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TVS Holdings Private Limited

(Formerly known as TVS Investments and Holdings Private Limited
and Cheema Investments and Holdings Pvt Ltd)

Date: June 18, 2022

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400 001
E-mail: corp.relations@bseindia.com

Sundaram Clayton Limited

Chaitanya, No. 12, Khader Nawaz Khan Road
Nungambakkam, Chennai, Tamil Nadu, 600034
E-mail: corpsec@sundaramclayton.com

Dear Sir/ Madam,

Subject: Disclosure under Regulation 31 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Takeover Regulations").

We refer to our earlier disclosure dated February 28, 2022 in relation to creation of pledge over 5,00,000 equity shares of the Sundaram–Clayton Limited ("**Target Company**"/"**TC**") held by TVS Holdings Private Limited ("**THPL**") in favour of Beacon Trusteeship Limited ("**Security Trustee**"), and your query dated May 2, 2022.

In this regard, we wish to clarify the following:

Query No. 1

Post Event holding of encumbered shares not tallying:

Intimation pursuant to creation of encumbrance and pledge in Demat Account:

- a. As mentioned in the disclosure made under Regulation 31 of Takeover Regulations dated February 8, 2022 ("**Initial Disclosure**"), a loan agreement was executed between: (i) VS Investments Private Limited ("**Borrower**"), (ii) Company, (iii) Citicorp Finance (India) Limited, JM Financial Products Limited, JM Financial Credit Solutions Limited and Aditya Birla Finance Limited (collectively "**Lenders**"); and the Security Trustee for the purposes of availing a facility of an aggregate amount of INR 1600,00,00,000/- (Indian Rupees One Thousand Six Hundred Crore only) ("**Facility**") on January 20, 2022 ("**Loan Agreement**").
- b. Further, it was clarified, that no pledge was created over the shares of Target Company as on the date of Initial Disclosure. The Initial Disclosure was made as one or more conditions under the Loan Agreement, were likely to fall within the definition of 'encumbrance' provided under Chapter V of the Takeover Regulations. Given this, the entire shareholding of the Company in the SCL viz., 1,30,94,460 equity shares, were shown as part of encumbrance.

- c. Subsequently, a pledge agreement was executed between THPL, Security Trustee and the Borrower ("**Pledge Agreement**") on February 11, 2022, Pursuant to the Pledge Agreement, THPL created a first ranking exclusive pledge over 85,00,000 equity shares of SCL on February 14, 2022 in favour of the Security Trustee. Accordingly, THPL made a disclosure dated February 16, 2022 under Regulation 31 of Takeover Regulations in relation to creation of the aforesaid pledge.
- d. As per the Pledge Agreement, THPL was required to maintain an agreed pledge security cover, accordingly a pledge over additional 5,00,000 equity shares of SCL was created in favor of the Security Trustee on February 24, 2022. As a result of this, THPL made a disclosure dated February 28, 2022 under Regulation 31 of the Takeover Regulations in relation to the aforesaid pledge over additional equity shares of SCL.
- e. Please note that the Initial Disclosure and the subsequent disclosures made by the Company on February 16, 2022 and February 28, 2022 should be read in conjunction with each other as they form part of a same transaction. For completeness, please note that the pledge created over 5,00,000 equity shares of SCL (as disclosed in disclosure dated February 28, 2022) form part of 1,30,94,460 equity shares of SCL that were already encumbered in favour of the Security Trustee on account of the covenants mentioned in the Loan Agreement (as mentioned in the Initial Disclosure).
- f. In view of the above, it is submitted that the post event shareholding is correctly mentioned in the disclosure dated February 28, 2022 filed by the Company. However, a revised disclosure with the breakup of the shares encumbered under the loan agreement and pledge created in Demat Account specified as a note to the "Annexure I" of the disclosure.

Query No. 2

Only Trustee name mentioned and lender name not provided under details of the entity in whose favour shares are being encumbered. Please mention the name of both the entities i.e., the lender and the trustee who may hold shares directly or on behalf of the lender

The Company has created a pledge in favour of Beacon Trusteeship Limited who is acting as a security trustee on behalf of the Lenders. The names of the parties of the Loan Agreement are specified in "Annexure I" of the disclosure.

In light of the above, please see attached the disclosure under Regulation 31 of the Takeover Regulations.

Kindly take the above on record.

