise, its financial statements and returns (including Tax Deducted at Source returns) along with prescribed forms, filings and annexure (including but not limited to Tax deducted at source certificates) under the direct and indirect tax laws and any other laws prevalent in India, if required to give effect to the provisions of the Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired. The Transferee Company is also expressly permitted to claim refunds / credits in respect of any transaction between or amongst the Transferor Company and the Transferee Company. With respect to the tax deducted at source certificates issued in the name of Transferor Company after the Appointed Date, the same will be deemed to be issued in the name of the Transferee Company for the tax purposes.
- 29.5 In accordance with the GST laws or the erstwhile Cenvat Credit Rules framed under the Central Excise Act, 1944 and the Service Tax Law as applicable and prevalent on the Effective Date, the unutilized credits relating to excise duties paid on inputs/ capital goods/ input services and the unutilized input tax credits (if any) lying in the accounts of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty/ service tax payable by it.
- 29.6 In accordance with the GST laws or the erstwhile State Value Added Tax Act as are prevalent on the Effective Date in respect of each state, the unutilized credits, benefits, exemptions, if any, relating to VAT paid on inputs, work in process, capital goods lying in the accounts of the Transferor Company shall be permitted to be transferred to the credit

of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the VAT/ CST payable by it.

29.7 Where the Transferor Company is entitled to various benefits under incentive schemes including any export schemes and policies and pursuant to this Scheme it is declared that the benefits under all such schemes and policies shall be transferred to and vest in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive scheme and/ or policies, subject to which the benefits under the incentive schemes were made available to the Transferor Company.

29.8 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, tax holidays, incentives, concessions and other authorizations in relation to the Transferor Company, shall stand transferred by the order of the NCLT to the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the NCLT.

29.9 For the purpose of giving effect to the vesting order passed under Section 230 and 232 of the Act in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get the recording of change in the title and appurtenant legal right(s) upon the vesting of the Transferor Company in accordance with the provisions of section 230 to 232 of the Act. With effect from the Appointed Date and upon the Scheme becoming effective, the filing of the certified copies of the order of the NCLT sanctioning this Scheme shall constitute a creation/ modification of charge in the name of the Transferee Company in accordance with the provisions of section 77 of the Act and satisfaction of charge in respect of the Transferor Company in accordance with section 82 of the Act, if there are any existing charges attached to the Transferor Company.

30. DISSOLUTION OF TRANSFEROR COMPANY

30.1 Subject to an order being made by the NCLT under Section 232 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.

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PARTIV – GENERAL TERMS AND CONDITIONS

31. CHANGE IN THE NAME OF THE RESULTING COMPANY

- 31.1 Upon the sanction of the Scheme and Part II and Part III of the Scheme becoming effective, the name of the Resulting Company as per Part II of the Scheme shall automatically stand changed without any further act, instrument or deed on the part of the Resulting Company, to “TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED” and the Memorandum of Association and Articles of Association of the Resulting Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13 and Section 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

32. CHANGE IN NAME OF THE TRANSFEREE COMPANY

- 32.1 Upon the sanction of the Scheme and Part II and Part III of the Scheme becoming effective, the name of the Transferee Company as per Part III of the Scheme shall automatically stand changed without any further act, instrument or deed on the part of the Resulting Company, to “KI MOBILITY SOLUTIONS PRIVATE LIMITED” and the Memorandum of Association and Articles of Association of the Transferee Company shall, be altered, modified and amended and the consent of the shareholders of the Transferor Company shall be sought for the purposes of effecting such amendment, as required under Section 13 and Section 16 of the Companies Act, 2013 or any other applicable provisions of the Act.
- .
- 32.2 On and with effect from the Effective Date, the status of the Transferor Company shall be changed to ‘amalgamated’ in the records of the Registrar of Companies, Chennai. Transferor Company will make the necessary filings in this regard.
- 32.3 The above shall be effected as an integral part of the Scheme and shall be deemed to be in due compliance of the applicable provisions of the Act

33. APPLICATION TO NCLT

- 33.1 The Transferor Company, Transferee/ Demerged Company and the Resulting Company respectively shall obtain the requisite consents, approval or permission of any authority as may be required or which by law may be necessary.

- 33.2 The Companies shall, with reasonable dispatch, make respective applications to the NCLT, under Sections 230 to 232 and other applicable provisions of the Act, seeking necessary orders or directions for dispensing with or convening, holding and/or conducting meetings of the classes of their respective shareholders and for sanctioning this Composite Scheme of Amalgamation and Arrangement (Demerger) with such modifications, as may be approved by the NCLT.
- 33.3 Upon this Scheme being approved by the requisite majority of the shareholders of the Companies (wherever required), **and upon obtaining other special approval required pursuant to the articles of association of the Transferor Company (including Article 2.10 of Part III)** the Companies shall, with all reasonable care dispatch, file respective petitions before the NCLT for sanction of the Scheme under Sections 230 to 232 and other applicable provisions of the Act, and for such other order(s), as the NCLT may deem fit for carrying the Scheme into effect. Upon this Scheme being approved by the requisite majority of the shareholders of the Transferor Company, Transferee/ Demerged Company and the Resulting Company respectively, the Shareholders of the Transferor Company, Transferee/ Demerged Company and the Resulting Company, shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in the Scheme.

34. CHANGES IN CAPITAL STRUCTURE

- 34.1 From the date of filing of this Scheme with the NCLT and up to and including the Effective Date, the Companies shall not make any change in their respective capital structure in any manner either by any increase (including by way of issue of equity and/or preference shares on a rights basis or by way of a public issue, bonus shares and/or convertible debentures or otherwise), decrease, reduction, reclassification, sub-division, consolidation, re-organization, or in any other manner which may, in any way, affect the Share Exchange Ratio (as provided in the Clauses 9.1 and 24.1), except for the changes in capital structure of the Companies as envisaged in this Scheme without the prior consent of the Board of Directors of the respective companies which are parties to Scheme with such Company.

35. SAVING OF CONCLUDED TRANSACTIONS

- 35.1 The transfer and vesting of properties and liabilities under Clause 4, 5, 17 and 19 above and the continuance of proceedings by or against the Transferor Company under Clause 20 and the Demerged Undertaking of the Demerged Company under Clause 6 shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company and the Resulting Company accept and adopts all acts, deeds and things done and executed by or on behalf of the Transferee Company and the Resulting Company.

35.2 From the date of approval of this Scheme by the Board of Directors of the Transferor Company and the Transferee Company, and up to and including the Effective Date, each of the Companies shall conduct its business in the ordinary course and in the manner agreed between the shareholders of the Transferor Company and Transferee Company under the restructuring agreement executed prior to the filing of this Scheme with the NCLT.”

35.3 On and from the Effective Date, the rights of the shareholders of the Transferee Company shall be as mutually agreed between the shareholders of the Transferor Company and shareholders of the Transferee Company under a shareholders agreement, the form and terms of which have been finalised and agreed to prior to the filing of this Scheme before the NCLT.”

36. MODIFICATIONS / AMENDMENTS TO THE SCHEME

36.1 The Companies through their respective Board of Directors including Committees of Directors or other persons, duly authorized 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 NCLT or any other Appropriate Authority may deem fit to direct, approve or impose and may give such directions including an order of dissolution of the Transferor Company without the process of winding up 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 and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this scheme into effect.

36.2 If any part or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Companies, affect the validity of implementation of the other parts and/or provisions of the Scheme. If any Part or provision of this Scheme hereof is invalid, ruled illegal by any NCLT of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such Part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part or provision, as the case may be, shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in the Scheme, as will best preserve for the Parties the benefits and obligations of the Scheme, including but not limited to such Part or provision.

36.3 For the purpose of giving effect to the Scheme after it is sanctioned by the NCLT, the Directors of the Demerged Company and the Resulting Company are authorized to identify/allocate/apportion the assets and liabilities covered under the Scheme.

37. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional on and subject to –

- 37.1 The sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities including the Reserve Bank of India (as applicable) and Insurance Regulatory and Development Authority of India (as applicable) concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
- 37.2 The Scheme being agreed to by the respective requisite majorities of the members of the Companies, if meetings of Equity Shareholders of the said companies are convened by the NCLT, and the sanction of the NCLT being accorded to the Scheme.
- 37.3 The sanction by the NCLT under Sections 230 and 232 and other applicable provisions of the Act being obtained by the Companies.

38. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

- 38.1 In the event of the Scheme not being sanctioned by the NCLT and/or the order or orders not being passed as aforesaid, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such event, each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme.

39. EXPENSES CONNECTED WITH THE SCHEME

- 39.1 All costs, charges, levies, fees, duties and expenses of the Transferor Company, the Transferee Company/Demerged Company and Resulting 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 shall be borne and paid by the Transferee/ Demerged Company.
- 39.2 The stamp duty, if any, arising in relation to the transfer or vesting of the properties transferred pursuant to this Scheme shall be borne by the Resulting Company in respect of Part II of the Scheme and by the Transferee Company in respect of Part III of the Scheme, as the case may be pursuant to this Scheme.
- 39.3 In the event of non-fulfillment of any or all obligations under this Scheme by any party towards any other party, inter-se or to third parties, the non-performance of which will place any other party under any obligation, then the defaulting party will indemnify all costs and interest to such other affected party.

TVS Automobile Solutions Private Limited
 Standalone Balance Sheet as at September 30, 2023 (Unaudited provisional financial statements)
 (All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Note	As at Sept 30, 2023	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	5.44	6.07
Capital work-in-progress	3	0.04	0.01
Right-of-use assets		5.59	3.93
Other intangible assets	3	0.08	0.10
Financial assets			
Investments	4	285.75	261.66
Loans	5	9.55	9.55
Other financial assets	12	8.40	8.40
Income tax assets (net)	6	0.14	5.63
Other non-current assets	7	1.37	1.78
Total non-current assets		316.36	297.13
Current assets			
Inventories	8	31.03	27.54
Financial assets			
Trade receivables	9	75.07	40.89
Cash and cash equivalents	10	49.51	108.32
Other bank balances	11	13.00	-
Loans	5	16.94	12.93
Other financial assets	12	7.98	6.39
Other current assets	13	19.84	11.95
Total current assets		213.37	208.02
Total assets		529.73	505.15
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	12.02	12.02
Other equity	15	415.07	417.50
Total equity		427.09	429.52
Non-current liabilities			
Financial liabilities			
Borrowings		-	-
Lease liabilities		9.18	8.44
Other financial liabilities	17	0.19	4.49
Deferred tax liabilities (net)		7.20	7.20
		16.57	20.13

For TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED

N.V.S. Pavan Kumar

Company Secretary

TVS Automobile Solutions Private Limited
Standalone Balance Sheet as at September 30, 2023 (Unaudited provisional financial statements)
(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Note	As at Sept 30, 2023	As at March 31, 2023
Current liabilities			
Financial liabilities			
Borrowings	16	21.01	8.04
Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	18	12.82	22.75
Lease liabilities	41	4.18	4.89
Other financial liabilities	19	2.16	7.16
Short term provisions	20	1.50	1.44
Current tax liabilities (net)		4.75	4.75
Other current liabilities	21	39.65	6.47
Total current liabilities		86.07	55.50
Total equity and liabilities		529.73	505.15

Significant accounting policies

The accompanying notes form an integral part of the standalone financial statements.

for and on behalf of the Board of Directors
TVS Automobile Solutions Private Limited
(CIN: U34100TN2009PTC017439)

RAMACHAND
HRAN DINESH

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RAMACHANDHRAN DINESH
Date: 2024.02.26 14:36:34
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R. Dinesh
Director
DIN: 00363300

THARUVAI
RAMASUBRAMANIAN
SRINIVASAN
Tharuvai Ramasubramanian Srinivasan
Group Chief Financial Officer

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Date: 2024.02.26 13:26:17 +05'30'

SRINIVASA
RAGHAVAN
GOPALAN

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SRINIVASA RAGHAVAN
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Date: 2024.02.26
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G. Srinivasa Raghavan
Managing Director
DIN: 06683396

NIROGI VENKATA
SESHA PAVAN
KUMAR

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NIROGI VENKATA SESA
PAVAN KUMAR
Date: 2024.02.26
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N.V.S. Pavan Kumar
Company Secretary
Membership No: A17010

