

ANNEXURE A-1

(3)

*Swati Saluja*

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**SCRUTINIZER REPORT**

**Pursuant to directions issued by the National Company Law Tribunal, Chandigarh Bench  
("NCLT" or "Tribunal") vide order dated 06<sup>th</sup> January 2022 ("Order") in CA (CAA) No.  
40/Chd/Pb/2021**

04<sup>th</sup> April 2022

To,

Mr. Justice M.S. Sullar (Retd.),

Chairperson appointed by the Hon'ble Tribunal, for the meeting of the Unsecured Creditors of  
Hero Motors Limited

**Sub: Scrutinizer's Report on the Hon'ble NCLT convened meeting of the Unsecured  
Creditors of Hero Motors Limited (Applicant Company No. 2/ Resulting Company)  
held on Sunday, 03<sup>rd</sup> April 2022 at 12:30 P.M. ('Meeting') through Video  
Conferencing ("VC") with facility of remote e-voting**

**Respected Sir,**

Pursuant to an order dated 06<sup>th</sup> January 2022 of the Hon'ble National Company Law Tribunal,  
Chandigarh Bench ("Tribunal" or "NCLT") passed in Company Application No. CA (CAA) No.-  
40/Chd/Pb/2021, it was directed to hold the meeting of the Unsecured Creditors of Hero Motors  
Limited (**Applicant Company No. 2/ Resulting Company / 'Company'**) (CIN:  
U29299PB1998PLC039602) in the matter of application u/s 230 to 232 of the Companies Act,  
2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016  
and other applicable provisions of the Companies Act, 2013, seeking approval of the Unsecured  
Creditors to the proposed Scheme of Arrangement ("**Scheme**") between Hero Cycles Limited  
("**Applicant Company No. 1" / "Demerged Company"**) and Hero Motors Limited ("**Applicant  
Company No. 2" / "Resulting Company"**) and their respective shareholders & creditors.

The remote e-voting facility was made available to the Unsecured Creditors and period for the  
same commenced on 30<sup>th</sup> March 2022 (9:00 a.m. IST) and ended on 02<sup>nd</sup> April 2022 (5:00 p.m.

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6

IST). Further, meeting of the Unsecured Creditors of the Company was held on Sunday, 03<sup>rd</sup> April 2022 at 12:30 P.M. through video conferencing ("**Meeting**"), for the purpose of seeking their approval to the following resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Bench at Chandigarh ("Tribunal" or "NCLT") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), approval of the Unsecured Creditors of the Company, be and is hereby accorded to the Scheme of Arrangement amongst Hero Cycles Limited ("Demerged Company") and Hero Motors Limited ("Resulting Company") and their respective shareholders & creditors ("Scheme")."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, (including withdrawal of the Scheme), which may be required and/or imposed by the NCLT while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

I, Swati Saluja, Advocate, appointed by the Hon'ble National Company Law Tribunal, Chandigarh Bench, vide its Order dated 6<sup>th</sup> January 2022, as the Scrutinizer for the meeting of the Unsecured Creditors of Hero Motors Limited ("**Applicant Company No. 2**" / "**Resulting Company**") held on Sunday, 03<sup>rd</sup> April 2022 at 12:30 P.M. through video conferencing with facility of remote e-voting.

As a Scrutinizer, my responsibility was to ensure that the voting process in the Hon'ble Tribunal convened Meeting was conducted in a fair and transparent manner and based on the votes cast during the remote e-voting window as well as by way of e-voting during the meeting, to submit the Scrutinizer's Report on the voting to the Chairman appointed for the Meeting.

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7

It may be noted that the management of the Company is responsible to ensure the compliance with the requirements of the Companies Act, 2013 and rules made thereunder and as well the directions issued by the Hon'ble National Company Law Tribunal, Chandigarh Bench vide its order dated 06<sup>th</sup> January 2022.

I do hereby submit my report as under:

1. The Cut-off Date for the purpose of determining the Unsecured Creditors entitled to vote in the NCLT convened meeting of the Unsecured Creditors of the Company was 30<sup>th</sup> June 2021 ('Cut-off Date').
2. As on Cut-off date there were 11 (Eleven) Unsecured Creditors in the Company. The amount due to Unsecured Creditors as on Cut-off date was Rs. 1,62,05,042/- (Rupees One Crore Sixty Two Lakh Five Thousand Forty Two Only).
3. The Company had completed the dispatch of Notice of meeting of Unsecured Creditors by 28<sup>th</sup> February 2022 along with relevant annexures, to the unsecured Creditors of the Company in compliance of paras no. VIII, IX, X and XII of the order dated 06.01.2022.
4. The Company had also published in Newspaper Advertisement in (i) Indian Express (English, Chandigarh), in the English language and (ii) translation thereof in Jagbani (Punjabi, Ludhiana Edition), in Punjabi language on 01<sup>st</sup> March 2022 in compliance of para no. XI of the order dated 06.01.2022.
5. As per the order of NCLT dated 06<sup>th</sup> January 2022 the quorum fixed for the meeting of the Unsecured Creditors of the Company was 7 (Seven) in number or 40% in value of the total Unsecured Creditor of the Company. It was also directed that if the required Quorum is not present at the commencement of meeting, then the meeting will be adjourned for 30 minutes, and thereafter the persons present and voting shall be deemed to constitute the quorum.
6. National securities Depository Limited ("NSDL") was appointed to provide the necessary platform for the facility of remote e-voting, holding the meeting through video

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8

conferencing, conduct e-voting during the meeting in a secured manner, to handle and supervise the entire process of conducting the meeting through video conferencing and processing of data relating to the meeting and voting. Executives of NSDL provided all the necessary support in connection with the convening, holding, and conducting of the meeting, remote e-voting facility and e-voting during the meeting.

