



Motherhood Sumi Systems Limited

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January 12, 2022

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G-Block
Bandra-Kurla Complex
Bandra (E)
MUMBAI – 400051, India
Scrip Code: MOTHERSUMI

BSE Limited
1st Floor, New Trading Ring
Rotunda Building
P.J. Towers, Dalal Street
Fort
MUMBAI – 400001, India
Scrip Code:517334

Ref : Apportionment of Cost of Acquisition of Equity Shares consequent upon demerger

Dear Sir / Madam,

Please find enclosed communication for attention of the shareholders of Motherhood Sumi Systems Limited for apportionment of Cost of Acquisition of Equity Shares of Motherhood Sumi Systems Limited and Motherhood Sumi Wiring India Limited pursuant to the Composite Scheme of Amalgamation and Arrangement in relation to Demerger of the Domestic Wiring Harness undertaking from Motherhood Sumi Systems Limited to Motherhood Sumi Wiring India Limited.

The above is for your kind information and records.

Thanking you,

Yours' truly,
For Motherhood Sumi Systems Limited

Alok Goel
Company Secretary

Regd Office:
Unit – 705, C Wing, ONE BKC
G Block Bandra Kurla Complex
Bandra East Mumbai – 400051
Maharashtra (India)
Email: investorrelations@motherhood.com
CIN No.: L34300MH1986PLC284510

FOR THE ATTENTION OF SHAREHOLDERS OF MOTHERSON SUMI SYSTEMS LIMITED

Subject: Apportionment of Cost of Acquisition of Equity Shares of MotherSON Sumi Systems Limited and MotherSON Sumi Wiring India Limited pursuant to the Composite Scheme of Amalgamation and Arrangement in relation to Demerger of the Domestic Wiring Harness undertaking from MotherSON Sumi Systems Limited to MotherSON Sumi Wiring India Limited.

1. We are pleased to inform that the Composite Scheme of Amalgamation and Arrangement amongst MotherSON Sumi Systems Limited (“**Transferor Company**” or “**Amalgamated Company**” or “**Demerged Company**”), Samvardhana MotherSON International Limited (“**Amalgamating Company**”) and MotherSON Sumi Wiring India Limited (“**Resulting Company**”) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the “**Scheme**”), involving Demerger of the Domestic Wiring Harness undertaking from Demerged Company to the Resulting Company and Amalgamation of Amalgamating Company into Amalgamated Company has been duly sanctioned by the Mumbai Bench -IV of the Hon’ble National Company Law Tribunal (NCLT) *vide* its order dated December 22, 2021 (formal order received on December 23, 2021) passed in Company Petition 91/MB-IV/2021 connected with Company Application 1166/MB-IV/2020 (“**Order**”).
2. Pursuant to the Order, upon the Scheme becoming effective, the Resulting Company shall issue (“**Demerger share(s)**”) and allot to the shareholder of the Demerged Company as on Record Date 1, 1 (one) equity share of Re. 1 (Indian Rupee One) each of the Resulting Company for every 1 (one) equity share of Re. 1 (Indian Rupee One) each of the Demerged Company.
3. The above-mentioned demerger envisaged under Section I of the Scheme satisfies all conditions under Section 2(19AA) of the Income-tax Act, 1961 (“**IT Act**”) and hence, the demerger is tax neutral in the hands of shareholders of MotherSON Sumi Systems Limited under the IT Act in view of the exemption granted under Section 47(vii) of the IT Act.
4. Accordingly, for the purposes of the IT Act, the Resulting Company has been advised that for a shareholder which holds the shares of MotherSON Sumi Systems Limited as ‘capital asset’:
 - (a) the date of acquisition of the Demerger Shares received by the shareholders of MotherSON Sumi Systems Limited will be the date of acquisition of the original shares of MotherSON Sumi Systems Limited as per Clause (g) of Explanation 1 to Section 2(42A) of the IT

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Act.

- (b) the cost of acquisition of the Demerger Shares, as per Section 49(2C) of the IT Act, shall be the amount which bears to the cost of acquisition of shares of Motherhood Sumi Systems Limited, the same proportion as the net book value of the assets transferred in the demerger bears to the net worth of the Demerged Company immediately before the demerger.
- (c) the cost of acquisition of the original shares of Motherhood Sumi Systems Limited held by a shareholder, as per Section 49(2D) of the IT Act, shall be deemed to have been reduced by the cost of acquisition of shares of the Resulting Company as referred to in sub-paragraph (b) above.

5. The proportion referred to in paragraph 4(b) for the purposes of the IT Act, is as under:

Name of Company	Percentage of Cost of Acquisition of equity shares in Demerged and Resulting Company
Motherhood Sumi Systems Limited (Demerged Company)	89.47%
Motherhood Sumi Wiring India Limited (Resulting Company)	10.53%
Total	100%

This communication related with computation of cost of acquisition is meant only for the purposes of providing general guidance to the shareholders of Motherhood Sumi Systems Limited based on Company's understanding and hence, this should not be considered as a substitute for any independent opinion that the shareholder may obtain. Shareholders are advised to consult their own consultants to understand specific tax implications, in their respective cases. Motherhood Sumi Systems Limited takes no express or implied liability in relation to this guidance.

For more information, please contact at investorrelations@motherhood.com or visit: www.motherhood.com.

Capitalized terms used herein but not defined shall have the meaning assigned to them in the Scheme.

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