

July 24, 2020  
The General Manager,  
Department of Corporate Services,  
BSE Limited,  
P.J. Towers, Dalal Street,  
Mumbai – 400 001.

**Scrip Code:** 517334

**Sub: Application under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Composite Scheme of Amalgamation and Arrangement, under Sections 230-232 and other applicable provision of the Companies Act, 2013, amongst Motherson Sumi Systems Limited, Samvardhana Motherson International Limited, Motherson Sumi Wiring India Limited and their respective shareholders and creditors.**

Dear Sir / Madam,

We refer to our letter dated July 2, 2020, informing you about the decision of the Board of Directors of the Company approving the Composite Scheme of Amalgamation and Arrangement, under Sections 230-232 and other applicable provision of the Companies Act, 2013, amongst Motherson Sumi Systems Limited ("**Transferor Company**" or "**Amalgamated Company**"), Samvardhana Motherson International Limited ("**Amalgamating Company**"), Motherson Sumi Wiring India Limited, a new company incorporated on July 02, 2020 as a wholly owned subsidiary of the Transferor Company ("**Resulting Company**") and their respective shareholders and creditors ("**Scheme**").

In continuation of the aforesaid and in accordance with Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, we hereby submit the Scheme along with the prescribed documents, for your approval. The Scheme has been approved by the board of directors of the Amalgamating Company and the Resulting Company, at their respective board meetings held on July 2, 2020 and July 17, 2020, respectively.

We would like to inform you that BSE Limited has been appointed as the designated stock exchange for the purpose of coordinating with SEBI.

The necessary documents as per the checklist provided by BSE Limited, as more particularly mentioned / referred in the 'Index of Documents Submitted', is enclosed herewith with this cover letter.

Please also find enclosed herewith the details of fees paid amounting to INR 2,21,000 on July 17, 2020 bearing Invoice No. 2020071738086793 through Corporate Internet Banking.

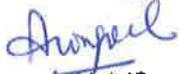
We will be pleased to provide any clarification as you may require in this regard.

We request you to kindly take this application along with the annexures hereto on record and provide us the "Observation Letter" or "No Objection Letter" at the earliest so as to enable us to file the Scheme before the Mumbai bench of the National Company Law Tribunal.

Thanking you,

Yours sincerely,

For **Motherson Sumi Systems Limited**

  
Name: Alok Goel  
Designation: Company Secretary



Head Office:  
Motherson Sumi Systems Limited  
C-14 A & B, Sector 1, Noida – 201301  
Distt. Gautam Budh Nagar, U.P. India  
Tel: +91-120-6752100, 6752278  
Fax: +91-120-2521866, 2521966  
Website: www.motherson.com  
Email: investorrelations@motherson.com

Regd Office:  
Motherson Sumi Systems Limited Unit –  
705, C Wing, ONE BKC, G Block Bandra  
Kurla Complex, Bandra East  
Mumbai – 400051, Maharashtra (India)  
Tel: 022-61354800, Fax: 022-61354801  
CIN No.: L34300MH1986PLC284510

## INDEX OF DOCUMENT SUBMITTED

Documents required to be submitted, as per the checklist of the BSE Limited, for approval under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, for the Scheme:

Sr. No.	List of documents / details to be submitted	Yes/no/not applicable/to be submitted	Page. No.
1.	Certified true copy of the resolution passed by the Board of Directors of the company approving the scheme.	Yes - Annexure 1A to Annexure 1C	1-13
2.	Certified copy of the draft Scheme of Amalgamation and Arrangement among the Transferor Company, the Amalgamating Company and the Resulting Company and their shareholders and creditors, proposed to be filed before the NCLT.	Yes - Annexure 2	14-61
3.	Valuation report from Independent Chartered Accountant, as applicable, as per Para I(A)(4) of Annexure I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.	Yes - Annexure 3A to Annexure 3B	62-91
4.	Report from the Audit Committee recommending the draft scheme taking into consideration, <i>inter alia</i> , the valuation report.	Yes - Annexure 4	92-95
5.	Fairness opinions by Independent SEBI Registered Merchant Banker.	Yes - Annexure 5A to Annexure 5B	96-112
6.	Shareholding pattern of all the Companies pre and post Amalgamation / Arrangement as per the format provided under Regulation 31 of the LODR Regulations.	Yes - Annexure 6A to Annexure 6C	113-142
7.	Shareholding pattern of all the Companies pre and post Amalgamation / Arrangement in <b>Word Format</b> .	Yes - Annexure 7A to Annexure 7D	143-145
8.	Pre and Post Amalgamation/ Arrangement number of Shareholders in all the companies.	Annexure 8A to Annexure 8C	146-148
9.	Audited financials of the transferee/resulting and transferor/demerged companies for the last 3 financial years (financials not being more than 6 months old).  [Please note that for existing Listed Company, provide the last Annual Report and the audited / unaudited financials of the latest quarter (where it is due) accompanied mandatorily by the Limited Review Report of the auditor.]	Yes -  Audited financials of Transferor Company - Annexure 9A  Audited financials of the Amalgamating Company - Annexure 9B  Resulting Company has been incorporated on July 2, 2020, therefore, the audited financials	149-153



Sr. No.	List of documents / details to be submitted	Yes/no/not applicable/to be submitted	Page. No.
		for the last three years are not available.	
10.	Statutory Auditor's Certificate confirming the compliance of the <b>accounting treatment</b> etc. as specified in Para (I)(A) (5)(a) of Annexure I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.	Yes - Annexure 10A and 10B	151-261
11.	Detailed Compliance Report as per the format specified in Annexure IV of SEBI circular dated March 10, 2017 duly certified by the Company Secretary, Chief Financial Officer and the Managing Director, confirming compliance with various regulatory requirements specified for schemes of arrangement and all accounting standards.	Yes - Annexure 11	262-263
12.	Complaint report as per Annexure III of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.	Will be submitted within 7 days of expiry of 21 days from the date of uploading of Draft Scheme and related documents on Exchange's website	
13.	If as per the company, approval from the Public shareholders through e-voting, as required under Para (I)(A)(9)(a) of Annexure I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, is not applicable then as required under Para (I)(A)(9)(c) of said SEBI circular, submit the following: a) An undertaking certified by the auditor clearly stating the reasons for non-applicability of Sub Para 9(a) b) Certified copy of Board of Director's resolution approving the aforesaid auditor certificate.	The Scheme involves amalgamation of the Amalgamating Company with the Transferor Company. The Amalgamating Company is a part of the promoter group of the Transferor Company.  Accordingly, as per Para (I)(A)(9)(a) of Part I of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017, the Scheme requires approval from the majority of the public shareholders of the Transferor Company through e-voting, hence this point is not applicable.	
14.	If pursuant to scheme the allotment of shares is proposed to be made to a selected group of shareholders or to the shareholders of unlisted companies, pricing certificate from the Statutory Auditor of the listed company as per Provisions of SEBI (ICDR) Regulations is to be provided.	Yes - Annexure 12	264-268
15.	Name of the Designated Stock Exchange (DSE) for the purpose of coordinating with SEBI. Certified true copy of the resolution passed by the Board of Directors	BSE Limited is the DSE.  Please refer to Annexure 1A.	
16.	Brief details of the transferee/resulting and transferor/demerged companies	Yes - Annexure 13	268A-268M
17.	Brief details of the Board of Directors and Promoters	Yes - Annexure 14A to	269-271



Sr. No.	List of documents / details to be submitted	Yes/no/not applicable/to be submitted	Page. No.
	of transferee/resulting and transferor/demerged companies	Annexure 14C	
18.	Net-worth certificate (excluding Revaluation Reserve) together with related workings pre and post scheme for the transferee and / or resulting company.	Yes - Annexure 15	272-284
19.	Capital evolution details of the transferee/resulting and transferor/demerged companies.	Yes - Annexure 16A to Annexure 16C	285-291
20.	Confirmation by the Managing Director/ Company Secretary	Yes - Annexure 17	292-293
21.	Annual Reports of all the listed transferee/resulting/demerged/etc. companies involved and audited financial of all the unlisted transferor/demerged/resulting/etc. companies for the last financial year.	Yes - Annual Report of the Transferor Company - Annexure 18A  Audited financials of Amalgamating Company - Annexure 18B  Resulting Company has been incorporated on July 2, 2020, therefore, the financial details of the last financial year are not available.	294-325
22.	Additional documents and information required to be provided in the case of scheme of demerger, wherein a division of a listed company is hived off into an unlisted company or where listed company is getting merged with an unlisted company.	Yes - Annexure 19A – 19D	326-333
23.	a. Processing fee (non-refundable) payable to BSE:  Rs. 2,00,000/- plus GST as applicable, where more than one entity/company is Merged or more than one new company formed due to Demerger.  b. Processing fee (non-refundable) payable to SEBI through RTGS/NEFT/IMPS as per details given in Annexure XII or through DD favoring ' <u>Securities and Exchange Board of India</u> ' payable at Mumbai'	Yes - Annexure 20	334
24.	a. In case NCRPS / NCDs are proposed to be issued to the shareholders of the listed entity and are to be listed, the company shall submit an undertaking signed by CS / MD of the company as per format attached in		



Sr. No.	List of documents / details to be submitted	Yes/no/not applicable/to be submitted	Page. No.
	<p><b>Annexure XIV</b> confirming compliance with the requirements of SEBI circular dated May 26, 2017.</p> <p>b. In case a new unlisted company is seeking listing pursuant to scheme of arrangement but at least 25% of the post scheme paid up capital of the unlisted company does not comprise of shares allotted to the public shareholders in the listed transferor / demerged entity, the company shall submit the compliance with the requirements of SEBI circular Ref: CFD/DIL3/CIR/2017/105 dated September 21, 2017 by CS/MD and statutory auditor of the company.</p>	Not applicable	
25.	<p>If there are any pending dues / fines / penalties imposed by SEBI, Stock Exchanges and Depositories, submit a '<b>Report on the Unpaid Dues</b>' which shall contain the details of such unpaid dues in the format given in Annexure B of SEBI circular, <b>SEBI/HO/CFD/DIL1/CIR/P/2019/192</b> dated September 12, 2019.</p>	Not Applicable - There are no dues pending to SEBI, stock exchanges or the depositories.	
26.	<p>Name &amp; Designation of the Contact Person:</p> <p>Name: Mr. Alok Goel  Designation: Compliance Officer  Mobile: 91 99997 19195  Landline: 0120-6679478  Email: alok.goel@mssl.motherson.com</p>		



**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF MOTHERSON SUMI SYSTEMS LIMITED HELD ON THURSDAY, 02<sup>ND</sup> DAY OF JULY, 2020, AT 18:15 HOURS, AT SMG CORPORATE TOWER, PLOT NO.-1, SECTOR-127, NOIDA.**

**“RESOLVED THAT** pursuant to (a) the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made thereunder, including the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (b) enabling provisions in the Memorandum of Association of the Company; (c) relevant provisions of the Income-tax Act, 1961; and (d) recommendation of the Audit Committee of the Company, at their meeting held on July 02, 2020, and subject to, (i) approval of the requisite majority of the shareholders and creditors of the Company, subject to votes cast by the public shareholders of the Company in favour being more than the number of votes cast by the public shareholders against, pursuant to Annexure I(A)(9)(b) of Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017, as amended from time to time, issued by Securities and Exchange Board of India (“SEBI”); (ii) such approvals as may be necessary to be obtained from the SEBI and BSE Limited and National Stock Exchange of India Limited (“Stock Exchanges”) where the equity shares of the Company are listed and any other statutory / regulatory authorities as may be required; (iii) sanction of the Hon’ble National Company Law Tribunal, Mumbai bench (“NCLT”), (iv) such terms, conditions, modifications which may be prescribed by any of them while granting such approval, consent, permission and/or sanction; and (v) compliance with all applicable securities laws, regulations and circulars, the consent of the Board be and is hereby accorded to the composite scheme of amalgamation and arrangement to be entered into amongst the Company, Samvardhana Motherson International Limited (“SAMIL”) and a wholly owned subsidiary of the Company which is in the process of being incorporated under the name ‘Motherson Sumi Wiring India Limited’ (“Resulting Company”) and their respective shareholders and creditors, to, (A) demerge the Domestic Wiring Harness Undertaking or DWH Undertaking (as defined in the Scheme) into the Resulting Company and (B) amalgamate SAMIL with the Company, by absorption, subsequent to the completion of the demerger referred to in (A), on the terms and conditions as stated in the draft Composite Scheme of Amalgamation and Arrangement (“Scheme”) placed before the Board (the transaction being referred to herein after as the “Proposed Transaction”).”

**“RESOLVED FURTHER THAT** in the opinion of the Board, the Scheme will be of advantage and be beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable.”

**“RESOLVED FURTHER THAT** the report of the Audit Committee, dated July 02, 2020, duly signed by the Chairman of the Audit Committee, recommending the Scheme, as placed before the Board, be and is hereby accepted and noted.”

**“RESOLVED FURTHER THAT** for the purposes of SEBI Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017, as amended from time to time, the certificate, dated July 02, 2020, prepared by the Statutory Auditors of the Company, i.e., M/s S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/IE300005), certifying that the accounting treatment contained in the Scheme is in compliance with all applicable accounting standards, as placed before the Board be and is hereby considered and approved.”

**“RESOLVED FURTHER THAT** the joint valuation report, dated July 02, 2020, issued by Price Waterhouse & Co. LLP Chartered Accountants and BSR & Associates LLP, Chartered

Head Office:  
Motherson Sumi Systems Limited  
C-14 A & B, Sector 1, Noida – 201301  
Distt. Gautam Budh Nagar, U.P. India  
Tel: +91-120-6752100, 6752278  
Fax: +91-120-2521866, 2521966  
Website: www.motherson.com  
Email: investorrelations@motherson.com



Regd Office:  
Motherson Sumi Systems Limited Unit –  
705, C Wing, ONE BKC, G Block Bandra  
Kurla Complex, Bandra East  
Mumbai – 400051, Maharashtra (India)  
Tel: 022-61354800, Fax: 022-61354801  
CIN No.: L34300MH1986PLC284510

Accountants, and the valuation report, dated July 02, 2020, issued by Incwert Advisory Private Limited, a registered valuer (together, the "Valuation Reports"), as valuers of the Company, describing the methodology adopted by them in arriving at, and recommending, the Demerger Share Entitlement Ratio (as defined in the Scheme) and Merger Share Exchange Ratio (as defined in the Scheme), as placed before the Board, be and is hereby considered and approved."

**"RESOLVED FURTHER THAT** the fairness opinions, both dated July 02, 2020, issued by Axis Capital Limited, a SEBI Registered (Category-I) Merchant Banker and DSP Merrill Lynch Limited, a SEBI Registered (Category-I) Merchant Banker, providing the fairness opinion on the Demerger Share Entitlement Ratio (as defined in the Scheme) and Merger Share Exchange Ratio (as defined in the Scheme), recommended by Price Waterhouse & Co. LLP Chartered Accountants and BSR & Associates LLP, Chartered Accountants, in their joint valuation report dated July 02, 2020, as placed before the Board, be and is hereby taken on record."

**"RESOLVED FURTHER THAT** the pricing certificate, dated July 02, 2020, issued by the Statutory Auditors of the Company, i.e., M/s S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/IE300005), certifying the computation of the minimum price at which the shares of the Company should be allotted to the shareholders of SAMIL, pursuant to the Scheme, in terms of the pricing provisions of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2018, as placed before the Board be and is hereby taken on record."

**"RESOLVED FURTHER THAT** BSE Limited be and is hereby chosen as the designated stock exchange for coordinating with SEBI and obtaining SEBI's comments/approval on the Scheme (including the Observation Letter / No Objection Letter) under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017, as amended from time to time."

**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 232(2)(c) of the Companies Act, 2013, the draft report explaining the effect of the arrangement pursuant to the Scheme, on each shareholder and key managerial personnel and laying out in particular, the share entitlement and share exchange ratios, specifying any special valuation difficulties, if any, is hereby approved and adopted and if required, be circulated to the shareholders/creditors of the Company along with the notice convening the meeting of the shareholders/creditors as may be directed by the NCLT."

**"RESOLVED FURTHER THAT** Mr. Pankaj Mital, Whole Time Director & COO, Mr. G.N. Gauba, Chief Financial Officer, Mr. Kunal Malani, Authorized Person, Mr. Alok Goel, Company Secretary and Mr. Aviral Khandelwal, Authorized Person be and are hereby jointly and severally authorised on behalf of the Company to take all such steps as are necessary in connection with the filing, approval and implementation of the Scheme, including:

- (a) To finalize and settle the Scheme and any other document and agreement required to implement the Proposed Transaction;
- (b) to carry out such modifications, revisions, amendments to the draft Scheme, as may be required by the shareholders, creditors, NCLT, SEBI, Stock Exchanges or any other governmental or regulatory authority;
- (c) to sign, file, submit or present the Scheme, along with ancillary applications, petitions, documents and instruments with the relevant stock exchanges, SEBI, the NCLT and any other governmental or regulatory authority or person, as may be required in connection with the Scheme, and to do any other act, deed or thing which may be



ancillary or incidental to the Scheme or which may otherwise be required for giving effect to any of the provisions contained in the Scheme;

- (d) to engage and/or authorise advisors including advocates, counsels, chartered accountants, merchant bankers and other persons as may be required in connection with the Scheme, from time to time;
- (e) to provide all information and clarifications to the Stock Exchanges and SEBI for obtaining approval / observations thereof to the Scheme and filing all relevant documents with the Stock Exchanges and SEBI, including valuation reports, fairness opinions, audit committee report recommending the Scheme, pre and post Scheme shareholding pattern of the Company, auditor's certificate(s), audited financials of the Company, etc., and to obtain/take delivery of the Observation Letter / No Objection Letter from the stock exchanges;
- (f) to represent the Company before the NCLT, Stock Exchanges, SEBI and any other governmental or regulatory authority, as may be required, and at the shareholders' meeting of the Resulting Company, if applicable, in its capacity as the shareholder of the Resulting Company, and provide the consent/approval on behalf of the Company as a shareholder of the Resulting Company, in relation to the Scheme, as may be necessary;
- (g) to do all such lawful acts, deeds and things as they may be deemed necessary and desirable in connection with the approval and sanction of the said Scheme by the NCLT;
- (h) to take all steps for calling and holding shareholders' and creditors' meetings through postal ballot and e-voting or physical meeting (as may be required) and executing and filing confirmation petitions, vakalatnams, affidavits, pleadings, advertisements, notices, reports and other applications, documents etc. with the NCLT or any other authority and issuing relevant advertisements, notices, explanatory statements, etc.;
- (i) to suitably inform, apply, make necessary filings and/or represent to the Central and/or State Governments and/or local authorities, as applicable, including to the Reserve Bank of India, Income Tax Authorities, Official Liquidator, jurisdictional Registrar of Companies, Regional Director, Employees' State Insurance Authority, Employees Provident Fund Authority and all other applicable authorities, agencies and/or to represent the Company before the said authorities and agencies and to sign and submit such application, letters, forms, returns, undertakings, declarations, deeds or documents ad to take all required steps and actions from time to time in connection with the above;
- (j) to communicate and correspond with the banks, institutions, investors, government authorities, local authorities and other authorities where required about the Scheme and do all such acts, deeds, matters and things as may be at their discretion deem necessary or desirable for such purpose and with power of the Company to settle any queries, difficulties or doubts that may arise in this regard as they may in their absolute discretion deem fit and proper for the purpose of giving effect to the above resolution;
- (k) to provide all relevant information that may be required by the advisors (including lawyers, merchant bankers and chartered accountants), issue reliance letter and / or management representations (as may be required by the advisors) and to obtain necessary certificates/opinions/letters from the advisors (including the auditors);



- (l) to incur such other expenses as may be necessary with regard to the Scheme, including payment of fees of the advocates, solicitors, merchant bankers, advisors, registrars and other agencies and such other expenses that may be incidental to the above, as may be decided by them;
- (m) to consider, approve, sign and execute all other documents, advertisements, announcements, disclosure, etc., in relation to the Scheme, which may be sent/required to be sent to any person, on behalf of the Company;
- (n) to take necessary action in relation to stamping of documents in connection with the Proposed Transaction;
- (o) take all such actions and steps in the above matters and to implement the Scheme, as may be required from time to time;
- (p) to approve/undertake such actions as may be considered necessary for implementation of the said Scheme after the same is sanctioned by the NCLT, including but not limited to, obtaining delivery of the order from the NCLT, authorization of entries to be made in the books of accounts in terms of the Scheme, making filings with the jurisdictional Registrar of Companies, Stock Exchanges, SEBI, depositories (NSDL/CSDL) and/or any other governmental authorities, and to undertake all other actions required for full and effective implementation of the sanctioned Scheme and to remove and resolve all doubt and difficulties and to do all such lawful acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto;
- (q) to fix record date for the purpose of implementation of the sanctioned Scheme and effect accounting treatment in the books of accounts of the Company;
- (r) to make necessary disclosures to the Stock Exchanges (as may be required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015); and
- (s) to authorise the officers of the Company and/or any other persons to discuss, negotiate, finalise, execute, sign, submit and file all required documents, deeds of assignment/conveyance and any other deeds, documents, schemes, agreements, forms, returns, applications, letters, etc., including any modifications thereto, whether or not under the common seal of the Company, as may be required from time to time, and to do all such acts, deeds, matters and things as they may deem necessary and expedient at their absolute discretion in connection with or incidental to giving effect for the purpose of the above resolutions or to otherwise give effect to the transactions contemplated as aforesaid, without any further approval of the Board."

**"RESOLVED FURTHER THAT** the Common Seal of the Company be affixed, to the engrossment of any deeds, agreements, documents, writings and instruments as may be required, in the presence of any Director of the Company who shall sign the same and Mr. G. N. Gauba, Chief Financial Officer or Mr. Alok Goel, Company Secretary of the Company, who shall countersign the same in token thereof in conformity with the provisions of Articles of Association of the Company."

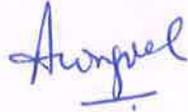
**"RESOLVED FURTHER THAT** in connection with the draft Scheme approved by the Board of Directors of the Company on July 2, 2020, Mr. Pankaj Mital, Whole Time Director & COO, Mr. G.N. Gauba, Chief Financial Officer and Mr. Alok Goel, Company Secretary, be and are hereby severally authorized to engage the services of the Statutory Auditors of the Company, including terms and conditions of such engagement, for availing any certification services, from time to time, under various statutes and regulations, including but not limited



to, the Companies Act, 2013, Securities & Exchange Board of India Act, 1992, its regulations, circulars and guidelines, listing agreements / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, RBI regulations, Foreign Exchange Management Act, 1999 and allied rules, notifications and regulations, as may be applicable.”

Certified to be true  
For MOTHERSON SUMI SYSTEMS LIMITED

Alok Goel  
Company Secretary





## Samvardhana Motherson International Limited

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED, HELD ON THURSDAY, 02<sup>ND</sup> DAY OF JULY, 2020, AT 9.25 A.M. HOURS THROUGH VIDEO CONFERENCING

**"RESOLVED THAT** pursuant to (a) the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder, including the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (b) enabling provisions in the Memorandum of Association of the Company; (c) relevant provisions of the Income-tax Act, 1961; and (d) resolutions of the Audit Committee of the Company, at their meeting held on July 2, 2020, and subject to, (i) the approval of the requisite majority of the shareholders and creditors of the Company; (ii) such approvals as may be necessary to be obtained from any statutory / regulatory authorities; (iii) sanction of the Hon'ble National Company Law Tribunal, Mumbai bench ("NCLT"), (iv) such terms, conditions, modifications which may be prescribed by any of them while granting such approval, consent, permission and/or sanction; and (v) compliance with all applicable laws, regulations and circulars, the consent of the Board be and is hereby accorded to the composite scheme of amalgamation and arrangement to be entered into amongst Motherson Sumi Systems Limited ("MSSL"), Samvardhana Motherson International Limited ("Company"), a wholly owned subsidiary of the Company which is in the process of being incorporated under the name 'Motherson Sumi Wiring India Limited' ("Resulting Company") and their respective shareholders and creditors, to, (A) demerge the Domestic Wiring Harness Undertaking or DWH Undertaking (as defined in the Scheme) into the Resulting Company; and (B) amalgamate the Company with MSSL, by absorption, subsequent to the completion of the demerger referred to in (A), as stated in the draft Composite Scheme of Amalgamation and Arrangement ("Scheme") placed before the Board (the transaction being referred to herein after as the "Proposed Transaction")."

**"RESOLVED FURTHER THAT** in the opinion of the Board, the Scheme will be of advantage and be beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable."

**"RESOLVED FURTHER THAT** the joint valuation report, dated July 2, 2020, issued by Price Waterhouse & Co. LLP Chartered Accountants and BSR & Associates LLP, Chartered Accountants, and the valuation report, dated July 2, 2020, issued by Incwert Advisory Private Limited, a registered valuer (together: the "Valuation Reports"), as valuers of the Company, describing the methodology adopted by them in arriving at, and recommending, the Demerger Share Entitlement Ratio (as defined in the Scheme) and Merger Share Exchange Ratio (as defined in the Scheme), as placed before the Board, be and is hereby considered and approved."

**"RESOLVED FURTHER THAT** the fairness opinion, dated July 2, 2020, issued by Kotak Mahindra Capital Company Limited, a SEBI Registered (Category-I) Merchant Banker, providing the fairness opinion on the Merger Share Exchange Ratio (as defined in the Scheme) recommended by the valuers under the Valuation Reports, as placed before the Board, be and is hereby taken on record."

**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 232(2)(c) of the Companies Act, 2013, the draft report explaining the effect of the arrangement pursuant to the Scheme, on each shareholder and key managerial personnel and laying out in particular the share entitlement and share exchange ratios, specifying any special valuation difficulties,

**Corporate Headquarters:**  
Plot No. 1, Sector-127, Noida-Greater Noida Expressway  
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Tel. No.: +91-120-6679500, Fax: +91-120-6679270  
Website: www.smil.co.in / www.motherson.com  
Email: smil@motherson.com



**Registered Office:**  
Unit 705, C Wing, ONE BKC, C Block,  
Bandra Kurla Complex, Bandra East,  
Mumbai, Maharashtra, India - 400051.  
Phone: +91-22-61354800, Fax: +91-22-61354801  
CIN No.: U74900MH2004PLC287011



if any, is hereby approved and adopted and if required, be circulated to the shareholders/creditors of the Company along with the notice convening the meeting of the shareholders/creditors as may be directed by the NCLT."

