

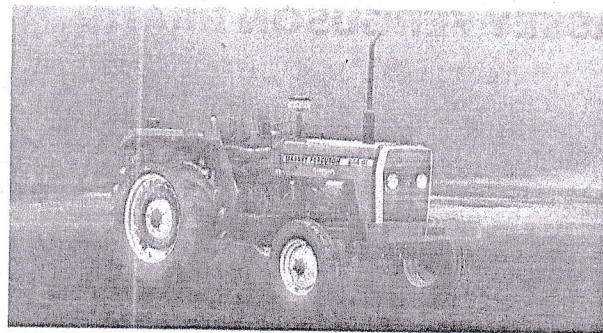
Massey Ferguson brand rights: TAFE rejects Agco's claims, files contempt plea

CORPORATE WAR. Move follows Agco's termination of contracts with TAFE citing agreement breaches

Our Bureau
Chennai

TAFE (Tractors and Farm Equipment) has denied allegations from US agri equipment maker Agco Corporation, which claimed that TAFE breached various agreements through unauthorised and inappropriate actions. In response, TAFE has filed a contempt petition against Agco for violating court orders.

In a statement on Monday, Agco announced that it had delivered immediate termination notices for its agreements with TAFE. These included the Massey Ferguson brand licence, a distributor agreement for India, Nepal and Bhutan, and an intellectual property licence for India, Nepal, Sri Lanka,



PRODUCT LINE-UP. TAFE's tractor brands include Massey Ferguson, TAFE, Eicher Tractors and IMT

Bangladesh and Bhutan. Agco explained, "These terminations follow inappropriate and unauthorised actions by TAFE that the company believes breached the agreements."

However, TAFE rejected Agco's accusations, responding that as its strategic influ-

ence increased, Agco failed to address its internal issues, including flaws in corporate governance, poor shareholder engagement, and weak financial and operational performance. Instead, Agco sought to block TAFE's efforts for reform through ill-advised moves concern-

ing brand usage, which had remained uncontested for over six decades, said TAFE.

It is learnt that TAFE, as the largest shareholder in Agco, has called for changes to the board and a separation of the Chairman and CEO roles. Allegedly, Agco's current CEO is using commercial contracts to resist Indian ownership interests in response to TAFE's increasing influence.

COURT RULING

Meanwhile, TAFE has also claimed ownership of the Massey Ferguson brand in a case filed before the Madras High Court. The Commercial Court in Chennai ruled in favour of TAFE with an interim status quo order, preventing either party from altering the situation as of April 29. Any attempt to

change this would violate Court orders. TAFE has since filed a contempt petition in Chennai, accusing Agco of disobeying these orders.

TAFE's tractor brands include Massey Ferguson, TAFE, Eicher Tractors and IMT, with exports to over 80 countries. TAFE acquired shares in Agco in 2012, becoming its largest shareholder and strategic long-term investor. This move strengthened the partnership between the companies, and TAFE highlighted that "Letter Agreements" between the two had ensured steady support for over a decade.

TAFE produces more than 1.8 lakh tractors annually. Over one lakh of these are Massey Ferguson tractors made in India.