Thanking you

Yours faithfully

For and on behalf of **TVS Holdings Private Limited**



Dev Kishan P D
Company Secretary

Encl:

Annexure I under SEBI Circular No. CIR/CFD/POLICYCELL/3/2015 dated August 5, 2015

Annexure I

Disclosure by the Promoters to the stock exchanges and to the Target Company for encumbrance of shares / invocation of encumbrance/ release of encumbrance, in terms of Regulations 31(1) and 31(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011													
Name of the Target Company (TC)							Sundaram-Clayton Limited						
Names of the stock exchanges where the shares of the target company are listed							BSE Limited and National Stock Exchange of India Limited						
Date of reporting							February 28, 2022						
Names of the promoters or PAC on whose shares encumbrance has been created/released/invoked							TVS Holdings Private Limited						
Details of the creation of encumbrance:													
Name of the promoter(s) or PACs with him*	Promoter holding in the target company (1)		Promoter holding already encumbered (2)		Details of events pertaining to encumbrance (3)							Post event holding of encumbered shares {creation [(2)+(3)]/ release [(2)-(3)] / invocation [(1)-(3)] }	
	Number	% of total share capital	Number	% of total share capital	Type of event (creation / release / invocation)	Date of creation/ release / invocation of encumbrance	Type of encumbrance (pledge/ lien/ non disposal undertaking/ others)	Reasons for encumbrance **	Number	% of share capital	Name of the entity in whose favour shares encumbered #	Number	% of total share capital
TVS Holdings Private Limited	13094460	64.72	13094460	64.72	creation	24/FEB/2022	Pledge	To maintain agreed pledge security cover. Please refer to the Note below.	500000	2.47	Beacon Trusteeship Limited. Please refer to the Note below.	13094460	64.72
T.V. Sundram Iyengar & Sons Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-
Sundaram Finance Holdings Limited	1969600	9.74	-	-	-	-	-	-	-	-	-	-	-
Mr Venu Srinivasan	-	-	-	-	-	-	-	-	-	-	-	-	-
Mrs Mallika Srinivasan	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr Sudarshan Venu	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Lakshmi Venu	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr Venu Srinivasan and VS Trustee Private Limited as trustees of VS Trust	-	-	-	-	-	-	-	-	-	-	-	-	-
VS Trustee Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-

Mr Venu Srinivasan and S. Venu Trustee Private Limited as trustees of VS PTC Trust	-	-	-	-	-	-	-	-	-	-	-	-	-
VEE ESS Trading Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-
Venu Srinivasan Trustee Private Limited as trustee of VEE ESS Trust	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr Venu Srinivasan as trustee of Srinivasan Venu Trust	-	-	-	-	-	-	-	-	-	-	-	-	-
Venu Srinivasan Trustee Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-
VS Trustee Private Limited as trustee of Srinivasan Trust	-	-	-	-	-	-	-	-	-	-	-	-	-
S. Venu Trustee Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-
Srinivasan Trading Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-
VS Investments Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	15064060	74.46	13094460	64.72	-	-	-	-	500000	2.47	-	13094460	64.72


(#) Note:

- (a) We refer to our earlier disclosure dated February 16, 2022 (“**Initial Disclosure**”) in relation to creation of pledge over 85,00,000 shares (42.01%) of the TC held by TVS Holdings Private Limited (“**THPL**”) in favour of Beacon Trusteeship Limited (“**Security Trustee**”). As mentioned in the Initial Disclosure, THPL is required to ensure that the agreed pledge security cover is maintained and in case of shortfall, THPL is required to pledge additional shares of TC. In this regard, please note that on February 24, 2022, THPL has created an additional pledge over 5,00,000 shares (2.47%) of the TC in favour of the Security Trustee. Parties of loan agreement dated January 20, 2022 *inter alia* are: (a) VS Investments Private Limited (“**Borrower**”), (b) THPL, (c) Citicorp Finance (India) Limited, (d) JM Financial Products Limited, (e) JM Financial Credit Solutions Limited, (f) Aditya Birla Finance Limited and (g) Beacon Trusteeship Limited (“**Security Trustee**”). Parties of pledge agreement dated February 11, 2022 are: (a) THPL, (b) Borrower, and (c) Security Trustee.