**"RESOLVED FURTHER THAT** Mr. Vivek Chaand Sehgal, Mr. Laksh Vaaman Sehgal, Mr. Vivek Avasthi, Mr. Sanjay Mehta, Directors of the company, Mr. Rohitash Gupta, Authorised Signatory, Mr. Kunal Malani, Authorised Signatory, Mr. Aviral Khandelwal, Authorised Signatory, Mr. Manish Kumar Goyal, Chief Financial Officer and Mr. Rajinder Kumar Bansal, Deputy Chief Financial Officer, Ms. Pooja Mehra, Company Secretary ("**Authorised Persons**") are hereby jointly and severally authorized on behalf of the Company, to take all such steps as are necessary in connection with the filing, approval and implementation of the Scheme, including:

- (a) to finalize and settle the Scheme and any other document and agreement required to implement the Proposed Transaction;
- (b) to carry out such modifications, revisions and amendments to the draft Scheme, as may be required by the shareholders, creditors, NCLT, Securities and Exchange Board of India ("**SEBI**"), Stock Exchanges, Reserve Bank of India ("**RBI**") or any other governmental or regulatory authority;
- (c) to sign, file, submit or present the Scheme, along with ancillary applications, petitions, documents and instruments with the relevant stock exchanges, SEBI, NCLT, RBI and any other governmental or regulatory authority or person, as may be required in connection with the Scheme, and to do any other act, deed or thing which may be ancillary or incidental to the Scheme or which may otherwise be required for giving effect to any of the provisions contained in the Scheme;
- (d) engage and/or authorise advisors including advocates, counsels, chartered accountants, merchant bankers and other persons as may be required in connection with the Scheme, from time to time;
- (e) to provide all information and clarifications to MSSL for submission to the Stock Exchanges and SEBI, for obtaining approval / observations thereof to the Scheme;
- (f) to represent the Company before the NCLT and / or any other governmental or regulatory authority, as may be required;
- (g) to do all such lawful acts, deeds and things as they may be deemed necessary and desirable in connection with the approval and sanction of the said Scheme by the NCLT;
- (h) to take all steps for calling and holding shareholders' and creditors' meetings through postal ballot, e-voting or physical meeting (as may be required) and executing and filing confirmation petitions, vakalatnama, affidavits, pleadings, advertisements, notices, reports and other applications, documents, etc. with the NCLT or any other authority and issuing relevant advertisements, notices, explanatory statements, etc.;
- (i) to suitably inform, apply, make necessary filings and/or represent to the Central and/or State Governments and/or local authorities, as applicable, including to the RBI, Income Tax Authorities, Official Liquidator, jurisdictional Registrar of Companies, Regional Director, Employees' State Insurance Authority, Employees Provident Fund Authority and all other applicable authorities, agencies and/or to represent the Company before the said authorities and agencies and to sign and submit such application, letters, forms, returns, undertakings, declarations, deeds or

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documents and to take all required steps and actions from time to time in connection with the above;

- (j) to communicate and correspond with the banks, institutions, investors, government authorities, local authorities and other authorities, where required, about the Scheme and do all such acts, deeds, matters and things as may be, at their discretion, deem necessary or desirable for such purpose and the with power to settle any queries, difficulties or doubts that may arise in this regard, as they may in their absolute discretion deem fit and proper for the purpose of giving effect to the above resolution;
- (k) to provide all relevant information that may be required by the advisors (including lawyers, merchant bankers and chartered accountants), issue reliance letter and / or management representations (as may be required by the advisors) and to obtain necessary certificates/opinions/letters from the advisors (including the auditors);
- (l) to incur such other expenses as may be necessary with regard to the Scheme, including payment of fees of the advocates, solicitors, merchant bankers, advisors, registrars and other agencies and such other expenses that may be incidental to the above, as may be decided by them;
- (m) to consider, approve, sign and execute all other documents, advertisements, announcements, disclosures, etc. in relation to the Scheme, which may be sent/required to be sent to any person, on behalf of the Company;
- (n) to take necessary action in relation to stamping of documents in connection with the Proposed Transaction;
- (o) take all such actions and steps in the above matters and to implement the Scheme, as may be required from time to time;
- (p) to approve/undertake such actions as may be considered necessary for implementation of the said Scheme after the same is sanctioned by the NCLT, including but not limited to, obtaining delivery of the order from the NCLT, authorization of entries to be made in the books of account in term of the Scheme, making filings with the jurisdictional Registrar of Companies, depositories (NSDL/CSDL) and/or any other governmental authorities, and to undertake all other actions required for full and effective implementation of the sanctioned Scheme and to do all such lawful acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto;
- (q) to fix record date for the purpose of implementation of the sanctioned Scheme; and
- (r) to authorise the officers of the Company and/or any other persons to discuss, negotiate, finalise, execute, sign, submit and file all required documents, deeds of assignment/conveyance and any other deeds, documents, schemes, agreements, forms, returns, applications, letters, etc. including any modifications thereto, whether or not under the common seal of the Company, as may be required from time to time, and to do all such acts, deeds, matters and things as they may deem necessary and expedient at their absolute discretion in connection with or incidental to giving effect for the purpose of the above resolutions or to otherwise give effect to the transactions contemplated as aforesaid, without any further approval of the Board.

**"RESOLVED FURTHER THAT** the Common Seal of the Company be affixed, to the engrossment of any deeds, agreements, documents, writings and instruments as may be required, in the presence of any Director of the Company and Mr. Rohitash Gupta,



Authorised Signatory/ Mr. Kunal Malani, Authorised Signatory/ Mr. Aviral Khandelwal, Authorised Signatory/ Mr. Manish Kumar Goyal, Chief Financial Officer/ Mr. Rajinder Kumar Bansal/ Deputy Chief Financial Officer/ Ms. Pooja Mehra, Company Secretary conformity with the provisions of Articles of Association of the Company who shall sign/counter sign the same in token thereof."

**"RESOLVED FURTHER THAT** in connection with the draft Scheme approved by the Board of Directors of the Company on July 2, 2020, Mr. Vivek Chaand Sehgal, Mr. Laksh Vaaman Sehgal, Mr. Vivek Avasthi, Mr. Sanjay Mehta, Directors of the company, Mr. Rohitash Gupta, Mr. Kunal Malani, Mr. Aviral Khandelwal, Mr. Manish Kumar Goyal, Chief Financial Officer, Mr. Rajinder Kumar Bansal, Deputy Chief Financial Officer be and are hereby severally authorized to engage the services of the statutory auditors of the Company, including terms and conditions of such engagement, for availing any certification services, from time to time, under various statutes and regulations, including but not limited to, the Companies Act, 2013, its regulations, circulars and guidelines, RBI regulations, Foreign Exchange Management Act, 1999 and allied rules, notifications and regulations, as may be applicable."

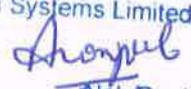
**"RESOLVED FURTHER THAT** the Certified copy(ies) of the above resolutions duly signed by any Director or Ms. Pooja Mehra, Company Secretary of the Company be submitted to the concerned authorities and they be requested to act upon the same."

Certified to be true

For SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED



Name: Pooja Mehra  
Designation: Company Secretary  
Date: 21.07.2020  
Place: Noida

For Motherson Sumi Systems Limited  
  
Alok Goel  
Company Secretary

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF MOTHERSON SUMI WIRING INDIA LIMITED HELD ON FRIDAY, 17<sup>TH</sup> DAY OF JULY, 2020.**

**"RESOLVED THAT** pursuant to (a) the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") and the Rules made thereunder, including the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (b) enabling provisions in the Memorandum of Association of the Company; and (c) relevant provisions of the Income Tax Act, 1961, and subject to, (i) approval of the requisite majority of the shareholders and creditors of the Company, unless such requirement is dispensed with by the Hon'ble National Company Law Tribunal, Mumbai bench ("**NCLT**"); (ii) such approvals as may be necessary to be obtained from any statutory / regulatory authorities; (iii) sanction of the NCLT, (iv) such terms, conditions, modifications which may be prescribed by any of them while granting such approval, consent, permission and/or sanction; and (v) compliance with all applicable laws, regulations and circulars, the consent of the Board be and is hereby accorded to the composite scheme of amalgamation and arrangement to be entered into amongst Motherson Sumi Systems Limited ("**MSSL**"), Samvardhana Motherson International Limited ("**SAMIL**"), Motherson Sumi Wiring India Limited ("**Company**") and their respective shareholders and creditors, to, (A) demerge the Domestic Wiring Harness Undertaking or DWH Undertaking (as defined in the Scheme) of MSSL into the Company; and (B) amalgamate SAMIL with MSSL by absorption, subsequent to the completion of the demerger referred to in (A), as stated in the draft Composite Scheme of Amalgamation and Arrangement ("**Scheme**") placed before the Board (the transaction being referred to herein after as the "**Proposed Transaction**")."

**"RESOLVED FURTHER THAT** in the opinion of the Board, the Scheme will be of advantage and be beneficial to the Company, its shareholders and other stakeholders and the terms thereof are fair and reasonable."

**"RESOLVED FURTHER THAT** the joint report, dated July 2, 2020, prepared by Price Waterhouse & Co. LLP Chartered Accountants and BSR & Associates LLP, Chartered Accountants, and the valuation report, dated July 2, 2020, prepared by Incwert Advisory Private Limited, a registered valuer (together, the "**Valuation Reports**"), obtained by MSSL and SAMIL, describing the methodology adopted by them in arriving at, and recommending, the Demerger Share Entitlement Ratio (as defined in the Scheme) and Merger Share Exchange Ratio (as defined in the Scheme), as placed before the Board, be and is hereby considered and approved."

**"RESOLVED FURTHER THAT** the fairness opinions, both dated July 2, 2020, issued by Axis Capital Limited, a SEBI Registered (Category-I) Merchant Banker and DSP Merrill Lynch Limited, a SEBI Registered (Category-I) Merchant Banker, respectively, to MSSL, providing the fairness opinions on the Demerger Share Entitlement Ratio (as defined in the Scheme) and Merger Share Exchange Ratio (as defined in the Scheme) recommended by the valuers in the Valuation Reports, as placed before the Board, be and is hereby considered and approved."

**"RESOLVED FURTHER THAT** the draft of the certificate prepared by the Statutory Auditors of the Company, i.e. M/s S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/IE300005), certifying that the accounting treatment contained in the Scheme is in compliance with all applicable accounting standards, as placed before the Board be and is hereby considered and approved."

**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 232(2)(c) of the Companies Act, 2013, the draft report explaining the effect of the arrangement pursuant to the



Scheme, on each shareholder and key managerial personnel and laying out in particular, the share entitlement ratio, specifying any special valuation difficulties, if any, is hereby approved and adopted and if required, be circulated to the shareholders/ creditors of the Company along with the notice convening the meeting of the shareholders/ creditors as may be directed by the NCLT."

**"RESOLVED FURTHER THAT** Mr. Sanjay Mehta, Mr. Kunal Malani, Directors, Mr. Alok Goel and Mr. Aviral Khandelwal, Authorized Persons of the Company ("**Authorized Persons**") are hereby severally authorized in this regard to:

- (a) to finalize and settle the Scheme and any other document and agreement required to implement the Proposed Transaction;
- (b) to carry out such modifications, revisions, amendments to the draft Scheme, as may be expedient or necessary, at their discretion, and/or as required by the shareholders, creditors, NCLT, Securities and Exchange Board of India ("**SEBI**"), stock exchanges, Reserve Bank of India ("**RBI**") or any other governmental or regulatory authority, or make any other modifications to the Scheme as they may consider necessary or as may be required;
- (c) to sign, file, submit or present the Scheme, along with ancillary applications, petitions, documents and instruments with the relevant stock exchanges, SEBI, NCLT, RBI and any other governmental or regulatory authority or person, as may be required in connection with the Scheme, and to do any other act, deed or thing which may be ancillary or incidental to the Scheme or which may otherwise be required for giving effect to any of the provisions contained in the Scheme;
- (d) engage and/or authorise advisors including advocates, counsels, chartered accountants, merchant bankers and other persons as may be required in connection with the Scheme, from time to time;
- (e) to provide all information, documents and clarifications, as may be required by MSSL for submission to the stock exchanges and SEBI for obtaining approval / observations thereof for the Scheme;
- (f) to represent the Company before the NCLT any other governmental or regulatory authority, as may be required;
- (g) to do all such lawful acts, deeds and things as they may be deemed necessary and desirable in connection with the approval and sanction of the said Scheme by the NCLT, including but not limited to filing of application before the Hon'ble NCLT seeking dispensation of the meeting of the shareholders and creditors of the Company, filing and executing necessary applications, forms, advertisements, notices, vakalatnamas, affidavits, letters, deeds, instruments, etc., as may be required, for the purpose of obtaining approval for the Scheme from the NCLT;
- (h) if the dispensation from holding meetings of shareholders/creditors of the Company is not granted by the NCLT, then to take all steps for calling and holding shareholders' and creditors' meetings through postal ballot or e-voting or physical meeting (as may be required) and filing and executing advertisements, notices, reports and other applications, documents, etc. with the NCLT or any other authority and issuing relevant advertisements, notices, explanatory statements, etc.;
- (i) to suitably inform, apply, make necessary filings and/or represent to the Central and/or State Governments and/or local authorities, as applicable, including to the RBI, Income



Tax Authorities, Official Liquidator, jurisdictional Registrar of Companies, Regional Director, Employees' State Insurance Authority, Employees Provident Fund Authority and all other applicable authorities, agencies and/or to represent the Company before the said authorities and agencies and to sign and submit such application, letters, forms, returns, undertakings, declarations, deeds or documents ad to take all required steps and actions from time to time in connection with the above;

- (j) to communicate and correspond with the banks, institutions, investors, government authorities, local authorities and other authorities where required about the Scheme and do all such acts, deeds, matters and things as may be at their discretion deem necessary or desirable for such purpose and with power of the Company to settle any queries, difficulties or doubts that may arise in this regard as they may in their absolute discretion deem fit and proper for the purpose of giving effect to the above resolution;
- (k) to provide all relevant information that may be required by the advisors (including lawyers, merchant bankers and chartered accountants), issue reliance letter and / or management representations (as may be required by the advisors) and to obtain necessary certificates/opinions/letters from the advisors (including the auditors);
- (l) to incur such other expenses as may be necessary with regard to the Scheme, including payment of fees of the solicitors, merchant bankers, advisors, registrars and other agencies and such other expenses that may be incidental to the above, as may be decided by them;
- (m) to consider, approve, sign and execute all other documents, advertisements, announcements, disclosure, etc. in relation to the Scheme, which may be sent/required to be sent to any person, on behalf of the Company;
- (n) To take necessary action in relation to stamping of documents in connection with the Proposed Transaction;
- (o) Take all such actions and steps in the above matters and to implement the Scheme, as may be required from time to time;
- (p) to approve/undertake such actions as may be considered necessary for implementation of the said Scheme after the same is sanctioned by the NCLT, including but not limited to, obtaining delivery of the order from the NCLT, authorization of entries to be made in the books of account in term of the Scheme, making filings with the jurisdictional Registrar of Companies, depositories (NSDL/CSDL) and/or any other governmental authorities, and to undertake all other actions required for full and effective implementation of the sanctioned Scheme and to remove and resolve all doubt and difficulties and to do all such lawful acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto;
- (q) to authorise the officers of the Company and/or any other persons to discuss, negotiate, finalise, execute, sign, submit and file all required documents, deeds of assignment/conveyance and any other deeds, documents, schemes, agreements, forms, returns, applications, letters, etc. including any modifications thereto, whether or not under the common seal of the Company, as may be required from time to time, and to do all such acts, deeds, matters and things as they may deem necessary and expedient at their absolute discretion in connection with or incidental to giving effect for the purpose of the above resolutions or to otherwise give effect to the transactions contemplated as aforesaid, without any further approval of the Board.



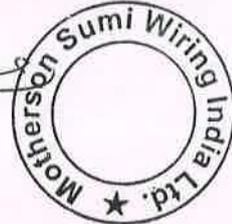
- (r) to give such directions as they may consider necessary or advisable to settle any question or difficulty arising under the Scheme or in regard to the meaning or interpretation of the Scheme or implementation thereof or in any manner whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any of those (to the extent permissible under law); and
- (s) to approve withdrawal (and where applicable, re-filing) of the Scheme at any stage in case any changes and/or modifications are suggested/required to be made in the Scheme or any condition suggested, required or imposed, whether by any creditor, NCLT and/or any other authority, are in its view not acceptable to the Company, and/or if the Scheme cannot be implemented otherwise, and to do all such acts, deeds and things as it may deem necessary and desirable in connection therewith and incidental thereto."

**"RESOLVED FURTHER THAT** the Common Seal of the Company be affixed, to the engrossment of any deeds, agreements, documents, writings and instruments as may be required, in the presence of any one Director of the Company who shall sign the same and Mr. Alok Goel or Mr. Aviral Khandelwal, Authorized person who shall countersign the same in token thereof in conformity with the provisions of Articles of Association of the Company."

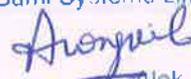
**"RESOLVED FURTHER THAT** the Certified copy(ies) of the above resolution duly signed by any Director or Company Secretary of the Company be submitted to the concerned authorities and they be requested to act upon the same."

For Motherson Sumi Wiring India Limited

Sanjay Mehta  
Director



For Motherson Sumi Systems Limited

  
Alok Goel  
Company Secretary

**COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT**

**(UNDER SECTIONS 230 TO 232 AND OTHER RELEVANT PROVISIONS OF THE  
COMPANIES ACT, 2013)**

**AMONGST**

**MOTHERSON SUMI SYSTEMS LIMITED**

**MSSL / Transferor Company /  
Amalgamated Company**

**SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED**

**Amalgamating Company**

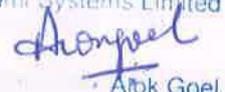
**MOTHERSON SUMI WIRING INDIA LIMITED**

**Resulting Company**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

For Motherson Sumi Systems Limited

  
Anshu Goel  
Company Secretary



## INTRODUCTION

### 1. PREAMBLE

This composite scheme of arrangement is presented under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, including the rules and regulations issued thereunder, as may be applicable, read with Sections 2(19AA) or 2(1B) of the Income-tax Act, 1961, as may be applicable, for the:

- (a) demerger of the DWH Undertaking (as defined in Section I of the Scheme) of the Transferor Company (as defined in Section I of the Scheme) and vesting of the same with the Resulting Company (as defined in Section I of the Scheme); and
- (b) amalgamation of the Amalgamating Company (as defined hereinafter) into and with MSSL, by absorption, subsequent to the completion of the demerger referred to in (a) above.

In addition, this composite scheme of arrangement also provides for various other matters consequential or otherwise integrally connected herewith.

### 2. DESCRIPTION OF THE COMPANIES

#### 2.1 Transferor Company

Motherson Sumi Systems Limited ("**MSSL**" or "**Transferor Company**" or "**Amalgamated Company**") is a public limited company incorporated on December 19, 1986, under the Laws (as defined in Section I of this Scheme) of India, having its registered office at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Mumbai 400 051, Maharashtra. The CIN of MSSL is L34300MH1986PLC284510. The Equity Shares of MSSL are listed on BSE Limited and National Stock Exchange of India Limited. The non-convertible debentures ("**NCDs**") issued by MSSL are listed on BSE Limited. MSSL is engaged in the business of manufacturing of automotive components, *inter alia*, wiring harness, manufacturing of vision system, manufacturing of moulded and polymer products etc., directly and / or through its subsidiaries.

#### 2.2 Resulting Company

Motherson Sumi Wiring India Limited ("**Resulting Company**") is a public limited company incorporated on July 2, 2020, under the Laws of India, having its registered office at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Mumbai 400 051, Maharashtra. The CIN of the Resulting Company is U29306MH2020PLC341326. The Resulting Company is a wholly owned subsidiary of MSSL.

#### 2.3 Amalgamating Company

Samvardhana Motherson International Limited ("**Amalgamating Company**"), is a public limited company incorporated on December 9, 2004, under the Laws of India, having its registered office at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Mumbai 400 051, Maharashtra. The NCDs issued by the Amalgamating Company are listed on BSE Limited. The CIN of the Amalgamating Company is U74900MH2004PLC287011. The Amalgamating Company is a non-deposit taking systemically important core investment company (CIC-ND-SI) registered with the Reserve Bank of India. The Amalgamating Company is engaged in the business of holding and nurturing its investments in various subsidiaries and joint-venture companies in India and across the world and also provides strategic, operational and management support to its group companies. The Amalgamating Company, directly or indirectly through its subsidiaries, is contemplating the commencement of new businesses, including civil aviation. Amalgamating Company is one of the promoters of MSSL and holds 33.43% of the share capital of MSSL, as on July 2, 2020.



### 3. RATIONALE FOR THE SCHEME

#### 3.1 Rationale for demerger of the DWH Undertaking

- 3.1.1. The Transferor Company is a multi-business corporate that is a specialised full-system solutions provider and caters to a diverse range of customers in the automotive and other industries across Asia, Europe, North America, South America, Australia and Africa. The Transferor Company is, directly and through its subsidiaries and joint venture companies, engaged in the business of manufacturing of automotive components, *inter alia*, wiring harness, manufacturing of vision system, manufacturing of moulded and polymer products etc. The Transferor Company has created value for its customers, its investors, its employees and other stakeholders through organic growth, by way of greenfield operations and inorganic growth, by way of continuing strategic acquisitions, and as a result has expanded its business operations in various countries across Asia, Europe, North America, South America, Australia and Africa.
- 3.1.2. The aforesaid businesses of the Transferor Company have been nurtured over a period of time and are currently at different stages of growth. The DWH Undertaking (as defined in Section I of the Scheme), being focused on the Domestic Wiring Harness Business, and the Remaining Business (as defined in Section I of the Scheme), each have distinct market dynamics, like competition, distinct geographic focus, distinct strategy and distinct capital requirements. As a result, there are differences in the way in which the activities of the Domestic Wiring Harness Business and the Remaining Business are required to be organised and managed. The segregation and transfer of the DWH Undertaking into the Resulting Company, as envisaged in the Scheme, will enable sharper focus towards Indian customers of the Domestic Wiring Harness Business, better alignment of the businesses to its customers and the respective businesses to improve competitiveness, operational efficiencies and strengthen its position in the relevant marketplace resulting in a more sustainable long term growth and competitive edge. The segregation and transfer of the DWH Undertaking into the Resulting Company will also align the interests of key stakeholders, which will benefit the strategic direction of the Resulting Company in the long term.
- 3.1.3. Separation of the Domestic Wiring Harness Business into the Resulting Company will result in the creation of two listed entities engaged in the auto-component business, enabling them to be used for future inorganic growth opportunities. The transfer and vesting of the DWH Undertaking into the Resulting Company, pursuant to the Scheme, will also enable the Resulting Company to have a strong presence among original equipment manufacturers - catering to passenger vehicle, commercial vehicle, 2-wheeler and off-highway vehicle segments.

#### 3.2 Rationale for amalgamation of Amalgamating Company with MSSL

- 3.2.1. The Amalgamating Company, through its subsidiaries and joint venture companies, is *inter alia* engaged in the business of product manufacturing of certain automotive components, including automotive rear-view mirrors, moulded plastic parts and assemblies, extruded and injection moulding tools and components, moulded and extruded rubber components, interior and exterior polymer modules, automotive modules, air intake manifolds, pedal box assemblies, heating ventilating and air conditioning (HVAC) systems for vehicles, cabins for off-highway vehicles, machined metal products, cutting tools, aluminium die casted products, sheet metal parts, sintered metal parts, thin film coating metals and IT services. The Amalgamating Company holds 33.43% of MSSL, the flagship company of the Motherson Group, as on July 2, 2020. The Motherson Group, through Amalgamating Company, has incubated several high growth businesses with market leadership positions, in addition to having partnered with global industry leaders.
- 3.2.2. Consolidation of the Amalgamating Company with MSSL, pursuant to the Scheme, will result in the simplification of the group structure and in the alignment of the interests of various stakeholders. Further, amalgamation of Amalgamating Company, along with its respective subsidiaries and joint venture companies with MSSL will expand MSSL's product portfolio



thereby leading to robust growth opportunities for the resultant MSSL, in India and overseas. It will also result in the resultant MSSL foraying into non-auto component business, which will help in diversifying the revenue streams for resultant MSSL. The amalgamation of the Amalgamating Company with MSSL would bring about synergy of operations and benefit of scale, since duplication of administrative efforts and legal and regulatory compliances will be unified.

3.2.3. The amalgamation of the Amalgamating Company with MSSL will also result in the consolidation of the entire shareholding of Samvardhana Motherson Automotive Systems Group B.V. ("**SMRP BV**"), a company engaged in the supply of rear-view vision systems and manufacturing of moulded and polymer products, currently jointly held by the Amalgamating Company and MSSL, with MSSL. Consequently, SMRP BV would become a wholly owned subsidiary of MSSL, leading to the consolidation of SMRP BV and its joint ventures and subsidiaries under the resultant MSSL, resulting in a larger market capitalisation of resultant MSSL.

3.3 Therefore, in view of the above, the implementation of this Scheme will result in the following benefits:

- (a) creation of separate and distinct entities housing the DWH Undertaking and the Remaining Business with well-defined strategic priorities;
- (b) dedicated and specialised management focus on the specific needs of the respective businesses;
- (c) expanding the business of MSSL from a diversified auto component product portfolio and foray into non-auto component business, thereby creating greater value for the shareholders / stakeholders of MSSL and will help and aid maintain supplier of choice status among original equipment manufacturers;
- (d) availability of increased resources, expertise and assets in the resultant MSSL, which can be utilized for strengthening the customer base and servicing existing as well as prospective customers;
- (e) cost reduction, retaining talent, optimization of support functions, efficiencies and productivity gains by pooling the resources of MSSL and Amalgamating Company, thereby significantly contributing to future growth and maximizing shareholders value and being favourably positioned for mega trends in the auto component sector;
- (f) benefit to all stakeholders of the Transferor Company, Resulting Company, and Amalgamating Company, leading to growth and value creation in the long run and maximising the value and returns to the shareholders, unlocking intrinsic value of the assets, achieving cost efficiencies and operational efficiencies;
- (g) consolidation of 100% of the shareholding in SMRP BV in MSSL along with consolidation of all joint ventures and subsidiaries of SMRP BV under MSSL;
- (h) consolidation of Amalgamating Company with MSSL resulting in consolidation of the group's shareholdings in various entities and simplification of the group structure resulting in higher stakeholder accountability; and
- (i) to ensure standalone focus on the Domestic Wiring Harness Business of the Transferor Company.

3.4. For the reasons above, the composite scheme of arrangement would be in the best interests of the shareholders, creditors, employees and other stakeholders of MSSL, Resulting Company and the Amalgamating Company. In view of the abovementioned reasons and in order to avoid multiplicity of schemes and the consequent increase in cost and effort that may have to be expended by the Companies (as defined in Section I of the Scheme), the NCLT



and the governmental authorities, it is considered desirable and expedient to implement the proposed composite scheme of arrangement.

#### 4. PARTS OF THE SCHEME

This Scheme (as defined in Section I of the Scheme) is divided into the following sections:

##### 4.1 SECTION I

#### DEMERGER OF THE DWH UNDERTAKING (AS DEFINED HEREINAFTER) AND VESTING OF THE SAME IN THE RESULTING COMPANY

**Part A** deals with the Definitions and Share Capital.

**Part B** deals with demerger of the DWH Undertaking (as defined in Section I of this Scheme) and vesting of the same in the Resulting Company, in accordance with Section 2(19AA) of the Income-tax Act, 1961 and Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as may be applicable.

**Part C** deals with various matters consequential or otherwise integrally connected with Section I of this Scheme, including the payment of consideration, cancellation of the paid-up share capital of the Resulting Company held by the Transferor Company, the accounting treatment in the books of the Transferor Company and the Resulting Company.

##### 4.2 SECTION II

#### AMALGAMATION, BY ABSORPTION, OF AMALGAMATING COMPANY WITH MSSL

**Part A** deals with the Definitions and Share Capital.

**Part B** deals with the amalgamation of the Amalgamating Company with MSSL, by absorption, in accordance with Section 2(1B) of the Income-tax Act, 1961 and Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as may be applicable.

**Part C** deals with various matters consequential or otherwise integrally connected with Section II of this Scheme including the payment of consideration, cancellation of the paid-up share capital of the Amalgamated Company held by the Amalgamating Company immediately prior to Effective Date 2 (as defined in Section II of this Scheme), the accounting treatment in the books of Amalgamated Company.

##### 4.3 SECTION III

#### GENERAL TERMS AND CONDITIONS

Section III deals with the general terms and conditions applicable to the Scheme.