Place: Chennai
Date: February 26, 2024

For TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED

N. v. s. Pavan Kumar
Company Secretary

TVS Automobile Solutions Private Limited
Standalone Statement of Profit and Loss for period ended September 30, 2023 (Unaudited provisional financial statements)
(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Note	Period ended Sept 30, 2023	Year ended March 31, 2023
Income			
Revenue from operations	22	76.21	116.97
Other income	23	12.18	33.42
Total income		88.39	150.39
Expenses			
Purchases of stock-in-trade	24	72.27	98.78
Changes in inventories of stock-in-trade	25	(3.82)	5.38
Employee benefits expense	26	4.22	13.61
Finance costs	27	0.80	11.15
Depreciation and amortisation expense	28	1.96	3.11
Other expenses	29	15.28	40.30
Total expenses		90.71	172.33
Profit / (loss) before tax		(2.32)	(21.94)
Tax expense			
Current tax		-	-
Deferred tax		-	1.26
Total tax expense		-	1.26
Profit / (loss) for the year		(2.32)	(23.20)
Other comprehensive income			
Items that will not to be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plans		-	(0.98)
Income tax effect		-	-
Other comprehensive income (loss) for the year, net of tax		-	(0.98)
Total comprehensive income (loss) for the year		(2.32)	(24.18)

Significant accounting policies

The accompanying notes form an integral part of the standalone financial statements.

for and on behalf of the Board of Directors

TVS Automobile Solutions Private Limited
(CIN: U34100TN2009PTC017439)

RAMACHAND

HRAN DINESH

R. Dinesh

Director

DIN: 00363300

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RAMACHANDHRAN DINESH
Date: 2024.02.26 14:37:13
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SRINIVASA

RAGHAVAN

GOPALAN

G. Srinivasa Raghavan

Managing Director

DIN: 06683396

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GOPALAN
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THARUVAI

RAMASUBRAMANIAN

SRINIVASAN

Tharuvai Ramasubramanian Srinivasan

Group Chief Financial Officer

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NIROGI

VENKATA SETHA PAVAN KUMAR

PAVAN KUMAR

N.V.S. Pavan Kumar

Company Secretary

Membership No: A17010

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NIROGI VENKATA
VENKATA SETHA PAVAN KUMAR
PAVAN KUMAR
Date: 2024.02.26
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Place: Chennai
Date: February 26, 2024

For TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED

N.V.S. Pavan Kumar

Company Secretary

TVS Automobile Solutions Private Limited
Standalone Statement of Cash Flows for the period ended September 30, 2023 (Unaudited provisional financial statements)
(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Period ended Sept 30, 2023	Year ended March 31, 2023
Cash flows from operating activities		
Profit / (loss) before tax	(2.32)	(21.94)
Adjustments for:		
Depreciation and amortisation expense	1.96	3.11
Gain on fair valuation of investments at FVTPL (net)	-	(9.85)
Gain on sale of investments	-	-
Stock compensation expense	-	2.53
Provision for inventory	-	-
Provision for balance with government authorities	-	0.13
Provision for security deposits	-	-
Foreign exchange loss (gain)	-	(1.20)
Impairment of financial assets (allowance for bad and doubtful debts), net	-	0.87
Provision no longer required written back	(4.30)	(3.66)
Provision for impairment of investments	-	0.53
Loss on sale of property, plant and equipment	-	-
Inventory written off	-	1.03
Advances written off	-	1.32
Financial guarantee related income	-	(3.36)
Dividend income	(1.12)	(8.51)
Interest income	(4.59)	(8.02)
Finance cost	0.80	11.15
	(9.57)	(26.87)
Working capital adjustments:		
Increase in inventory	(3.49)	3.93
Increase in trade receivables	(34.18)	5.82
Increase in other financial assets	(1.59)	115.30
Increase in other current assets	(7.89)	3.06
Increase in trade payables	(9.93)	(13.45)
Increase in provisions	0.06	(0.81)
Decrease in other financial liabilities	(6.81)	4.78
Decrease in other current liabilities	33.18	5.62
Cash flow used in operating activities	(40.22)	97.38
Income tax paid (net of refund)	5.49	(0.18)
Net cash flow used in operating activities (A)	(34.73)	97.20
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	0.01
Purchase of property, plant and equipment including capital work-in-progress and intangible asset	-	(5.01)
Disposal (acquisition) of investment in subsidiaries	(24.09)	(9.40)
Proceeds from sale of discontinued operations	-	80.10
Loans given to subsidiary and associate companies	(4.01)	-
Loans repaid by subsidiary and associate companies	-	19.48
(Investment) proceeds from investment in fixed deposits	(13.00)	17.05
Interest received	4.59	9.39
Dividend received	1.12	8.51
Net cash flow from (used in) investing activities (B)	(35.39)	120.12

For TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED
N. V. S. Pavan Kumar
Company Secretary

TVS Automobile Solutions Private Limited
Standalone Statement of Cash Flows for the period ended September 30, 2023 (Unaudited provisional financial statements)
(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Period ended Sept 30, 2023	Year ended March 31, 2023
Cash flows from financing activities		
Proceeds from issue of shares (net)		-
Interest paid		(9.45)
Payment of transaction costs related to borrowings		-
Payment of principal portion of lease liabilities	(1.66)	(6.52)
Payment of interest portion of lease liabilities		(1.62)
Proceeds from borrowings	12.97	178.43
Repayment of borrowings		(291.73)
Net cash flow (used in) from financing activities (C)	11.31	(130.89)
Net (decrease) increase in cash and cash equivalents (A+B+C)	(58.81)	86.43
Cash and cash equivalents at the beginning of the year	108.32	21.89
Cash and cash equivalents at year end	49.51	108.32
Components of cash and cash equivalents & Other Bank Balances		
Cash on hand	-	0.10
Balances with banks:		
- On current accounts	4.06	6.77
- Deposits with original maturity of less than three months	45.45	101.45
Total	49.51	108.32

Significant accounting policies

The accompanying notes form an integral part of the standalone financial statements.

for and on behalf of the Board of Directors
TVS Automobile Solutions Private Limited
(CIN: U34100TN2009PTC017439)

RAMACHAND HRAN DINESH
Digitally signed by
RAMACHANDHRAN DINESH
Date: 2024.02.26 14:37:33
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R. Dinesh
Director
DIN: 00363300

THARUVAI RAMASUBRAMANIAN SRINIVASAN
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RAMASUBRAMANIAN SRINIVASAN
Date: 2024.02.26 13:23:35 +05'30'
Tharuvai Ramasubramanian Srinivasan
Group Chief Financial Officer

SRINIVASA RAGHAVAN GOPALAN
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SRINIVASA
RAGHAVAN GOPALAN
Date: 2024.02.26
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G. Srinivasa Raghavan
Managing Director
DIN: 06683396

NIROGI VENKATA SETHA PAVAN KUMAR
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NIROGI VENKATA
SESHA PAVAN KUMAR
Date: 2024.02.26
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N.V.S. Pavan Kumar
Company Secretary
Membership No: A17010

Place: Chennai
Date: February 26, 2024

For TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED
N.V.S. Pavan Kumar
Company Secretary

TVS Automobile Solutions Private Limited

Standalone Statement of changes in equity for the period ended September 30, 2023 (Unaudited provisional financial statements)
(All amounts are in crores of Indian Rupees, unless otherwise stated)

(A) Equity share capital		Total				
Particulars						
Balance as at April 1, 2021	11.58					
Changes in equity share capital	0.44					
Balance as at March 31, 2022	12.02					
Changes in equity share capital	0.00*					
Balance as at March 31, 2023	12.02					
Changes in equity share capital	0.00*					
Balance as at September 30, 2023	12.02					
* Amount less than INR crore.						
(B) Other Equity						
Particulars	Retained earnings	Securities premium	Compulsorily convertible preference shares (CCPS)	Other comprehensive income (OCI)	ESOP reserve	Total
Balance as at April 1, 2021	(135.37)	604.32	0.44	(0.25)	5.64	474.78
Loss for the year	(35.70)	-	-	-	-	(35.70)
Other comprehensive income	-	-	-	0.36	-	0.36
Total comprehensive income	(35.70)	-	-	0.36	-	(35.34)
Transactions with owners, recorded directly in equity						
Stock compensation expenses	-	-	-	-	0.15	0.15
Conversion of CCPS to Equity Shares	-	-	(0.44)	-	-	(0.44)
Balance as at March 31, 2022	(171.07)	604.32	-	0.11	5.79	439.15
Balance as at April 1, 2022	(171.07)	604.32	-	0.11	5.79	439.15
Loss for the year	(23.20)	-	-	-	-	(23.20)
Other comprehensive income	-	-	-	(0.98)	-	(0.98)
Total comprehensive income	(23.20)	-	-	(0.98)	-	(24.18)

For TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED

N.V.S. Pavan Kumar

Company Secretary

Pursuant to business combination	-	-	-	-	-
Balance as at March 31, 2023	(194.27)	604.32	-	(0.87)	8.32
Balance as at April 1, 2023	(194.27)	604.32	-	(0.87)	8.32
Loss for the year	(2.32)	-	-	-	(2.32)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	(2.32)	-	-	-	(2.32)
Transactions with owners, recorded directly in equity					
Stock compensation expenses	-	-	-	-	-
Conversion of CCPS to Equity Shares	-	-	-	-	-
Pursuant to business combination	-	-	-	-	-
Balance as at September 30, 2023	(196.59)	604.32	-	(0.87)	8.32
* These employees have been transferred to TVS Mobility Private Limited (also refer note 14)	(196.59)	604.21	-	(0.86)	8.31
Significant accounting policies					415.07

The accompanying notes form an integral part of the standalone financial statements.

for and on behalf of the Board of Directors
TVS Automobile Solutions Private Limited
(CIN: U34100TN2009PTC017439)
RAMACHAND
HRAN DINESH
R. Dinesh
Director
DIN: 00363300

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RAMACHAND
Date: 2024.02.26 14:37:50 +05'30'
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HRAN DINESH
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SRINIVASA
RAGHAVAN
GOPALAN
G. Srinivasa Raghavan
Managing Director
DIN: 06683396

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GOPALAN
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RAMASUBRAMANIAN
SRINIVASAN
Tharuvai Ramasubramanian Srinivasan
Group Chief Financial Officer

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SRINIVASAN
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VENKATA
SESHA PAVAN
KUMAR
N.V.S. Pavan Kumar
Company Secretary
Membership No: A17010

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VENKATA
SESHA PAVAN
KUMAR
Date: 2024.02.26 13:25:03 +05'30'

Place: Chennai
Date: February 26, 2024

For TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED

N.V.S. Pavan Kumar
Company Secretary

3 (A) Property, plant and equipment, goodwill & other intangible assets

	Property, plant and equipment							Other intangible assets	
	Plant & equipment	Computers	Furniture and fixture	Office equipment	Vehicles	Leasehold improvements	Total	Software	Total
Gross carrying amount									
As at April 1, 2021	0.52	1.00	1.59	0.30	0.17	0.51	4.09	3.39	3.39
Additions	0.13	0.18	0.77	0.01	-	0.32	1.41	-	-
Disposals	(0.02)	(0.01)	(0.03)	-	-	-	(0.06)	-	-
As at March 31, 2022	0.63	1.17	2.33	0.31	0.17	0.83	5.43	3.39	3.39
Additions	1.01	0.23	0.52	0.16	-	2.13	4.04	0.07	0.07
Disposals	-	(0.05)	-	-	-	-	(0.05)	-	-
As at March 31, 2023	1.64	1.34	2.85	0.47	0.17	2.96	9.42	3.46	3.46
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
As at September 30, 2023	1.64	1.34	2.85	0.47	0.17	2.96	9.42	3.46	3.46
Accumulated depreciation / amortisation									
As at April 1, 2021	(0.07)	0.70	0.33	0.20	0.03	0.14	1.33	2.79	2.79
Charge for the year	0.07	0.16	0.22	0.04	0.02	0.16	0.67	0.42	0.42
Disposals	-	(0.01)	-	-	-	-	(0.01)	-	-
As at March 31, 2022	(0.00)	0.85	0.55	0.25	0.05	0.30	1.99	3.21	3.21
Charge for the year	0.22	0.19	0.30	0.15	0.02	0.52	1.41	0.14	0.14
Disposals	-	(0.05)	-	-	-	-	(0.05)	-	-
As at March 31, 2023	0.22	0.99	0.85	0.40	0.07	0.82	3.34	3.36	3.35
Charge for the year	0.07	0.09	0.14	0.02	0.01	0.28	0.61	0.02	0.02
Disposals	-	-	-	-	-	-	-	-	-
As at September 30, 2023	0.29	1.08	0.99	0.42	0.08	1.10	3.95	3.38	3.37
Carrying amounts (net)									
As at March 31, 2022	0.63	0.32	1.78	0.06	0.12	0.53	3.44	0.17	0.18
As at March 31, 2023	1.42	0.35	2.00	0.07	0.10	2.13	6.07	0.10	0.10
As at September 30, 2023	1.35	0.26	1.86	0.05	0.09	1.85	5.44	0.08	0.08

(B) Capital work-in-progress and intangible assets under development

	Capital work-in-progress		Intangible assets under development	
	Capital work-in-progress		Intangible assets under development	
Carrying amounts				
As at April 1, 2021	-	0.32	-	-
Additions	-	-	1.75	-
Disposals/transfers*	-	(2.07)	-	-
As at March 31, 2022	-	-	-	-
Additions	-	-	4.14	-
Disposals/transfers	-	-	(4.13)	-
As at March 31, 2023	-	0.01	-	-
Additions	-	-	-	-
Disposals/transfers	-	-	-	-
As at September 30, 2023	-	0.04	-	-

For TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED

N.V.S. Pavan Kumar

Company Secretary

3 (C) Ageing schedule for capital work-in-progress

As at September 30, 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					-
Projects temporarily suspended					-
As at March 31, 2023					
Projects in progress	0.01	-	-	-	0.01
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2022					
Projects in progress					-
Projects temporarily suspended					-

Note:

- (i) The Company does not have any capital-work-in progress and intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.
- (ii) Also, refer note 16, for details of fixed assets secured against borrowings.
- (iii) The Company does not have immovable property (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).