(b) Shares "encumbered" pursuant to the loan agreement and creation of pledge over the shares of TC in Demat Account is given below:

Particulars	No. of equity shares								
Shares "Encumbered" pursuant to the loan agreement	1,30,94,460 equity shares								
Shares Pledged in Demat account	<table border="1"><thead><tr><th>Date of creating pledge</th><th>No. of equity shares</th></tr></thead><tbody><tr><td>February 14, 2022</td><td>85,00,000</td></tr><tr><td>February 24, 2022</td><td>5,00,000</td></tr><tr><td>Total</td><td>90,00,000</td></tr></tbody></table>	Date of creating pledge	No. of equity shares	February 14, 2022	85,00,000	February 24, 2022	5,00,000	Total	90,00,000
	Date of creating pledge	No. of equity shares							
	February 14, 2022	85,00,000							
	February 24, 2022	5,00,000							
Total	90,00,000								

Signature of the Authorized Signatory
For and on behalf of **TVS Holdings Private Limited**



Dev Kishan P D
Company Secretary
Place: Chennai
Date: June 18, 2022

*The names of all the promoters, their shareholding in the target company and their pledged shareholding as on the reporting date should appear in the table irrespective of whether they are reporting on the date of event or not.

** For example, for the purpose of collateral for loans taken by the company, personal borrowing, third party pledge, etc.

Annexure II

**Format for disclosure of reasons for encumbrance
(In addition to Annexure - I prescribed by way of circular dated August 05, 2015)**

Name of listed company	Sundaram-Clayton Limited (“TC”)
Name of the recognised stock exchanges where the shares of the company are listed	BSE Limited and National Stock Exchange of India Limited
Name of the promoter(s) / PACs whose shares have been encumbered	TVS Holdings Private Limited (“THPL”)
Total promoter shareholding in the listed company	No. of shares: 15064060 % of total share capital: 74.46
Encumbered shares as a % of promoter shareholding	3.32% of the shareholding of the members of the promoter group in TC is subject to encumbrance. The encumbrance disclosed pursuant to this disclosure together with the earlier encumbrance disclosed via the disclosures dated 8 Feb 2022 and 16 Feb 2022 exceed the threshold prescribed under the SEBI circular dated 7 Aug 2019.
Whether encumbered share is 50% or more of promoter shareholding	YES / NO
Whether encumbered share is 20% or more of total share capital	YES / NO

DETAILS OF ALL THE EXISTING EVENTS/ AGREEMENTS PERTAINING TO ENCUMBRANCE

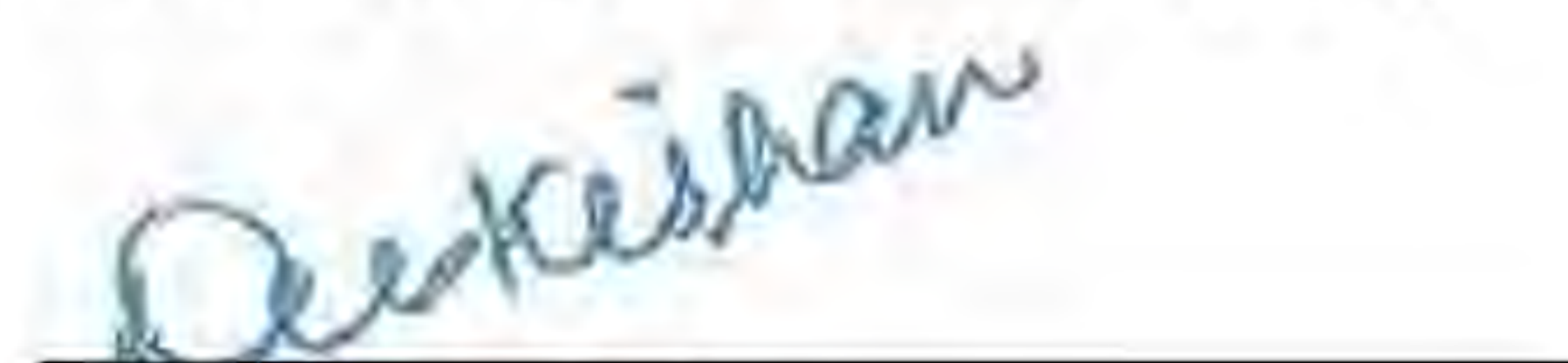
		Encumbrance 1 (Date of creation of encumbrance: 04/FEB/2022)	Encumbrance 2 (Date of creation of encumbrance: 14/FEB/2022)	Encumbrance # (Date of creation of encumbrance: 24/FEB/2022)
Type of encumbrance (pledge, lien, negative lien, non-disposal undertaking etc. or any other covenant, transaction, condition or arrangement in the nature of encumbrance)		As mentioned in the disclosure dated 08/FEB/2022.	As mentioned in the disclosure dated 16/FEB/2022.	Pledge [#]
No. and % of shares encumbered		No. of shares: 13094460 % of total share capital: 64.72	No. of shares: 8500000 % of total share capital: 42.01	No. of shares: 500000 % of total share capital: 2.47
Specific details about the encumbrance	Name of the entity in whose favour shares encumbered (X)	Beacon Trusteeship Limited	Beacon Trusteeship Limited	Beacon Trusteeship Limited
	Whether the entity X is a scheduled commercial bank, public financial institution, NBFC or housing finance company? If No, provide the nature of the business of the entity.	YES / NO Beacon Trusteeship Limited (as security trustee)	YES / NO Beacon Trusteeship Limited (as security trustee)	YES / NO Beacon Trusteeship Limited (as security trustee)