##### 4.4 SCHEDULES TO THE SCHEME

**Schedule I** - Details of Manufacturing Units and Offices used for the DWH Undertaking as on July 2, 2020.

**Schedule II** - The revised Memorandum of Association to be adopted by the Amalgamated Company.



## SECTION I

### DEMERGER OF THE DWH UNDERTAKING AND VESTING OF THE SAME IN THE RESULTING COMPANY

#### PART A

#### 1. DEFINITIONS

- (a) **"Accounting Standards"** means the applicable accounting standards in force in India from time to time, consistently applied during the relevant period, including the generally accepted accounting principles and standards, Indian Accounting Standard (Ind AS), and all pronouncements including the guidance notes and other authoritative statements of the Institute of Chartered Accountants of India;
- (b) **"Applicable Laws"** or **"Laws"** means and includes all applicable statutes, enactments, acts of legislature or parliament, laws, regulations, ordinances, rules, by-laws, approvals from the concerned authority (including a governmental authority), government resolutions, directives, guidelines, policies, requirements, or other governmental restrictions or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any concerned authority having jurisdiction over the matter in question;
- (c) **"Appointed Date 1"** means April 1, 2021 or such subsequent date (if any) as may be decided by the Board of Directors of the Transferor Company and Resulting Company or such other date as the NCLT may direct;
- (d) **"Board of Directors"** or **"Board"**, in relation to any company, means the board of directors of such company and, unless contrary to the provisions of Applicable Laws, includes any committee of directors or any person authorised by the board of directors or by such committee of directors;
- (e) **"Companies"** means collectively, the Transferor Company, Resulting Company and Amalgamating Company;
- (f) **"Companies Act"** means the Companies Act, 2013, together with the rules and regulations, circulars, notifications and clarifications issued thereunder, and as amended from time to time;
- (g) **"Domestic Wiring Harness Undertaking"** or **"DWH Undertaking"** means and includes all the activities, businesses, operations and undertakings of, and relating to the DWH Business (as defined hereinafter), on a going concern basis, inclusive of but not limited to the following:
- (i) all the property of the DWH Business, in the manner more specifically provided under Section I of this Scheme, wherever situated, including all computers and accessories, software and related data, lease / leave and license rights with respect to use of offices, manufacturing units and other properties, including the premises listed under **Schedule I** of this Scheme, plant and machinery, capital work in progress, vehicles, furniture, fixtures, office equipment, electricals, appliances, accessories, pertaining to or relatable to the DWH Business, including all assets at the manufacturing units, offices, etc. situated at the premises listed under **Schedule I** of this Scheme;
- (ii) all rights and licenses, all assignments and grants thereof, all permits, clearances and registrations whether under central, state or other laws, rights (including rights/ obligations under agreement(s) entered into with various persons including independent consultants, subsidiaries / associate



companies and other shareholders of such subsidiary / associate / joint venture companies, contracts, applications, letters of intent, memorandum of understandings or any other contracts), non-disposal undertakings, certifications and approvals, regulatory approvals, entitlements, other licenses, consents, tenancies, investments and / or interest (whether vested, contingent or otherwise), taxes, share of advance tax, tax deducted at source and minimum alternate tax credits (including but not limited to credits in respect of sales tax, value added tax, service tax, goods and services tax (GST), and other indirect taxes), deferred tax benefits and other benefits in respect of the DWH Business, tax losses, if any, cash balances, bank accounts and bank balances, deposits, advances, recoverables, receivables, easements, advantages, financial assets, treasury investments, hire purchase and lease arrangements, funds belonging to or proposed to be utilised for the DWH Business, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the DWH Business;

- (iii) all books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the DWH Business;
- (iv) all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, leases / licenses, operation and maintenance contracts, memorandum of understanding, memorandum of agreements, memorandum of agreed points, letters of intent, hire and purchase agreements, tenancy rights, equipment purchase agreement and other agreement and / or arrangement, as amended and restated from time to time, whether executed with customers, suppliers, contractors, lessors, licensors, consultants, advisors or otherwise, which pertain to the DWH Business;
- (v) any and all earnest monies and / or security deposits, or other entitlements in connection with or relating to the DWH Business;
- (vi) all employees of the Transferor Company that are determined by the Board of the Transferor Company to be substantially engaged in, or in relation to, the DWH Business, on the date immediately preceding the Effective Date 1;
- (vii) all liabilities (including liabilities allocable as per this Scheme, if any) present and future, corporate guarantees issued and the contingent liabilities pertaining to or relating to the DWH Business, namely:
  - (A) the debts of the Transferor Company which arises out of the activities or operations of the DWH Business,
  - (B) specific loans and borrowings raised, incurred and utilised by the Transferor Company for the activities or operations of or pertaining to the DWH Business,
  - (C) general or multipurpose borrowings, if any, of the Transferor Company will be apportioned basis the proportion of the value of the assets transferred in this demerger of DWH Business to the total value of the assets of the Transferor Company immediately before the said demerger.



- (viii) all legal or other proceedings of whatsoever nature, including tax proceedings, by or against the Transferor Company pending as on the Effective Date 1 and relating to the DWH Business.

Any issue as to whether any asset or liability and / or employee pertains to or is relatable to the DWH Undertaking or not shall be decided by the Board of Directors of the Transferor Company.

- (h) **"Domestic Wiring Harness Business" or "DWH Business"** means and includes all the activities, business, operations and undertakings of the Transferor Company in relation to designing, development, prototyping, validation, manufacturing, sale and supply of wiring harnesses within India;
- (i) **"Effective Date 1"** means the date on which the last of the conditions and matters referred to in Clause 3.1 of Section III of this Scheme have been fulfilled, obtained or waived, as applicable. Any references in Section I of this Scheme to "upon Section I of this Scheme becoming effective" or "effectiveness of Section I of this Scheme" shall refer to the Effective Date 1;
- (j) **"Equity Shares"**, in regard to a company, means the fully paid-up equity shares of such a company;
- (k) **"IT Act"** means the Income-tax Act, 1961;
- (l) **"NCLT"** means the National Company Law Tribunal, Mumbai bench;
- (m) **"Record Date 1"** means the date to be fixed by the Board of Directors of the Transferor Company, for the purpose of determining the shareholders of the Transferor Company to whom the new Equity Shares of the Resulting Company will be issued and allotted, pursuant to Section I of the Scheme;
- (n) **"Remaining Business"** means all the undertakings, businesses, activities, operations, assets and liabilities of the Transferor Company, other than those forming part of the DWH Undertaking;
- (o) **"RoC"** means the Registrar of Companies, Mumbai;
- (p) **"Resulting Company"** means Motherson Sumi Wiring India Limited;
- (q) **"Scheme"** means this composite scheme of arrangement among the Transferor Company, Resulting Company and the Amalgamating Company and their respective shareholders and creditors, in accordance with the provisions hereof and pursuant to the provisions of Sections 230-232 and other relevant provisions of the Companies Act;
- (r) **"SEBI"** means the Securities and Exchange Board of India;
- (s) **"SEBI Circular"** means SEBI Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017, issued by the SEBI regarding Schemes of Arrangement by Listed Entities and Relaxation under Sub-rule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957, as amended from time to time;
- (t) **"Stock Exchanges"** means collectively BSE Limited and the National Stock Exchange of India Limited; and
- (u) **"Tax", "Taxes" or "Taxation"** means all forms of taxation, duties, cess, levies, imposts and social security (or similar) charges of any kind whatsoever in any jurisdiction, including without limitation corporate income tax, any other form of withholding tax, provident fund, employee state insurance and gratuity contributions, service tax,



value added tax, customs and excise duties, capital tax and other legal transaction taxes, stamp duty, dividend distribution tax, securities transaction tax, real estate taxes, gross receipts taxes, windfall profit taxes, employment taxes, severance taxes, franchise taxes, transfer taxes, profit taxes, registration taxes, unclaimed property or escheatment taxes, alternative or add-on minimum taxes, estimated taxes, other municipal, provincial, state or local taxes and duties, environmental taxes and duties, goods and service taxes and any other type of taxes or duties in any relevant jurisdiction, whether disputed or not, together with any interest, penalties, surcharges or fines relating thereto, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction, and including any obligations to indemnify or otherwise assume or succeed to the tax liability of any other Person.

The expressions, which are used in this Section I of the Scheme and not defined in Section I shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Sections II of the Scheme, the Companies Act, the IT Act and other Applicable Laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

## 2. SHARE CAPITAL

2.1 The capital structure of the Transferor Company, as on July 2, 2020, is as under:

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
605,00,00,000 Equity Shares of Re. 1 each	605,00,00,000
2,50,00,000 preference shares of Rs. 10 each	25,00,00,000
<b>Total</b>	<b>630,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
315,79,34,237 Equity Shares of Re. 1 each	315,79,34,237
<b>Total</b>	<b>315,79,34,237</b>

2.2 The capital structure of the Resulting Company, as on July 2, 2020, is as under:

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
5,00,000 Equity Shares of Re. 1 each	5,00,000
<b>Total</b>	<b>5,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
5,00,000 Equity Shares of Re. 1 each	5,00,000
<b>Total</b>	<b>5,00,000</b>



**PART B**

**3. DEMERGER OF THE DWH UNDERTAKING AND VESTING OF THE SAME IN THE RESULTING COMPANY**

3.1 Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the DWH Undertaking, together with all its properties, assets, investments, liabilities, rights, benefits, interests and obligations therein, shall demerge from the Transferor Company and be transferred to, and stand vested in, the Resulting Company, and shall become the property of and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party. Without prejudice to the generality of the above, in particular, the DWH Undertaking shall stand transferred and vested in the Resulting Company, in the manner described in sub-clause (a) – (m) below:

- (a) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all assets of the DWH Undertaking that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and / or by endorsement and delivery, or by vesting and recordal, including equipment, furniture and fixtures, shall stand vested in and be deemed to be vested in the Resulting Company, wherever located, and shall become the property and an integral part of the Resulting Company in terms of Section I of this Scheme. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- (b) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all assets of the DWH Undertaking that are movable properties, other than those described under sub-clause (a) above, including investments in shares and any other securities, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with governmental authorities, shall, without any further act or deed, become the property of the Resulting Company and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard.
- (c) The Transferor Company and the Resulting Company shall, as provided for under Clause 4 of Section I of the Scheme, enter into appropriate lease agreements / leave and license agreements, to allow the Resulting Company to continue using all immovable property used by the DWH Business immediately prior to Effective Date 1, (including as listed in Schedule I of this Scheme), and such lease / leave and license shall be effective upon Section I of the Scheme coming into effect, on the Effective Date 1. The freehold and / or leasehold rights, as the case may be, of the Transferor Company over such immovable properties leased and / or licensed and / or sub-leased to the Resulting Company, shall continue to remain with the Transferor Company.
- (d) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all debts, liabilities, contingent liabilities, present or future, duties and obligations, secured or unsecured, whether known or unknown, including contingent / potential tax liabilities of the DWH Undertaking shall, pursuant to the applicable provisions of the Companies Act and the provisions of Section I of this Scheme and, without any further act or deed, become the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and the Resulting Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts,



liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. The amounts of general or multipurpose borrowings, if any, of the Transferor Company will be apportioned basis the proportion of the value of the assets transferred in this demerger of DWH Undertaking to the total value of the assets of the Transferor Company immediately before the said demerger or in such other manner as maybe determined by the Boards of the Transferor Company and Resulting Company.

- (e) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, leases and licenses of the Transferor Company in relation to the DWH Undertaking, shall be and remain in full force and effect on, against or in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligor thereto. Without prejudice to the generality of the foregoing, agreements executed with custodians, software contracts, derivative contracts, bonds, schemes, instruments, bank guarantees, performance guarantees and letters of credit, agreements with any governmental authority, hire purchase agreements, lending agreements, agreements with service providers or contractors for the supply of manpower or contract labour, and such other agreements, deeds, documents and arrangements pertaining to the DWH Undertaking or to the benefit of which the Transferor Company may be eligible in connection with the DWH Undertaking and which are subsisting or having effect immediately before the Effective Date 1, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date 1 and upon Section I of this Scheme becoming effective, in terms of Section I of this Scheme or by operation of law pursuant to the vesting orders of the NCLT, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Resulting Company. All contracts / agreements of the DWH Undertaking subsisting or having effect immediately before the Effective Date 1 shall stand vested in favour of the Resulting Company on the same terms and conditions. The Resulting Company and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder. Notwithstanding the generality of the foregoing, any technical services agreement executed by the Transferor Company with any technical partners, in relation to the DWH Undertaking, shall stand assigned to the Resulting Company on the same terms of conditions as the existing technical services agreement. The Resulting Company shall execute all necessary deeds / documents / agreements with the relevant technology partners to give effect to such assignment.
- (f) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all Taxes paid or payable by the Transferor Company, in respect of the operations and / or profits of the DWH Undertaking before the Appointed Date 1, shall be on account of the Transferor Company and, insofar as it relates to the Taxes, whether by way of deduction at source, advance tax or otherwise, by the Transferor Company in respect of profits from activates of the DWH Undertaking after the Appointed Date 1, the same shall be deemed to be the corresponding item paid by the Resulting Company, and shall, in all proceedings be dealt with accordingly;
- (g) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, any notices, disputes, pending suits / appeals, legal, Taxation, or any complaint or claim to any ombudsman, or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature relating to DWH Undertaking, whether by or against the Transferor Company, whether pending on the Appointed Date 1 or which may be instituted any time in the future shall not abate, be discontinued or in any way prejudicially affected by reason of demerger and vesting of the DWH Undertaking in the Resulting Company or anything contained in this Scheme, but the proceedings



shall continue and any prosecution shall be enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued, prosecuted and, or, enforced by or against the Transferor Company, as if this Scheme had not been implemented.

- (h) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all employees of the DWH Undertaking, as determined by the Board of the Transferor Company, shall be deemed to have become employees of the Resulting Company, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Transferor Company, on the Effective Date 1. The services of such employees with the Transferor Company up to the Effective Date 1 shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, severance pay, gratuity and other terminal benefits.
- (i) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the Resulting Company shall stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, or to such other relevant employee benefit funds maintained in accordance with the provisions of Applicable Laws. For the avoidance of doubt, it is clarified that upon Section I of this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the DWH Undertaking for such purpose shall be treated as having been continuous.
- (j) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, employment information, including personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to the employees of the DWH Undertaking and all forms, notifications, orders and contribution / identity cards issued by the concerned authorities relating to benefits shall be deemed to have been transferred to the Resulting Company, which shall continue to abide by any agreement(s) / settlement(s) entered into / by the Transferor Company with any of the employees of the DWH Undertaking prior to the Appointed Date 1 and from the Appointed Date 1 till Effective Date 1.
- (k) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all licenses of the DWH Undertaking shall be in full force and effect in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligee thereto. For the avoidance of doubt, it is clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution / endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the NCLT and upon the Scheme coming into effect on the Effective Date 1. For this purpose, the Resulting Company shall file appropriate applications / documents with relevant authorities concerned for information and record purposes.
- (l) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Transferor Company in regard to the DWH Undertaking shall be deemed to have been accrued to and, or, acquired for and on behalf of the Resulting Company and shall, upon Section I of this Scheme becoming effective, pursuant to the provisions of the Companies Act, without any further act or deed, be and stand transferred to or vested in or be deemed to have



been transferred to or vested in the Resulting Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Resulting Company.

- (m) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Company, insofar as the same pertains to the DWH Undertaking, shall be accepted by the relevant bankers and credited to the accounts of the Resulting Company.
- 3.2 Further, upon Section I of the Scheme coming into effect on the Effective Date 1, the Resulting Company shall, in the ordinary course of its business, enter into necessary deeds / documents / agreements with the legal owners of the trademark 'Motherson', in relation to the use of such the trademark by the Resulting Company, on such terms and conditions as may be mutually agreed between the Resulting Company and the legal owners of such trademark.
- 3.3 Notwithstanding anything to the contrary contained in Section I of the Scheme, it is clarified that all assets, liabilities, deposits and balances, investments, contracts, intellectual property rights, licenses, employees and books and records not specifically forming a part of the of the DWH Undertaking, as identified in Clause 3.1 above, shall not be transferred to the Resulting Company and shall continue to be a part of the Transferor Company.
- 3.4 Upon Section I of the Scheme coming into effect on the Effective Date 1, the secured creditors of the Transferor Company shall not be entitled to security over properties, assets, rights, benefits and interest of the DWH Undertaking, as existing immediately prior to the Effective Date 1.
- 3.5 Similarly, upon Section I of the Scheme coming into effect on the Effective Date 1, the secured creditors of the Resulting Company shall not be entitled to security over properties, assets, rights, benefits and interest over the Remaining Business, as existing immediately prior to the Effective Date 1. Notwithstanding the foregoing, it is clarified that, upon Section I of the Scheme coming into effect on the Effective Date 1, the secured creditors of the Resulting Company who have been granted security over the immovable property of the Transferor Company immediately prior to the Effective Date 1, shall continue to be entitled to security over such immovable properties of the Transferor Company, as existing immediately prior to the Effective Date 1, till such time that the Board of the Resulting Company and the secured creditors have mutually agreed to alternate security to be provided by the Resulting Company and have executed appropriate documents, as may be required, in respect of such alternate security. The consent of the shareholders of the Transferor Company and the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this, and no further resolution(s) under Section 185, 188 or other applicable provisions of the Companies Act, if any, would be required to be separately passed in this regard.
- 3.6 Notwithstanding anything contained under Clause 3.5 above, upon Section I of the Scheme coming into effect on the Effective Date 1 and subject to compliance with Section 185, Section 188 or other applicable provisions of the Companies Act and the provisions of Articles of Association of the Transferor Company, the Board of Directors of the Transferor Company may, based on mutual agreement and on such terms and conditions as the Board of Directors of the Transferor Company and the Resulting Company may mutually determine, permit creation of security by way of any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other agreement or arrangement, the effect of which is the creation of security over the assets of the Transferor Company, for borrowings to be availed by the Resulting Company, and may authorise the execution of appropriate arrangements between the Transferor Company, the Resulting Company and the lenders, as may be required, in respect of the same.
- 3.7 The Resulting Company shall, at any time after Section I of this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Transferor



Company, in relation to the DWH Undertaking, if so required under any Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the DWH Undertaking, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Resulting Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of the Transferor Company in relation to the DWH Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company *inter alia* in its capacity as the successor-in-interest of the Transferor Company in relation to the DWH Undertaking.

- 3.8 The Resulting Company shall, at any time after Section I of this Scheme becoming effective in accordance with the provisions hereof, if so required under any Law or otherwise, do all such acts or things as may be necessary to transfer / obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company in connection with the DWH Undertaking. For the avoidance of doubt, it is clarified that if the consent of any third party or governmental authority, if any, is required to give effect to the provisions of this Clause, the said third party or governmental authority shall make and duly record the necessary substitution / endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the NCLT, and upon Section I of this Scheme becoming effective. The Resulting Company shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and the Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company insofar as the same are in connection with the DWH Undertaking and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.
- 3.9 Upon Section I of the Scheme coming into effect on the Effective Date 1, all policies as may be required by Applicable Law to be adopted by the Resulting Company, and which may have already been adopted by the Transferor Company in accordance with Applicable Laws shall *mutatis mutandis* be deemed to have been adopted by the Resulting Company, without any further act or deed required by the Resulting Company.
- 3.10 Upon Section I of the Scheme coming into effect on the Effective Date 1 with effect from the Appointed Date 1, the Resulting Company shall be entitled to the benefit of the past experience and / or performance of the Transferor Company in relation to DWH Undertaking for all purposes without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement being required from any third party. If any instrument or deed or document is required or deemed necessary or expedient to give effect to the provisions of this Clause by the Resulting Company, the Transferor Company shall duly execute the same and duly record the necessary substitution / endorsement in the name of the Resulting Company pursuant to Section I of the Scheme becoming effective in accordance with the terms hereof. The Resulting Company shall, under the provisions of Section I of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on behalf of the Transferor Company.
4. **Arrangements between the Resulting Company and the Transferor Company, etc.**
- 4.1 As on date, the DWH Undertaking is being carried on as a part of the business of the Transferor Company and will be continued to be carried on by the Transferor Company during the pendency of the Scheme. The DWH Undertaking has various inter-dependencies with the Remaining Business of the Transferor Company and its subsidiaries and joint ventures and therefore, the Transferor Company, its subsidiaries and joint ventures propose to undertake various business relationships with the Resulting Company, on an arms' length basis, for which appropriate contracts will be entered into between the Transferor Company, its subsidiaries and joint ventures and the Resulting Company prior to the Effective Date 1. Some of the key business relationships proposed between the Transferor Company, its subsidiaries and joint ventures and the Resulting Company, which will continue beyond



Effective Date 1, pertain to, (a) purchase of components by the Resulting Company, such as wires, rubber parts, tools, jig, fixtures, and other components as required for the DWH Business and which are manufactured and / or procured by the Transferor Company / its subsidiaries and joint ventures; (b) various functional support services to be provided by the Transferor Company to the Resulting Company, such as, design and development services, finance, logistics, human resource, marketing, etc.; (c) management services to be provided by the Transferor Company to the Resulting Company; and (d) leasing and / or licensing and / or sub-leasing of various immovable property owned / leased by the Transferor Company on which the manufacturing units and other office premises of the DWH Undertaking are located to the Resulting Company.

- 4.2 Upon the demerger of the DWH Undertaking into Resulting Company becoming effective on Effective Date 1, the Transferor Company, its subsidiaries and joint ventures also propose to purchase wiring harness manufactured by the Resulting Company.
- 4.3 The Transferor Company also has certain existing agreements with certain group companies, which are important for the efficient functioning of the Transferor Company as on date. The arrangements will be continued with the Resulting Company as well and the Resulting Company will be required to enter into appropriate agreements with the Transferor Company and other related parties, for procuring various goods and services from such related parties.
- 4.4 The agreements executed prior to Effective Date 1 between (a) the Resulting Company and the Transferor Company; and (b) the Resulting Company and other group companies, shall be subject to the approval of the Board and shareholders of the Transferor Company and the Resulting Company (as applicable), which shall be obtained prior to Effective Date 1 and once executed and approved by the respective Board and shareholders of the Transferor Company and the Resulting Company (as applicable), such agreements shall be binding on the parties thereto.
- 4.5 Accordingly, the Board of the Resulting Company and the Transferor Company may, prior to the Effective Date 1, authorise the execution of necessary deeds / documents / agreements between the companies, as may be required, on such terms and conditions as may be mutually and, unless waived by the Board of the Transferor Company at its sole discretion, the effectiveness of Section I of this Scheme will be conditional upon all such arrangements as deemed necessary by the Resulting Company and the Transferor Company being put in place between the Resulting Company, on the one hand, and the Transferor Company and other group companies, on the other hand. All such arrangements shall be entered into on an arms' length basis.



## PART C

5. The Resulting Company shall have taken all necessary steps, including by way of passing all enabling corporate resolutions to increase or alter, to the extent required, its authorised share capital suitably so as to enable it to issue and allot the Equity Shares under this Section I of the Scheme.

### 6. RECORD DATE 1

Upon Section I of the Scheme coming into effect on the Effective Date 1 and upon the transfer of the DWH Undertaking and vesting of the same in the Resulting Company, the Board of the Transferor Company shall, after consulting with the Board of the Resulting Company, determine a Record Date 1, being a date subsequent to the filing of the order of the NCLT sanctioning the Scheme with the RoC, for issue and allotment of Equity Shares of the Resulting Company to the shareholders of the Transferor Company in terms of Clause 8 of Section I below. On determination of Record Date 1, the Transferor Company shall provide to the Resulting Company the list of its shareholders as on such Record Date 1, who are entitled to receive the Equity Shares in the Resulting Company in terms of Section I of this Scheme in order to enable the Resulting Company to issue and allot such Equity Shares to such shareholders of the Transferor Company.

### 7. RECLASSIFICATION OF THE AUTHORISED SHARE CAPITAL OF THE TRANSFEROR COMPANY AND TRANSFER OF AUTHORISED SHARE CAPITAL OF THE TRANSFEROR COMPANY TO THE RESULTING COMPANY

- 7.1. Upon Section I of the Scheme coming into effect on the Effective Date 1, 2,50,00,000 (Two Crore Fifty Lakhs) preference shares, of face value of Rs. 10 (Indian Rupees Ten) each, of the Transferor Company shall stand reclassified as 25,00,00,000 (Twenty Five Crore) Equity Shares of Re. 1 (Indian Rupee One) each. Accordingly, the authorised share capital of the Transferor Company shall stand reclassified to Rs. 650,00,00,000 (Indian Rupees Six Hundred and Fifty Crores), divided into 650,00,00,000 (Six Hundred and Fifty Crores) Equity Shares of Re. 1 (Indian Rupee One) each. The consent of the shareholders of the Transferor Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this reclassification of share capital as well, and no further resolution(s) under Sections 61 or 13 or other applicable provisions of the Companies Act, if any, would be required to be separately passed in this regard.

- 7.2. Upon Section I of the Scheme coming into effect on the Effective Date 1, and subsequent to the reclassification of the preference share capital of the Transferor Company into equity share capital, as per Clause 7.1 of Section I of this Scheme above, a portion of the authorized share capital of the Transferor Company, amounting to Rs. 300,00,00,000 (Indian Rupees Three Hundred Crores), comprising of 300,00,00,000 (Three Hundred Crore) Equity Shares of Re. 1 (Indian Rupee One) each, shall stand transferred and be deemed to be added to the authorized share capital of the Resulting Company as on Effective Date 1, without any requirement of any further act or deed on the part of the Transferor Company, including payment of stamp duty and fees payable to the RoC, and the memorandum of association and articles of association of the Resulting Company (relating to the authorized share capital) shall, without any requirement of a further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 4, Section 13, Section 61 and/or other applicable provisions of the Companies Act, if any, would be required to be separately passed, and for this purpose, the stamp duties and fees paid on the authorized share capital of the Transferor Company in the past shall be deemed to have been utilized and applied to the increased authorized share capital of the Resulting Company and there would be no requirement of any further payment of stamp duty and/or fee by the Resulting Company for increase in and utilization of the authorized share capital to that extent, provided that, if applicable, the Resulting Company shall pay the requisite fees on its authorised share capital enhanced by the demerger, in terms of the Companies Act.



## 8. ISSUANCE OF EQUITY SHARES

- 8.1. Upon the coming into effect of this Scheme and in consideration of the demerger of the DWH Undertaking into the Resulting Company pursuant to Section I of this Scheme, the Resulting Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of the Transferor Company as on the 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 Transferor Company ("**Demerger Share Entitlement Ratio**").
- 8.2. In the event of any restructuring of the equity share capital by the Transferor Company or the Resulting Company, including by way of share split / consolidation / issue of bonus shares or other similar action in relation to share capital of the Transferor Company or the Resulting Company, at any time before the Record Date 1, the Demerger Share Entitlement Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate action.

## 9. ISSUANCE MECHANICS AND OTHER RELEVANT PROVISIONS

- 9.1 Subject to Applicable Laws, the Equity Shares of the Resulting Company that are to be issued in terms of Clause 8 of Section I shall be issued in dematerialised form. The register of members maintained by the Resulting Company and, or, other relevant records, whether in physical or electronic form, maintained by the Resulting Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Resulting Company) be updated to reflect the issue of Equity Shares in terms of Clause 8 of Section I. The shareholders of the Transferor Company shall provide such confirmation, information and details as may be required by the Resulting Company to enable it to issue the aforementioned Equity Shares.
- 9.2 For the purpose of allotment of Equity Shares of the Resulting Company pursuant to Clause 8 of Section I of the Scheme, in case any member holds Equity Shares in the Transferor Company in physical form, the Resulting Company shall not issue its Equity Shares to such member but shall, subject to Applicable Laws, issue the corresponding Equity Shares in dematerialised form, to a demat account held by a trustee nominated by the Board of the Resulting Company or into a suspense account opened in the name of the Resulting Company with a depository or into an escrow account opened by the Resulting Company with a depository, as determined by the Board of the Resulting Company, where such Equity Shares shall be held on behalf of such member. The Equity Shares of the Resulting Company so held in a trustee's account or suspense account or escrow account, as the case may be, shall be transferred to the respective member once such member provides details of his / her / its demat account to the Resulting Company, along with such documents as maybe required. The respective member shall have all the rights of the shareholders of Resulting Company, including the right to receive dividend, voting rights and other corporate benefits, pending the transfer of Equity Shares from the trustee. All costs and expenses incurred in this respect shall be borne by Resulting Company.
- 9.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferor Company shall be empowered, in appropriate cases, prior to or even subsequent to the Record Date 1, to effectuate such a transfer in the Transferor Company as if such changes in registered holder were operative as on the Record Date 1, in order to remove any difficulties arising to the transferor / transferee of the Equity Shares in the Transferor Company and in relation to the Equity Shares issued by the Resulting Company upon the effectiveness of Section I of this Scheme. The Board of the Resulting Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Resulting Company on account of difficulties faced in the transition period.
- 9.4 The Equity Shares to be issued by the Resulting Company pursuant to Clause 8 of Section I above in respect of Equity Shares of the Transferor Company which are held in abeyance



under the provisions of Section 126 of the Companies Act (erstwhile Section 206A of the Companies Act, 1956) or are otherwise shall, pending allotment or settlement of the dispute by order of a court or otherwise, also be kept in abeyance by the Resulting Company. Further, for the avoidance of doubt, it is clarified that Equity Shares to be issued by the Resulting Company pursuant to Clause 8 of Section I above in respect of Equity Shares of the Transferor Company which are (a) held in the suspense account of the Transferor Company in accordance with the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, shall also be held in a suspense account opened by the Resulting Company, and (b) transferred by the Transferor Company in the name of Investor Education and Protection Fund in accordance with Section 126(6) of the Companies Act shall also be transferred by the Resulting Company to the Investor Education and Protection Fund, in accordance with Applicable Law.

- 9.5 The Equity Shares to be issued and allotted by the Resulting Company in terms of Clause 8 of Section I shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Resulting Company and shall rank *pari passu* in all respects with the existing Equity Shares of the Resulting Company.

**10. CANCELLATION OF EQUITY SHARES HELD BY THE TRANSFEROR COMPANY IN THE RESULTING COMPANY**

- 10.1 The Resulting Company is a wholly owned subsidiary of the Transferor Company. Accordingly, simultaneous with the issuance of the Equity Shares in accordance with Clause 8 of Section I of this Scheme, the existing issued and paid up Equity Share capital of the Resulting Company, as held by the Transferor Company and its nominees, shall, without any further application, act, instrument or deed, be automatically cancelled.