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For TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED

N. V. S. Pravan Kumar

Company Secretary

	As at Sept 30, 2023	As at March 31, 2023
4 Investments		
Investments in subsidiaries and joint venture at cost		
Unquoted equity instruments (fully paid)		
(i) Subsidiaries		
a) TVS Europe Distribution Limited*		
54,30,946 (Mar 31, 2023: 54,30,946) equity shares of GBP 1.44 each	78.13	78.13
b) Europe Africa Distribution Limited		
13,00,000 (Mar 31, 2023: 13,00,000) Class A - ordinary shares of GBP 1.17 each	14.59	14.59
2,82,645 (Mar 31, 2023: 2,82,645) Class B - ordinary shares of GBP 1 each	4.37	4.37
c) Essex Automobile Solutions Limited		
21,90,000 (Mar 31, 2023: 21,90,000) equity shares of INR 10 each	2.19	2.19
d) Rajgarhia Automobile Solution Limited		
21,61,959 (Mar 31, 2023: 21,61,959) equity shares of INR 10 each	2.16	2.16
e) TVS Insurance Broking Private Limited (formerly known as TVS Insurance Broking Limited)		
15,000 (Mar 31, 2023: 15,000) equity shares of INR 1,000 each	18.92	18.92
f) TVS Distribution and Services Middle East, FZCO		
3,542 (Mar 31, 2023: 3,542) equity shares of AED 1000 each	6.84	6.84
g) Jai and Sons Private Limited		
95,07,135 (Mar 31, 2023: 95,07,135) equity shares of INR 10 each	35.62	35.62
h) Universal Components Distribution Private Limited (formerly known as TVS JJ Distribution Private Limited)		
90,00,000 (Mar 31, 2023: 90,00,000) equity shares of INR 10 each	9.31	9.31
i) Topsel Marketing Private Limited		
2,33,897 (Mar 31, 2023: 1,63,728) equity shares of INR 10 each	63.91	39.80
j) Ki Mobility Solutions Private Limited		
9,00,000 (Mar 31, 2023: 9,00,000) equity shares of INR 10 each	5.54	5.54
TASL Automobile Solution Private Limited		
k) 10000 (Mar 31, 2023: 10000) equity shares of INR 10 each	0.01	-
(ii) Joint venture		
Myers Tyre Supply (India) Limited		
29,61,000 (Mar 31, 2023: 29,61,000) equity shares of INR 10 each	2.96	2.96
Less: Allowance for impairment	(9.21)	(9.21)
	235.35	211.24

* During the year ended Mar 31, 2023, board control was transferred to Ki Mobility Solutions Private Limited and accordingly the entity is a step-down subsidiary as at year end.

Unquoted preference shares (fully paid)
(i) Subsidiaries
a) Europe Africa Distribution Limited

For TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED
N. V. S. Pavan Kumar
Company Secretary

5,50,000 (Mar 31, 2023: 5,50,000) Redeemable preference shares of GBP 1.00 each	1.28	1.28
	1.28	1.28
Total investments in subsidiaries and joint venture (A)	236.63	212.52
Investments at fair value through profit or loss		
Unquoted equity instruments (fully paid)		
a) Nexus Automotive International SA		
5,000 (Mar 31, 2023: 5,000) equity shares of EUR 1.00 each	26.37	26.37
b) Marketparts.com		
24,114 (Mar 31, 2023: 24,114) Ordinary A shares of EUR 1.00 each	22.76	22.78
4,255 (March 31, 2023: 4255) Ordinary B shares of EUR		
Total investments at fair value through profit or loss (B)	49.12	49.14
Total investments (A+B)	285.75	261.66
Aggregate value of unquoted investments	294.96	270.87
Aggregate amount of impairment in value of investments	9.21	9.21

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For TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED

N.V.S. Javan Kumar

Company Secretary

5 Loans (at amortised cost)
Unsecured, considered good
Loan to related party *

	As at Sept 30, 2023	As at March 31, 2023
	26.49	22.48
	26.49	22.48
Non-current	9.55	9.55
Current	16.94	12.93

*Included in loans to related parties are certain intercorporate loans the particulars of which are disclosed below as required by Section 186(4) of the Companies Act 2013:

6 Income tax assets (net)
Advance income tax (net of provision)

	As at Sept 30, 2023	As at March 31, 2023
	0.14	5.63
	0.14	5.63

7 Other non-current assets

Capital advances
Gratuity - excess value of plan assets over obligation (Refer note 32)
Prepaid expenses

	As at Sept 30, 2023	As at March 31, 2023
	-	0.03
	1.37	1.73
	-	0.02
	1.37	1.78

8 Inventories

Stock-in-trade (Gross)
Less: Provision for obsolete stock
Stock-in-trade (net of provision)
Goods in transit

	35.14	32.20
	(5.02)	(5.02)
	30.12	27.18
	0.90	0.36
	31.03	27.54

For the carrying value of inventories secured against borrowings, refer note 16.

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For TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED

N.V.S. Pavan Kumar

Company Secretary

TVS Automobile Solutions Private Limited

Notes to standalone financial statements for the period ended September 30, 2023 (Unaudited provisional financial statements)
(All amounts are in crores of Indian Rupees, unless otherwise stated)

	As at Sept 30, 2023	As at March 31, 2023
9 Trade receivables		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	86.31	41.94
Trade receivables which have significant increase in credit risk		1.44
Trade receivables credit impaired		8.75
Less: Loss allowance on trade receivables	86.31	52.13
Net trade receivables	(11.24)	(11.24)
	75.07	40.89
10 Cash and cash equivalents		
Cash on hand	-	0.10
Balances with banks:		
- On current accounts	4.06	6.77
- Deposits with original maturity of less than three months	45.45	101.45
	49.51	108.32
11 Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	13.00	-
	13.00	-
12 Other financial assets (at amortised cost)		
Security deposits (net of provision)	3.47	3.87
Lease receivable	10.08	9.26
Employee related receivables	0.41	
Others	2.42	1.66
	16.38	14.79
Non-current	8.40	8.40
Current	7.98	6.39
13 Other current assets		
Advances to vendors	7.99	1.19
Balances with government authorities (net of provision)	11.03	10.52
Prepaid expenses	0.82	0.24
	19.84	11.95

For TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED

N.V.S. Pavan Kumar

Company Secretary

14 Share capital

	As at Sept 30, 2023	As at March 31, 2023
Authorised		
2,00,00,000 (March 31, 2023: 2,00,00,000) equity shares of INR 10 each	20.00	20.00
70,00,000 (March 31, 2023: 70,00,000) compulsorily convertible preference shares (CCPS) of INR 10 each	7.00	7.00
	<u>27.00</u>	<u>27.00</u>
Issued, subscribed and paid-up (fully paid up)		
Equity shares		
1,20,20,736 (March 31, 2023: 1,20,20,736) equity shares of INR 10 each	12.02	12.02
Preference shares		
Nil (March 31, 2022: 100) Series V CCPS of INR 10 each	-	-
	<u>12.02</u>	<u>12.02</u>

A. Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

	As at Sept 30, 2023		As at March 31, 2023	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the year	1,20,20,736	12.02	1,20,20,736	12.02
Conversion of CCPS to equity shares	-	-	-	-
Outstanding at the end of the year	<u>1,20,20,736</u>	<u>12.02</u>	<u>1,20,20,736</u>	<u>12.02</u>

B. Rights, preferences and restrictions attached to shares

Equity shares
The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

For TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED
N. V. S. DAVAN KUMAR
Company Secretary

14 Share capital (continued)

C. Particulars of shareholders holding more than 5% shares of a class of shares

	As at Sept 30, 2023		As at March 31, 2023	
	Number	%	Number	%
Equity shares				
TVS Mobility Private Limited	25,93,416	21.57%	25,93,416	21.57%
Mitsubishi Corporation, Japan	28,95,711	24.09%	28,95,711	24.09%
Rajam Mobility solution LLP	18,38,320	15.29%	18,38,320	15.29%
Kitara ASL, Mauritius	15,43,170	12.84%	15,43,170	12.84%
TVS Srichakra Limited	9,11,741	7.58%	9,11,741	7.58%

D. Information regarding issue of shares in the last 5 years

- (i) The Company has not issued any shares for which payment has been received by way of consideration other than cash.
(ii) The Company has not issued any bonus shares.
(iii) The Company has not undertaken any buy-back of shares.

E. Shareholding of promoter

As at Sep 30, 2023						
Promoter name	Class of Shares	At the end of the period		At the beginning of the year		% Change during the year
		Number	%	Number	%	
TVS Mobility Private Limited	Equity shares of INR 10 each fully paid up	25,93,416	21.57%	25,93,416	21.57%	0.00%
Rajam Mobility solution LLP		18,38,320	15.29%	18,38,320	15.29%	0.0%

As at March 31, 2023						
Promoter name	Class of Shares	At the end of the period		At the beginning of the year		% Change during the year
		Number	%	Number	%	
TVS Mobility Private Limited	Equity shares of INR 10 each fully paid up	25,93,416	21.57%	28,62,416	23.81%	-2.24%
Rajam Mobility solution LLP		18,38,320	15.29%			15.29%
Dinram Holdings Private Limited		-	-	18,13,320	15.08%	-15.08%

Note:

For TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED
N. V. S. Pavan Kumar
Company Secretary

TVS Automobile Solutions Private Limited

Notes to standalone financial statements for the period ended September 30, 2023 (Unaudited provisional financial statements)

(All amounts are in crores of Indian Rupees, unless otherwise stated)


i) Pursuant to a scheme of amalgamation and arrangement approved by the National Company Law Tribunal, Chennai bench, on December 6, 2021 and effective February 4, 2022 ("TVS Sons Scheme"), certain business and activities in relation to sales and distribution of vehicles, equipment and automotive components and parts, along with certain strategic investments, including investment in the Company ("Demerged Undertaking"), were transferred to TVS Mobility Private Limited. Accordingly, giving effect to the TVS Sons Scheme, 2,862,416 Equity Shares held by T. V. Sundram Iyengar & Sons Private Limited were transferred to TVS Mobility on February 4, 2022.

ii) Promoter means promoter as defined in section 2(69) of the Companies Act, 2013.

iii) Percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

	As at Sept 30, 2023	As at March 31, 2023
15 Other equity		
Retained earnings	(196.70)	(194.27)
Securities premium	604.32	604.32
Employee share-option plan reserve	8.32	8.32
Other comprehensive income (OCI)	(0.87)	(0.87)
	<u>415.07</u>	<u>417.50</u>
(i) Retained earnings		
Retained earnings represent accumulated losses incurred by the Company till date, less dividends or other distributions paid to shareholders.		
(ii) Securities premium		
Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.		
(iii) Employee share-option plan reserve		
The Company has established equity-settled share-based payment plan for certain employees of the Company. Refer note 38 for further details on the plan.		
(iv) Disaggregation of changes in item of OCI		
(A) Remeasurement of defined benefit plans		
Remeasurements of defined benefit plans comprises actuarial gains and losses and return on plan assets (excluding interest income).		
Opening balance	(0.87)	0.11
Remeasurement gain / (loss) of defined benefit plans	-	(0.98)
Closing balance	<u>(0.87)</u>	<u>(0.87)</u>
16 Borrowings		
Current borrowings		
Current maturities of long term borrowings	0.17	1.13
Working capital demand loans from banks (secured)	20.84	6.91
	<u>21.01</u>	<u>8.04</u>

For TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED


 Company Secretary

TVS Automobile Solutions Private Limited

Notes to standalone financial statements for the period ended September 30, 2023 (Unaudited provisional financial statements)

(All amounts are in crores of Indian Rupees, unless otherwise stated)

	As at Sept 30, 2023	As at March 31, 2023
17 Other non-current financial liabilities		
Unearned financial guarantee income	0.19	0.19
Derivative liability	-	4.30
	0.19	4.49
Trade payables		
-Total outstanding dues of creditors other than micro enterprises and small enterprises	12.82	22.75
	12.82	22.75
18 Other current financial liabilities		
Deposits received	0.56	0.56
Unearned guarantee commission income	1.60	1.60
Payable to related parties	-	5.00
	2.16	7.16
19 Short term provisions		
Provision for employee benefits		
Compensated absences	1.50	1.44
	1.50	1.44
20 Other current liabilities		
Statutory dues payable	0.04	1.85
Advance from customers	1.16	1.91
Employee related payables	2.86	2.49
Other dues to related parties	1.27	
Accrual expenses & others	34.32	0.22
	39.65	6.47

For TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED

N. V. S. Pavan Kumar

Company Secretary

	As at Sept 30, 2023	Year ended March 31, 2023
21 Revenue from operations		
Sale of products	76.18	116.63
Sale of services	-	-
Other operating revenue (refer note (i) below)	0.03	0.34
	76.21	116.97
Timing of revenue recognition		
Goods and services transferred at a point in time	76.21	116.97
Services transferred over a period of time	-	-
Contract assets and liabilities		
Advance from customers	1.16	1.91
(i) Break-up of other operating revenue		
Scrap sales	0.03	0.34
Other	-	-
	0.03	0.34
22 Other income		
Dividend income	1.12	8.51
Gain on fair valuation of investments at FVTPL (net) (refer note below)	-	0.85
Foreign exchange gain (net)	0.14	1.20
Liabilities / provision no longer required written back*	4.30	3.66
Interest income	4.59	8.02
Rental Income	1.58	5.22
Commission income		1.78
Other non-operating income	0.45	4.18
	12.18	33.42
Note:		
Liabilities / provision no longer required written back pertains to derivative liability which is no longer required which pertains to TopseI call option which has been exercised		
23 Purchases of stock-in-trade		
Purchase of traded goods - automobile spares and consumables	72.27	98.78
	72.27	98.78

For TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED

N.V.S. Pavan Kumar
Company Secretary

	As at Sept 30, 2023	Year ended March 31, 2023
24 Changes in inventories of stock-in-trade		
Inventories at the end of the year		
Stock-in-trade - automobile spares and consumables	35.14	31.32
	35.14	31.32
Inventories at the beginning of the year		
Stock-in-trade - automobile spares and consumables	31.32	36.70
	31.32	36.70
Total changes in inventories	-3.82	5.38
25 Employee benefits expense		
Salaries and incentives	3.17	9.02
Contribution to provident and other funds	0.50	1.25
Gratuity expense (refer note 32)	0.35	0.02
Stock compensation expense	-	2.53
Staff welfare expenses	0.20	0.79
	4.22	13.61
26 Finance costs		
Tharuvai Ramasubramanian Srinivasan	0.05	7.36
Interest on cash credit	0.08	1.94
Interest on inter corporate deposit	-	-
Interest on lease liabilities (refer note 41)	0.67	1.62
Other borrowing costs	-	0.23
	0.80	11.15
27 Depreciation and amortisation expense		
Depreciation of property, plant & equipment (refer note 3)	0.62	1.41
Amortization of intangible assets (refer note 3)	0.04	0.14
Depreciation of right-of-use assets (refer note 41)	1.30	1.56
	1.96	3.11
28 Other expenses		
Advertising and sales promotion	1.78	0.61
Bank charges	0.57	1.17
Communication costs	0.39	0.74
Contract labour charges	0.08	0.16
Insurance expense	0.73	1.88
Legal and professional fees (refer note (a) below)	3.15	6.15
Power and fuel	0.21	0.47
Printing and stationery	0.08	0.27
Impairment of financial assets (allowance for bad and doubtful debts)	-	0.87
Impairment of investments	-	0.53
Rates and taxes	0.02	0.17
Rent	-	1.09
Repairs and maintenance	6.62	19.55
Travelling and conveyance	1.64	3.29
Inventory written off	-	1.03
Advances written off	-	1.32
Miscellaneous expenses	0.01	1.00
	15.28	40.30

For TVS AUTOMOBILE SOLUTIONS PRIVATE LIMITED

N.V.S. Pavan Kumar
Company Secretary

TASL Automobile Solutions Private Limited
 Standalone Balance Sheet as at September 30, 2023(Unaudited provisional financial statements)
 (All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Note	As at Sept 30, 2023	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment			
Capital work-in-progress			
Right-of-use assets			
Other intangible assets			
Financial assets			
Investments			
Loans			
Other financial assets			
Income tax assets (net)			
Other non-current assets			
Total non-current assets		-	-
Current assets			
Inventories			
Financial assets			
Trade receivables			
Cash and cash equivalents			
Other bank balances	1	1,00,000	1,00,000
Loans			
Other financial assets			
Other current assets			
Total current assets		1,00,000	1,00,000
Total assets		1,00,000	1,00,000
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2	1,00,000	1,00,000
Other equity			
Total equity		1,00,000	1,00,000
Non-current liabilities			
Financial liabilities			
Borrowings			
Lease liabilities			
Other financial liabilities			
Deferred tax liabilities (net)			
		-	-

For TASL Automobile Solutions Private Limited


 Director

TASL Automobile Solutions Private Limited
Standalone Balance Sheet as at September 30, 2023(Unaudited provisional financial statements)
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Note	As at Sept 30, 2023	As at March 31, 2023
Current liabilities			
Financial liabilities			
Borrowings			
Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises			
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises			
Lease liabilities			
Other financial liabilities			
Short term provisions			
Current tax liabilities (net)			
Other current liabilities			
Total current liabilities		-	-
Total equity and liabilities		1,00,000	1,00,000.00

Significant accounting policies

The accompanying notes form an integral part of the standalone financial statements.

for and on behalf of the Board of Directors
TASL Automobile Solutions Private Limited
(CIN: U45300TN2023PTC158537)

SRINIVASA
RAGHAVAN
GOPALAN

Digitally signed by SRINIVASA
RAGHAVAN
Date: 2024.02.26 13:12:50 +05'30'

G. Srinivasa Raghavan
Director
DIN: 06683396

THARUVAI
RAMASUBRAMANIAN
SRINIVASAN

Digitally signed by THARUVAI
RAMASUBRAMANIAN SRINIVASAN
Date: 2024.02.26 13:13:24 +05'30'

Tharuvai Ramasubramanian Srinivasan
Director
DIN:08004648

Place: Chennai
Date: February 26, 2024

For TASL Automobile Solutions Private Limited


Director

	As at Sept 30, 2023	As at March 31, 2023
1 Cash and cash equivalents		
Cash on hand	-	-
Balances with banks:		
- On current accounts- Axis Bank	1,00,000	1,00,000
	<u>1,00,000</u>	<u>1,00,000</u>
2 Share capital		
	As at Sept 30, 2023	As at March 31, 2023
Authorised		
1,00,000 Equity shares of Rs. 10/- each		
Issued, subscribed and paid-up (fully paid up)		
10,000 Equity shares of Rs. 10/- each	1,00,000	1,00,000
	<u>1,00,000.00</u>	<u>1,00,000.00</u>


For TASL Automobile Solutions Private Limited



Director

ki Mobility Solutions Private Limited
Standalone Balance Sheet as at Sept 30, 2023 (Unaudited provisional financial statements)
(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Note	As at September 30, 2023	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	20.49	23.65
Capital work-in-progress	3	8.10	4.57
Right-of-use assets		51.75	50.25
Goodwill	3	71.37	71.37
Other intangible assets	3	10.10	14.64
Intangible assets under development	3	4.14	3.63
Financial assets			
Investments	4	401.47	401.41
Loans	5	49.79	49.79
Other financial assets	11	5.75	5.75
Income tax assets (net)	6	5.48	4.63
Other non-current assets	7	2.17	2.46
Total non-current assets		630.61	632.15
Current assets			
Inventories	8	86.31	92.30
Financial assets			
Trade receivables	9	327.03	174.85
Cash and cash equivalents	10	11.17	66.13
Loans	5	103.18	97.94
Other financial assets	11	1.19	6.51
Other current assets	12	33.61	41.34
Total current assets		562.48	479.06
Total assets		1,193.09	1,111.22
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	1.03	1.03
Other equity	14	754.30	811.76
Total equity		755.33	812.79
Non-current liabilities			
Financial liabilities			
Borrowings	16	60.14	-
Lease liabilities		47.25	43.39
Deferred revenue	15	22.78	22.78
Other financial liabilities			
Long term provisions	19	5.08	3.93
		135.26	70.10

For ki Mobility Solutions Private Limited

 Company Secretary

ki Mobility Solutions Private Limited
Standalone Balance Sheet as at Sept 30, 2023 (Unaudited provisional financial statements)
(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Note	As at September 30, 2023	As at March 31, 2023
Current liabilities			
Financial liabilities			
Borrowings	16	88.40	65.43
Trade payables(Unsecured)			
(a) Total outstanding dues of micro enterprises and small enterprises		9.18	11.89
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	17	79.90	63.27
Lease liabilities		7.49	8.45
Other financial liabilities	18	1.72	1.71
Deferred revenue	15	44.70	44.70
Short term provisions	20	3.64	3.04
Other current liabilities	21	67.47	29.84
Total current liabilities		302.49	228.33
Total equity and liabilities		1,193.09	1,111.22

for and on behalf of the Board of Directors
ki Mobility Solutions Private Limited
(CIN: U52590TN2018PTC125028)

RAMACHANDHDigitally signed by
RAMACHANDH RAN DINESH
Date: 2024.03.21 14:05:14 +05'30'


R. Dinesh
Director
DIN: 00363300

VENKATESWARDigitally signed by
VENKATESWARAN
BALAKRISHNAN
Date: 2024.03.21
14:47:34 +05'30'

V. Balakrishnan
Chief Financial Officer and Company Secretary
Membership number: ACS 11763

SRINIVASADigitally signed by
SRINIVASA RAGHAVAN
GOPALAN
Date: 2024.03.21
14:46:45 +05'30'
RAGHAVAN
GOPALAN
G. Srinivasa Raghavan
Director
DIN: 06683396

Place: Chennai
Date: March 21, 2024

For ki Mobility Solutions Private Limited

Company Secretary

ki Mobility Solutions Private Limited
Standalone Statement of Profit and Loss for the period ended September 30, 2023 (Unaudited provisional financial statements)
(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Note	Year ended September 30, 2023	Year ended March 31, 2023
Income			
Revenue from operations	22	367.81	538.99
Other income	23	12.18	31.46
Total income		379.99	570.45
Expenses			
Purchases of stock-in-trade	24	272.31	442.06
Changes in inventories of stock-in-trade	25	10.34	(52.18)
Roadside assistance charges	26	17.92	29.87
Employee benefits expense	27	37.49	70.78
Finance costs	28	6.97	18.29
Depreciation and amortisation expense	29	14.20	24.39
Other expenses	30	78.22	201.37
Total expenses		437.45	734.58
Loss before tax		(57.46)	(164.13)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Loss for the year		(57.46)	(164.13)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plans		-	(0.91)
Income tax effect		-	-
Other comprehensive income (loss) for the year, net of tax		-	(0.91)
Total comprehensive income (loss) for the year		(57.46)	(165.04)

For and on behalf of the Board of Directors
ki Mobility Solutions Private Limited
(CIN: U52590TN2018PTC125028)