	Names of all other entities in the agreement	As mentioned in the disclosure dated 08/FEB/2022.	As mentioned in the disclosure dated 16/FEB/2022.	Parties of loan agreement dated 20/JAN/2022 <i>inter alia</i> are: (a) VS Investments Private Limited (“ Borrower ”), (b) THPL, (c) Citicorp Finance (India) Limited, (d) JM Financial Products Limited, (e) JM Financial Credit Solutions Limited, (f) Aditya Birla Finance Limited and (g) Beacon Trusteeship Limited (“ Security Trustee ”). Parties of pledge agreement dated 11/FEB/2022 are: (a) THPL, (b) Borrower, and (c) Security Trustee.
	Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? If yes, provide details about the instrument, including credit rating	YES/ NO If yes, 1. Name of the issuer: [•] 2. Details of the debt instrument: [•] 3. Whether the debt instrument is listed on stock exchanges?: [•] 4. Credit Rating of the debt instrument: [•] 5. ISIN of the instrument: [•]	YES/ NO If yes, 1. Name of the issuer: [•] 2. Details of the debt instrument: [•] 3. Whether the debt instrument is listed on stock exchanges?: [•] 4. Credit Rating of the debt instrument: [•] 5. ISIN of the instrument: [•]	YES/ NO If yes, 1. Name of the issuer: [•] 2. Details of the debt instrument: [•] 3. Whether the debt instrument is listed on stock exchanges?: [•] 4. Credit Rating of the debt instrument: [•] 5. ISIN of the instrument: [•]
Security Cover / Asset Cover	Value of shares on the date of event / agreement (A)	As mentioned in the disclosure dated 08/FEB/2022.	As mentioned in the disclosure dated 16/FEB/2022.	Rs. 3288,60,00,000
	Amount involved (against which shares have been encumbered) (B)	As mentioned in the disclosure dated 08/FEB/2022.	As mentioned in the disclosure dated 16/FEB/2022.	Rs. 1600,00,00,000
	Ratio of A / B	As mentioned in the disclosure dated 08/FEB/2022.	As mentioned in the disclosure dated 16/FEB/2022.	2.06

End money use of	Borrowed amount to be utilized for what purpose – (a) Personal use by promoters and PACs (b) For the benefit of listed company Provide details including amount, purpose of raising money by listed company, schedule for utilization of amount, repayment schedule etc. (c) Any other reason (please specify)	Personal use for Mr Venu Srinivasan and his immediate family, and general corporate purposes of the Borrower.	Personal use for Mr Venu Srinivasan and his immediate family, and general corporate purposes of the Borrower.	Personal use for Mr Venu Srinivasan and his immediate family, and general corporate purposes of the Borrower.
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^[#]**Note:** We refer to our earlier disclosure dated February 16, 2022 (“**Initial Disclosure**”) in relation to creation of pledge over 85,00,000 shares (42.01%) of the TC held by TVS Holdings Private Limited (“**THPL**”) in favour of Beacon Trusteeship Limited (“**Security Trustee**”). As mentioned in the Initial Disclosure, THPL is required to ensure that the agreed pledge security cover is maintained and in case of shortfall, THPL is required to pledge additional shares of TC. In this regard, please note that on February 24, 2022, THPL has created an additional pledge over 5,00,000 shares (2.47%) of the TC in favour of the Security Trustee.

Signature of the Authorized Signatory
 For and on behalf of **TVS Holdings Private Limited**



Dev Kishan P D
Company Secretary
 Place: Chennai
 Date: June 18, 2022