- 10.2 The cancellation of the Equity Share capital held by the Transferor Company and its nominees in Resulting Company, in accordance with Clause 10.1 of Section I of this Scheme, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Companies Act, and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Companies Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of Resulting Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Companies Act as well and no further compliances would be separately required.

- 10.3 The Resulting Company shall not be required to add the words "and reduced" as suffix to its name consequent upon the reduction of capital under Clause 10.1 of Section I of this Scheme above.

- 10.4 The reduction of capital of Resulting Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

**11. LISTING OF EQUITY SHARES ISSUED AS CONSIDERATION**

- 11.1 Subsequent to the effectiveness of Section I of the Scheme from Effective Date 1, the Equity Shares of the Resulting Company shall be listed and shall be admitted for trading on the Stock Exchanges by virtue of this Scheme and in accordance with the provisions of the SEBI Circular. Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of the aforesaid SEBI Circular and Applicable Laws and take all steps to get its Equity Shares listed on the Stock Exchanges.

- 11.2 The Equity Shares of Resulting Company issued and allotted pursuant to this Scheme shall remain frozen in the depositories system until listing and trading permission is granted by the relevant designated stock exchange for their listing and trading. Subsequent to the issuance of Equity Shares by Resulting Company in terms of Clause 8 of Section I of the Scheme, there shall be no change in the shareholding pattern or 'control' in the Resulting Company between Record Date 1 and the date of listing of such Equity Shares, which may affect the



status of the approval granted by the Stock Exchanges, and any other governmental authority in this regard. Further, during such period, the Resulting Company will not issue / reissue any Equity Shares which are not covered under the Scheme.

## 12. SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Resulting Company as envisaged in this Section I of the Scheme shall not affect any transaction or proceedings already concluded by the Transferor Company or the Resulting Company on or before Appointed Date 1 and after Appointed Date 1 till the Effective Date 1, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

## 13. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE 1

13.1 It is clarified that the Board of the Transferor Company shall have the absolute right to acquire any asset for, or sell, transfer, create, encumbrance or otherwise deal with any asset of, the DWH Undertaking or the Remaining Business and to raise debt for the DWH Undertaking and / or the Remaining Business, as per its business requirements and otherwise conduct its business in their sole discretion, up to Effective Date 1.

13.2 With effect from Appointed Date 1 and up to and including the Effective Date 1:

- (a) the business pertaining to the DWH Undertaking shall be deemed to have been carried on account of, and the properties and assets of DWH Undertaking shall be deemed to have been held for and in trust for, the Resulting Company; and
- (b) all profits or income arising or accruing to or received in regard to the DWH Undertaking and all taxes paid thereon (including advance tax, tax deducted at source, minimum alternate tax, securities transaction tax, taxes withheld / paid in a foreign country, value added tax, sales tax, service tax, goods and services tax (GST), etc.) or losses arising in or incurred in regard to the DWH Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Resulting Company.

## 14. TAXES

14.1 The provisions of Section I of this Scheme have been drawn up and intended to be in compliance with the conditions specified under the tax laws, specifically Section 2(19AA) of IT Act, and other relevant sections of IT Act. If any terms or provisions of Section I of this Scheme are found or interpreted to be inconsistent with the provisions of the aforesaid Sections of the IT Act at a later date (not being a date after the Effective Date 1), including resulting from an amendment of Law or for any other reason whatsoever, such provisions of the tax laws shall prevail and Section I of this Scheme shall, subject to the approval of the Board of the Transferor company and Resulting Company, stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect the other Sections of this Scheme.

14.2 With effect from the Appointed Date 1 and upon Section I of this Scheme becoming effective from Effective Date 1, all taxes and duties payable by the Transferor Company, accruing and relating to the operations of the DWH Undertaking from the Appointed Date 1 onwards, including all advance tax payments, tax deducted at source, any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds and claims, as the case may be, of the Resulting Company.

14.3 Upon Section I of this Scheme becoming effective from Effective Date 1, all un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including Minimum Alternate Tax (MAT) credit), central value added tax (CENVAT), customs, value added tax (VAT), sales tax, service tax, goods and services



tax (GST), etc. relating to the DWH Undertaking to which the Transferor Company is entitled shall be available to and vest in the Resulting Company, without any further act or deed.

- 14.4 All tax assessment proceedings / appeals, except for such assessment proceedings / appeals under the provisions of the IT Act, of whatsoever nature pertaining to the DWH Undertaking shall be continued and / or enforced as and from the Effective Date 1, by or against the Resulting Company. All assessment proceedings / appeals under the provisions of the IT Act, of whatsoever nature pertaining to the DWH Undertaking shall continue and / or, be enforced by or against, and shall continue to be enforced by or against, the Transferor Company. The aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of demerger of the DWH Undertaking into the Resulting Company assessment proceedings / appeals under the provisions of the IT Act, of whatsoever nature pertaining to the DWH Undertaking.
- 14.5 Upon Section I of this Scheme becoming effective from Effective Date 1, the accounts of both the Transferor Company and the Resulting Company as on Appointed Date 1 shall be reconstructed in accordance with the terms of Section I of this Scheme. Both the Transferor Company and the Resulting Company shall be entitled to revise their income tax returns, TDS returns, and other statutory returns as may be required under respective statutes pertaining to direct taxes or indirect taxes, such as sales-tax, value added tax, goods and services tax, excise duties, service tax, etc. and the Resulting Company shall also have the right to claim refunds, advance tax credits, minimum alternate tax (MAT) credit, credit of tax deducted at source, credit of foreign taxes paid / withheld, carry forward of tax losses, credits in respect of sales tax, value added tax, service tax, goods and services tax (GST), and other indirect taxes etc., if any, as may be required consequent to implementation of Part C and other relevant provisions of this Scheme, as result of demerger and vesting of the DWH Undertaking in the Resulting Company.

## 15. ACCOUNTING TREATMENT

Upon Section I of this Scheme becoming effective from Effective Date 1, the Transferor Company and the Resulting Company shall account for the demerger of the DWH Undertaking in accordance with applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. Further, the date of such accounting treatment shall be in consonance with the applicable Ind AS.

### 15.1 Accounting treatment in the books of the Transferor Company:

Upon Section I of the Scheme becoming effective on Effective Date 1:

- (a) The Transferor Company shall recognise a liability for transfer of DWH Undertaking, at the book value of its net assets, by adjusting the corresponding amount to the retained earnings. The book value of net assets shall be computed as the carrying value of assets less the carrying value of liabilities appearing in the books of the Transferor Company, pertaining to the DWH Undertaking transferred to and vested in the Resulting Company;
- (b) The Transferor Company shall de-recognize from its books, the book value of assets and liabilities of the DWH Undertaking transferred to the Resulting Company under this Scheme, including rights, interest and obligation of the Transferor Company in such assets and liabilities. The corresponding amount shall be adjusted against the liability recognised at (a) above; and
- (c) The Transferor Company's investment in the Resulting Company, cancelled pursuant to Clause 10 of Section II of this Scheme will be adjusted in the retained earnings.

### 15.2 Accounting treatment in the books of the Resulting Company:



Upon Section I of the Scheme becoming effective on Effective Date 1, the Resulting Company shall account for the transfer and vesting of the DWH Undertaking in its books of account in the following manner:

- (a) All the assets and liabilities pertaining to the DWH Undertaking, appearing in the books of the Transferor Company, shall stand transferred to, and the same shall be recorded by, the Resulting Company at their respective carrying amount and in the same form and manner as appearing in the books of accounts of the Transferor Company;
- (b) The amount of inter-company balances, transactions or investments, if any, between the Transferor Company and the Resulting Company appearing in the books of accounts of the Transferor Company and the Resulting Company, shall stand cancelled without any further act or deed;
- (c) The Resulting Company shall credit to its share capital account, the aggregate face value of the Equity Shares of the Resulting Company, issued to the shareholders of the Transferor Company, in terms of Clause 8 of Section I of the Scheme;
- (d) The difference between the carrying amount of net assets transferred by the Transferor Company to the Resulting Company and the face value of the Equity Shares issued by the Resulting Company shall be credited / debited to the capital reserve, as applicable;
- (e) The Resulting Company shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resulting Company, whichever is later; and
- (f) The Resulting Company's capital, reduction pursuant to Clause 10 of Section II of this Scheme will be transferred to the capital reserve.

**16. MISCELLANEOUS**

- 16.1 Upon effectiveness of Section I of this Scheme from Effective Date 1, the provisions of Section I of this Scheme shall take effect in their entirety without the requirement of any further act, matter or deed or approvals from any person so as to give effect to Section I of this Scheme. Accordingly, upon effectiveness of Section I of this Scheme from Effective Date 1, all relevant records shall be updated / amended so as to give effect to Section I of this Scheme and to vest the DWH Undertaking together with all assets, liabilities, contracts, licences, intellectual property rights and employees of the DWH Undertaking in the Resulting Company, without any procedural requirements for such assets, liabilities, contracts, licences, intellectual property rights and employees to first be registered or recorded in the name of the Transferor Company in terms of Section I of this Scheme.



## SECTION II

### AMALGAMATION OF THE AMALGAMATING COMPANY INTO AND WITH MSSL

#### PART A

##### 1. DEFINITIONS

- (a) **"Amalgamated Company"** means MSSL, being the resultant company after the amalgamation of Amalgamating Company into and with MSSL, in terms of Section II of this Scheme, subsequent to completion of the demerger of the DWH Undertaking and vesting of the same in the Resulting Company, in terms of this Section I of the Scheme;
- (b) **"Amalgamating Company"** means Samvardhana Motherson International Limited;
- (c) **"Appointed Date 2"** means Effective Date 2;
- (d) **"Effective Date 2"** means the date one day after the date on which the last of the conditions and matters referred to in Clause 3.2 in Section-III of this Scheme have been fulfilled, obtained or waived, as applicable, including Section I of the Scheme having become effective in accordance with its terms. Any references in Section II of this Scheme to "upon Section II of this Scheme becoming effective" or "effectiveness of Section II of this Scheme" shall refer to the Effective Date 2;
- (e) **"Record Date 2"** means the date to be fixed by the Board of Directors of the Amalgamated Company, in consultation with the Board of Directors of the Amalgamating Company, for the purpose of determining the shareholders of the Amalgamating Company to whom the Equity Shares of the Amalgamated Company will be issued and allotted pursuant to Section II of the Scheme, provided that Record Date 2 shall be a date which is at least 3 (three) working days after the date of issuance and allotment of Equity Shares by the Resulting Company, to the shareholders of the Transferor Company as on the Record Date 1, as per Section I of the Scheme; and
- (f) **"MSSL"** means Motherson Sumi Systems Limited.

The expressions, which are used in this Section II of the Scheme and not defined in Section II shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Sections I of the Scheme, the Companies Act, the IT Act and other Applicable Laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.



## 2. SHARE CAPITAL

2.1 The capital structure of the Amalgamating Company, as on July 2, 2020, is as under:

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
90,00,00,000 Equity Shares of Rs. 10 each	900,00,00,000
<b>Total</b>	<b>900,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
47,36,13,855 Equity Shares of Rs. 10 each	473,61,38,550
<b>Total</b>	<b>473,61,38,550</b>

2.2 The capital structure of MSSL, as on July 2, 2020, is as under:

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
6,050,000,000 Equity Shares of Re. 1 each	605,00,00,000
2,50,00,000 preference shares of Rs. 10 each	25,00,00,000
<b>Total</b>	<b>630,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
315,79,34,237 Equity Shares of Re. 1 each	315,79,34,237
<b>Total</b>	<b>315,79,34,237</b>



## PART B

### 3. AMALGAMATION OF THE AMALGAMATING COMPANY INTO AND WITH MSSL

- 3.1. Upon Section II of the Scheme coming into effect on Effective Date 2 and with effect from Appointed Date 2, the Amalgamating Company, together with all its properties, assets, investments, liabilities, rights, benefits, interests and obligations therein, shall stand transferred to and vested in MSSL (after completion of the demerger of the DWH Undertaking from the Transferor Company to the Resulting Company in accordance with Section I of this Scheme), as a going concern, and shall become the property of and an integral part of the Amalgamated Company, without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement of any third party.
- 3.2. Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein:
- (a) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all assets of the Amalgamating Company that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and, or, by endorsement and delivery, or by vesting and recordal, including equipment, furniture and fixtures, shall stand vested in and be deemed to be vested in the Amalgamating Company, wherever located, and shall become the property and an integral part of the Amalgamated Company in terms of Section II of this Scheme. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
  - (b) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all assets of the Amalgamating Company that are movable properties other than those described under sub-clause (a) above, including investments in shares and any other securities, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with governmental authorities, shall, without any further act or deed, become the property of the Amalgamated Company and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard.
  - (c) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all assets of the Amalgamating Company that are owned / leased / licensed immovable properties, including any right or interest in the buildings and structures standing thereon and all lease / license or rent agreements, together with security deposits and advance / prepaid lease / license fee, rights and easements in relation to such properties shall stand transferred to and be vested in, or, be deemed to have been transferred to and vested in the Amalgamated Company, without any further act or deed, pursuant to the provisions of Section II of this Scheme. The Amalgamated Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease / license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee to the Amalgamated Company.
  - (d) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all debts, liabilities, contingent liabilities, present or



future, duties and obligations, secured or unsecured, whether known or unknown, including contingent / potential tax liabilities of the Amalgamating Company shall, pursuant to the applicable provisions of the Companies Act and the provisions of Section II of this Scheme and, without any further act or deed, become the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company, and the Amalgamated Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

- (e) Without prejudice to the foregoing provisions of this Clause (d) above, Upon Section II of the Scheme coming into effect on the Effective Date 2, all the NCDs (to the extent any such NCDs are outstanding as on Effective Date 2) shall, without any further act, instrument or deed, become the NCDs issued by the Amalgamated Company on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and / or be deemed to have been transferred to and vested in and shall be exercised by or against the Amalgamated Company as if it was the issuer of such NCDs, so transferred and vested. Subject to the requirements, if any, imposed or concessions, if any, by BSE Limited, and other terms and conditions agreed with BSE Limited, the NCDs which stand transferred to the Amalgamated Company pursuant to transfer of the NCDs, shall be listed and / or admitted to trading on the BSE Limited, where the NCDs are currently listed. Upon Section II of this Scheme coming into effect on Effective Date 2, the transfer of the NCDs to the Amalgamated Company shall be binding on holders of the NCDs, BSE Limited, banker(s), debenture trustee(s), depository/(ies), custodian(s) and registrar and transfer agents. The Amalgamated Company may execute such further documents and take such further actions as may be deemed necessary or appropriate to give effect to the provisions of this Scheme.
- (f) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, leases and licenses of the Amalgamating Company shall be and remain in full force and effect on, against or in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligor thereto. Without prejudice to the generality of the foregoing, agreements executed with custodian, software contracts, derivative contracts, bonds, schemes, instruments, bank guarantees, performance guarantees and letters of credit, agreements with any governmental authority, hire purchase agreements, lending agreements, agreements with service providers or contractors for the supply of manpower or contract labour, and such other agreements, deeds, documents and arrangements to which the Amalgamating Company is a party or to the benefit of which the Amalgamating Company may be eligible and which are subsisting or having effect immediately before Effective Date 2, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date 2 and upon Section II of this Scheme becoming effective, in terms of Section II of this Scheme or by operation of law pursuant to the orders of the NCLT, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Amalgamated Company. All contracts / agreements of the Amalgamating Company subsisting or having effect immediately before Effective Date 2 shall stand vested in favour of the Amalgamated Company on the same terms and conditions. The Amalgamated Company and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder.
- (g) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, any notices, disputes, pending suits / appeals,



legal, Taxation, or any complaint or claim to any ombudsman, or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature, whether by or against the Amalgamating Company, whether pending on the Appointed Date 2 or which may be instituted any time in the future shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of the Amalgamating Company or anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Amalgamated Company in the same manner and to the same extent as would or might have been continued, prosecuted and, or, enforced by or against the Amalgamating Company, as if this Scheme had not been implemented.

- (h) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all employees of the Amalgamating Company shall be deemed to have become employees of the Amalgamated Company, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Amalgamating Company, on Effective Date 2. The services of such employees with the Amalgamating Company up to the Effective Date 2 shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, severance pay, gratuity and other terminal benefits.
- (i) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, or to such other relevant employee benefit funds maintained in accordance with the provisions of Applicable Laws. For the avoidance of doubt, it is clarified that upon Section II of this Scheme becoming effective on the Effective Date 2, the aforesaid benefits or schemes shall continue to be provided to the transferred individuals and the services of all the transferred employees of the Amalgamating Company for such purpose shall be treated as having been continuous.
- (j) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, employment information, including personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to the employees of the Amalgamating Company and all forms, notifications, orders and contribution / identity cards issued by the concerned authorities relating to benefits shall be deemed to have been transferred to the Amalgamated Company, which shall continue to abide by any agreement(s) / settlement(s) entered into / by the Amalgamating Company with any of the transferred employees prior to Appointed Date 2.
- (k) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, trademarks held by the Amalgamating Company shall stand vested and transferred to the Amalgamated Company with effect from Effective Date 2.
- (l) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all licenses of the Amalgamating Company shall be in full force and effect in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto. For the avoidance of doubt, it is clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution / endorsement in the name of the Amalgamated Company pursuant to the sanction of



this Scheme by the NCLT and upon the Scheme coming into effect on the Effective Date 2. For this purpose, the Amalgamated Company shall file appropriate applications / documents with relevant authorities concerned for information and record purposes.

- (m) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, benefits of any and all corporate approvals as may have already been taken by the Amalgamating Company shall stand transferred to the Amalgamated Company and the said corporate approvals and compliances shall be deemed to have been taken / complied with by the Amalgamated Company.
  - (n) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Amalgamating Company shall be deemed to have been accrued to and, or, acquired for and on behalf of the Amalgamated Company and shall, upon Section II of this Scheme becoming effective, pursuant to the provisions of the Companies Act, without any further act or deed, be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Amalgamated Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Amalgamated Company.
  - (o) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Amalgamating Company shall be accepted by the relevant bankers and credited to the accounts of the Amalgamated Company.
- 3.3. Upon Section II of this Scheme becoming effective on the Effective Date 2 and the consequent amalgamation of Amalgamating Company into and with MSSL, the secured creditors of MSSL, if any, shall continue to be entitled to security only over such properties and assets forming part of Amalgamated Company, as existing immediately prior to the amalgamation of Amalgamating Company into and with MSSL but after the demerger of the DWH Undertaking into the Resulting Company under Section I of the Scheme, and the secured creditors of Amalgamating Company, if any, shall continue to be entitled to security only over such properties, assets, rights, benefits and interest of the Amalgamating Company as existing immediately prior to the amalgamation of Amalgamating Company into and with MSSL (other than to the extent of any property which ceases to exist as on Effective Date 2, as a result of Section II of this Scheme becoming effective on Effective Date 2). For the avoidance of doubt, it is clarified that all the assets of Amalgamating Company and MSSL which are not currently encumbered shall, subject to Applicable Laws, remain free and available for creation of any security thereon in future in relation to any existing indebtedness or new indebtedness that may be incurred by Amalgamated Company, at the discretion of the Board of the Amalgamated Company. For this purpose, no further consent from the existing creditors shall be required and sanction of this Scheme shall be considered as a specific consent of such secured creditors.
- 3.4. The Amalgamated Company shall, at any time after Section II of this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Amalgamating Company, if so required under any Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company *inter alia* in its capacity as the successor-in-interest of the Amalgamating Company.
- 3.5. The Amalgamated Company shall, at any time after Section II of this Scheme becoming effective on the Effective Date 2, if so required under any Law or otherwise, do all such acts or things as may be necessary to transfer / obtain the approvals, consents, exemptions,



registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by Amalgamating Company. For the avoidance of doubt, it is clarified that if the consent of any third party or governmental authority, if any, is required to give effect to the provisions of this Clause, the said third party or governmental authority shall make and duly record the necessary substitution / endorsement in the name of Amalgamated Company pursuant to the sanction of this Scheme by the NCLT, and upon Section II of this Scheme becoming effective on Effective Date 2. The Amalgamated Company shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Amalgamating Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

3.6. Upon Section II of the Scheme coming into effect on the Effective Date 2 with effect from the Appointed Date 2, the Amalgamated Company shall be entitled to the benefit of the past experience and / or performance of the Amalgamating Company for all purposes without any further act, instrument or deed required by the Amalgamated Company and without any approval or acknowledgement being required from any third party.

3.7. **Inter se Transactions**

With effect from the Effective Date 2, all *inter se* contracts solely between the Amalgamating Company and MSSL shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in records of the Amalgamated Company.



## PART C

4. MSSL shall have taken all necessary steps, including by way of passing all enabling corporate resolutions to increase or alter, to the extent required, its authorised share capital suitably so as to enable it to issue and allot the Equity Shares under this Section II of the Scheme.

### 5. COMBINATION OF AUTHORISED SHARE CAPITAL

Upon Section II of this Scheme becoming effective on Effective Date 2, the authorized share capital of Amalgamating Company shall stand combined with and be deemed to be added to the authorized share capital of the Amalgamated Company without any requirement of any further act or deed on the part of the Amalgamated Company, including payment of stamp duty and fees payable to the RoC, and the memorandum of association and articles of association of the Amalgamated Company (relating to the authorized share capital) shall, without any requirement of a further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 4, Section 13, Section 61 and/or other applicable provisions of the Companies Act, if any, would be required to be separately passed, and for this purpose, the stamp duties and fees paid on the authorized share capital of the Amalgamating Company in the past shall be deemed to have been utilized and applied to the increased authorized share capital of the Amalgamated Company and there would be no requirement of any further payment of stamp duty and / or fee by the Amalgamated Company for increase in and utilization of the authorized share capital to that extent. Provided that, in relation to the foregoing, if applicable, the Amalgamated Company shall pay the requisite fees on its authorised share capital enhanced by the amalgamation after having made the applicable adjustments, as permitted in terms of Section 232(3)(i) of the Companies Act.

### 6. RECORD DATE 2

The Board of MSSL shall, after consulting with the Board of Amalgamating Company, determine Record Date 2 (which shall be a date at least 3 (three) working days after the date on which Equity Shares are issued and allotted by the Resulting Company in terms of Section I of this Scheme) for issue and allotment of Equity Shares of the Amalgamated Company to the relevant shareholders of the Amalgamating Company in terms of Clause 7 of Section II of this Scheme. On determination of Record Date 2, Amalgamating Company shall provide to MSSL, the list of its shareholders as on such Record Date 2 who are entitled to receive the Equity Shares in the Amalgamated Company in terms of Section II of this Scheme in order to enable the Amalgamated Company to issue and allot such Equity Shares to such shareholders of the Amalgamating Company.

### 7. ISSUANCE OF EQUITY SHARES

- 7.1. Upon the coming into effect of this Scheme and in consideration of the amalgamation of the Amalgamating Company into and with MSSL, pursuant to Section II of this Scheme, the Amalgamated Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of the Amalgamating Company as on Record Date 2, 51 (Fifty One) Equity Share of Re. 1 (Indian Rupee One) each of the Amalgamated Company for every 10 (Ten) Equity Share of Rs. 10 each of the Amalgamating Company ("Merger Share Exchange Ratio").
- 7.2. In the event of any restructuring of the equity share capital by the Amalgamating Company or MSSL, including by way of share split / consolidation / issue of bonus shares or other similar action in relation to share capital of the Amalgamating Company or MSSL, at any time before the Record Date 2, the Merger Share Exchange Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate action.



## 8. ISSUANCE MECHANICS AND OTHER RELEVANT PROVISIONS

- 8.1 Subject to Applicable Laws, the Equity Shares of the Amalgamated Company that are to be issued in terms of Clause 7 of Section II of this Scheme shall be issued in dematerialised form. The register of members maintained by Amalgamated Company and, or, other relevant records, whether in physical or electronic form, maintained by the Amalgamated Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Resulting Company) be updated to reflect the issue of Equity Shares in terms of Clause 7 of Section II of this Scheme. The shareholders of the Amalgamating Company shall provide such confirmation, information and details as may be required by the Amalgamated Company to enable it to issue the aforementioned Equity Shares.
- 8.2 For the purpose of allotment of Equity Shares of the Amalgamated Company pursuant to Clause 7 of Section II of the Scheme, in case any member's holding in the Amalgamating Company (including the fractional entitlement arising out of the allotment contemplated in Section II of this Scheme, if any) is such that the member becomes entitled to a fraction of an Equity Share of the Amalgamated Company, the Amalgamated Company shall not issue fractional shares to such members but shall consolidate all such fractions and issue consolidated Equity Shares to trustee(s) nominated by the Board of the Amalgamated Company in that behalf provided that if the aggregate of all such fractions is also a fraction, then Amalgamated Company shall issue the next lower whole number of shares to such trustee(s). In each case, the trustee(s) shall sell such Equity Shares and distribute the net sale proceeds (after deduction of tax and other expenses incurred) to the members respectively entitled to the same, in proportion as nearly as the Board of the Amalgamated Company deems possible to their respective fractional entitlements in the Amalgamated Company in terms of the Merger Share Exchange Ratio.
- 8.3 For the purpose of allotment of Equity Shares of the Amalgamated Company pursuant to Clause 7 of Section II of the Scheme, in case any member holds Equity Shares in the Amalgamating Company in physical form, the Amalgamated Company shall not issue its Equity Shares to such member but shall subject to Applicable Laws, issue the corresponding Equity Shares in dematerialised form, to a demat account held by a trustee nominated by the Board of the Amalgamated Company or into a suspense account opened in the name of the Amalgamated Company with a depository or into an escrow account opened by the Amalgamated Company with a depository, as determined by the Board of the Amalgamated Company, where such Equity Shares shall be held on behalf of such member. The Equity Shares of the Amalgamated Company so held in a trustee's account or suspense account or escrow account, as the case may be, shall be transferred to the respective member once such member provides details of his / her / its demat account to the Amalgamated Company, along with such documents as maybe required. The respective member shall have all the rights of the shareholders of Amalgamated Company, including the right to receive dividend, voting rights and other corporate benefits, pending the transfer of Equity Shares from the trustee. All costs and expenses incurred in this respect shall be borne by Amalgamated Company.
- 8.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Amalgamating Company, the Board of the Amalgamating Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date 2, to effectuate such a transfer in the Amalgamating Company as if such changes in registered holder were operative as on the Record Date 2, in order to remove any difficulties arising to the transferor / transferee of the Equity Shares in the Amalgamating Company and in relation to the Equity Shares issued by the Amalgamated Company upon the effectiveness of Section II of this Scheme. The Board of the Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of Section II of this Scheme and registration of new members in the Amalgamated Company on account of difficulties faced in the transition period.
- 8.5 The Equity Shares to be issued by the Amalgamated Company pursuant to Clause 7 of



Section II of this Scheme above in respect of Equity Shares of the Amalgamating Company which are held in abeyance under the provisions of Section 126 of the Companies Act (erstwhile Section 206A of the Companies Act, 1956) or otherwise shall, pending allotment or settlement of the dispute by order of a court or otherwise, also be kept in abeyance by the Amalgamated Company.

- 8.6 The Equity Shares to be issued and allotted by the Amalgamated Company in terms of Clause 7 of Section II of this Scheme shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Amalgamated Company and shall rank *pari passu* in all respects with the existing Equity Shares of the Amalgamated Company.

**9. CANCELLATION OF EQUITY SHARES HELD BY AMALGAMATING COMPANY IN MSSL**

- 9.1 Simultaneous with the issuance of the Equity Shares, in accordance with Clause 7 of Section II of this Scheme, the existing issued and paid up equity share capital of MSSL, as held by Amalgamating Company, shall, without any further application, act, instrument or deed, be automatically cancelled.

- 9.2 The cancellation of the equity share capital held by the Amalgamating Company in MSSL, in accordance with Clause 9.1 of Section II of this Scheme, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Companies Act and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Companies Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of MSSL to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Companies Act as well and no further compliances would be separately required.

- 9.3 The Amalgamated Company shall not be required to add the words "and reduced" as suffix to its name consequent upon the reduction of capital under Clause 9.1 of Section II of this Scheme above.

- 9.4 The reduction of capital of the Amalgamated Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

**10. LISTING OF EQUITY SHARES ISSUED AS CONSIDERATION**

Subsequent to the effectiveness of Section II of the Scheme from Effective Date 2, the Equity Shares of the Amalgamated Company issued to the shareholders of the Amalgamating Company as on Record Date 2 shall be listed and shall be admitted for trading on the Stock Exchanges by virtue of this Scheme and in accordance with Applicable Laws. The Amalgamated Company shall make all requisite applications and shall otherwise comply with the provisions of Applicable Laws and take all steps to get it's the Equity Shares issued pursuant to Section II of this Scheme listed on the Stock Exchanges.