RAMACHANDHR
AN DINESH

R. Dinesh
Director
DIN: 00363300


VENKATESWAR
AN
BALAKRISHNAN

V. Balakrishnan
Chief Financial Officer and Company Secretary
Membership number: ACS 11763

SRINIVASA
RAGHAVAN
GOPALAN

G. Srinivasa Raghavan
Director
DIN: 06683396

Place: Chennai
Date: March 21, 2024

For ki Mobility Solutions Private Limited

Company Secretary

Ki Mobility Solutions Private Limited
Standalone Statement of Cash Flows for the period ended September 30, 2023 (Unaudited provisional financial statements)
(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Year ended September 30, 2023	Year ended March 31, 2023
Cash flows from operating activities		
Loss before tax	(57.46)	(164.13)
Adjustments for:		
Depreciation and amortisation expense	14.20	24.39
Stock compensation expenses	-	-
Profit on sale of assets	0.52	-
Provision for inventory	-	6.72
Impairment loss on financial assets (allowance for bad and doubtful debts)	-	14.37
Provision for balance with government authorities	-	-
Loss on fair valuation of financial liabilities measured at fair value	-	-
Inventory written off	-	2.60
Gain on closure of leases	(2.12)	0.19
Dividend income	-	-
Foreign exchange loss (Gain)	0.01	(1.04)
Interest income	(7.61)	(10.05)
Provision no longer required written back	-	-
Liabilities no longer required written back(other Income)	-	(1.18)
Finance costs	6.97	18.29
	(45.48)	(109.84)
Working capital adjustments:		
(Decrease) in inventory	5.99	(53.88)
(Increase) in trade receivables	(153.27)	(76.49)
(Increase) in Deferred Revenue	-	-
(Increase) in other financial assets	(27.34)	13.77
(Decrease) in other Current Assets	(7.73)	-
(Decrease) in other assets	7.71	(29.58)
(Decrease) Increase in trade payables	13.92	(28.98)
Increase in provisions	1.75	1.14
(Decrease) increase in other financial liabilities	0.01	(51.51)
Increase in other current liabilities	36.66	27.05
Cash flow (used in) from operating activities	(167.78)	(308.32)
Income tax paid (net of refunds)	(0.85)	(1.09)
Net cash flow (used in) from operating activities (A)	(168.63)	(309.41)
Cash flows from investing activities		
Payments for property, plant and equipment including capital work-in-progress	4.47	(15.40)
Payments for intangible assets including intangible assets under development	0.51	(1.58)
Proceeds from sale of property, plant and equipment	0.06	-
Investments in subsidiaries	(0.06)	(59.97)
Loans given to related parties	16.62	(119.80)
Loans repaid by subsidiary and associate companies	-	25.17
Payment of consideration towards slump sale	-	(80.10)
Interest received	1.35	3.79
Dividend received	-	-
Net cash flow used in investing activities (B)	22.95	(247.89)

For ki Mobility Solutions Private Limited

V. Anj. S. S.

Company Secretary

Ki Mobility Solutions Private Limited
Standalone Statement of Cash Flows for the period ended September 30, 2023 (Unaudited provisional financial statements)
(All amounts are in crores of Indian Rupees, unless otherwise stated)

Particulars	Year ended September 30, 2023	Year ended March 31, 2023
Cash flows from financing activities		
Proceeds from issue of equity share capital	-	0.51
Proceeds from issue of compulsorily convertible preference shares	0.13	690.74
Share issue expense paid	-	(12.56)
Financial guarantee provided by Holding Company	-	-
Interest paid- Finance Cost	-	(10.99)
Payment of principal portion of lease liabilities	4.73	(8.02)
Working capital demand loans from banks(Secured)	2.73	(3.91)
Proceeds from borrowings	83.11	215.70
Repayment of borrowings	-	(252.79)
Proceeds from Inter corporate deposit	-	22.00
Payment from Inter corporate deposit	-	(22.00)
Transaction cost paid on borrowings	-	-
Net cash flow from financing activities (C)	90.70	618.68
Net (decrease) increase in cash and cash equivalents (A+B+C)	(54.96)	61.38
Cash and cash equivalents at the beginning of the year	66.13	4.77
Cash and cash equivalents at the end of the year	11.17	66.13
Components of cash and cash equivalents		
Balances with banks:		
- On current accounts	10.13	15.04
- Deposits with original maturity of less than three months	0.50	50.62
Cash on hand	0.54	0.47
Total	11.17	66.13

Significant accounting policies

The accompanying notes form an integral part of the standalone financial statements.

For and on behalf of the Board of Directors
ki Mobility Solutions Private Limited
(CIN: U52590TN2018PTC125028)

RAMACHANDHRAN
DINESH

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RAMACHANDHRAN DINESH
Date: 2024.03.21 15:10:07 +05'30'

R. Dinesh
Director
DIN: 00363300

VENKATESWARA
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BALAKRISHNAN
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Date: 2024.03.21
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V. Balakrishnan
Chief Financial Officer and Company Secretary
Membership number: ACS 11763

SRINIVASA
RAGHAVAN
GOPALAN
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SRINIVASA
RAGHAVAN
GOPALAN
Date: 2024.03.21
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G. Srinivasa Raghavan
Director
DIN: 06683396

Place: Chennai
Date: March 21, 2024

For ki Mobility Solutions Private Limited


Company Secretary

ki Mobility Solutions Private Limited
Standalone Statement of changes in equity for the period ended Sept 30, 2023 (Unaudited provisional financial statements)
(All amounts are in crores of Indian Rupees, unless otherwise stated)

(A) Equity share capital

Particulars	Total
Balance as at April 1, 2021	1.00
Changes in equity share capital	0.03
Balance as at March 31, 2022	1.03
Changes in equity share capital	0.00
Balance as at March 31, 2023	1.03
Changes in equity share capital	0.00
Balance as at September 30, 2023	1.03

(B) Other Equity

Particulars	Common control transaction deficit account	Retained earnings	Other comprehensive income	Other equity	Securities premium	Compulsorily convertible preference shares (CCPS)	Total
Balance as at April 1, 2022	(59.60)	(119.14)	(0.46)	2.25	473.58	0.11	296.74
Loss for the year	-	(164.13)	-	-	-	-	(164.13)
Other comprehensive income	-	-	(0.91)	-	-	-	(0.91)
Total comprehensive income	-	(164.13)	(0.91)	-	-	-	(165.04)
Transactions with owners, recorded directly in equity							
Issue of equity shares	-	-	-	-	0.51	-	0.51
Issue of compulsorily convertible preference shares (Series C) ("CCPS")	-	-	-	-	690.60	0.13	690.74
Adjustment of share issue expense against securities premium	-	-	-	-	(12.56)	-	(12.56)
Financial guarantee provided by Holding Company	-	-	-	1.37	-	-	1.37
Balance as at March 31, 2023	(59.60)	(283.27)	(1.37)	3.62	1,152.13	0.25	811.76
Loss for the year	-	(57.46)	-	-	-	-	(57.46)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	(57.46)	-	-	-	-	(57.46)
Transactions with owners, recorded directly in equity							
Issue of equity shares	-	-	-	-	-	-	-
Issue of compulsorily convertible preference shares (Series C) ("CCPS")	-	-	-	-	-	-	-
Adjustment of share issue expense against securities premium	-	-	-	-	-	-	-
Financial guarantee provided by Holding Company	-	-	-	-	-	-	-
Balance as at Sept 30, 2023	(59.60)	(340.73)	(1.37)	3.62	1,152.13	0.25	754.30
Loss for the year	-	(57.46)	-	-	-	-	(57.46)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	(57.46)	-	-	-	-	(57.46)

Significant accounting policies

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors
ki Mobility Solutions Private Limited
(CIN: U52590TN2018PTC125028)

RAMACHANDHRAN
DINESH

R. Dinesh

Director

DIN: 00363300

VENKATESWA
RAN
BALAKRISHNA
N

V. Balakrishnan

Chief Financial Officer and Company Secretary

Membership number: ACS 11763

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RAMACHANDHRAN DINESH
Date: 2024.03.21 15:10:23 +05'30'

SRINIVASA
RAGHAVAN
GOPALAN


G. Srinivasa Raghavan

Director

DIN: 06683396

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GOPALAN
Date: 2024.03.21
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Place: Chennai
Date: March 21, 2024

For ki Mobility Solutions Private Limited

Company Secretary

ki Mobility Solutions Private Limited
Notes to standalone financial statements for the period ended September 30, 2023 (Unaudited provisional financial statements)
(All amounts are in crores of Indian Rupees, unless otherwise stated)

3 (A) Property, plant and equipment, goodwill and other intangible assets

	Property, plant and equipment						Other intangible assets	
	Plant and equipment	Computers	Furniture and fixture	Office equipment	Vehicles	Leasehold improvements	Goodwill	Total
Gross carrying amount								
As at March 31, 2022	11.66	1.86	1.20	0.59	9.16	4.80	71.37	34.09
Additions	3.93	0.57	0.75	0.07	0.61	4.98	-	5.29
Disposals	(0.01)	-	-	-	-	-	(0.01)	-
As at March 31, 2023	15.58	2.43	1.95	0.66	9.77	9.80	71.37	39.38
Additions	0.45	0.11	0.24	0.03	-	0.41	1.25	-
Disposals	(1.37)	-	(0.01)	-	-	-	(1.38)	-
As at September 30, 2023	14.65	2.55	2.18	0.69	9.77	10.20	71.37	39.38
Accumulated depreciation / amortisation								
As at March 31, 2022	2.83	1.59	0.36	0.38	3.17	4.02	-	15.22
Charge for the year	1.12	0.24	0.16	0.12	1.17	1.36	4.17	9.52
Disposals	(0.00)	-	-	-	-	-	(0.00)	-
As at March 31, 2023	3.95	1.83	0.52	0.50	4.34	5.38	-	24.74
Charge for the year	0.52	0.11	0.09	0.03	0.12	0.56	1.43	4.51
Disposals/Write Off	(0.10)	-	-	-	-	-	(0.10)	-
As at September 30, 2023	4.37	1.94	0.62	0.53	4.45	5.94	-	29.26
Carrying amounts (net)								
As at March 31, 2022	8.83	0.27	0.84	0.21	5.99	0.78	71.37	18.87
As at March 31, 2023	11.63	0.60	1.43	0.16	5.43	4.40	71.37	14.64
As at September 30, 2023	10.29	0.62	1.57	0.17	5.33	4.27	71.37	10.10

(B) Capital work-in-progress and intangible assets under development

	Capital work-in-progress	Intangible assets under development
Carrying amounts		
As at March 31, 2022	0.15	7.34
Additions	15.45	3.10
Disposals / transfers	(11.03)	(6.81)
As at March 31, 2023	4.57	3.63
Additions	4.76	0.51
Disposals / transfers	(1.25)	-
As at September 30, 2023	8.10	4.14
Working capital demand loans from banks(Unsecured)	41.07	

For ki Mobility Solutions Private Limited


Company Secretary

3 (C) Ageing schedule for capital work-in-progress

As at Sept 30, 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress			8.10	-	8.10
Projects temporarily suspended		-	-	-	-
As at March 31, 2023					
Projects in progress	4.20	0.36	-	-	4.56
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2022					
Projects in progress	0.11	0.04	-	-	0.15
Projects temporarily suspended	-	-	-	-	-

(D) Ageing schedule for Intangible assets under development

As at Sept 30, 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					(13.82)
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2023					
Projects in progress	0.98	2.65	-	-	3.63
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2022					
Projects in progress	7.34	-	-	-	7.34
Projects temporarily suspended	-	-	-	-	-

Note:

- (i) The Company does not have any capital-work-in progress and intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.
(ii) Also, refer note 16, for details of fixed assets secured against borrowings.
(iii) The Company does not have any immovable property (other than immovable properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee).

