



**JEFF IMMELT-LED GENERAL ELECTRIC FILES FOR IPO OF CREDIT CARD UNIT, AIMS TO RAISE \$3.5BN**

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## Maruti investors eye legal recourse

May Approach CLB To Oppose Handover Of Gujarat Plant To Suzuki

Pankaj Doval & Sidhartha | 15A

**New Delhi:** Maruti Suzuki's angry investors are looking at a legal challenge to the company's plan to hand over the proposed Gujarat plant to parent Suzuki and may approach the Company Law Board (CLB) soon, a section of the institutional investors said.

The investors are not satisfied with the response of the company management to their queries. "We are studying how many of our schemes own Maruti shares and after completing this exercise, we will look at the option of approaching the CLB," said a senior executive at

### Suzuki coming to India for board meet



Suzuki chairman Osamu Suzuki, who is also on the Maruti board, is flying in for Saturday's board meeting. The board meeting, scheduled to fix budgetary allocations for the next fiscal, is expected to be a stormy one with some of the independent directors likely to raise questions over the Gujarat deal. Suzuki is expected to answer some of these

queries and clear the air over the change in investment plan. 15A

those holding 10% of the issued capital (by value), or one-tenth of the shareholders, or at least 100 shareholders — to challenge a decision in CLB.

Corporate lawyer Saurabh Kalia, partner at Saxtra Legal,

oppression and mismanagement. "This option is available if they feel that the affairs of the company are managed in a way that is prejudicial to public interest or are oppressive to members."

The fund houses are also

stake in Maruti Suzuki. Top sources in LIC have told TOI that they are studying the development and may soon take a stand on the matter. In addition, they are awaiting the outcome of the board meeting on Saturday as well as market regulator Sebi's response.

"So far, the small investors have not protested the move. So,

### Union adds to pressure on Maruti's plan, P 22

we are seeing if we can take up a challenge on behalf of our investors who are retail investors," said a fund manager.

UK Chaudhary, a senior advisor specialising in corpo-

will have to get the consent of at least 100 investors, who own shares through their schemes. In addition, the executive at a fund house said the issue needs to be cleared by the boards of the asset management companies as well as the trustees.

While questioning the role of independent directors, who have also raised the alarm, fund managers said that the Maruti board did not maintain the highest levels of corporate governance. A fund manager complained that the company has not responded to six of the seven questions and turned down suggestions

The legal battle may not be a long-drawn one, Kalia said.