**11. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Amalgamated Company as envisaged in this Section II of the Scheme shall not affect any transaction or proceedings already concluded by the Amalgamating Company or MSSL on or before Appointed Date 2, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Company in respect thereto as done and executed on behalf of itself.

**12. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE 2**

It is clarified that the Boards of the Amalgamating Company and MSSL shall have the absolute right to acquire any asset for, or sell, transfer, create, encumbrance or otherwise deal with any asset or raise any debt required for the business and generally carry on the



business of Amalgamating Company and MSSSL, respectively, in their sole discretion, up to Effective Date 2.

**13. AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE AMALGAMATED COMPANY**

13.1 Upon coming into effect of Section II of the Scheme from Effective Date 2, the Memorandum of Association of the Amalgamated Company, immediately prior to Effective Date 2, shall, without the requirement to do any further act or thing, stand amended and replaced with the Memorandum of Association as set out in Schedule II to this Scheme.

13.2 The abovementioned change, being an integral part of the Scheme, it is hereby provided that the said revision to the Memorandum of Association of the Amalgamated Company shall be effective by virtue of the fact that the shareholders of the Amalgamated Company, while approving the Scheme as a whole, have also resolved and accorded the relevant consent as required respectively under the applicable provisions of the Companies Act and shall not be required to pass any separate resolution(s).

**14. CHANGE OF NAME OF THE AMALGAMATED COMPANY**

14.1 Upon coming into effect of Section II of the Scheme from Effective Date 2, without any further act or deed, the Amalgamated Company shall be re-named as "Samvardhana Motherson International Limited" or such other name as may be decided by the Board of the Amalgamated Company and approved by the NCLT and the jurisdictional Registrar of Companies. Further, the name of "Motherson Sumi Systems Limited", wherever it occurs in its Memorandum and Articles of the Amalgamated Company, will be substituted by such name.

14.2 The approval and consent of the Scheme by the shareholders of MSSSL and the Amalgamating Company shall be deemed to be the approval of the shareholders by way of special resolution for change of name of the Amalgamated Company, as contemplated herein, under Section 13 of the Companies Act. The sanction of this Scheme by the NCLT shall be deemed to be in compliance with Section 13 and other applicable provisions of the Companies Act.

**15. DISSOLUTION OF AMALGAMATING COMPANY**

Upon Section II of this Scheme becoming effective on the Effective Date 2, the Amalgamating Company shall stand dissolved without being wound-up, without any further act or deed, and the Board and any committee thereof of the Amalgamating Company shall without further act, instrument or deed be and stand discharged. The name of the Amalgamating Company shall be struck off from the records of the RoC and the Amalgamated Company shall make necessary fillings in this regard.

**16. TAXES**

16.1 The provisions of Section II of this Scheme have been drawn up in compliance with the conditions specified under the tax laws, specifically Section 2(1B) of IT Act, and other relevant sections of IT Act. If any terms or provisions of Section II of this Scheme are found or interpreted to be inconsistent with the provisions of the aforesaid Section of the IT Act at a later date (not being a date after Effective Date 2), including resulting from an amendment of Law or for any other reason whatsoever, such provisions shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect the other parts of this Scheme.

16.2 All benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, wealth tax, service tax, excise duty, central value added tax, central sales tax, applicable state value added tax, goods and services tax (GST), customs duty drawback, etc.) to which Amalgamating Company is entitled



to in terms of Applicable Laws, shall be available to and vest in the Amalgamated Company, upon Section II of this Scheme coming into effect.

- 16.3 All tax assessment proceedings / appeals of whatsoever nature pertaining to the Amalgamating Company shall be continued and, or, enforced as and from the Effective Date 2, by or against Amalgamated Company. The aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of Amalgamating Company into and with Amalgamated Company.
- 16.4 Upon Section II of this Scheme becoming effective on the Effective Date 2, the accounts of the Amalgamated Company as on the Appointed Date 2 shall be reconstructed in accordance with the terms of Section II of this Scheme. The Amalgamated Company shall be entitled to revise its income tax returns, tax deducted at source (TDS) returns, and other statutory returns as may be required under respective statutes pertaining to indirect taxes, such as sales-tax, value added tax, excise duties, service tax, etc., and shall also have the right to claim refunds, advance tax credits, minimum alternate tax (MAT) credit, credit of tax deducted at source, credit of foreign taxes paid / withheld, etc., if any, as may be required consequent to implementation of Section II and other relevant provisions of this Scheme, as result of the amalgamation of Amalgamating Company into and with Amalgamated Company.
- 16.5 Any tax deducted at source by the Amalgamating Company / Amalgamated Company on payables to Amalgamated Company / the Amalgamating Company respectively which has been deemed not to be accrued, shall be deemed to be payment of tax accruing or arising to the Amalgamated Company and shall, in all proceedings, be dealt with accordingly.

#### 17. ACCOUNTING TREATMENT

- 17.1 Upon Section II of the Scheme becoming effective from the Effective Date 2, the Amalgamated Company shall account for the transfer and vesting of the assets and liabilities of the Amalgamating Company in its books of account as per the "Acquisition Method" prescribed under Indian Accounting Standard 103 (*Business Combination*) notified under Section 133 of the Companies Act read with relevant rules issued thereunder and other applicable Accounting Standards provided under the Companies Act, specifically:
- (a) All the assets, including intangible assets and shares of MSSL held by the Amalgamating Company, and all liabilities, including contingent liabilities of the Amalgamating Company, shall stand transferred to, and the same shall be recorded by, the Amalgamated Company at their fair value, as per Ind AS 103 and / or other applicable Ind AS;
  - (b) The Amalgamated Company shall credit to its share capital account, the aggregate face value of the Equity Shares issued by it to the shareholders of the Amalgamating Company in terms of Clause 8 of Section II of the Scheme. The difference between the fair value and the face value of such Equity Shares issued will be credited to the securities premium account;
  - (c) The difference between the fair value of the Equity Shares issued and the fair value of the net assets acquired will be treated as goodwill or capital reserve as per Ind AS 103;
  - (d) The fair value of the Equity Shares of the Amalgamated Company recorded at (a) above shall stand cancelled against the share capital and the securities premium recorded at (b) above; and
  - (e) The Amalgamated Company shall ensure compliance with the requirements of the acquisition method under Ind AS 103 for all other aspects of accounting for the amalgamation.
- 17.2 The cancellation of the fair value of the Equity Shares of the Amalgamated Company against the share capital and the securities premium, as provided under Clause 17.1(b) of Section II



of this Scheme, above, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Companies Act and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Companies Act, or any other applicable provisions of the Companies Act, confirming the reduction. The consent of the shareholders of the Transferor Company to this Scheme shall be deemed to be sufficient for the purposes of effecting such cancellation as well, and no further resolution(s) under Sections 66 or other applicable provisions of the Companies Act, if any, would be required to be separately passed in this regard.

18. **MISCELLANEOUS**

Upon effectiveness of Section II of this Scheme, from Effective Date 2, the provisions of Section II of this Scheme shall take effect in their entirety without the requirement of any further act, matter or deed or approvals from any person so as to give effect to Section II of this Scheme. Accordingly, upon effectiveness of Section II of this Scheme from Effective Date 2, all relevant records shall be updated / amended, so as to give effect to Section II of this Scheme and to vest all the assets, liabilities, contracts, licences, intellectual property rights and employees of the Amalgamating Company into and with the Amalgamated Company, without any procedural requirements for such assets, liabilities, contracts, licences, intellectual property rights and employees to first be registered or recorded in the name of the Amalgamated Company in terms of Section II of this Scheme.



## SECTION III

### GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

#### 1. APPLICATION TO THE NCLT

- 1.1 Each of the Transferor Company, Resulting Company and Amalgamating Company shall, as may be required, dispatch, make and file all applications and petitions under Section 230 to 232 of the Companies Act before the NCLT, for sanction of the Scheme under the provisions of Applicable Laws.
- 1.2 The Transferor Company, Resulting Company and Amalgamating Company, as the case may be, shall be entitled, pending the sanction of the Scheme, to apply to appropriate governmental authorities, as required, under any Applicable Law for such consents and approvals which the Companies may require to own / transfer the assets and / or liabilities of the DWH Undertaking or to merge / carry on the business of the Amalgamating Company, as the case may be.

#### 2. SEQUENCE OF EVENTS

- 2.1 Upon the sanction of the Scheme by the NCLT and after the Scheme has become effective upon completion of the conditions listed in Clause 3 of this Section III, the following shall be deemed to have occurred and become effective and operative, only in the sequence and in the order mentioned hereunder, in the following sequence:
- (a) with effect from Appointed Date 1, demerger of the DWH Undertaking from the Transferor Company and the vesting of the same in the Resulting Company, in accordance with Section I of the Scheme;
  - (b) reclassification of the preference share capital of the Transferor Company into equity share capital, transfer of a portion of the authorised share capital of the Transferor Company to the Resulting Company and consequential increase in the authorised share capital of the Resulting Company, as provided in Section I of this Scheme;
  - (c) issue and allotment of Equity Shares of the Resulting Company to the shareholders of the Transferor Company as of Record Date 1, in accordance with Section I of this Scheme, along with simultaneous cancellation of the shareholding of the Transferor Company in the Resulting Company (either held directly or through its nominee shareholders) in its entirety, without any further act or deed;
  - (d) with effect from Appointed Date 2, amalgamation of the Amalgamating Company into and with the Amalgamated Company, by absorption, in accordance with Section II of the Scheme;
  - (e) transfer of the authorised share capital of the Amalgamating Company to the Amalgamated Company and consequential increase in the authorised share capital of the Amalgamated Company, as provided in Section II of this Scheme;
  - (f) cancellation of the shareholding of the Amalgamating Company in MSSSL in its entirety, without any further act or deed;
  - (g) dissolution of the Amalgamating Company without winding-up; and
  - (h) issue and allotment of Equity Shares of the Amalgamated Company to the shareholders of the Amalgamating Company as of Record Date 2, in accordance with Section II of this Scheme.

#### 3. CONDITIONALITY OF THE SCHEME



3.1 The effectiveness of Section I of this Scheme is and shall be conditional upon and subject to the fulfilment (or waiver by the Transferor Company, to the extent permitted under Applicable Law) of the following conditions:

- (a) The requisite consents, no-objections and approvals being received from the Stock Exchanges to the Scheme in terms of the SEBI Circular;
- (b) The Scheme being approved by respective requisite majorities in numbers and value of such classes of members and creditors of the Transferor Company, the Resulting Company and / or Amalgamating Company, as may be directed by the NCLT. Notwithstanding the generality of the foregoing, it is clarified that the Scheme is conditional upon the Scheme being approved by the public shareholders of Transferor Company through e-voting in terms of Paragraph 9(a) of Part I of Annexure I of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and the Scheme shall be acted upon only if the votes cast by the public shareholders of Transferor Company in favour of the Scheme are more than the number of votes cast by the public shareholders against it;
- (c) The Stock Exchanges issuing their observation / no-objection letters and SEBI issuing its comments on the Scheme, as required under Applicable Laws;
- (d) The Scheme being sanctioned by the NCLT under Sections 230–232, read with other applicable provisions of the Companies Act;
- (e) Certified copies of the order of the NCLT sanctioning this Scheme being filed with the RoC, by each of the Transferor Company, Resulting Company and the Amalgamating Company;
- (f) Approval of the shareholders of the Transferor Company and the Resulting Company being obtained for entering into various agreements between Transferor Company and the Resulting Company, in furtherance of Clause 4 of Section I of the Scheme;
- (g) All statutory approvals required for the Scheme as per Applicable Law, including approval of the Competition Commission of India ("CCI"), if required, being received; and
- (h) Satisfaction (or waiver in writing) of such other conditions precedent as may be mutually agreed between Transferor Company, the Resulting Company and / or Amalgamating Company in writing.

3.2 The effectiveness of Section II of this Scheme is and shall be conditional upon and subject to:

- (a) Section I of the Scheme having become effective on Effective Date 1, as per the terms of Section I of the Scheme; and
- (b) the Resulting Company having completed the issue and allotment of Equity Shares to the shareholders of the Transferor Company as of Record Date 1, in accordance with Section I of this Scheme.

#### 4. REVOCATION, WITHDRAWAL OF THIS SCHEME

4.1 Subject to the order of the NCLT, the Board of the Transferor Company shall be entitled to revoke, cancel, withdraw and declare this Scheme of no effect at any stage if, (a) this Scheme is not being sanctioned by the NCLT or if any of the consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not obtained or for any other reason; (b) in case any condition or alteration imposed by the shareholders and / or creditors of the Companies, the NCLT or any other authority is not acceptable to the Board of the Transferor Company; or (c) the Board of the Transferor Company is of the view that the coming into effect of this Scheme, in terms of the provisions



of this Scheme, or filing of the drawn up order with any governmental authority could have adverse implication on all or any of the Companies. On revocation, withdrawal, or cancellation, this Scheme shall stand revoked, withdrawn, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* between the Companies or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the Applicable Law and in such case, the Transferor Company shall bear all costs relating to this Scheme unless otherwise mutually agreed.

#### 5. EFFECT OF NON-RECEIPT OF APPROVALS

In case this Scheme is not sanctioned by the NCLT, or in the event this Scheme cannot be implemented due to any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in this Scheme not being obtained or complied with, unless waived by the Board of the Transferor Company (to the extent permitted under Applicable Laws), or for any other reason, then, this Scheme shall become null and void.

#### 6. COSTS, CHARGES AND EXPENSES

All costs, charges, fees, taxes including duties, stamp duties, levies and all other expenses, if any, including as maybe directed by the NCLT in relation to and incidental to the approval of this Scheme by the NCLT shall be borne equally by MSSL and the Resulting Company. All other costs, charges, fees, taxes and expenses in relation to and incidental to implementing this Scheme and matters incidental thereto, shall be borne as mutually agreed among the Transferor Company, Resulting Company and the Amalgamating Company.

7. Based on mutual agreement between the Boards of the Transferor Company, Resulting Company and the Amalgamating Company, as the case may be, and subject to the provisions of Applicable Law, the Boards of the Companies may authorise the execution of appropriate arrangements between the Companies and the lenders, as may be required, in respect of any loans raised by the Transferor Company prior to Effective Date 1.

#### 8. DIVIDENDS

8.1 The Transferor Company, Resulting Company and the Amalgamating Company shall be entitled to declare and make a distribution / pay dividends, whether interim or final, and / or issue bonus shares to their respective members / shareholders prior to the Effective Date 1, in accordance with Applicable Law. Any declaration of dividend or other distribution of capital or income by the Transferor Company, Resulting Company or the Amalgamating Company shall be consistent with the past practice of such company.

8.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions and shall not be deemed to confer any right on any shareholder of the Transferor Company, Resulting Company or the Amalgamating Company, as the case may be, to demand or claim or be entitled to any dividends which, subject to the provisions of the Companies Act, shall be entirely at the discretion of the Board of the Transferor Company, Resulting Company or the Amalgamating Company, as the case may be, and subject to approval, if required, of the shareholders of the relevant companies.

#### 9. COMPLIANCE WITH APPLICABLE LAWS

The Transferor Company, Resulting Company and the Amalgamating Company undertake to comply with all Applicable Laws (including all applicable compliances required by SEBI and the Stock Exchanges) including making the requisite intimations and disclosures to any statutory or regulatory authority and obtaining the requisite consent, approval or permission of the central government, Reserve Bank of India (if required), SEBI, Stock Exchanges, Competition Commission of India (if required) or any other statutory or regulatory authority, which by-law may be required for the implementation of this Scheme or which by Law may be



required in relation to any matters connected with this Scheme.

**10. AMENDMENT**

The Transferor Company, Resulting Company and the Amalgamating Company, through mutual consent and acting through their respective Boards, may jointly and as mutually agreed in writing in their full and absolute discretion, assent to alteration(s) or modification(s) to this Scheme, which the NCLT may deem fit to approve or impose, and / or effect any other modification or amendment jointly and mutually agreed in writing, including without limitation, any modifications to the accounting treatment set out in the Scheme due to change in any regulatory or compliance requirements being made applicable to the Transferor Company, Resulting Company and the Amalgamating Company or to the matters set forth in this Scheme, and do all acts, deed and things as maybe necessary, desirable or expedient for the purpose of giving effect to this Scheme. Upon sanction of this Scheme by the NCLT, this Scheme shall not be amended without the approval of the NCLT.

**11. REMOVAL OF DIFFICULTIES**

11.1 The Transferor Company, Resulting Company and the Amalgamating Company may, through mutual consent and acting through their respective Board of Directors, agree to take steps, as may be necessary including but not limited to making any modification to the Scheme, desirable or proper, to resolve all doubts, difficulties or questions, whether by reason of any orders of the NCLT or of any directive or orders of any governmental authorities or otherwise arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith. After dissolution of the Amalgamating Company, the Amalgamated Company and the Resulting Company through their respective Board of Directors shall be authorised to take such steps, as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reasons of any order of the court(s) or of any directive or order of any other governmental authorities or otherwise, however, arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith.

11.2 MSSL is currently undertaking a scheme of merger under Sections 230-232 and other applicable provisions of the Companies Act with its wholly owned subsidiary, Motherson Polymers Compounding Solutions Limited ("MPCSL Merger"), pursuant to which Motherson Polymers Compounding Solutions Limited shall stand merged with MSSL, on the scheme becoming effective. The appointed date for the said scheme is April 1, 2018. The scheme was approved by the Board of MSSL on August 7, 2018 and is currently pending before the National Company Law Tribunal, Mumbai and Delhi Benches. The said MPCSL Merger will not have any impact on the equity capital structure of MSSL as no shares are proposed to be issued pursuant to the MPCSL Merger.

**12. MISCELLANEOUS**

The various Sections of this Scheme are inextricably inter-linked with each other and this Scheme constitutes an integral whole. This Scheme shall be given effect to only in its entirety and in the sequence and order mentioned in Clause 2 of Section III of this Scheme.



**SCHEDULE I***(Details of Manufacturing Units and Offices of the DWH Undertaking)*

Sl. No.	Unit	Address
1	SBU9 – Gurgaon	Plot No.21 & 22, Sector - 18, Industrial Estate, Gurugram, Haryana, Pin Code – 122050
2	SBU1A -Faridabad	Kila No. 12/2, Sarai Khwaja, Sector 36, Faridabad, Haryana, Pin Code – 121003
3	SBU16- Sector 84 DTA	A-3, Sector -84, Noida, Pin Code – 201305
4	Ecotech Greater Noida (New)	Plot No 5&6 Ecotech II Greater Noida
5	SBU 33 & 35 - Sector 85	B-3&4, Sector 85, Noida, Pin Code – 201301
6	SBU22-Pathredi	Plot No. SP1-890&895, Pathredi Industrial Area, Bhiwadi, Dist – Alwar Rajasthan, Pin Code 301707
7	SBU 30- Noida Sector A-15	A-15, Sector -6, Noida, Dist- Gautam Buddha Nagar, Pin Code: 201301
8	SBU-31- Sanand	AV-24, Sanand GIDC Phase -2, Sanand Industrial Estate, Sanand Ahmedabad, Pin Code – 82445
9	Pithampur II	Plot No. 3, Industrial Growth Centre Integrated Industrial Park Pithampur, Dist- Dhar (MP) Pin Code – 454774
10	SBU07-Bangalore Kumbalgodu	Plot No. 31B, Kiadb, Industrial Area Phase-I Kumbalgodu Bangalore
11	SBU24 -Bengaluru Bidadi	Plot No.11, Sector-1, Phase-II, Talekuppe, Bidadi Industrial Area Ramnagar Taluk & Dist. Pin Code – 562109
12	SBU17-Chennai Kuruvanmedu	Survey No 181-186, Village Kuruvemedu, Taluk Chengalpatta, District Kanchipuram Pin Code – 603204
13	SBU18-Chennai RNSP	RNS 10, Renault & Nissan Suppliers Park, SIPCOT Industrial Park, Oragadam Expansion Scheme, Chennai Pin Code – 602105
14	SBU-27- Walajabad	Survey No.348/1A/1B, 348/2-5 and 355/3 Tambaram-Walajabad High Road Nathanallur and Uthukadu Village Dist. Kanchipuram Pin Code – 631605



15	DMSIL-Pune Hinjewadi	S No.241/1/2, Village Hinjawadi, Taluka Mulshi, Pune, Pin Code -411057
16	SBU32- Pithampur	Plot No.8, Sector-5, Pithampur Distt Dhar, Madhya Pradesh Pin Code- 454774
17	SBU15-Pune Marunji	Plot No.73/2 & 76/2/1B Village Marunji, Taluka Mulshi Dist. Pune, Pin Code -411057
18	SBU2- Noida C-6	C-6&7, Sector-1, Noida Dist. Gautam Buddh Nagar Uttar Pradesh, Pin Code -201301
19	SBU 26- Noida Sector 64	A-8 & 9, Sector-64, Noida Dist. Gautam Buddh Nagar Uttar Pradesh, Pin Code -201301
20	T01-Nasik ^	D - 36, MIDC, Satpur Nashik, Maharashtra Pin Code -422007
21	SBU20- Haldwani	A12, Mahaveer Audyogic Aasthan Village Patlipur, Haldwani, Dist. Nainital Uttaranchal Pin Code - 263139
22	SBU23- Lucknow	562A, Village Natkur, Pargana Bijnaur Road, Lucknow Uttar Pradesh Pin Code -226001
23	SBU05- C-14 Noida Sector-1	C-14A & B, 1A&1B, Sector-1 (Ground floor and basement) Noida (UP), Pin Code - 201301



## SCHEDULE II

(Memorandum of Association of the Amalgamated Company)

**MEMORANDUM OF ASSOCIATION**  
**OF**  
**MOTHERSON SUMI SYSTEMS LIMITED**  
**(LIMITED BY SHARES)**

- I. The name of the company is MOTHERSON SUMI SYSTEMS LIMITED.
- II. The Registered Office of the Company will be situated in the STATE OF MAHARASHTRA.
- III. The objects for which the Company is established are:
  - (A) **THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**
    1. To carry on the business of manufacturing, fabrication, assembling and dealing in Wiring Harness and other parts of all kinds and description, automotive and other parts, mining equipment, tool, springs, fittings, head lamps, sealed beam component parts, spare parts, accessories and fittings of all kinds for the said articles of P.V.C., Polypropylene, P.F. Resin or other man-made chemicals, electrical wires, switch controls and other engineering items for automobiles or any other application as required.
    2. To design, prototype manufacture, process, prepare, press, vulcanise, repair, retread, export, import, purchase, sell and to carry on business of moulding of plastic and / or any other polymer parts and assembly thereof, diecasting of components and the assembly thereof of automobiles or any other any application as required, metal sheet pressing for making clips, moulds and other parts for automobiles or any other application as required, P.V.C., polythene, P.F. resin parts, moulding and dealing in the same for different types of vehicles or for any other application and repair materials and other articles and appliances made with or from natural or synthetic rubber, its compounds, substitutes, Indian rubber or the same in combination with any metallic or non-metallic substances, vulcanised leather, rayon, hessian or plastic or products in which rubber, rayon Hessian or other plastic is used.
    3. To carry on the business of hirers, repairers, cleaners and storers of motor cars, motor cycles, mopeds, scooters, motor boats, motor launches, motor buses, motor lorries, aeroplanes, seaplanes, gliders, tractors and other conveyances of all descriptions whether propelled or assisted by means of petrol, spirit, diesel, steam, gas, electricity, animal, atomic or other power and of engine chassis, bodies and other things used for or in connection with the above mentioned business.
    4. To engage in and conduct the business of scientific, technical and other research and development in any field, particularly in the field of developing / deploying advanced technologies, electronics, computer software, mechanics and electricals, systems integration, training systems, opto-electronics, communications, composites and mechanical engineering, to manufacture , test and experiment all kinds of equipment, to originate, develop and improve any discoveries, inventions, technology, processes and formulate, turn to account, particularly to integrate, manufacture, purchase or otherwise acquire, own, hold, operate, sell or otherwise transfer, lease, license the use of, distribute or otherwise dispose off.
    5. To carry on business of manufacturing, assembling, developing, and selling equipment, technology and property of every kind and description, including without limitation of the generality of foregoing, electronic, electrical and mechanical devices, apparatus, appliances, equipment and machines and parts thereof as also to create, reproduce, amplify, receive,



transmit and retain sound, signals, communications for use in a variety of end user segments, including the civil aerospace and aviation sector, customers, enterprises and the Government and also for all other processes, matters and things and to establish, provide, maintain and conduct or otherwise subsidize research and development, technical laboratories and experimental workshops for scientific and technical research and experiments, and to undertake and carry on with all scientific and technical researches, experiments and tests of all kinds.

6. To carry on the business of a holding company for establishing subsidiaries, making majority or minority investment, and / or to promoter technical collaborations in companies operating in any kind of activity and in specific by not limited to investment in entities engaged in the auto components or related sectors.
7. To provide management consultancy services related to supervisory, administrative, training, managerial, technical, consultancy, marketing, procurement, accounting, legal, communication, personnel to companies in which investment has been made by the Company and / or by any of its related / affiliate / associate companies.

**(B) MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) ARE:**

8. To carry on business as inventors, researchers and developers, to conduct, promoter and commission research and development in connection with the activities of the Company, to establish and maintain research and development stations, technology centers, computers complexes, laboratories, workshops, testing and proving grounds, and establishments and to exploit and turn to account, the results of any research and development carried out by or for it.
9. To generally to encourage, promote and reward, researches, investigations, experiments, tests, discoveries and invention of any kind that may be considered likely to assist any of the business which the Company is authorized to carry on.
10. To carry on or assist in carrying on in any place or places any other trade or business, which may seem to the Company as capable of being conveniently carried on with the business(es) of the Company, or render profitable any of the Company's properties or rights.
11. To form and incorporate or promoter any company or companies having amongst its or their objects, the acquisition, setting up, maintenance, establishment and promotion of business relevant to the business or the interest of the Company in India or elsewhere, either directly or indirectly, assisting the Company in the pursuance of its objects or in the supervision, control and management of its business or the development of its assets and properties, or otherwise prove advantageous to the Company and to pay, all or any of the costs and expenses incurred in connection with any such promotion or incorporation, and to remunerate any person of the Company in any manner it shall think fit for services rendered or to be rendered in obtaining, subscriptions of, or placing or assisting to place or to obtain subscriptions for, or for guaranteeing the subscriptions for or the placing of any shares in the capital of the Company or any bonds, debentures, obligations or securities of the Company may have interest in, or about the promotion or formation of any other company, in which the Company have an interest.
12. To purchase, hire or otherwise acquire factories and other premises or business in connection with the main business of the Company.
13. To deal in alloy steel forgings of every description used for the business of the Company.
14. To import, export, purchase, sell, manufacture or otherwise deal in Wiring Harness, electrical cables and mining machinery, plant and equipment, raw materials like alloy steel, ferrous and non-ferrous metals, industrial chemicals, rubber and machinery, plant and equipments including precision measuring and testing instruments and tools of every description used for the business of the Company.



15. To purchase, take on lease or in exchange, hire or otherwise acquire any movable or immovable property, rights or privileges which the company may think necessary or convenient for the purpose of its business and in particular any land, building, basements, machinery, plant and stock in trade and to construct, maintain and alter any buildings or work necessary or convenient for the purpose of the Company.
16. To invest in other than investments in Company's own shares and deal with the money of the Company not immediately required in such manner as may from time to time be determined.
17. To draw, make, endorse, discount, execute and issue promissory notes, bills of exchange, warrants, debentures and other negotiable or transferable instruments.
18. Subject to provision of Section 73 and 179 of the Companies Act, 2013 and the rule made thereunder and the directions of Reserve Bank of India to borrow or raise or secure the repayment of moneys in such manner as the Company shall think fit and in particular by the mortgage, legal or equitable or by the issue of debentures or debentures stock, perpetual or otherwise, charged upon all or any of the Company's property both present and future including its uncalled capital and to issue at par or at a premium or discount debentures or debentures stock, bonds or other obligations and to purchase, redeem, pay off or satisfy such securities.
19. Subject to Section 230 to 232 of the Companies Act, 2013 to amalgamate with any other company having objects altogether or in any part similar to those of this Company.
20. To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of the Company.
21. To establish branches in and out of India to appoint local committees, advisory boards and agents, managers, secretaries and other officers by any designation whatsoever and authorise them to transact the business of the Company and to discontinue transacting the same from time to time.
22. To adopt means of making known the business of the Company, as may seem expedient and in particular by advertising in the press, public, place and theatres, by radio, by television, by circulars, by purchase and exhibition of works of art or interest, by publication of books, pamphlets, bulletins, or periodicals, by organising or participating in exhibition and by granting prizes, rewards and donations or any manner considered suitable.
23. To erect, build and enlarge, alter maintain, work purchase, acquire, mange, take on lease, under license or concession or in exchange, deal with and dispose of solely or jointly with others, buildings, warehouses, sheds, work factories mills, workshops, sidings, roads and other premises and lands, necessary or expedient, for the purpose of the Company.
24. To apply for tender, purchase or otherwise, acquire contract, sub-contract, licenses and concessions for or in relation to the objects of business herein mentioned or any of them and to undertake, execute, carry out, dispose of or otherwise turn to account the same.
25. To sub-let all or any contracts obtained by the Company from time to time and upon such terms and conditions as may be thought expedient.
26. To purchase or by any other means, acquire and prolong and renew patents, patent rights, invention licenses, protection and concessions which may appear likely to be advantageous or useful to the Company for its business and to manufacture under grant licenses or privileges in respect of the same and to spend money in experimenting upon and testing any improving or seeking to improve any patents, inventions or rights which the company may acquire or propose to acquire for the business.