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For ki Mobility Solutions Private Limited


Company Secretary

	As at Sept 30, 2023	As at Mar 31, 2023
4 Investments		
Investments in subsidiaries		
<i>Unquoted equity instruments (fully paid)</i>		
a) myTVS Parts Mart Private Limited (formerly known as Focuz Parts Mart Private Limited up-to March 28, 2023) 49,95,000 (March 31, 2023: 49,95,000) equity shares of INR 10 each fully paid-up	32.08	32.08
b) Focuz Automobile Services Private Limited 1,05,200 (March 31, 2023: 1,05,200) equity shares of INR 10 each fully paid-up	13.17	13.17
c) Carcrew Technology Private Limited 14,724 (March 31, 2023: 14,724) equity shares of INR 10 each fully paid-up	7.18	7.18
d) Northerly Automotive Solutions Private Limited 27,174 (March 31, 2023: 27,174) equity shares of INR 10 each fully paid-up	36.21	36.21
e) Scuderia Car Parts Limited 100 (March 31, 2023: 100) Class A ordinary shares of GBP 1.00 each fully paid-up	122.32	122.32
f) Hindustan Bike Rescue Private Limited 50,000 (March 31, 2023: 50,000) equity shares of INR 10 each fully paid-up	0.05	0.05
g) MFC Auto Parts Limited (formerly known as Mahindra First Choice Services Limited) 33,00,00,000 (March 31, 2023: 33,00,00,000) equity shares of INR 10 each fully paid-up	21.50	21.50
h) TVS Europe Distribution Limited 17,73,448 (March 31, 2023: 17,73,448) equity shares of GBP 2.09 each fully paid-up	37.16	37.16
i) Auto Digitech Private Limited 10,000 (March 31, 2023: 10,000) equity shares of INR 10 each fully paid	0.01	0.01
j) Nesh Technologies Private Limited 4,60,230 (March 31, 2023: 4,60,230 equity shares of INR 10 each fully paid	51.19	51.19
<i>Unquoted equity instruments (partly-paid)</i>		
Storeji Private Limited 20,00,000 (March 31, 2023: 20,00,000) equity shares of INR 1 each [10,80,000 shares of INR 1 fully paid-up; 9,20,000 shares of INR 0.50 paise partly paid-up]	48.98	48.98
k) Market parts india Private limited(50000 shares of 10 each)	0.05	-
	369.90	369.85
<i>Unquoted preference shares</i>		
a) Carcrew Technology Private Limited 3,616 (March 31, 2023: 3,616) compulsorily convertible preference shares of INR 100 each fully paid-up	9.06	9.06
b) Northerly Automotive Solutions Private Limited 77,00,000 (March 31, 2023: 77,00,000) compulsorily convertible preference shares of INR 10 each fully paid-up	9.01	9.01
c) Auto Digitech Private limited 8,485 (March 31, 2023: 8,485) optionally convertible redeemable preference shares of INR 10 each fully paid-up	13.50	13.50
	31.57	31.57
Total investments	401.47	401.41
Aggregate value of unquoted investments	401.47	401.41
Aggregate amount of impairment in value of investments	-	-

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For ki Mobility Solutions Private Limited

V. 
 Company Secretary

ki Mobility Solutions Private Limited

Notes to standalone financial statements for the period ended September 30, 2023 (Unaudited provisional financial statements)

(All amounts are in crores of Indian Rupees, unless otherwise stated)

	As at Sept 30, 2023	As at Mar 31, 2023
5 Loans (at amortised cost)		
Unsecured, considered good		
Loan to related party*	152.97	147.73
	152.97	147.73
Non-current	49.79	49.79
Current	103.18	97.94
*Included in loans to related parties are certain inter-corporate loans the particulars of which are disclosed below as required by Sec 186(4) of the Companies Act 2013.		
6 Income tax assets		
Advance income tax	5.48	4.63
	5.48	4.63
7 Other non-current assets		
Capital advances	0.99	1.29
Prepaid expenses	1.18	1.18
	2.17	2.47
8 Inventories		
Stock-in-trade	94.20	101.94
Provision for Obsolete Stock	(10.37)	(10.37)
Stock-in-trade (net of provision)	83.83	91.57
Goods in transit	2.48	0.73
	86.31	92.30

For ki Mobility Solutions Private Limited


Company Secretary

ki Mobility Solutions Private Limited

Notes to standalone financial statements for the period ended September 30, 2023 (Unaudited provisional financial statements)

(All amounts are in crores of Indian Rupees, unless otherwise stated)

	As at Sept 30, 2023	As at Mar 31, 2023
9 Trade receivables		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	350.25	183.96
Trade receivables which have significant increase in credit risk		8.75
Trade receivables credit impaired		5.37
	350.25	198.07
Less: Loss allowance on trade receivables	(23.22)	(23.22)
Net trade receivables	327.03	174.85
10 Cash and cash equivalents		
Cash on hand	0.54	0.47
Balances with banks:		
- On current accounts	10.13	15.04
- On Deposit Accounts with original maturity less than 3 months	0.50	50.62
	11.17	66.13
11 Other financial assets		
<i>(at amortised cost) (Unsecured, considered good)</i>		
Advance to employees	0.40	0.99
Dues from related parties	-	4.97
Security deposits	6.20	5.96
Others	0.34	0.34
	6.94	12.26
Non-current	5.75	5.75
Current	1.19	6.51
12 Other current assets		
<i>(Unsecured, considered good)</i>		
Trade advance to related parties	-	5.18
Advance to vendors other than related parties	-	5.77
Balances with government authorities (net of provision)	27.84	26.71
Prepaid expenses	5.83	3.68
	33.61	41.34

For ki Mobility Solutions Private Limited



Company Secretary


13 Share capital	As at		As at	
	Sept 30, 2023	March 31, 2023	Sept 30, 2023	March 31, 2023
Authorised				
20,00,000 (March 31, 2023: 20,00,000) equity shares of INR 10 each			2.00	2.00
8,95,65,450 (March 31, 2023 : 8,95,65,450) 0.001% compulsorily convertible preference shares("CCPS") of INR 10 each			89.57	89.57
			91.57	91.57
Issued, subscribed and fully paid-up				
Equity shares				
10,33,115 (March 31, 2023: 10,33,115) equity shares of INR 10 each			1.03	1.03
Preference shares				
1,14,668 (March 31, 2023: 1,14,668) Series B of INR 10 each			0.11	0.11
1,34,864 (March 31, 2023:1,34,864) Series C of INR 10 each			0.13	0.13
			1.27	1.27

(A) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
Particulars	As at Sept 30, 2023		As at March 31, 2023	
	Number	Amount	Number	Amount
Equity shares				
At the commencement of the year	10,33,115	1.03	10,33,015	1.03
Issued during the year			100	0.00
Conversion of CCPS Series A into equity shares of INR 10 each			-	-
Outstanding at the end of the year	10,33,115	1.03	10,33,115	1.03
* Amount less than INR crore.				
0.001% Series B CCPS				
At the commencement of the year	1,14,668	0.11	1,14,668	0.11
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,14,668	0.11	1,14,668	0.11
0.001% Series C CCPS				
At the commencement of the year	-	-	-	-
Issued during the year	1,34,864	0.13	1,34,864	0.13
Outstanding at the end of the year	1,34,864	0.13	1,34,864	0.13

(B) Rights, preferences and restrictions attached to equity shares
The Company has single class of equity shares having a par value of INR 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared from time to time, subject to the preferential right of the preference shareholders to payment of dividend. Each shareholder is eligible for one vote per share held by them.
On winding up of the Company, the holders of the equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the

(C) Rights, preferences and restrictions attached to preference shares
Series B CCPS
The Company had issued Series B compulsorily convertible preference shares on August 12, 2021. Each Series B CCPS shall be entitled to same voting rights as applicable to such number of Equity Shares into which such Series B CCPS could then be converted. The holder of each Series B CCPS shall be entitled to higher of the following: (i) non-preferential non-cumulative dividend at the rate of 0.001% (one thousandths per cent.) per annum on the amount paid towards subscription to each Series B CCPS till such time that the Series B CCPS are outstanding; or (ii) dividend declared and paid per equity share to equity shareholders of the Company in proportion to such number of equity shares into which such Series B CCPS could then be converted, where such dividend shall be declared and paid simultaneously to Series B CCPS holder(s) and the equity shareholders of the Company. The conversion ratio of each Series B CCPS shall be 1 (one) equity share of the Company for each Series B CCPS.
Series C CCPS
The Company had issued Series C compulsorily convertible preference shares on Decemeber 08, 2022 and January 10, 2023. Each Series C CCPS shall be entitled to same voting rights as applicable to such number of Equity Shares into which such Series C CCPS could then be converted. The holder of each Series C CCPS shall be entitled to higher of the following: (i) non-preferential non-cumulative dividend at the rate of 0.001% (one thousandths per cent.) per annum on the amount paid towards subscription to each Series C CCPS till such time that the Series C CCPS are outstanding; or (ii) dividend declared and paid per equity share to equity shareholders of the Company in proportion to such number of equity shares into which such Series C CCPS could then be converted, where such dividend shall be declared and paid simultaneously to Series C CCPS holder(s) and the equity shareholders of the Company. The conversion ratio of each Series C CCPS shall be 1 (one) equity share of the Company for each Series C CCPS.

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For ki Mobility Solutions Private Limited

Company Secretary

13 Share capital (continued)

(D) Shares held by holding/ultimate holding company (i.e., parent of the Group) and/or their subsidiaries/associates

	As at Sept 30, 2023		As at March 31, 2023	
	Number	%	Number	%
Equity shares				
TVS Automobile Solutions Private Limited	9,00,000	87.12%	9,00,000	87.12%
	9,00,000	87.12%	9,00,000	87.12%

(E) Shareholders holding more than 5 percent equity shares in the Company

	As at Sept 30, 2023		As at March 31, 2023	
	Number	%	Number	%
Equity shares				
TVS Automobile Solutions Private Limited	9,00,000	87.12%	9,00,000	87.12%
Preference shares - Series B CCPS				
Exor Co-Invest Fund I ILP	1,14,668	100.00%	1,14,668	100.00%
Preference shares - Series C CCPS				
Castrol India Ltd	95,083	70.50%	95,083	70.50%
Exor Co-Invest Fund I ILP	39,781	29.50%	39,781	29.50%

(F) Information regarding issue of shares in the last 5 years

- i) The Company has not issued any shares for which payment has been received by way of consideration other than cash.
- ii) The Company has not issued any bonus shares.
- iii) The Company has not undertaken any buy-back of shares.

(G) Shareholding of promoter

As at Sept 30, 2023						
Promoter name	Class of Shares	At the end of the period		At the beginning of the year		%ge Change during the year
		Number	%	Number	%	
TVS Automobile Solutions Private Limited	Equity shares	9,00,000	87.12%	9,00,000	87.12%	0.00%
	of INR 10 each					
	fully paid up					
As at Mar 31, 2023						
Promoter name	Class of Shares	At the end of the period		At the beginning of the year		%ge Change during the year
		Number	%	Number	%	
TVS Automobile Solutions Private Limited	Equity shares	9,00,000	87.12%	9,00,000	87.12%	0.00%
	of INR 10 each					
	fully paid up					

Note

- i) Promoter means promoter as defined in section 2(69) of the Companies Act, 2013.
- ii) Percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

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For ki Mobility Solutions Private Limited


Company Secretary

ki Mobility Solutions Private Limited
Notes to standalone financial statements for the period ended September 30, 2023 (Unaudited provisional financial statements)
(All amounts are in crores of Indian Rupees, unless otherwise stated)

	As at Sept 30, 2023	As at March 31, 2023
14 Other equity		
Retained earnings	(340.73)	(283.27)
Securities premium	1,152.13	1,152.13
Other comprehensive income (OCI)	(1.37)	(1.37)
Common control transaction deficit account	(59.60)	(59.60)
Other equity	3.62	3.62
Compulsorily convertible preference shares	0.25	0.25
	754.30	811.76
15 Deferred revenue		
Deferred revenue	67.48	67.48
Total	67.48	67.48
Current	44.70	44.70
Non-current	22.78	22.78
15 Non-current borrowings		
Secured		
Term loans from banks and financial institutions	10.14	-
Term loans from Aditya Birla Finance Limited (ABFL)	50.00	-
Total non-current borrowings	60.14	-
16 Borrowings		
Secured/Unsecured		
Working capital demand loans from Banks(Secured)	47.33	12.65
Working capital demand loans from Banks(Unsecured)	23.08	-
Term loan from banks(unsecured)	18.00	52.78
	88.40	65.43
17 Trade payables(Unsecured)		
-Total outstanding dues of micro enterprises and small enterprises	9.18	11.89
-Total outstanding dues of creditors other than micro enterprises and small enterprises	79.90	63.27
	89.08	75.16
18 Other financial liabilities		
Deposits received	1.72	1.71
	1.72	1.71
19 Long term provisions		
Provision for employee benefits		
Gratuity	5.08	3.93
	5.08	3.93
20 Short term provisions		
Provision for employee benefits		
Gratuity	-	0.27
Compensated absences	3.64	2.77
	3.64	3.04
21 Other current liabilities		
Statutory dues payable	2.09	3.27
Payable towards purchase of property, plant and equipment	-	0.21
Employee related payables	1.43	1.61
Advance received	20.40	-
Accrual for expenses & others	43.55	12.86
	67.47	29.84

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For ki Mobility Solutions Private Limited

Company Secretary

ki Mobility Solutions Private Limited

Notes to standalone financial statements for the period ended September 30, 2023 (Unaudited provisional financial statements)

(All amounts are in crores of Indian Rupees, unless otherwise stated)