7. The remote e-voting facility was made available to the Unsecured Creditors and period for the same commenced on 30<sup>th</sup> March 2022 (9:00 a.m. IST) and ended on 02<sup>nd</sup> April 2022 (5:00 p.m. IST) in compliance of para no. XIII of the order dated 06<sup>th</sup> January 2022.
8. That as directed by the Hon'ble Tribunal, the meeting of the Unsecured Creditors of Hero Motors Limited was duly convened and held on Sunday, 03<sup>rd</sup> April 2022 at 12:30 P.M. through video conferencing. Mr. Justice M.S. Sullar (Retd.), Chairperson for the meeting, Mr. Karanveer Jindal, Advocate, the Alternate Chairperson, and the undersigned, being the Scrutinizer of the meeting, attended the meeting through video conferencing.
9. The Chairperson (*via* video conferencing) commenced the Meeting at 12:30 P.M. As per Attendance records (enclosed herewith as **Annexure 1**), 4 (Four) Unsecured Creditors, having value of **INR 1,54,35,328/-** representing **95.25%** (Ninety Five decimal Two Five percent) of the total dues outstanding towards Unsecured Creditors as on Cut-off Date, were present at the meeting and hence, the Chairperson declared it to be valid quorum, as required in the NCLT's order, for the meeting. The Notice of meeting and the Scheme were taken as read by the Unsecured Creditors (who attended the meeting either in person or through their authorized representatives) present at the Meeting, following which e-voting process was initiated.
10. On conclusion of the voting, complete detail of the e-votes cast by the Unsecured Creditors of the Company in the meeting conducted via video conferencing as well as those during remote e-voting facility window (as mentioned above), was provided to me by NSDL. The list (Referred to as "*Result File :119416*") along with the KYC Documents and Authority letters of the persons who have attended the meeting through Video Conferencing are enclosed herewith as **Annexure 2(Colly)**.

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9

11. No vote was found to be invalid.
12. The relevant records relating to remote e-voting and e-voting during the Meeting are under my safe custody and will be handed over to the Chairperson appointed for this meeting and/ or Authorized Representative of the Company, for safe keeping.
13. The result of the voting (by way of remote e-voting as well as voting through e-voting system during the meeting) is given as under:

S. No.	Particulars	No. of Voters	Value of Votes / Outstanding Debt Balance as on 30-Jun-2021
1	Unsecured Creditors who voted during remote e-voting window	5	1,54,42,828
2	Unsecured Creditors who voted using live e-voting system in the meeting	-	-
3	Unsecured Creditors present in the meeting but not voted by any means	-	-
4	Invalid Votes	-	-
	<b>Net Valid Votes (1+2-4)</b>	<b>5</b>	<b>1,54,42,828</b>

**Votes cast in favor of the resolution:**

No. of Unsecured Creditors / Authorized Representatives	Total Debt Balance outstanding as on 30 <sup>th</sup> June 2021 (In Rupees)	% of Valid Votes	
		In terms of number of Unsecured Creditors	In terms of outstanding amount
5	1,54,42,828/-	100%	100%

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10

**Votes cast against the resolution:**

No. of Unsecured Creditors / Authorized Representatives	Total Debt Balance outstanding as on 30 <sup>th</sup> June 2021 (In Rupees)	% of Valid Votes	
		In terms of number of Unsecured Creditors	In terms of outstanding amount
-	-	-	-

14. List of Unsecured Creditors of the Company who voted "In Favor or Against" (Referred to as "Result File :119416") is enclosed herewith as **Annexure 2**.
15. No one voted against the resolution.
16. Based on the above result, I do hereby certify and report that the Resolution has been **unanimously approved** and adopted by the all the Unsecured Creditors consisted in the valid quorum, and the same is in compliance with Section 230(6) of the Companies Act, 2013, which stipulates that the Resolution shall be approved by majority of persons and representing three-fourth in value of the outstanding amount, present and voting in person/authorized representative, as the case may be. You may therefore declare the result of the Voting.

*Swati Saluja*

Thanking you,  
Ms. Swati Saluja  
Advocate  
PH-3368-2019  
Dated: 04<sup>th</sup> April 2022  
Place: Chandigarh

**Annexure 1:** Attendance Records of the unsecured Creditors who have attended the meeting through Video Conferencing

**Annexure 2(Colly):** The list (Referred to as "Result File :119416") along with the KYC Documents and Authority Letters of the unsecured Creditors who have attended the meeting through Video Conferencing