27. To establish and maintain agencies and branch officers and procure the company to be registered or recognised and to carry on business in any part of the world.
28. To distribute any of the property of the company among the members in Specie or in kind on its winding up.
29. To enter into arrangement for rendering and obtaining technical services and or in technical collaboration with individuals, firms or body corporate whether in or outside India.
30. To insure any of the properties, undertaking, contracts, guarantees or obligations of the Company of every nature and kind in any manner whatsoever.
31. To be interested in promoting and undertaking the formation and establishment of such institutions or companies (industrial, trading, manufacturing) which may seem to the Company capable of being conveniently carried on in connection with any of the business which the Company is authorised to do.
32. To obtain any order of Act of Legislature of Parliament for enabling the Company to obtain all power and authorities necessary or expedient to carry out or extend any of the objects of the Company or for any other purpose which may seem expedient and to make representations against any proceedings or applications which may seem calculated directly or indirectly prejudicial to the company's interest.
33. To pay out of the company's funds the cost and expenses incurred in connection with incorporation of the company and to remunerate any person or company for services rendered in the conduct of its business.
34. To create and issue equity, preference and guaranteed shares or stock and to redeem, cancel and accept and accept surrender or such shares or stocks.
35. To pay, to reserve or to distribute as dividend or bonus shares among the members or otherwise to apply as the company may think fit money belonging to the company including those received by way of premium or shares or debentures issued at a premium by the company, received in respect of dividends accrued on forfeited shares any money arising from reissue by the Company of forfeited shares and money arising from reissue by the Company of forfeited shares subject to the provisions of the Companies Act, 1956.
36. To open any kind of account in any bank and to make, draw, borrow, accept, endorse, issue and execute promissory notes, bills of exchange, bill hundies, cheques and other negotiable instruments in connection with the Company's business and to invest and deal with money not immediately in such manner as may from time to time be determined.
37. To make any loan to any person or company on any terms whatsoever in connection with the company's business.
38. To enter into partnership or any other individual arrangement for sharing profit, co-operation, joint venture, reciprocal concession, license or otherwise with any person, firm, private or public limited companies, association society or body corporate carrying on or engaged in any business or transaction which this company is authorised to carry on and to give special rights, licenses, and privileges in connection with the same and particularly the right to nominate one or more person whether they be shareholders or not, to be directors of the company.
39. Subject to the provisions of Section 182 of the Companies Act, 2013 to contribute to the funds of any association or to any individual, firm or body corporate which in the opinion of the Company is beneficial to the Company.
40. To engage, employ, suspend and dismiss agents, managers, workers, clerks and other servants and labourers and to remunerate any such person at such rate as shall be thought



fit, to grant pensions or gratuities to any such person or his widow or children and generally to provide for the welfare of all employees.

41. To purchase or to take on lease or in exchange hire or otherwise acquire any running business or part thereof, movable or immovable properties and any rights or privileges or licenses or concessions which the company may think necessary or expedient for the purpose of its business on such terms as may be deemed useful.
42. To sell or sublet any concession or privilege obtained or contracts entered into and generally to sell the whole or any part of the property and business of the company for cash or for the shares for obligations of any person or persons for the purpose of business.
43. To improve, manage, cultivate, develop, exchange, let on lease, mortgage, sell, dispose of, turn to account, grant rights and privileges in respect of or otherwise deal with all or any part of the properties and rights of the company.
44. To enter into any arrangement with any authority including Sovereign Government (Municipal, Local or otherwise) that may seem conducive to the Company's objects or any of them and to obtain from any such authority rights licenses privileges and concession which the company may think desirable to obtain and to carry out, exercise and comply with any such arrangement rights, licenses, privileges and concessions.
45. To do all or any part of the above things in any part of the world either as principals, contractors, trustees or otherwise and either alone or in conjunction with others and by or through agents, contractors, trustees or otherwise.
46. To acquire any securities by subscription, purchase, exchange or otherwise and to make any loan to any other body corporate, give any guarantee, or provide security, corporate guarantee including guarantees to banks, financial institutions or any other third party in connection with obligations of any other body corporate and / or in connection with a loan made by any other person to, or to any other person by, any body corporate.
47. To enter into, purchase, sell, transact, swaps, forwards, futures, options, caps, floors, collars, contracts for differences, repos, lending transactions, trust instruments in any currency and / or any other derivative transactions of any nature (whether exchange-traded or over-the-counter) including relating to any asset, index, event, statistic, rate or benchmark of any nature (whether tangible or intangible) and also including (without limitation) derivatives relating to currencies, interest rates, stocks, bonds, other securities, credit events and commodities, to the extent permitted under the Applicable Laws from time to time.
48. To identify, acquire, develop, organize and obtain financial, technological and managerial support in connection with all or any of the main objects of the company specified above.
49. To establish, appoint and maintain any agencies, representatives or servants in India for the conduct of the business and / or any other purpose of the Company and to remunerate such agencies, representative and servants.
50. To enter into contracts of indemnity and guarantee in connection with the business of the Company.
51. To establish, appoint and maintain any agencies, representatives or servants in India for the conduct of the business and / or any other purpose of the Company and to remunerate such agencies, representative and servants.
52. To establish and maintain or procure, the establishment and maintenance of, any pension, superannuation funds or retirement benefit schemes (whether contributory or otherwise) for, benefit of, and to give or procure the giving of donation, gratuities, pensions, allowances, enrollments and any other relevant benefits to any persons who are, or were at any time, in the employment or services of the Company, or any company which is a subsidiary or a holding company of the Company, or which is a subsidiary of any such holding company or is



allied to or associated with the Company, or any such subsidiary or of any of the predecessors of the Company, or any such other company as aforesaid, or who may be or have been Directors or officers of the Company, or of any such other company as aforesaid, and the wives, widows, families and dependents of any such person, and to establish, subsidise and subscribe to any institutions, associations, societies, clubs, trusts or funds calculated to be for the benefit of, or to advance the interests and well-being of the Company, or any other company as aforesaid, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object, and to do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid and without prejudice to the generality of the foregoing, to act either alone or jointly, as trustee or administrator for the furtherance of any of the aforesaid purposes.

53. To act as manufacturers, assemblers, fabricators, of high tension and low tension cables, ACSR, conductor porcelain insulations of all types and designs, voltage and capacities, transmission towers, high voltage electrical porcelain bushing and insulation material, electrical switchgear, both high and low tension for AC and DC current.
54. To carry on the business of electricians, electrical and manufacturers of all kinds of electrical machinery and electrical apparatus for any purpose whatsoever and to manufacture, sell, supply and deal in accumulators, lamps, meters, engines, dynamos, batteries, telephonic and telegraphic apparatus of any kind.
55. To manufacture, buy, sell exchange, alter, improve, manipulate prepare, for market import or export or otherwise deal in all kinds of insulated cables and wires, rubber insulated wires and cables, cub type-sheeted wires, PVC cables and flexible cords, cotton or silk braided, conduct wires and cables, low and high tension power cables, telegraph and telephone cables, low and high tension paper rubber or bitumen insulated lead covered power cables, telephone or telegraphic cables according to B.B.S. long distance cables, signalling cables, lead covered house installation, accessories of power cables, alpha stable cables with seamless aluminium sheath covered with a second seamless skin thermoplastic material, overhead material, bare copper, bronze, aluminium wires and cables solid or standard for telephone, telegraph and signalling purpose, aluminium cable for overhead lines, bare copper and cadmium copper wire round or grooved for tramways trolley buses etc. (also suitable for crane operation), bare copper and aluminium bus bars, binders and rotor bars suitable for dynamo, transformer and switchgear wire manufacturers, copper and aluminium wires and tapes, lighting conductors, aerials of copper, aluminium varnish cambric insulated main, furnace, H.F., ship wiring, switch boards, bell wires, lead alloy and tinned copper, and all kinds of cables wire conductors and accessories.
56. To purchase, sell, import, export, manufacture, repair or otherwise deal in all types of extruders and other machinery used for the manufacture, repair or otherwise deal in all types of extruders and other machinery used for the manufacture of insulated cables, sheeted and unsheathed wires, industrial cables.
57. To manufacture, produce, process or assemble and deal in all sorts of air and gas treatment plants and equipment, air-conditioning plants, refrigeration and equipment, industrial fans, steam heaters, air filters, air- curtains, spray painting, booths and complete system of all kinds and description relating to air technology.
58. To carry on business of imports, exports, buyers and sellers of all types of axial flow fans, centrifugal fans, mancooling fans, blowers, fabricated items, motor starters, mining equipment, port material, handling, equipment, process plants and washing plants.
59. To undertake the manufacture or production of calcined petroleum coal and calcined anthracite coal and sale thereof.
60. To search, win, work, raise, quarry, smelt, refine, dress, manufacture, manipulate, convert make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal, metalliferous ores and to manufacture, sell, buy import, export and otherwise deal in any of such articles and any commodities.



61. To produce steel bricks and bats from steel scrap and cast iron scrap.
62. To carry on the business of an investment company and to buy, underwrite, invest in, acquire, hold and deal in shares, stocks, debenture stock, bonds, obligations and securities issued or guaranteed by any company constituted for carrying on business in India or elsewhere, and debentures, debentures stock bonds, obligations and securities, issued or guaranteed by any government, state dominion, sovereign rules, commissioners, public body or authority, supreme, municipal, local or otherwise, firm or person whether in India or elsewhere.
63. To carry on the business of purchase and sale of petroleum and petroleum products, to act as dealers and distributors for petroleum companies, to run service stations for the repair and servicing of automobiles and to manufacture or deal in fuel oils, cutting oils and greases.
64. To carry on the business of manufacturers of and dealers in all types of rubber leather, celluloid, bakelite, plastic and all other chemicals, rubber and plastic goods, particularly industrial rollers, sheets and consumer goods such as tyres, tubes and other allied products, medical and goods and all other kinds of products.
65. To carry on trade or business or manufacturers of ferro manganese, colliery proprietors, coke manufacturers, miners, smelters engineers and tin plate makers in all their respective branches.
66. To carry on business of electrical engineers, electricians, contractors, manufacturers, constructors, suppliers of and dealers in electric and other appliances, electric motors, fans, lamps, furnaces, household appliances, batteries, cables, wire line, dry cells, accumulator, lamps and works to generate, accumulate, distribute and supply electricity for the purposes of light, heat, motive power and for all other purpose for which electrical energy can be employed.
67. To carry on the business of manufacturers of or dealers in glass products including sheet and plates glass, optical glass wool and laboratory ware.
68. To carry on the business of manufacturers of or dealers in industrial machinery of all types, including bearing, speed reduction units, pumps, machine tools and light engineering goods.
69. To carry on the business of manufacturers, stockists, importers and exporters of and dealers in engineering, drawing sets, builders, hardware steel rolls, measuring tapes, cutting tools and hand tools precision measuring tools, machinery, garage tools, hardware tools instruments, apparatus and other machinery, plant, equipment articles, appliances, their components, parts, accessories and allied things.
70. To carry on the business of manufacturers, dealers, stockists, exporters and importers of bolts, nuts, nails, rivets, hinges, hooks and other hardware items of all types and description.
71. To carry on the business of manufacturers, dealers, stockists, exporters and importers of forging, casting, stampings of all metals, machinery parts, moulds press tools, jigs, fixtures, injection and compression moulding and steel products.
72. To carry on the profession of consultants on management, employment, engineering industrial and technical matters to industry and business and to act as employment agent.
73. To undertake or arrange for the writing and publications of books, magazine, journals or pamphlets on subjects relating to business of the Company.
74. To carry on the business of importers, exporters, dealers, stockists, suppliers and manufacturers of commercial, industrial and domestic plastic products of any nature, substance and form and any raw material including styrene, polystyrene vinyl, chloride, polyvinyl, polyethylene, polypropylene, polyclfines, viny acetate and copolymers and other allied material, acrylics and polyesters, polycarbonates and polyethers and epoxy resin and



compositions, silicon resins and compositions, P.P.U.F. and other thermoplastic moulding compositions including prefabricated sections and shapes, cellulosic and other thermosetting and thermoplastic materials (of synthetic or nature origin), colouring materials, plastic and resinous materials and adhesive compositions.

75. To act as trustees, executors, administrators, attorneys nominees and agents and to undertake and to execute trusts of all kinds and (subjects to compliance with any statutory condition) to exercise all the powers of custodian, trustees, and trust corporations.
76. To procure or develop and supply patents, inventions, models, designs, scientific or industrial formulae or processes.
- IV. The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.
- V. The Authorised Share Capital of the Company is Rs. 1230,00,00,000 (Indian Rupees One Thousand Two Hundred and Thirty Crores) consisting of 1230,00,00,000 (One Thousand Two Hundred and Thirty Crores) Equity Shares of Re. 1/- (Rupee One) each.

We the several persons, whose names and addresses are subscribed, are desirous of being formed into a Company. In pursuance of the Memorandum of Association, and we respectively agree to take the number of shares in the Company set opposite respective names.

Name, address, description and occupation of subscribers	No. of equity shares taken by each subscriber	Signature of subscriber	Signatures, address, descriptions and occupations of the witness
Mrs. Swarn Lata Sehgal W/o Sh. K.L. Sehgal B-300, New Friends Colony, New Delhi-110065 Business	100	Sd/- Swarn Lata Sehgal	I Witness the signatures of both the subscribers  Sd/- (K Souri Rajan) S/o M.K. Krishnamachari Chartered Accountant Phone: 80963 240A, Pocket I Mayur Vihar Delhi- 110091.
Mr. Vivek Chaand Sehgal S/o Sh. K.L. Sehgal B-300, New Friends Colony, New Delhi- 110065 Business	100	Sd/- Vivek Chaand Sehgal	

Place: New Delhi

Date: December 10, 1986



**Project Vriddhi**  
*Security cover*



Price Waterhouse & Co LLP Building 10C, 17th & 18th floor, DLF Cyber City Gurgaon – 122002, Haryana India	B S R & Associates LLP Chartered Accountants Lodha Excellus, 1st Floor, Apollo Mills Compound, N.M. Joshi Marg, Mahalakshmi, Mumbai 400 011, India
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**Dated: 02 July 2020**

<b>To</b>	
<b>Board of Directors</b>	<b>Board of Directors</b>
Motherson Sumi Systems Limited Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051	Samvardhana Motherson International Limited Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051

**Sub: Recommendation of Share Exchange ratio for the proposed merger of Samvardhana Motherson International Limited into Motherson Sumi Systems Limited**

Dear Sir / Madam,

We refer to the

- engagement letter whereby Motherson Sumi Systems Limited (hereinafter referred to as “MSSL” or the “Amalgamated Company” or “Transferor Company”) and Samvardhana Motherson International Limited (hereinafter referred to as “SAMIL” or “Amalgamated Company 1”) have requested Price Waterhouse & Co LLP (hereinafter referred to as PW&Co); and
- engagement letter whereby MSSL and SAMIL have requested B S R & Associates LLP (hereinafter referred to as “B S R”)

for recommendation on the share entitlement ratio and the share exchange ratio of equity shares for the proposed Transactions defined hereinafter.

SAMIL and MSSL are together hereinafter referred to as the ‘Companies’.

B S R and PW&Co has been hereafter referred to as “Valuers” or we” or “us” and individually referred to as “Valuer” in this joint share exchange ratio Report (“Share Exchange Ratio Report” or “Report”).



## SCOPE AND PURPOSE OF THIS REPORT

Motherson Sumi Systems Limited is a public limited company incorporated on December 19, 1986, under the Laws of India, having its registered office at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Mumbai 400 051, Maharashtra. The CIN of MSSL is L34300MH1986PLC284510. The equity shares of MSSL are listed on BSE Limited and National Stock Exchange of India Limited. The non-convertible debentures (“NCDs”) issued by MSSL are listed on BSE Limited. MSSL is engaged in the business of manufacturing of automotive components, inter-alia, wiring harness, manufacturing of vision system, manufacturing of moulded and polymer products etc., directly and/or through subsidiaries. MSSL reported consolidated revenue from operations and profit after tax of INR 635,368.7 million and INR 12,944.4 million, respectively for the year ended 31 March 2020. MSSL has a consolidated networth of INR 112,609.4 million on 31 March 2020. MSSL businesses can be classified into the following segments/verticals (“MSSL Segments”):

- Domestic Wiring Harness Business (“DWH”);
- Other Domestic Business (“Non DWH”) in standalone MSSL;
- International Wiring Harness business (“International Wiring Harness”) comprising MSSL Estonia WH OU consolidated (includes the PKC Group), MSSL Consolidated Inc. (USA) and other international subsidiaries<sup>1</sup>, engaged in wiring harness and moulded products;
- 51% stake in Samvardhana Motherson Automotive Systems Group BV (“SMRPBV”). SMRPBV is an Investment holding Company which houses three businesses (i) Samvardhana Motherson Reflectec Group (“SMR”), which is engaged in manufacture and sale of rear-view vision systems; (ii) Samvardhana Motherson Peguform GmbH (“SMP”), which is engaged in manufacture and sale of polymer based interior and exterior products for automotive industry; and (iii) Samvardhana Motherson Reydel Companies (“SMRC”), which is engaged in manufacture and sale of polymer based interior products for automotive industry; and
- Investments in other domestic Joint Ventures<sup>2</sup>.

Samvardhana Motherson International Limited is a public limited company incorporated on December 9, 2004, under the Laws of India, having its registered office at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Mumbai 400 051, Maharashtra. The NCDs issued by the Amalgamating Company are listed on BSE Limited. The CIN of the Amalgamating Company is U74900MH2004PLC287011. The Amalgamating Company is a non-deposit taking systemically important core investment company (CIC-ND-SI) registered with the Reserve Bank of India. Amalgamating Company is engaged in the business of holding and nurturing its investments in various subsidiaries and joint-venture companies in India and across the world and also provides

<sup>1</sup> Key international subsidiaries include MSSL (GB) Limited (UK) and its subsidiaries, Motherson Electrical Wires Lanka Private Limited, MSSL (S) Pte Limited (Singapore) and its subsidiaries, MSSL Global RSA Module Engineering Limited (South Africa), Vacuform 2000 (Pty) Limited (South Africa) and MSSL Australia Pty Limited

<sup>2</sup> These include Kyungshin Industrial Motherson Limited, Calsonic Kansei Motherson Auto Products Limited, SMR Automotive Systems India Limited and Motherson Compounding Solution Limited



strategic, operational and management support to its group companies. The Amalgamating Company, directly or indirectly through its subsidiaries, is contemplating the commencement of new businesses, including civil aviation.

SAMIL businesses can be classified into the following segments/verticals ("SAMIL Segments"):

- 33.43% equity shareholding in MSSL;
- 49% equity stake in SMRPBV;
- Standalone operations of SAMIL which includes providing strategic, operational and management support to its group companies and Investments in subsidiaries/ JVs and associates<sup>3</sup> which are engaged in manufacture and sale of various components for auto industry.

We understand that under a Composite Scheme of Amalgamation and Arrangement ("Scheme") the Management of the Companies are *inter alia* contemplating the following:

- a) Demerger of the Domestic Wiring Harness Business of MSSL ("Transaction 1") into a new company which is in the process of being incorporated as a wholly owned subsidiary of MSSL (the "Resulting Company" or the "New Co."); and
- b) Merger of SAMIL with MSSL ("Transaction 2"), subsequent to the completion of Transaction 1 i.e. demerger of DWH business referred above.

in accordance with the provisions of Sections 230 to 232, and other applicable provisions, of the Companies Act, 2013, including the rules and regulations issued thereunder, as may be applicable.

Transaction 1 and Transaction 2 are together referred to as "Transactions".

In this report post demerger of Domestic Wiring Harness Business, MSSL is referred to as "MSSL (excluding DWH)".

We understand from the Scheme that as a consideration for

- i) Transaction 1, the equity shareholders of MSSL would be issued equity shares of Resulting Company. Simultaneous with the issuance of such Equity Shares to the shareholders of MSSL, the existing issued and paid up equity share capital of the Resulting Company, as held by MSSL, shall be automatically cancelled; and
- ii) Transaction 2, the equity shareholders of SAMIL would be issued equity shares of MSSL (excluding DWH). Simultaneous with the issuance of such Equity Shares to

<sup>3</sup> The key subsidiaries/ JVs/ Associate companies of SAMIL include CTM India Limited ("CTM"), Magneti Marelli Motherson Auto System Private Limited ("MMM"), MS Global India Automotive Private Limited ("MSGI"), Magneti Marelli Motherson Shock Absorbers India Private Limited ("MMSA"), Valeo Motherson Thermal Commercial Vehicles India Limited ("VMTL"), Fritzmeier Motherson Cabin Engineering Private Limited ("FMCP"), Samvardhana Motherson Innovative Solutions Limited ("SMISL"), Motherson Techno Tools Limited ("MTTL"), Motherson Auto Solution Limited ("MASL"), Motherson Sumi Infotech and Design Limited ("MIND"), Anest Iwata Motherson Private Limited ("AIM") and Matsui Technologies India Limited ("MTIL"), Motherson Moulds and Diecasting Limited ("MMDL")



the shareholders of SAMIL, the existing issued and paid up equity share capital of MSSL, as held by SAMIL, shall be automatically cancelled.

For the aforesaid purpose, the Board of Directors of MSSL and SAMIL have appointed PW&Co and B S R to submit a joint report recommending:

- a) Opinion on the Share Entitlement Ratio for the proposed demerger of DWH business from MSSL into Resulting Company (Transaction 1); and
- b) Share Exchange Ratio for Transaction 2 i.e. merger of SAMIL with MSSL (excluding DWH), referred as 'Share Exchange Ratio'

on a going concern basis with 31 March 2020 being the Valuation Date, for the consideration of the Board of Directors (including audit committees, as applicable) of the Companies in accordance with the applicable Securities and Exchange Board of India ("SEBI"), the relevant stock exchanges', and relevant laws, rules and regulations.

It is clarified that reference to this valuation report in any document and/ or filing with aforementioned tribunal/ judicial/ regulatory authorities/ government authorities/ stock exchanges/ courts/ shareholders/ professional advisors/ merchant bankers, in connection with the Transaction, shall not be deemed to be an acceptance by the Valuers of any responsibility or liability to any person/ party other than the Boards of Directors of the Companies.

We understand that you did not require us to perform this valuation as a registered valuer under the Companies Act 2013 ("Act"), the Companies (Registered Valuers And Valuation) Rules, 2017 or as per any other rules, regulations, standards, bye-laws, ordinance, notifications issued pursuant to such Act or Rules.

As per the Scheme we understand that the Appointed Date for Transaction 1 is 01 April 2021; Appointed Date for Transaction 2 shall be one day after the date on which Transaction 1 is completed and shares have been issued by Resulting Company to the shareholders of MSSL.

The report will be used by the Companies only for the purpose, as indicated in this report, for which we have been appointed. The results of our valuation analysis and our Report cannot be used or relied by the Companies for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person/ party for any decision of such person/ party based on this Report.

The scope of our services is to conduct a relative (and not absolute) valuation of the equity shares of the Companies and recommend on a Share Exchange Ratio for the Transaction 2 in accordance with generally accepted professional standards and also confirm the Share Entitlement Ratio for Transaction 1.

The Valuers have been appointed severally and not jointly. We have worked independently in our analysis and after arriving at a consensus on fair exchange ratio, are issuing this Share Exchange Ratio Report.

This Report is our deliverable for the above engagement. This Report is subject to the scope,



assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

## SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management (via the data room set up by the Companies) and gathered from public domain:

- Annual reports of MSSL and its subsidiaries;
- Audited/ provisional standalone and consolidated historical financial information of MSSL and its subsidiaries/JVs/ associate companies for the 3 years ended 31 March 2020;
- Carve out historical financial information of MSSL (excluding DWH) for the 3 years ended 31 March 2020;
- Carve out historical financial information of DWH for the year ended 31 March 2020;
- Audited standalone and consolidated historical financial information of SAMIL and its subsidiaries/JVs/ associate companies for the 3 years ended 31 March 2020;
- Projected financials (comprising Statement of Profit and Loss and Balance Sheet) for 5 years ending 31 March 2025 for DWH, MSSL (excluding DWH), its subsidiaries, JVs and associate companies;
- Projected financials (comprising Statement of Profit and Loss and Balance Sheet) for 5 years ending 31 March 2025 for SAMIL, its subsidiaries, JVs and associate companies;
- Desktop Financial Due Diligence report on SAMIL and certain key subsidiaries/ JVs/ Associate companies of SAMIL<sup>4</sup>.
- Details of surplus assets such as real estate and valuation report/estimates thereof;
- Discussions with the Management of the respective Companies in connection with the business operations of the respective Companies, past trends and non-recurring/abnormal items, future plans and prospects, etc.;
- Draft Composite Scheme of Amalgamation and Arrangement dated 01 July 2020;
- Other information and documents that we considered necessary for the purpose of this engagement.

During the discussions with the Management of both Companies, we have also obtained explanations and information considered reasonably necessary for our exercise. The Companies have been provided with the opportunity to review the draft report (excluding the recommended entitlement and exchange ratios) as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final report.



<sup>4</sup> CTM, MMM, MSGI, MMSA, VMTL, FMCPL, SMISL, MTTL, MASL, MIND and AIM.



## SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Report, its contents and the results herein are specific to (i) the purpose of relative valuation agreed as per the terms of our engagement; (ii) the date of this Report and (iii) are based on the audited balance sheets of the Companies as at 31 March 2020 and other information provided by Management. As per the Management the business activities of MSSL and SAMIL have been impacted due to Covid-19 pandemic and the consequent lockdown in various countries including India. The respective Managements have represented that the impact of Covid-19 on the business operations of the Companies have been considered/ factored in the projections. Our opinion is based on prevailing market, economic and other conditions at the Report date and corresponds with a period of significant volatility in global financial markets and widespread macro-economic uncertainty. To the extent possible, we have reflected these conditions in the Report. However, the factors driving these conditions can change over relatively short periods of time. The impact of any subsequent changes in these conditions on the global economy and financial markets generally, and the Companies being valued specifically, could impact upon value in the future, either positively or negatively. The Management has further represented that other than the Covid-19 impact no material adverse change has occurred in their respective operations and financial position of the Companies between 31 March 2020 and the Report date.

An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The recommendation(s) rendered in this Report only represent our recommendation(s) based upon information till the date of this Report, furnished by the Companies (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice. Any person/ party intending to provide finance/ invest in the shares/ businesses of the Companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Companies) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to the Valuers.

We must emphasize that the projected financial information has been prepared by the Managements of the respective companies and provided to us for the purpose of our analysis. The fact that we have considered the projected financial information in this exercise should not be construed or taken as our being associated with or a party to such projections. Realizations of free cash flow forecast used in the analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to



provide any assurance about the achievability of the projected financial information. Since the projected financial information relates to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material.

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies.

In accordance with the terms of our respective engagements, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Report and (ii) the accuracy of information made available to us by the Companies. In accordance with our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Companies. Management of the Companies has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the Report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Companies. Our conclusion assumes that the assets and liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the Report date.

No investigation of the Companies' claim to title of assets has been made for the purpose of this Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.



This Report does not look into the business/ commercial reasons behind the restructuring proposed nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the restructuring as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. We have not examined or advised on accounting, legal or tax matters involved in the Transactions.

The fee for the engagement is not contingent upon the results reported.