	Year ended September 30, 2023	Year ended March 31, 2023
22 Revenue from operations		
Sale of products	295.83	410.28
Sale of services	67.83	113.63
Other operating revenue	4.15	15.08
	367.81	538.99
Timing of revenue recognition		
Goods and services transferred at a point in time	321.50	462.07
Services transferred over a period of time	46.31	76.92
Contract assets and liabilities		
Trade receivables (refer note 9)	327.03	174.85
Deferred revenue (refer note 15)	67.48	67.48
Advance from customers (refer note 21)	-	11.89
Breakup of other operating revenue		
Income from Franchisee Business	3.69	7.39
Commission income	-	7.14
Scrap sales	0.46	0.55
Total	4.15	15.08
Description of performance obligations		
Sale of products/ services primarily comprise of:		
Supply of spare parts and consumables		
The performance obligation includes supply of automobile spare parts and consumables. The performance obligation is satisfied at a point in time.		
All car service		
The performance obligation includes supply of spare parts and consumables and providing of service for automobiles. The performance obligation is satisfied at a point in time.		
Roadside assistance services		
The performance obligation is to allow the customer to use the entity's service of towing the car to the nearest garage or providing repair services during the roadside assistance cover period. The customer is required to pay the entity a fixed agreed fee for this roadside assistance in respect of which the revenue is recorded over the period of the contract. The performance obligation is satisfied over a period of time.		
Reconciliation of revenue from sale of products/services with the contracted price:		
Revenue as per contracted price	378.84	556.92
Less: Trade discount, volume rebates	(11.03)	(17.93)
Revenue as per statement of profit and loss	367.81	538.99
23 Other income		
Provision no longer required written back	-	6.52
Foreign exchange gain (net)	(0.01)	1.04
Interest income	7.61	10.05
Commission income	-	9.36
Liabilities no longer required written back	-	1.18
Other non-operating income	4.02	3.31
	11.62	31.46
24 Purchases of stock-in-trade		
Purchase of stock-in-trade (automobile spares and consumables)	272.31	442.06
	272.31	442.06
25 Changes in inventories of stock-in-trade		
Inventories at the end of the year	91.60	101.94
Inventories at the beginning of the year	101.94	49.76
	10.34	(52.18)
26 Roadside assistance charges		
Roadside assistance charges	17.92	29.87
	17.92	29.87
27 Employee benefits expense		
Salaries and wages	32.32	62.78
Contribution to provident and other funds	1.90	3.16
Gratuity	1.28	0.77
Staff welfare expenses	1.99	4.07
	37.49	70.78

For ki Mobility Solutions Private Limited


Company Secretary

ki Mobility Solutions Private Limited

Notes to standalone financial statements for the period ended September 30, 2023 (Unaudited provisional financial statements)

(All amounts are in crores of Indian Rupees, unless otherwise stated)

	Year ended September 30, 2023	Year ended March 31, 2023
28 Finance costs		
Interest on term loans	3.25	7.69
Interest on cash credit	0.75	4.42
Interest on inter-corporate deposit	-	0.75
Interest on lease liabilities	2.86	3.91
Interest on delayed payment to MSME vendors		1.10
Other borrowing costs	0.11	0.42
	6.97	18.29
29 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 3)	3.17	4.17
Amortisation of intangible assets (refer note 3)	4.51	9.52
Depreciation of right-of-use assets	6.52	10.70
	14.20	24.39
30 Other expenses		
Advertising and sales promotion	8.36	17.22
Bank charges	0.90	2.48
Call center charges	4.26	8.37
Communication costs	0.89	2.52
Contract labour charges	24.34	50.00
Insurance expense	1.63	2.51
Legal and professional fees	4.53	17.72
Loss on sale of property, plant and equipment	0.82	-
Power and fuel	1.40	1.92
Printing and stationery	0.30	0.64
Impairment loss on financial assets (allowance for bad and doubtful debts)	-	14.37
Rates and taxes	0.13	0.34
Rent	(0.04)	1.13
Repairs and maintenance	24.21	39.93
Sales commission	-	20.22
Travelling and conveyance	6.33	10.88
Provision for inventory	-	6.72
Assets written off	-	1.31
Inventory written off	-	2.60
Miscellaneous expenses	0.11	0.49
	78.17	201.37

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For ki Mobility Solutions Private Limited


Company Secretary



ki Mobility Solutions Private Limited

CIN: U52590TN2018PTC125028

Registered Office: 10, Jawahar Road, Chokkikulam, Madurai - 625002

Corporate Office: "Kochar Bliss", 8th Floor, Plot No. Super A 8 & 9,

Thiru.Vi.Ka Industrial Estate, Guindy, Chennai – 600032

Report adopted by the Board of Directors of Ki Mobility Solutions Private Limited viz. the Transferor Company pursuant to section 232 (2) (c) of The Companies Act, 2013 explaining the effect of the Composite Scheme of Arrangement (Demerger) and Amalgamation between TVS Automobile Solutions Private Limited ("Demerged/Transferee Company"), TASL Automobile Solutions Private Limited ("Resulting Company") and Ki Mobility Solutions Private Limited ("Transferee Company") and their respective Shareholders on Shareholders, Key Managerial personnel, promoters and non-promoter shareholders.

The Board of Directors vide resolution dated, 02nd day of September 2023 approved the Composite Scheme of Arrangement (Demerger) and Amalgamation ('Scheme' or 'the Scheme') between TVS Automobile Solutions Private Limited ("TVS ASL" or "Demerged/Transferee Company"), TASL Automobile Solutions Private Limited ("TASL" or "Resulting Company") and Ki Mobility Solutions Private Limited ("KMS" or "Transferee Company") and their respective Shareholders.

As per Section 232(2)(c) of the Companies Act, 2013, a Report adopted by the Directors explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters shareholders, is required to be circulated to the Shareholders and Unsecured Trade Creditors along with the notice convening the meeting.

The following is the Report taking into consideration the aforesaid provisions:

1. Share Exchange Ratio

Mr Subodh Kumar, an independent Registered Valuer based on their Valuation Report recommended to the Board of Directors of the TVS Automobile Solutions Private Limited, TASL Solutions Private Limited and Ki Mobility Solutions Private Limited the share exchange ratio in which equity shares of the Resulting Company should be issued and allotted to the shareholders of the Demerged Company; and the share exchange ratio in which equity shares of the Transferee Company should be issued and allotted to the shareholders of the Transferor Company.

The Board of Directors of TVS Automobile Solutions Private Limited, TASL Solutions Private Limited and Ki Mobility Solutions Private Limited at their meeting held on 02.09.2023 had unanimously approved the Scheme based on the recommendations in the Valuation Report recommending the Share Exchange Ratio, and based on other considerations and such other considerations.

The consideration upon the Scheme becoming effective is as follows:

(A) Upon Demerger:

"For every 1 fully paid-up Equity share of Rs.10/- held in Demerged Company, 1 Equity Share of Rs. 10/- shall be allotted in the Resulting Company"

(B) Upon Amalgamation:

"1336 fully paid-up equity shares of Rs. 10 each of Transferee Company shall be issued and allotted for every 100 Equity Shares of Rs.10/- each held by the shareholders of Transferor Company"

"1336 fully paid-up (0.001% Series CCPS B and Series CCPS C) Compulsorily Convertible Preference Shares of Rs. 10/- each of Transferee Company shall be issued and allotted for every 100 Compulsorily Convertible Preference Shares of Rs 10/- each held by the shareholders of Transferor Company"



ki Mobility Solutions Private Limited

CIN: U52590TN2018PTC125028

Registered Office: 10, Jawahar Road, Chokkikulam, Madurai - 625002

Corporate Office: "Kochar Bliss", 8th Floor, Plot No. Super A 8 & 9,
Thiru.Vi.Ka Industrial Estate, Guindy, Chennai – 600032

2. Effect of the Scheme on the Promoters/ Non-Promoter shareholders of the Transferor Company

- There are following classes of shareholders in the Transferor Company:
 - (A) Equity shareholders
 - (B) Compulsory Convertible Preference Shareholders (series B)
 - (C) Compulsory Convertible Preference Shareholders (series C)
- Upon the Scheme becoming effective from the appointed date, Ki Mobility Solutions Private Limited/Transferor Company (which expression includes the assets, liabilities and the entire business undertakings of the Transferor Company) shall stand amalgamated with and be vested in TVS ASL/ Transferee Company as a going concern, as per the terms of the Scheme.
- There is no likelihood that the interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the Scheme. The Amalgamation will not impose any additional burden on the members of Transferor Company or the Transferee Company.
- On the subject Amalgamation, the shareholders of the Transferor Company would receive shares in the Transferee Company as per the share exchange ratio detailed in Para 1 above.
- The Scheme shall not affect the material interests of any of the Key managerial personnel of the Transferor Company in any manner.

Adopted at the meeting of the Board of Directors of the Company held at Chennai on 2nd September 2023

**On behalf of the Board
Ki Mobility Solutions Private Limited**

**Sd / -
G Srinivasa Raghavan
Director
DIN:06683396**

Subodh Kumar

Registered Valuer (Securities or Financial assets)

Reg No: IBBI/RV/05/2019/11705

7th February, 2024

To,

The Board of Directors,
TVS Automobile Solutions Private Limited,
No.10, Jawahar Road, Chokkikulam, Madurai 625002

To

The Board of Directors,
TASL Automobile Solutions Private Limited,
No.10, Jawahar Road, Madurai – 625002

To,

The Board of Directors
Ki Mobility Solutions Private Limited
No.10, Jawahar Road, Madurai - 625002

Dear Sirs,

Subject: Share Entitlement Ratio Report for the proposed demerger of “Demerged Undertaking” of TVS Automobile Solutions Private Limited into TASL Automobile Solutions Private Limited and Amalgamation of ki Mobility Solutions Private Limited into TVS Automobile Solutions Private Limited.

We have been requested by the management of TVS Automobile Solutions Private Limited (hereinafter referred to as 'TVS') and TASL Automobile Solutions Private Limited (hereinafter referred to as 'TASL') and Ki Mobility Solutions Private Limited (hereinafter referred to as 'KMSPL') (collectively referred to as 'the Companies') to issue Share Entitlement Ratio Report for issue of equity shares of TASL and KMSPL, in connection with proposed Scheme of Arrangement (Demerger) and Amalgamation (hereinafter referred to as 'the Scheme') between TVS, ki Mobility Solutions Private Limited (hereinafter referred to as 'KMSPL'), TASL, their respective shareholders and creditors under the provisions of Section 230 to 232 of the Companies Act, 2013 and other applicable provisions and for the purpose of filings to made under the regulations framed by RBI.

I. BACKGROUND:

I.1 TVS Automobile Solutions Private Limited

I.1.1. TVS is a private limited company incorporated under the Companies Act, 1956 as superseded by the Companies Act, 2013. TVS was incorporated on April 24, 2009 bearing Company Identification Number U34100TN2009PTC071439. TVS has its registered office at No.10, Jawahar Road, Chokkikulam, Madurai 625002.



210, Wadhwa Complex, Street No. 10, Laxmi Nagar, Delhi-110092
(Near Metro Station Gate No. 1)

Phone: +91 9560108675, 9254214767, E-mail: subodh.kumar@delhi.gov.in

1.1.2. 1.2 TASL

1.2.1. TASL is a private limited company incorporated under the Companies Act, 2013. TASL was incorporated on 20th February, 2023 bearing Company Identification Number U45300TN2023PTC158537. The Company has its registered office at No.10, Jawahar Road, Madurai – 625002.

1.2.2. TASL will become a wholly owned subsidiary of TVS on the date of filing the Scheme with the NCLT.

1.3 The management of TVS proposes to demerge its Demerged Undertaking into TASL with effect from April 1, 2023 ('the Appointed date'). It has been represented to me that the Demerged Undertaking shall represent all assets and liabilities of TVS except investment in KMSPL and such Demerged Undertaking will be demerged into TASL and in consideration of the demerger, TASL shall issue its equity shares to the equity shareholders of TVS on a proportionate basis since TASL does not have any operations. The existing share capital of TASL, which is held by TASL, will stand cancelled as part of the scheme of demerger.

1.3 KMSPL

1.3.1. KMSPL is a private limited company incorporated under the Companies Act, 2013. TASL was incorporated on 30th September, 2018 bearing Company Identification Number U52590TN2018PTC125028. The Company has its registered office at No.10, Jawahar Road, Madurai – 625002.

2. SOURCES OF INFORMATION

2.1 For the purposes of this report, I have relied on the following information provided by the management of TVS:

2.1.1. Certified copy of the extracts of the provisional financial statements of Demerged Undertaking of TASL as on March 31, 2023;

2.1.2. Current and proposed shareholding pattern of TASL;

2.1.3. Draft Scheme of Arrangement (Demerger) and Amalgamation between TVS, KMSPL, TASL, their respective shareholders and creditors under the provisions of Section 230 to 232 read with Section 66 of the Companies Act, 2013; and



2.1.4. Additional information as called for and furnished to me by the management of TASL.

2.1.5 Provisional Financials of KMSPL for the period ended 30th September, 2023 and Projections for the period from FY 2023-24 (6 months) to FY 2029-30.