We owe responsibility to only the Boards of Directors of the respective Companies that has appointed us under the terms of our respective engagement letters and nobody else. We do not accept any liability to any third party in relation to the issue of this Report. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Companies, their directors, employees or agents. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

It is understood that this analysis does not represent a fairness opinion. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Share Exchange Ratio Report is subject to the laws of India.

Neither the Share Exchange Ratio Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme/Transaction, without our prior written consent. In addition, this Report does not in any manner address the prices at which MSSL's equity shares will trade following consummation of the Transactions/ restructuring and we express no opinion or recommendation as to how the shareholders of either Company should vote at any shareholders' meeting(s) to be held in connection with the Transactions.

## SHARE CAPITAL DETAILS OF THE COMPANIES

### Motherson Sumi Systems Limited

The issued and subscribed equity share capital of MSSL as at 31 March 2020 is INR 3,158 million consisting of 3,157,934,237 equity shares of face value of INR 1 each. The shareholding pattern of MSSL at 31 March 2020 is as follows:



Shareholders	No of Shares	% Share Holding
<b>Promoter &amp; Promoter Group</b>		
SAMIL	1,055,750,653	33.43%
Sumitomo Wiring Systems Limited	792,637,291	25.10%
HK Wiring Systems Limited	7,660,351	0.25%
Others	93,238,251	2.95%
<b>Sub-total Promoter &amp; Promoter Group (A)</b>	<b>1,949,286,546</b>	<b>61.73%</b>
<b>Non-Promoter</b>		
Institutions	917,420,383	29.05%
Others	291,227,308	9.22%
<b>Sub-total Non-Promoter (B)</b>	<b>1,208,647,691</b>	<b>38.27%</b>
<b>Grand Total (A +B)</b>	<b>3,157,934,237</b>	<b>100.0%</b>

Source: BSE filing

### Samvardhana Motherson International Limited

The issued and subscribed equity share capital of SAMIL as at 31 March 2020 is INR 4,736 million consisting of 473,613,855 equity shares of face value of INR 10 each.

The shareholding pattern is as follows:

Shareholders	No of Shares	% Share Holding
Promoter and Promoter Group *	458,286,154	96.8%
Employees	15,327,701	3.2%
<b>Grand Total</b>	<b>473,613,855</b>	<b>100%</b>

\*includes 6.5% Equity Stake held by Sojitz Corporation

Source: SAMIL Management

The Managements has informed us that, without approval of the shareholders, there would not be any variation in the Equity Capital of the Companies till the proposed scheme becomes effective.

### **APPROACH & METHODOLOGY - BASIS OF TRANSACTION**

The proposed Scheme of Amalgamation and Arrangement contemplates (i) Demerger of DWH Business from MSSL into Resulting Company; and (ii) merger of SAMIL with MSSL (excluding DWH).

To opine on the Share Entitlement Ratio for Transaction 1 we have considered the impact of Transaction 1 (i.e. demerger) on the economic interest of the shareholders of MSSL.

For arriving at the Share Exchange Ratio for Transaction 2, we have determined the value per equity share of MSSL (excluding DWH) and SAMIL. These values are determined on a relative basis.



There are several commonly used and accepted approaches for determining the value of the equity shares of a company / business, which have been considered in the present case, to the extent relevant and applicable:

1. Market Approach (Market Price Method, Comparable Companies' Quoted Multiple ('CCM'), Comparable Companies' Transaction Multiples)
2. Income Approach (Discounted Cash Flow Method)
3. Net Asset Value Approach

**Market Approach** – Under this approach, value of a Company is assessed basis its market price (i.e. if its shares are quoted on a stock exchange) or basis multiples derived using comparable (i.e., similar) companies or similar Transactions. Following are the methods under Market Approach:

- **Market Price (MP) Method**

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

- **Comparable Companies' Quoted Multiple (CCM) method**

Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

- **Comparable Companies' Transaction Multiples**

Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable transactions. This valuation is based on the principle that transactions taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.



### Income Approach (Discounted Cash Flows (DCF) Method)

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

*Estimating future free cash flows:*

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

*Appropriate discount rate to be applied to cash flows i.e. the cost of capital:*

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to the capital providers/ equity capital providers (namely shareholders). The opportunity cost equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of DCF valuation, the free cash flow forecast is based on projected financials as provided by the Management. While carrying out this engagement, we have relied on historical information made available to us by the management of the Companies and the respective projected financials for future related information. We did not carry out any validation procedures or due diligence with respect to the information provided/ extracted or carry out any verification of the assets or comment on the achievability of the assumptions underlying the financial projections, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement.

### Net Asset Value (NAV) Approach

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability. A Scheme of Amalgamation would normally be proceeded with, on the assumption that the companies amalgamate as going concerns and an actual realization of the operating assets is not contemplated. The operating assets have therefore been considered at their book values. In such a going concern scenario, the relative earning power is of importance to the basis of merger, with the values arrived at on the net asset basis being of limited relevance.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.



Out of the above methods, the Valuers have used approaches/ methods as considered appropriate by them respectively. The valuation approaches/ methods used, and the values arrived at using such approaches/ methods by the Valuers have been tabled in the next section of this Report.

#### **BASIS OF SHARE ENTITLEMENT RATIO FOR DEMERGER (TRANSACTION 1)**

We understand from the Scheme that upon demerger of DWH business into Resulting Company, the Management proposes to issue 1 equity shares of Resulting Company (of INR 1 each fully paid up) to all the shareholders of MSSL, in lieu of 1 equity share of MSSL (of INR 1 each fully paid up).

The proposed demerger shall entail allotment of equity shares of the Resulting Company to all the shareholders of MSSL, on a proportionate basis, and all shareholders of MSSL shall be the beneficial economic owners of the Resulting Company, i.e. the Shareholding pattern of Resulting Company shall mirror the shareholding pattern of MSSL.

#### **BASIS OF EQUITY SHARE EXCHANGE RATIO (TRANSACTION 2)**

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the valuer and judgments taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. The determination of exchange ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single exchange ratio. While we have provided our recommendation of the Share Exchange Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Share Exchange Ratio of the equity shares of MSSL (excluding DWH) and SAMIL. The final responsibility for the determination of the exchange ratio at which the Transactions shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their own assessment of the Transactions and input of other advisors.

The Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of MSSL (excluding DWH) and SAMIL based on the various approaches/ methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of these companies, having regard to information base, key underlying assumptions and limitations.

Valuers, have independently applied methods discussed above, as considered appropriate, and arrived at their assessment of the relative values per equity share of MSSL (excluding DWH) and SAMIL. To arrive at the consensus on the Share Exchange Ratio for Transaction 2, suitable minor adjustments/ rounding off have been done in the relative values arrived at by the Valuers.

In the current analysis, the amalgamation of MSSL (excluding DWH) and SAMIL is proceeded with on the assumption that MSSL (excluding DWH) and SAMIL would merge as going



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concerns and an actual realization of the operating assets is not contemplated. In such a going concern scenario, the relative earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of amalgamation/ merger, with the values arrived at on the net asset basis being of limited relevance. Hence, while we have calculated the values of the shares of MSSL (excluding DWH), and SAMIL under the Asset Approach, we have considered it appropriate not to give any weightage to the same in arriving at the Share Exchange Ratio.

Given the nature of the businesses of MSSL (excluding DWH) and SAMIL, and the fact that we have been provided with projected financials for each of the MSSL Segments (including subsidiaries, joint ventures and associates) and each of the SAMIL Segments (including subsidiaries, joint ventures and associates), we have considered it appropriate to apply the DCF Method under the Income Approach to arrive at the relative fair value of the shares of MSSL (excluding DWH) and SAMIL for the purpose of arriving at the Share Exchange Ratio.

Within the DCF Method, equity value per share for MSSL (excluding DWH) and SAMIL is computed as follows:

- Equity values for each of the businesses comprising MSSL Segments (including subsidiaries, joint ventures and associates) is computed separately using DCF Method and added up after adjusting for a) the value of debt, cash and cash equivalents and surplus assets as appearing in the balance sheet at 31 March 2020 and b) the shareholding and non-controlling interests of MSSL (excluding DWH) to arrive at equity value of MSSL (excluding DWH). To arrive at the price per equity share of MSSL (excluding DWH) we have considered the total issued and paid up equity shares of MSSL at 31 March 2020.
- Equity values for each of the businesses comprising SAMIL Segments (including subsidiaries, joint ventures and associates) is computed separately using DCF Method and added up after adjusting for a) the value of debt, cash and cash equivalents and surplus assets as appearing in the balance sheet at 31 March 2020 and b) the shareholding and non-controlling interests of SAMIL, to arrive at equity value of SAMIL. To arrive at the price per equity share of SAMIL we have considered the total issued and paid up equity shares of SAMIL at 31 March 2020.

In the present case, the equity shares of MSSL are listed on BSE and NSE. However, pursuant to Transaction 1, the Domestic Wiring Business shall be demerged from MSSL and hence, Market Price Method cannot be used for the valuation of MSSL (excluding DWH). The equity shares of SAMIL are not listed on any stock exchange and hence, Market Price Method cannot be used for the valuation of SAMIL. Therefore, for our analysis under Market Approach, we have considered the Comparable Companies' Multiples method to arrive at the relative fair value of the shares of MSSL (excluding DWH) and SAMIL for the purpose of arriving at the Share Exchange Ratio.

Within the Comparable Companies' Method, equity value per share for MSSL (excluding DWH) and SAMIL is computed as follows:

- Equity values for each of the businesses comprising MSSL Segments (including subsidiaries, joint ventures and associates) is computed separately using Comparable Companies' Method and aggregated after adjusting for a) the value of debt, cash and cash



equivalents and surplus assets as appearing in the balance sheet at 31 March 2020; and b) the shareholding and non-controlling interests of MSSL (excluding DWH) to arrive at equity value of MSSL (excluding DWH). To arrive at the price per equity share of MSSL (excluding DWH) we have considered the total issued and paid up equity shares of MSSL at 31 March 2020.

- Equity values for each of the businesses comprising SAMIL Segments (including subsidiaries, joint ventures and associates) is computed separately using Comparable Companies' Method and aggregated after adjusting for a) the value of debt, cash and cash equivalents and surplus assets as appearing in the balance sheet at 31 March 2020; and b) the shareholding and non-controlling interests of SAMIL to arrive at equity value of SAMIL. To arrive at the price per equity share of SAMIL we have considered the total issued and paid up equity shares of SAMIL at 31 March 2020.

For our final analysis and recommendation we have considered the the values arrived under the Income Approach and the Market Approach, to arrive at the relative fair value of the equity shares of MSSL (excluding DWH) and SAMIL for the purpose of the Transaction 2.

The basis of the proposed merger would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, it is finally necessary to arrive at a single value. It is important to note that we are not attempting to arrive at the absolute equity values of the MSSL (excluding DWH) and SAMIL but at their relative values to facilitate the determination of a fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

In view of the above, and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following Share Exchange Ratio for the Transaction 2 whose computation is as under:

The below tables summarises workings for the value per share of MSSL (excluding DWH) and SAMIL and the Share Exchange Ratio as derived by PW&Co:

Method	MSSL (excluding DWH)		SAMIL	
	Value per share (INR)	Weight	Value per share (INR)	Weight
Income Approach (DCF Method)	103.90	50%	531.15	50%
Market Approach (CCM method)	97.11	50%	494.48	50%
Net Asset Value Method	34.36	0%	148.37	0%
<b>Relative Value per share</b>	<b>100.51</b>	<b>100%</b>	<b>512.81</b>	<b>100%</b>
<b>Exchange Ratio (rounded)</b>	<b>51 Equity Shares of MSSL (excluding DWH)</b>		<b>For every 10 Equity Shares of SAMIL</b>	



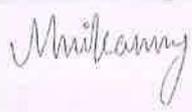
The below tables summarises workings for the value per share of MSSL (excluding DWH) and SAMIL and the Share Exchange Ratio as derived by B S R:

Method	MSSL (excluding DWH)		SAMIL	
	Value per share (INR)	Weight	Value per share (INR)	Weight
Income Approach (DCF Method)	108.37	50%	560.70	50%
Market Approach (CCM method)	95.25	50%	477.83	50%
Net Asset Value Method	34.36	0%	148.37	0%
<b>Relative Value per share</b>	<b>101.81</b>		<b>519.27</b>	
<b>Exchange Ratio (rounded)</b>	<b>51 Equity Shares of MSSL (excluding DWH)</b>		<b>For every 10 Equity Shares of SAMIL</b>	

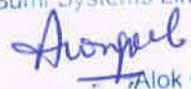
In light of the above, and consideration of all relevant factors and circumstances as discussed and outlined hereinabove we recommend that:

1. The Share Entitlement Ratio of 1 equity shares (of INR 1 each fully paid up) of the Resulting Company for every 1 equity share of MSSL for Transaction 1 i.e. demerger of DWH business is fair as the beneficial economic interest of the shareholders in the equity of the Resulting Company will be the same as it is in the equity of MSSL.
2. The Share Exchange Ratio for Merger of SAMIL with MSSL (excluding DWH) is assessed as 51 Equity shares of MSSL (of INR 1 each fully paid up) for every 10 Equity shares of SAMIL (of INR 10 each fully paid up);

Respectfully submitted,

<p><b>Price Waterhouse &amp; Co LLP</b> Chartered Accountants ICAI Firm Registration Number: 016844N</p>   <p>Per Rajan Wadhawan Partner Membership No: 090172 Date: 02 July 2020 UDIN number: 20090172AAAAAI6869</p>	<p><b>B S R &amp; Associates LLP</b> Chartered Accountants ICAI Firm Registration Number: 116231W</p>   <p>Per Mahek Vikamsey Partner Membership No: 108235 Date: 02 July 2020 UDIN number: 20108235AAAAAL6521</p>
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For Motherson Sumi Systems Limited

  
Alok Goel  
Company Secretary

Date: 02 July 2020

**Board of Directors**

**MOTHERSON SUMI SYSTEMS LIMITED,**

Unit 705, C Wing, One BKC, G Block, Bandra  
Kurla Complex,  
Mumbai 400 051, Maharashtra  
India

**Board of Directors**

**SAMVARDHANA MOTHERSON  
INTERNATIONAL LIMITED,**

Unit 705, C Wing, One BKC, G Block, Bandra  
Kurla Complex,  
Mumbai 400 051, Maharashtra  
India

**Sub: Recommendation of Share Entitlement Ratio and Share Exchange Ratio pursuant to the Composite Scheme of Amalgamation and Arrangement amongst Motherson Sumi Systems Limited ("MSSL"), Samvardhana Motherson International Limited, a wholly-owned subsidiary of the MSSL which in the process of being incorporated and their respective Shareholders and Creditors**

Dear Sir/Madam,

We refer to our engagement letter ("LoE") dated 21 June 2020 whereby the management of Motherson Sumi Systems Limited ("MSSL" or the "Transferor Company"), and Samvardhana Motherson International Limited ("SAMIL" or "Amalgamating Company") (individually and collectively herein referred to as the "Client" or "You" or "the Company" or "the Companies" or "respective Companies", as the context may require) have requested Incwert Advisory Private Limited ("Incwert" or "Valuer" or "Registered Valuer" or "RV" or "We" or "us") for recommending the fair demerger share entitlement ratio and merger share exchange ratio for the proposed restructuring pursuant to a Composite Scheme of Amalgamation and Arrangement under provisions of Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 ("Scheme" or "Composite Scheme of Amalgamation and Arrangement").

Incwert is a Registered Valuer Entity with Insolvency and Bankruptcy Board of India ("IBBI") for the asset class 'Securities or Financial Assets' having registration number IBBI/RV-E/05/2019/108.

In the following paragraphs, we have summarised our valuation analysis together with the description of the valuation approaches, methodologies and limitations in our scope of work. Our deliverable for this engagement is this Share Entitlement and Exchange report ("Share Entitlement and Exchange Report" or "Report").



Incwert Advisory Private Limited is an Indian  
Private limited company.

CIN U74999HR2018PTC075916

Registered office:  
Tower F 1502,  
GPL Eden Heights, Sector 70,  
Gurugram - 122101, India

## CONTEXT AND PURPOSE OF THIS REPORT

### Overview

#### Motherhood Sumi Systems Limited

Motherhood Sumi Systems Limited is a public limited company incorporated on December 19, 1986. MSSL is engaged in the business of manufacturing of automotive components, *inter-alia*, wiring harness, manufacturing of vision system, manufacturing of moulded and polymer products etc. The equity shares of MSSL are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and the non-convertible debentures ("NCDs") issued by MSSL are listed on BSE.

#### Resulting Company

The Resulting Company is a new company which is currently in the process of being incorporated under the Companies Act, 2013 as an unlisted public limited company ("Resulting Company"). The Resulting Company, on incorporation, will be a wholly-owned subsidiary of the Transferor Company.

#### Samvardhana Motherhood International Limited

Samvardhana Motherhood International Limited is an unlisted public limited company incorporated on December 9, 2004. The NCDs issued by SAMIL are listed on BSE. SAMIL is a non-deposit taking systemically important core investment company (CIC-ND-SI) registered with the Reserve Bank of India and is engaged in the business of holding and nurturing its investments in various subsidiaries and joint-venture companies in India and across the world and also provides strategic, operational and management support to its group companies. SAMIL is one of the promoters of MSSL and holds 33.43% of the share capital of MSSL, as on 31 March 2020.

#### Context and purpose

We have been given to understand that pursuant to the Scheme, the management of the Companies ("Management") are contemplating the following restructuring exercise ("Proposed Transaction"):

- a) Demerger of the DWH Undertaking (as defined in Section I of the Scheme) of the Transferor Company and vesting of the same with the Resulting Company; and
- b) Amalgamation of the Amalgamating Company (as defined in Section II of the Scheme) into and with MSSL, by absorption, subsequent to the completion of the demerger referred to in (a) above.

Appointed date for the demerger is 01 April 2021 or such subsequent date (if any) as may be decided by the Board of Directors of the Transferor Company and Resulting Company or such other date as the NCLT may direct.

Appointed date for amalgamation of the Amalgamating Company into and with MSSL is the date when the amalgamation of Amalgamating Company with MSSL becomes effective, in accordance with Section II of the Scheme.

The Proposed Transaction, would involve the following steps:

Step 1: Demerger of the DWH Undertaking from MSSL into the Resulting Company, pursuant to which demerger, the shareholding pattern of the Resulting Company will be a mirror-image of the shareholding pattern of MSSL;

Step 2: Amalgamation of SAMIL into MSSL.

For the purpose of the aforesaid Proposed Transaction, the demerger share entitlement ratio and merger share exchange ratio (Share Entitlement and Exchange ratios) have to be calculated by a Registered



Valuer (as defined under Section 247 of the Companies Act, 2013) and hence the Client has approached us to calculate the Share Entitlement and Exchange Ratios to be used for the Proposed Transaction.

*The Demerger Share Entitlement Ratio for the Proposed Transaction refers to*

*The consideration of the demerger of the DWH Undertaking (as defined in Section I of the Scheme) of the Transferor Company and vesting of the same with the Resulting Company: The number of equity share(s) of the face value of Rs. 1 (Indian Rupees One) each credited as fully paid up in the share capital of the Resulting Company which would be issued to the equity shareholders of MSSL for every 1 equity share of the face value of Rs. 1 (Indian Rupees One) each of MSSL.*

*The Merger Share Exchange Ratio for the Proposed Transaction refers to*

*The consideration of the amalgamation of the Amalgamating Company into and with MSSL, by absorption, subsequent to the completion of the demerger referred to above: The number of equity share(s) of the face value of Rs. 1 (Indian Rupees One) each credited as fully paid up in the share capital of MSSL which would be issued to the equity shareholders of SAMIL for every 1 equity share the face value of Rs. 10 (Indian Rupees Ten) each of SAMIL.*

## **BASIS OF VALUATION**

In transactions of the nature of – merger or amalgamation of companies or merger or demerger of businesses, the consideration is often discharged primarily by issue of securities of the acquirer or transferee entity with reference to an exchange ratio or entitlement ratio, considering the relative values.

Such relative values are generally arrived at by applying an appropriate valuation approach or a combination of valuation approaches. If a combination of valuation approaches or methodologies is adopted, appropriate weights are assigned to arrive at a single value. Relative values are usually derived by using similar valuation approaches, methodologies and weights. However, the use of differing methodologies or approaches may be justified in circumstances, e.g., a merger of a listed company and an unlisted company, or where the listed company is infrequently traded.

### **Base of valuation**

The base of valuation has been "Fair value".

The definition of "Fair value" as per Indian Valuation Standards issued by the Institute of Chartered Accountants of India, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.

Fair value is the price in an orderly transaction in the principal (or most advantageous) market at the valuation date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

We have given due cognisance to the valuation standards issued by the Institute of Chartered Accountants of India in carrying out the valuation exercise.

### **Premise of value**

The premise of value refers to the conditions and circumstances of how an asset is deployed. As part of our analysis, we have considered the following assumption to be appropriate:

- Going-concern basis - Going concern value is the value of a business enterprise that is expected to continue to operate in the future.
- As-is-where-is basis – considers the current use of the asset which may or may not be its highest and best use.

### **Intended users**



This report is intended for the consumption of the Board of Directors (including audit committees) of MSSL and SAMIL and for the purpose of submission to the relevant regulatory or statutory authorities in India, including National Company Law Tribunal, Regional Directors, Registrar of Companies, SEBI, Stock exchanges, and for complying with the applicable provisions of the Companies Act, 2013 and other applicable laws.

We understand that this Report will be used by the Client for the above-mentioned purpose only and on the express understanding that it shall not be copied, disclosed or circulated or referred to in correspondence or discussion with any third party or used for any other purpose, other than the purpose mentioned above, without RV's prior written consent.

In the event, the Companies or Management of the Companies or representatives of the Company intend to extend the use of this report beyond the purpose mentioned herein above, with or without our consent, we will not accept any responsibility to any other party to whom our report may be shown or who may acquire a copy of the report issued by Incwert.

### SOURCES OF INFORMATION

This Report is prepared based on the below sources of information as provided to us by the management of Client:

- Draft Composite Scheme of Amalgamation and Arrangement;
- Audited historical financial statements of MSSL and SAMIL along with its subsidiaries, step down subsidiaries and JVs for the financial year ended 31 March 2017, 31 March 2018 and 31 March 2019;
- Audited financial statement of MSSL for the 12 months ended 31 March 2020;
- Provisional accounts for the 12 months ended 31 March 2020 were provided for
  - SAMIL along with its subsidiaries, step down subsidiaries and JVs
  - Subsidiaries, step down subsidiaries and JVs of MSSL;
- Projected financial statements for MSSL and SAMIL along with its subsidiaries, step down subsidiaries and JVs for the 5-year period from 01 April 2020 to 31 March 2025;
- Details of quoted and unquoted investments;
- Details of contingent liability as of 31 December 2019;
- Other data and information provided by respective companies, as may be requested by us;
- Discussions with the Management to obtain requisite explanation and clarification of data provided;
- Interviews and correspondence with the respective company's management on which we have relied;

The management of the Companies were provided with an opportunity to review a draft of our Report (*excluding the valuation and recommended Share Entitlement and Exchange ratios*) as part of our standard practice to ensure that factual inaccuracies/omissions are avoided in our final report.

Further at the request of the Management, we have had discussions with other valuation advisors on the valuation approach & methodologies adopted and assumptions made by us.



## PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and qualitative information
- Used data available in the public domain
  - Where available, published general market data, including economic, government and industry information which may affect the value of the businesses;
  - Where available, financial data for publicly traded or private companies engaged in the same or similar lines of business to develop appropriate multiples and operating comparisons as part of the market approach of valuation.
- Discussion (physical/ or over a phone call) with the Management to:
  - Understand the business and fundamental factors that affect its meaning-generating capability, including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
- Undertook Industry Analysis:
  - Research publicly available market data including economic factors and industry trends that may impact the valuation
  - Analysis of key trends and valuation multiples of comparable companies/comparable transactions using proprietary databases subscribed by us
- Selection of internationally accepted valuation methodologies as considered appropriate by us.

## DISCLOSURE OF INTEREST/ CONFLICT

We hereby certify that, to the best of my knowledge and belief that:

- Valuer is not affiliated to the Client in any manner whatsoever.
- Valuer does not have a prospective interest in the business, which is the subject of this Report.
- Details of services for the Client performed within a three-year period immediately preceding acceptance of this engagement, as an appraiser or in any other capacity – not applicable.
- Valuer's fee is not contingent on an action or event resulting from the analyses, opinions or conclusions in this Report.

## SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Our work in preparing the Report was undertaken, and our Report has been produced in accordance with the terms of our engagement with MSSL and SAMIL. Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, diligence services, consulting/ tax-related services.

This Report, its contents and results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement along with subsequent discussions with the management; (ii) the date of this Report and (iii) are based on the data detailed in the section – Sources of information. An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular, and the information made available to us. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

Management has represented that the business activities of the Companies have been carried out in the normal and ordinary course. However, material events could have occurred in their respective operations due to outbreak of COVID-19 in India between mid-February 2020 and date of issue of this Report. Management has represented that their business plan has been adjusted for the COVID-19 impact.

The Report Date is the valuation date ("Valuation Date"). For the valuation exercise, market parameters have been considered up to and including 26 June 2020.

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Further, for the purpose of this engagement and Report, we have made no investigation of, and assume no responsibility for, the title to the assets or liabilities against the Company. Our conclusion of value assumes that the title to the assets and liabilities of the respective companies reflected in their respective audited/provisional latest financial statements is intact as at the date of this Report.

The financial forecasts used in the preparation of the Report reflects judgment of respective management of Companies, based on present circumstances prevailing around the valuation date, as to the most likely set of conditions and the course of action it is most likely to take. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period almost always may differ from the forecasts and as such differences may be material.

The final analysis will have to be tempered by the exercise of reasonable discretion by the valuer and judgement, considering all the relevant factors. There will always be several factors example given, management capability, present and prospective competition, the yield on comparable securities, market sentiments among others, which are not evident from the face of the balance sheet but will strongly influence the worth of a share. This concept is well recognised in judicial decisions and pronouncements.

The recommendation rendered in this Report only represents our recommendation based upon information to date, furnished by the management of the Client and other sources. The said recommendation shall be considered to be in the nature of non-binding advice.

Our recommendation in this Report is not intended to advise anybody to take buy or sell decision for which specific opinion needs to be taken from expert advisors.

The Report does not constitute an offer or invitation to any section of the public to subscribe for or purchase any securities in, or the other business or assets or liabilities of the Companies.

The determination of a share entitlement/exchange ratio is not a precise science, and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed share exchange ratio. While we have provided our recommendation of the share exchange ratio based on the information made available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the share exchange ratio at which the Proposed Transaction shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their assessment of the Proposed Transaction and input of other advisors.

Our work did not constitute an audit of the financial statements, and accordingly, we do not express any opinion on the truth and fairness of the financial position, as indicated in this Report. Our work did not constitute a validation of the financial statements of the companies/ businesses, and accordingly, we do not express any opinion on the same. Also, with respect to explanations and information sought from the management, we have been given to understand that the management has not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information provided by the management of the Client. Any omissions, inaccuracies or misstatements may materially impact our valuation analysis and outcome.

We do not imply, and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

The Report assumes that the Companies comply fully with the relevant laws and regulations applicable in all its areas of operations unless otherwise stated and that the companies will be managed in a competent and responsible manner. Further, except as expressly stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of lawful title and compliance with local laws, litigations and other contingent liabilities that are not recorded in the audited/ unaudited balance sheet of the Companies.

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This Report does not investigate the business / commercial reasons behind the Proposed Transaction nor the likely merits of such transaction. Similarly, it does not address the relative benefits of the Proposed Transaction as compared with any other alternative business transaction or other alternatives or whether such options could be achieved or are available.

The fee for this engagement is not contingent upon the valuation conclusions.

This Report sets out Valuer's conclusions on a) relative valuation of relevant businesses as part of the demerger/merger and b) Share Entitlement and Exchange Ratio and has been prepared in accordance with LoE. The Report will be used by the Client for purposes agreed in the LoE. The Report will be issued by us on the express understanding that it shall not be copied, disclosed or circulated or referred to in correspondence or discussion with any third party or used for any other purpose without Valuer's prior written consent, unless agreed in the LoE.

This Report is based on the information provided by the Client and has been confirmed by the Client. We have not independently verified or checked the accuracy or timeliness of the same.

We have based our analysis based on information provided to us by the Management and stated under "Sources of Information". Any changes in the basis of preparation of financial statements of the Companies may significantly impact our analysis and therefore, the valuation.