3. LIMITATIONS

3.1 I have relied on the financial data and the representations provided by the management of TASL.

3.2 I have not performed an audit of the financial statements or information or documentation made available in the course of preparation of this report and therefore do not accept any liability for the same.

3.3 As this report has been compiled in good faith based on the documents and records made available for verification and information and explanations offered, should any of my observations be different from what the management perceives, it is imperative that I be informed immediately.

3.4 This report is to be read in totality, and not in parts, in conjunction with the relevant documents referred herein.

3.5 This report is neither my opinion nor certifies the compliance of the proposed demerger of Demerged Undertaking of TVS into TASL with the provisions of any law governing the Companies, Banking, taxation and capital market or as regards any legal implications or issues arising from the proposed demerger.

3.6 This report is prepared only in connection with the proposed demerger and Amalgamation of KMSPL into TVS, exclusively for the use by the management of TVS and TASL and for submission to any regulatory or statutory authority, including to Reserve Bank of India, as may be required under any law.

4. CONCLUSION

4.1 Considering that the proposed demerger will result in the shareholding of TVS being mirrored in TASL, subject to TASL become the wholly owned subsidiary Company of TVS at the time of filing of scheme, and further considering that all the shareholders of TVS, upon demerger, will be the ultimate shareholders of TASL in the same ratio (inter-se), I recommend a ratio of 1 (One) equity share of Rs. 10.00/- each fully paid



of TASL for every 1 (One) equity share (on a fully diluted basis) of Rs. 10.00/- each fully paid up to equity shareholders of TVS in consideration for the demerger of Demerged Undertaking **as per Annexure I of this report.**

4.2 Considering that the proposed Amalgamation of KMSPL into TVS will take place after providing the effect of demerger of business of TVS into TASL, TVS will have investment of 67.01% of total shareholding in KMSPL which will be cancelled upon amalgamation of KMSPL into TVS. Therefore, considering that the proposed Amalgamation of KMSPL into TVS, I recommend a ratio of 1336 equity share of Rs. 10.00/- each fully paid of TVS will be issued for every 100 equity share (on a fully diluted basis) of Rs. 10.00/- each fully paid up in KMSPL to the equity shareholders of KMSPL and 1336 Compulsorily Convertible Preference Shares ("CCPS") of Rs.10/- each fully paid of TVS will be issued for every 100 CCPS of Rs. 10/- each fully paid up in TVS to the CCPS holders of KMSPL in consideration for the Amalgamation of KMSPL **as per Annexure II of this report.**



Subodh Kumar
IBBI Registered Valuer

Place: Delhi

Date: 7th February, 2024

Encl: Annexure I and Annexure II

STEP I: DEMERGER**Rationale of the Scheme**

It is proposed to demerge the Demerged Undertaking (as defined in the Scheme) of TVS into TASL by the Scheme, as a result of which the following benefits shall, inter-alia, accrue to the shareholders and stakeholders of TVS.

- I. The Demerger, transfer and vesting of the Demerged Undertaking will result in increased customer attention for the distribution business by the Resulting Company and will enable the Resulting Company to focus on the Demerged Undertaking as its core activities thereby resulting in better strategic, operational and administrative efficiency.
- II. The Demerger, transfer and vesting of the Demerged Undertaking will enable the Resulting Company to raise funds required for the operations of the Demerged Undertaking. This will ensure better funding of operations of the Demerged Undertaking which in turn will facilitate growth and expansion of operations. This will also ensure timely re-payment to secured creditors, if any, and unsecured creditors.
- III. The Demerger, transfer and vesting of the Demerged Undertaking to the Resulting Company will help in the creation of a platform for future business activities, and to act as a gateway for growth and expanding business operations.
- IV. There is no likelihood that the interests of any shareholder or creditor of either the Demerged Company or the Resulting Company would be prejudiced as a result of the Scheme. The Demerger, transfer and vesting of the Demerged Undertaking will not impose any additional burden on the members of Demerged Company or the Resulting Company. The Scheme is not in any manner prejudicial or against public interest and would serve the interest of all shareholders, creditors and stakeholders.

Upon the scheme becoming effective and upon TASL become the wholly owned subsidiary Company of TVS, the beneficial economic interest of the shareholders of TVS in the paid up equity shares of TASL would be same. All the shareholders of TVS would also become the shareholders of TASL, and their shareholding in TASL would mirror to their shareholding in TVS. The effect of demerger is that each shareholder of TVS would be allotted shares of TASL in the same proportion as in TVS and thus would become shareholders of



TASL also. All the equity shares held by TVS and its nominee(s) shall stand cancelled, extinguished without any further act, instrument or deed. The percentage holding of a shareholder in TVS (post-demerger) would remain unchanged in TASL.

In the current instance, the determination of Fair Share Entitlement Ratio would not have any economic impact on the ultimate value of the shareholders of TVS and the proposed restructuring will be value-neutral to the shareholders of TVS.

Accordingly, the Board of Directors of TVS and TASL have proposed a share exchange ratio for the scheme having regard to the following factors:

- *Desirable capital structure; and*
- *Serviceability of Capital.*

So, a detailed valuation to determine the swap ratio is not required, accordingly, fair valuation of equity shares has not been carried out.

Given the above context, TASL shall, without any further act or deed and without any further payment, issue and allot the equity shares at par on a proportionate basis to each member of TVS whose name is recorded in the register of members of TVS as holding equity shares as may be recognized by the Board of Directors of TVS in the following proportion.

“for every 1 (one) equity share of face value of INR 10 each held in TVS, as on record date, every equity shareholder of TVS shall without any application, act or deed be entitled to receive 1 (one) equity share of face value of INR 10 each of TASL, credited as fully paid up.”

Based on above and considering that all the shareholders of TVS are and will upon demerger, become shareholders of TASL holding economic interest in the same proportion as they hold in TVS, the proposed share entitlement ratio is fair to the shareholders of TVS in relation to the demerger.

It is to be noted that share exchange ratio was arrived at assuming that TASL and TVS will continue in operation in unhindered manner for the future as at present on a pre demerger standalone basis (going concern).



STEP II: AMALGAMATION

The Scheme provides with effect from the Amalgamation Appointed Date, KMSPL (which expression includes the assets, liabilities and the entire business undertakings of KMSPL) shall stand amalgamated with and be vested in TVS as a going concern, without any further act or deed, as per the provisions contained herein and in this Scheme.

The Amalgamation shall take effect only after the demerger, transfer and vesting of the Demerged Undertaking of TVS into and with the TASL.

The investments in shares of the Transferor Company as appearing, inter alia, in the books of Transferee Company shall stand cancelled.

Rationale of the Scheme

Thus, the Amalgamation pursuant to this Scheme would, inter alia, have the following benefits:

- i. The amalgamation of the Transferor Company with the Transferee Company will enable the direct shareholding in the Transferee Company for the shareholders of Transferor Company.
- ii. The amalgamation of the Transferor Company with the Transferee Company will help in the creation of a platform for future business activities, and to act as a gateway for growth and expanding business operations wherein the resources of the Transferor Company can be advantageously combined with the resources of the Transferee Company.
- iii. The amalgamation would facilitate reduction in administrative costs and garner visibility in the market.
- iv. The amalgamation will also enable smoother implementation of policy changes from a management perspective and shall also help enhance the efficiency and control of the entities.
- v. The consolidation of the business operations, undertakings, assets, liabilities etc. of the Transferor Company in a single entity, i.e. under the Transferee Company, and under a single centralized system of management, will result in the management being able to exercise greater control over the operations of the Companies. This will also result in the management being enabled to undertake any re-structuring/re-organisation of the various business undertakings of the Companies for the purposes of achieving optimum efficiency and/or to attract investments in the individual business undertakings of the Companies.
- vi. There is no likelihood that the interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the Scheme. The Amalgamation will not impose any additional burden on the members of Transferor Company or the Transferee Company.

After the Demerger of Business undertaking of TVS into TASL, TVS will have investment of 67.01% of total



shareholding in KMSPL which will be cancelled upon amalgamation of KMSPL into TVS. Therefore, considering that the proposed Amalgamation of KMSPL into TVS (assuming effect of demerge of business undertaking of TVS into TASL), I recommend a ratio of 1336 equity share of Rs. 10.00/- each fully paid of TVS will be issued for every 100 equity share (on a fully diluted basis) of Rs. 10.00/- each fully paid up in KMSPL to the equity shareholders of KMSPL and 1336 Compulsorily Convertible Preference Shares ("CCPS") of Rs.10/- each fully paid of TVS will be issued for every 100 CCPS of Rs. 10/- each fully paid up in TVS to the CCPS holders of KMSPL in consideration for the Amalgamation of KMSPL..

Valuation of KMSPL has been calculated as follows:

Amount in INR Millions

PARTICULAR	H2'24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30
PROFIT AFTER TAX	-841.42	2,946.04	5,134.74	7,389.14	11,525.62	15,839.90	22,954.90
DEPRECIATION	129.97	269.62	209.70	212.27	212.27	212.27	212.27
CAPITAL EXPENDITURE	3,509.34	381.20	350.60	332.80	412.27	412.27	312.27
INCREMENT IN WORKING CAPITAL	3,633.18	869.15	631.60	-46.56	-2,554.01	-1,589.60	-1,322.02
INCREASE IN BORROWINGS	-278.33	0.00	0.00	0.00	0.00	0.00	0.00
FREE CASH FLOW TO FIRM	-8,132.30	1,965.31	4,362.24	7,315.17	13,879.63	17,229.50	24,176.91
DISCOUNTING PERIOD	0.50	1.50	2.50	3.50	4.50	5.50	6.50
DISCOUNTING FACTOR	0.9192	0.7766	0.6561	0.5543	0.4684	0.3957	0.3343
PRESENT VALUES	-7,475.00	1,526.24	2,862.18	4,055.15	6,500.63	6,817.82	8,082.93

SUM OF PRESENT VALUES	22,369.96
TERMINAL VALUES	63,526.00
ENTERPRISE VALUE	85,895.95
CASH	37.21
minority interest	45.17
EQUIV VALUES	85,978.33
NON MOBILITY DISCOUNT	17,195.67
ADJ EQUITY VALUES	68,782.67
No of shares	13,43,051
FAIR MARKET VALUE PER SHARE	51,213.74

* On a fully diluted basis factoring CCPS conversion terms and the approved ESOP pool

COST OF EQUITY	
Return on Index	14.36%
Dividend Yield	0.00%
Expected Return	14.36%
Calculation of Risk Premium	
Expected Return	14.36%
Risk Free Return	7.21%
Beta	1.00
Risk Premium	7.15%
Risk Free Rate of Return	7.21%
Risk Premium	7.15%
Company Specific Premium	4.00%
Cost of Equity	18.36%



WACC		Assumption	
Cost of equity	18.36%	1.00	18.36%
Cost of debt	-	-	-
			18.36%

TERMINAL GROWTH RATE

5.000%

Valuation of TVS (post demerger) has been calculated as follows:

Particulars	Amount in INR Crores
Fair Value of KMSPL	6878.27
Fair Market Value per share of KMSPL (A)	51213.74
Investment of TVS in KMSPL (on a fully diluted basis)	67.01%
Fair Value of TVS	4607.99
No of Outstanding Shares of TVS	12020736
Fair Market Value per share of TVS (B)	3833.63
Share Swap Ratio (A/B)	13.36

Valuation of TVS (post-merger of KMSPL into TVS) shall be as follows:

Particulars	Rs / Nos
Fair value of TVS (post-merger of KMSPL into TVS) – Rs crore (A)	6,878.27
Existing No. of outstanding shares in TVS (B)	1,20,20,736
No. of outstanding shares in KMSPL* (C)	13,43,051
No. of shares held by TVS in KMSPL to be cancelled upon merger (D)	9,00,000
No. of shares (both equity and CCPS) held by shareholders* (other than TVS) in KMSPL (E=C-D)	4,43,051
Share Swap Ratio (F)	13.36
No. of shares (both equity and CCPS) to be issued upon merger based on the above share swap ratio (G=E*F)	59,19,161
Revised No. of shares (both equity and CCPS) outstanding immediately post-merger (H=B+G)	1,79,39,897
Fair value of TVS per share (both equity and CCPS) post merger (I=A/H) – Rounded off	3833.63

* On a fully diluted basis factoring CCPS conversion terms and the approved ESOP pool