For our analysis, we have relied on published and secondary sources of data, whether or not provided by the Client. We have not independently verified the accuracy or timeliness of the same.

The Valuer is not responsible for updating this Report because of events or transactions occurring subsequent to the date of issue of this Report.

The Valuer has not considered any finding made by other external agencies in carrying out the Valuation analysis other than those which are made available as part of disclosures in the annual report of the Companies.

This Report is prepared on the basis of the sources of information listed in the above section. We have relied upon written representation provided by the Management that the information contained in the Report is materially accurate and complete, fair in its manner of portrayal and therefore, forms a reliable basis for the Valuation.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties other than in connection with the proposed Scheme, without our prior written consent except for disclosures to be made to relevant regulatory/statutory authorities. We owe no duty (whether in contract or in tort or under statute or otherwise) with respect to or in connection with the attached Report or any part thereof to a party other than our Client. We do not accept any liability to any third party in relation to the issue of this Report.

It is understood that the analysis presented herein does not represent a fairness opinion on either the valuation of the business undertakings or the Share Entitlement and Exchange Ratio.

Any decision by the Client regarding whether to proceed with Proposed Transaction shall rest solely with the Client.

This Report is subject to the laws in India and should be used in connection with the proposed scheme.

This Report does not in any manner address the prices at which equity shares of the Companies or any other listed shareholder will trade after the announcement of the Proposed Transaction, and we express no opinion or recommendation as to how shareholders of the companies involved in the restructuring should vote at the shareholders' meeting(s) to be held in connection with the Proposed Transaction.

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## SHAREHOLDING PATTERN OF THE COMPANIES

The issued and subscribed equity share capital of Motherson Sumi Systems Limited as on 31 March 2020 is INR 315.79 crores consisting of 3,157,934,237 equity shares of the face value of INR 10/- each. The shareholding pattern is as follows:

Sr. no.	Category of shareholder	Percentage holding
1	Samvardhana Motherson International Limited (SAMIL) (India)	33.43%
2	Sumitomo Wiring Systems (SWS) (Japan)	25.34%
3	Other Promoter Group	2.96%
4	Public & others	38.27%
	<b>Total</b>	<b>100%</b>

Upon incorporation of the Resulting Company, the proposed issued and subscribed equity share capital of the company shall be INR 5,00,000 consisting of 5,00,000 equity shares of the face value of INR 1/- each.

The issued and subscribed equity share capital of Samvardhana Motherson International Limited as on 31 March 2020 is INR 473.6 crores consisting of 473,613,855 equity shares of the face value of INR 10/- each. The shareholding pattern is as follows:

Sr. no.	Category of shareholder	Percentage holding
1	Shri Sehgal's Trustee Company Private Limited	25.67%
2	Vivek Chaand Sehgal	21.23%
3	Renu Alka Sehgal (as trustee of Renu Sehgal Trust)	23.19%
4	Radha Rani Holdings Pte Limited	14.10%
5	Sojitz Corporation	6.46%
6	Others (less than 5% shareholding)	9.35%
	<b>Total</b>	<b>100%</b>

Source: Management information

## APPROACH & METHODOLOGY

### Valuation approach and methodologies

There are several commonly used and accepted methods for determining the value and the Share Entitlement and Exchange Ratio which have been considered in the present case, to the extent relevant and applicable, including:

1. Market Approach:
  - a. Market Price method
  - b. Comparable Companies Multiples
  - c. Comparable Transaction Multiple Method
2. Income Approach: Discounted Cash Flows Method
3. Cost Approach: Net Asset Value Method

As discussed below for the Proposed Transaction, we have considered these methods to the extent relevant and applicable.

This valuation could fluctuate with the lapse of time, changes in prevailing market conditions and prospects, industry performance and general business and economic conditions financial and otherwise

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of the Companies, and other factors which generally influence the valuation of companies and their assets.

We have relied on the judgment of the Management as regards contingent and other liabilities.

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the valuation subjects, and other factors.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for various purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of the methodology of valuation has been arrived at using usual and conventional methods adopted for transactions of a similar nature, regulatory guidelines and our reasonable judgment, in an independent and *bona fide* manner based on our previous experience of assignments of a similar nature.

The valuation methodologies, as may be applicable, which have been used to arrive at the value of the Companies are discussed hereunder.

#### Market Price (MP) Method

The market price of an equity share as quoted on a Stock Exchange is generally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share, especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger, where there is a question of evaluating the share price of one company against that of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

In the present case, equity shares of MSSSL are traded on NSE and BSE. However, as the price of DWH Undertaking is not observable, the price of the Remaining Business cannot be ascertained from MP method. Resulting Company is under incorporation and SAMIL does not have traded equity shares on any stock exchange. Hence, we have not used this method for the valuation of any of the Companies.

#### Comparable Companies Market Multiple ("CCM") Method

Under this method, the value of the equity shares of a company/ business undertaking is arrived at by using multiples derived from valuations of comparable companies, as apparent through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant for the assessment of the value of the company.

Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. We have used this method for the various business segments of MSSSL (minus DWH) and SAMIL wherever publicly listed comparable companies were available.

#### Comparable Companies Transaction Multiple (CTM) Method

Under the CTM method, the value of the equity shares of a company/ business undertaking is arrived at by using the prices implied by reported transactions/ deals of comparable companies.



Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Considering the uniqueness of the business structure of MSSL, it is difficult to find a similar transaction to benchmark. For MSSL or other group companies, we have not been able to identify any comparable company for which a majority stake-sale transaction has taken place in the last one year. We believe that the older transactions are not relevant for our valuation considering share price movements and changes in the macro-economic situation in India. Also, transactions multiples tend to be biased due to premium which may be embedded in the price for strategic benefits and synergies which an acquirer may perceive in the target. Accordingly, we have not applied the Comparable Transactions Multiple Method.

#### Discounted Cash Flows (DCF) Method

Under the DCF method, the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

##### *Estimating future free cash flows:*

Free cash flows are the cash flows expected to be generated by the company that is available to all providers of the company's capital — both debt and equity.

*Appropriate discount rate to be applied to cash flows, i.e. the cost of capital:*

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

The value so computed by discounting the cash flows to the firm is adjusted for net borrowings, surplus asset including investments, minority interests, equity instruments granted as part of the share-based payment, and other matters to arrive at an aggregate equity value of the company.

In the present case, we have considered this method for valuing these companies/businesses where applicable.

#### Net Asset Value (NAV) Method

The asset-based valuation technique is based on the value of the underlying net assets of the business either on a book value basis or realisable value basis or replacement cost basis. The cost approach assumes that a prudent investor would pay no more for an entity than the amount for which he could replace or re-create it or an asset with similar utility. Under a going-concern premise, the cost approach usually is best suited for valuing asset-intensive companies, such as investment or real estate holding companies, or companies with unstable or unpredictable earnings.

In the present case, considering that the businesses are going concerns, and hence we have considered it appropriate to not provide any weightage to NAV method.

## **BASIS OF VALUATION AND SHARE EXCHANGE RATIO**

### **Basis of the Demerger Share Entitlement Ratio:**

- The demerger of DWH from MSSL into Resulting Company will be done with mirror shareholding of MSSL. Hence, the beneficial/economic interest of the shareholders of MSSL in the Resulting Company will be in the same ratio as it is in the share capital of the Transferor Company.
- The determination of the Demerger Share Entitlement Ratio will therefore not have any economic

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impact on the ultimate value of the shareholders of MSSL upon the proposed demerger. The Proposed Transaction will be value-neutral to the shareholders of the Transferor Company.

#### Basis of the Merger Share Exchange Ratio:

The Merger Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of MSSL (minus DWH) and SAMIL based on the various approaches/ methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of these companies, having regard to the information base, key underlying assumptions and limitations.

We have independently applied methods discussed above, as considered appropriate, and arrived at the assessment of the relative values per equity share of MSSL (minus DWH) and SAMIL. To arrive at the consensus on the Merger Share Exchange Ratio suitable minor adjustments/ rounding off have been done in the relative values arrived at by us.

In the current analysis, the amalgamation of MSSL (minus DWH) and SAMIL is proceeded with on the assumption that MSSL (minus DWH) and SAMIL would merge as going concerns and an actual realisation of the operating assets is not contemplated. The operating assets have therefore been considered at their book and non-operating/ surplus assets, if any at their fair values under the Asset Approach. In such a going concern scenario, the relative earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of amalgamation/ merger, with the values arrived at on the net asset basis being of limited relevance. Hence, while we have calculated the values of the shares of MSSL (minus DWH) and SAMIL under the Asset Approach, we have considered it appropriate not to give any weightage to the same in arriving at the Merger Share Exchange Ratio.

Given the nature of the businesses of MSSL (minus DWH) and SAMIL and the fact that we have been provided with projected financials for each of the MSSL segments (including subsidiaries, joint ventures and associates) and each of the SAMIL segments (including subsidiaries, joint ventures and associates), we have considered it appropriate to apply the DCF Method under the Income Approach to arrive at the relative fair value of the shares of MSSL (minus DWH) and SAMIL for the purpose of arriving at the Merger Share Exchange Ratio.

Within the DCF Method, equity share values for MSSL (minus DWH) and SAMIL is computed as follows:

- Equity share values for each of the businesses comprising MSSL segments (including subsidiaries, joint ventures and associates) is computed separately using DCF Method and added up after adjusting for a) the value of debt, cash and cash equivalents and surplus assets as appearing in the balance sheet at 31 March 2020 and b) the shareholding and non-controlling interests of MSSL (minus DWH) to arrive at equity share value of MSSL (minus DWH).
- Equity share values for each of the businesses comprising SAMIL segments (including subsidiaries, joint ventures and associates) is computed separately using DCF Method and added up after adjusting for a) the value of debt, cash and cash equivalents and surplus assets as appearing in the balance sheet at 31 March 2020 and b) the shareholding and non-controlling interests of SAMIL to arrive at an equity share value of SAMIL.

In the present case, the equity shares of MSSL are listed on BSE and NSE. However, pursuant to the Proposed Transaction, the DWH business shall be demerged from MSSL and hence, Market Price Method cannot be used for the valuation of MSSL (minus DWH). The equity shares of SAMIL are not listed on any stock exchange and hence, Market Price Method cannot be used for the valuation of SAMIL. Therefore, we have also considered the CCM method under the Market Approach to arrive at the relative fair value of the shares MSSL (minus DWH) and SAMIL for the purpose of arriving at the Merger Share Exchange Ratio.

Within the Comparable Companies' Method, equity share values for MSSL (minus DWH) and SAMIL is computed as follows:

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- Equity share values for each of the businesses comprising MSSL segments (including subsidiaries, joint ventures and associates) is computed separately using CCM method and added up after adjusting for a) the value of debt, cash and cash equivalents and surplus assets as appearing in the balance sheet at 31 March 2020 and b) the shareholding and non-controlling interests of MSSL (minus DWH) to arrive at equity share value of MSSL (minus DWH).

- Equity share values for each of the businesses comprising SAMIL segments (including subsidiaries, joint ventures and associates) is computed separately using CCM Method and added up after adjusting for a) the value of debt, cash and cash equivalents and surplus assets as appearing in the balance sheet at 31 March 2020 and b) the shareholding and non-controlling interests of SAMIL to arrive at equity share value of SAMIL.

- To arrive at the price per equity share of MSSL (minus DWH) we have considered the total issued and paid-up equity shares of the company as at 31 March 2020.

To arrive at the price per equity share of SAMIL we have considered the total issued and paid-up equity shares of SAMIL as at 31 March 2020.

For our final analysis and recommendation we have considered the values arrived under the Income Approach and the Market Approach, to arrive at the relative fair value of the equity shares of MSSL (minus DWH) and SAMIL for the purpose of Step 2.

The basis of the proposed merger would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, it is finally necessary to arrive at a single value. It is important to note that we are not attempting to arrive at the absolute equity values of the MSSL (minus DWH) and SAMIL, but at their relative values to facilitate the determination of a fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

In view of the above, and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following Merger Share Exchange Ratio for the Step 2 of the Transaction as outlined in the section below.

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## CONCLUSION

### Step 1 – Demerger of DWH from MSSL into Resulting Company

Based on the foregoing, the demerger of DWH from MSSL into Resulting Company will be done with mirror shareholding of MSSL.

Hence, the beneficial/economic interest of the shareholders of MSSL in the Resulting Company will be in the same ratio as it is in the share capital of the Transferor Company.

Based on the aforementioned, we believe that the determination of share entitlement ratio will not have any economic impact on the ultimate value of the shareholders of MSSL upon the proposed demerger. The Proposed Transaction will be value-neutral to the shareholders of the Transferor Company.

Hence, any ratio as recommended by the Management can be considered for the purpose of the Demerger Share Entitlement Ratio for demerger under Step 1.

### Step 2- Amalgamation of SAMIL into MSSL (minus DWH)

Based on the foregoing, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following Merger Share Exchange Ratio for the proposed amalgamation of SAMIL into MSSL (minus DWH) pursuant to the Section II of the Scheme coming into effect for the Board of Directors' consideration:

- **51 (Fifty one) equity shares of the face value of Rs. 1/- (Indian Rupee One) each credited as fully paid up in the share capital of MSSL for every 10 (Ten) fully paid-up equity share of the face value of Rs. 10/- (Indian Rupees Ten) each held in SAMIL**

Or

- **5.1 (Five point one) equity shares of the face value of Rs. 1/- (Indian Rupee One) each credited as fully paid up in the share capital of MSSL for every 1 (one) fully paid-up equity share of the face value of Rs. 10/- (Indian Rupees Ten) each held in SAMIL**

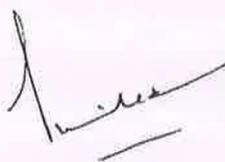
Respectfully submitted,

**For Incwert Advisory Private Limited**

Registered Valuer Entity under Companies (Registered Valuers and Valuation) Rules, 2017

IBBI Registration No. IBBI/RV-E/05/2019/108

Asset class: Securities or Financial Assets



**Punit Khandelwal**

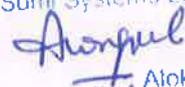
Director

Registered Valuer under Companies (Registered Valuers and Valuation) Rules, 2017

IBBI Registration No. IBBI/RV/05/2019/11375

Asset class: Securities or Financial Assets

**For Motherson Sumi Systems Limited**



**Alok Goel**  
Company Secretary

Enclosed: Appendix – 1

**Appendix - 1**

The computation of Merger Share Exchange Ratio for amalgamation of SAMIL Into MSSL (minus DWH) is computed as below

Method	MSSL (minus DWH)		SAMIL	
	Value per share (in INR)	Weight	Value per share (in INR)	Weight
Income Approach (DCF method)	107	50%	556	50%
Market Approach (CCM method)	95	50%	475	50%
Net asset value method	34	0%	148	0%
Relative value per share	101		516	
Exchange ratio (rounded)	51 Equity shares of MSSL (minus DWH)		For every 10 equity share of SAMIL	

NA = Not applicable/adopted  
NM = Not meaningful

\*\*\*\*\*End of report\*\*\*\*\*



**REPORT OF THE AUDIT COMMITTEE OF MOTHERSON SUMI SYSTEMS LIMITED ("COMPANY") RECOMMENDING THE DRAFT COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT AMONGST THE COMPANY, A WHOLLY OWNED SUBSIDIARY OF THE COMPANY WHICH IS IN THE PROCESS OF BEING INCORPORATED UNDER THE NAME 'MOTHERSON SUMI WIRING INDIA LIMITED', SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

To:

**Board of Directors**

Motherson Sumi Systems Limited

Unit - 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex

Bandra East, Mumbai-400051, Maharashtra

**1. Background**

- 1.1. A meeting of the Audit Committee of Motherson Sumi Systems Limited ("**Company**") was held on July 2, 2020, *inter alia*, to consider and recommend to the Board of Directors of the Company, the composite scheme of amalgamation and arrangement ("**Scheme**") proposed to be undertaken amongst the Company, a wholly owned subsidiary of the Company which is in the process of being incorporated under the name 'Motherson Sumi Wiring India Limited' ("**Resulting Company**"), Samvardhana Motherson International Limited ("**SAMIL**") and their respective shareholders and creditors, under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and other applicable laws.
- 1.2. The equity shares of the Company are listed on BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") (collectively "**Stock Exchanges**"). The Company will be filing the Scheme along with the necessary information/documents with the Stock Exchanges.
- 1.3. This report of the Audit Committee is made in order to comply with the requirements of Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017, as amended from time to time, on schemes of arrangement involving listed companies, issued by the Securities and Exchange Board of India, as amended from time to time ("**SEBI Circular**").
- 1.4. Capitalized terms used but not defined in this Report shall have the meanings as ascribed to such terms under the Scheme.
- 1.5. This report is made by the Audit Committee after perusing *inter alia* the following documents:
- (a) The draft of the Scheme, initialed by the company secretary for the purposes of identification;
  - (b) The joint valuation report, dated July 2, 2020, issued by Price Waterhouse & Co. LLP, Chartered Accountants and BSR & Associates LLP, Chartered Accountants and the valuation report, dated July 2, 2020, issued by Inwert Advisory Private Limited, a registered valuer, describing the methodology adopted by them in arriving at, and recommending, the Demerger Share Entitlement Ratio and Merger Share Exchange Ratio ("**Valuation Reports**");
  - (c) The fairness opinions, both dated July 2, 2020, issued by Axis Capital Limited, a SEBI Registered (Category-I) Merchant Banker and DSP Merrill Lynch Limited, a SEBI Registered (Category-I) Merchant Banker, respectively, providing the fairness opinions on the Demerger Share Entitlement Ratio, Merger Share Exchange Ratio, recommended by Price Waterhouse & Co. LLP, Chartered Accountants and BSR & Associates LLP, Chartered Accountants in their joint valuation report dated July 2, 2020 ("**Fairness Opinions**"); and
  - (d) Auditor's certificate, dated July 2, 2020, prepared by M/s S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005), the statutory

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Motherson Sumi Systems Limited  
C-14 A & B, Sector 1, Noida - 201301  
Distt. Gautam Budh Nagar, U.P. India  
Tel: +91-120-6752100, 6752278  
Fax: +91-120-2521866, 2521966  
Website: www.motherson.com  
Email: investorrelations@motherson.com

Regd Office:

Motherson Sumi Systems Limited Unit -  
705, C Wing, ONE BKC, G Block Bandra  
Kurla Complex, Bandra East  
Mumbai - 400051, Maharashtra (India)  
Tel: 022-61354800, Fax: 022-61354801  
CIN No.: L34300MH1986PLC284510



auditors of the Company, regarding the accounting treatment contained in the Scheme, as specified under the SEBI Circular.

2. **Proposed Scheme**

2.1. The Audit Committee noted that the draft Scheme provides for the following:

- (a) demerger of the Domestic Wiring Harness Undertaking or DWH Undertaking into the Resulting Company; and
- (b) amalgamation of SAMIL with the Company by absorption, subsequent to the completion of the demerger referred to in (a).

2.2. The Audit Committee noted the rationale and benefits of the proposed Scheme, which *inter alia* are as follows:

- (a) Demerger of DWH Undertaking into the Resulting Company:
  - (i) creation of separate and distinct entities housing the DWH Undertaking and the remaining business;
  - (ii) dedicated and specialised management focus on the specific needs of the respective businesses; and
  - (iii) ensuring standalone focus on the domestic wiring harness business of the Company.
- (b) Amalgamation of SAMIL with the Company:
  - (i) consolidation of SAMIL with the Company, resulting in consolidation of the group's shareholdings in various entities and simplification of the group structure resulting in higher stakeholder accountability;
  - (ii) expanding the business of the Company from a diversified auto component product portfolio and foray into non-auto component business, thereby creating greater value for the shareholders/ stakeholders of the Company;
  - (iii) consolidation of 100% of the shareholding in Samvardhana Motherson Automotive Systems Group BV in the Company;
  - (iv) expanding the business of the Company from a diversified auto component product portfolio and foray into non-auto component business, thereby creating greater value for the shareholders/ stakeholders of the Company;
  - (v) availability of increased resources, expertise and assets in the resultant company, which can be utilized for strengthening the customer base and servicing existing as well as prospective customers; and
  - (vi) cost reduction, retaining talent, optimization of support functions, efficiencies and productivity gains by pooling the resources of the Company and SAMIL, thereby significantly contributing to future growth and maximizing shareholders value.

2.3. The Audit Committee reviewed the Valuation Reports and noted the recommendations made therein. Further, the Fairness Opinions confirmed that the share entitlement ratio and share exchange ratio recommended in the Valuation Reports are fair to the shareholders of the Company.

*[Handwritten Signature]*



2.4. The share entitlement ratio and share exchange ratio recommended by the Valuation Reports and confirmed by the Fairness Opinions are as follows:

- (a) Upon the coming into effect of Section I of the Scheme and in consideration of the demerger of the DWH Undertaking into the Resulting Company pursuant to Section I of the Scheme, the Resulting Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of the Company, as on Record Date 1, 1 equity share of Re. 1 each of the Resulting Company for every 1 equity share of Re. 1 each of the Company;
- (b) Upon the coming into effect of Section II of the Scheme and in consideration of the amalgamation of SAMIL into and with the Company, pursuant to Section II of the Scheme, the Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of SAMIL as on Record Date 2, 51 equity shares of Re. 1 each of the Company for every 10 equity shares of Rs. 10 each of SAMIL; and

2.5. The Audit Committee reviewed the Scheme and noted that the other salient features of the draft Scheme are as follows:

- (a) Upon Section I of the Scheme becoming effective, all assets, liabilities, contracts, rights, obligations, employees, etc., pertaining to the DWH Undertaking shall stand transferred to Resulting Company, as a going concern, with effect from Appointed Date 1 (i.e., April 1, 2021). Further, the Company will be entering into various agreements with the Resulting Company, prior to Effective Date 1, which will continue beyond Effective Date 1, pertaining to, (i) purchase of components by the Resulting Company such as wires, rubber parts, tools, jig, fixtures, and other components as required for the DWH Business and which are manufactured and/or procured by the Company, (ii) various functional support services to be provided by the Company to the Resulting Company, such as, design and development services, finance, logistics, human resource, marketing, etc.; (iii) management services to be provided by the Company to the Resulting Company; (iv) leasing and/or licensing and/or sub-leasing to the Resulting Company of various immovable property owned / leased by the Company on which the manufacturing units and other office premises of the DWH Undertaking are located; and (v) purchase wiring harness manufactured by the Resulting Company by the Company, its subsidiaries and joint ventures.
- (b) Upon Section II of the Scheme becoming effective, SAMIL together with all its properties, assets, investments, liabilities, rights, benefits, interests and obligations, shall stand transferred to and vested in the Company, as a going concern, with effect from Appointed Date 2. Upon Section II of the Scheme becoming effective on the Effective Date 2, SAMIL shall stand dissolved without being wound-up, without any further act or deed and the name of SAMIL shall be struck off from the records of the Registrar of Companies ("RoC") and the Company shall make necessary fillings in this regard.
- (c) The effectiveness of the Scheme is conditional upon the fulfillment of the actions specified in the Scheme, which include, (i) no-objections being received from the Stock Exchanges, in terms of the SEBI Circular, (ii) approval of the requisite majorities of the various classes of shareholders of the Company, SAMIL and the Resulting Company, (iii) the Scheme being approved by the majority of the public shareholders of the Company as required by the SEBI Circular, i.e., the votes cast by the public shareholders of the Company, in favour of the Scheme, being more than the number of votes cast by the public shareholders against it, (iv) the sanction of the Scheme by the NCLT, (v) Certified copies of the order of the NCLT sanctioning the Scheme being filed with the RoC, by each of the Company, SAMIL and the Resulting Company; and (vi) obtaining such other approvals and sanctions as may be required by applicable law or contract, in respect to the Scheme.

*S. Anand*



- (d) The equity shares issued by the Resulting Company and the Company, pursuant to the Scheme, are proposed to be listed on the Stock Exchanges, in terms of the Scheme and the SEBI Circular.

3. **Recommendation of the Audit Committee**

The Audit Committee, after due deliberations and due consideration of all the terms of the draft Scheme and the aforementioned documents, recommends the draft Scheme for favorable consideration by the Board of Directors of the Company, for its consideration and approval.

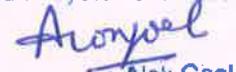
**By Order of the Audit Committee**

For and on behalf of **Motherson Sumi Systems Limited**



Name: S.C. Tripathi  
Designation: Independent Director and Chairman of Audit Committee  
Date: July 2, 2020  
Place: Noida

For Motherson Sumi Systems Limited



Alok Goel  
Company Secretary

2<sup>nd</sup> July, 2020

To,  
**The Board of Directors,**  
Motherson Sumi Systems Limited  
Registered office: Unit 705, C Wing,  
One BKC, G Block,  
Bandra Kurla Complex, Mumbai 400 051

**Dear Members of the Board,**

**I. Engagement Background**

We, Axis Capital Limited ("We" or "AXIS"), understand that the Board of Directors (the "Board") of

- (a) Motherson Sumi Systems Limited, a listed public limited company incorporated in India under the provisions of the Companies Act ("Transferor Company" or "Amalgamated Company" or "MSSL");
- (b) Samvardhana Motherson International Limited, a public limited company incorporated in India under the provisions of the Companies Act ("Amalgamating Company" or "SAMIL"); and
- (c) New Company, which is currently in the process of being incorporated under the Companies Act, 2013 as an unlisted public company and a wholly owned subsidiary of MSSL ("Resulting Company" or "New Co.")

are considering an internal reorganization amongst themselves through a Composite Scheme of Amalgamation and Arrangement ("Scheme") pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

The Composite Scheme of Amalgamation and Arrangement *inter-alia* provides for the following:

- a. demerger of the DWH Undertaking (as defined in Section I of the Scheme) of the Transferor Company and vesting of the same with New Co. ("Transaction 1" or "Proposed Demerger"), resulting in an automatic listing of New Co.; and
- b. amalgamation of the Amalgamating Company into and with MSSL, by absorption, subsequent to the completion of Transaction 1 referred to in (a) above ("Transaction 2" or "Proposed Merger")



1 | Page

**Axis Capital Limited (Erstwhile "Axis Securities and Sales Limited")**

SBI Merchant Banker Regn No: MB/IN/1000012029 Member of: SEBI, National Stock Exchange of India Ltd. Ahmedabad  
CIN No. U51902GJ2005PLC117553

Regd. Office: Axis House, 24th Floor, Wadia International Centre, E. B. Mang. Ward, Mumbai - 400 022 &

Corp. Office: Axis House, C-2, Wadia International Centre, E. B. Mang. Ward, Mumbai - 400 012

tel: (022) 4325 1100, Fax No. (022) 4325 3030, Website: www.axiscapital.co.in



Transaction 1 and Transaction 2 are hereinafter collectively referred to as Transactions.

MSSL is a public limited company incorporated on December 19, 1986, under the Laws of India, having its registered office at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Mumbai 400 051, Maharashtra. The equity shares of the Transferor Company are listed on BSE Limited and National Stock Exchange of India Limited. The non-convertible debentures ("NCDs") issued by MSSL are listed on BSE Limited. The Transferor Company is engaged in the business of manufacturing of automotive components, inter-alia, wiring harness, manufacturing of vision system, manufacturing of moulded and polymer products etc.

SAMIL is a public limited company incorporated on December 9 2004, under the Laws of India, having its registered office at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Mumbai 400 051, Maharashtra. The non-convertible debentures ("NCDs") issued by the Amalgamating Company are listed on BSE Limited. The Amalgamating Company is a non-deposit taking systemically important core investment company (CIC-ND-SI) registered with the Reserve Bank of India and is engaged in the business of holding and nurturing investments in various subsidiaries and joint-venture companies in India and across the world and also provides strategic, operational and management support to various affiliates. Amalgamating Company is one of the promoters of MSSL and holds 33.43% of the share capital of MSSL, as of the date hereof.

We further understand that the share entitlement ratio for the Proposed Demerger and the share exchange ratio for the Proposed Merger have been arrived at based on the valuation report prepared by M/s Price Waterhouse & Co. LLP ("PWC & Co.") and BSR & Associates LLP ("BSR") (collectively referred to as the "Valuers"), who have been jointly appointed for this exercise by MSSL (on its own behalf and on New Co.'s behalf) and SAMIL.

Based on our perusal of the valuation report dated 2<sup>nd</sup> July 2020 prepared by the Valuers (the "Report") and the Draft Scheme Document shared with us on 1<sup>st</sup> July 2020 ("Draft Scheme Document"), the final version of which will be filed by the aforementioned companies with the appropriate authorities, we understand that the following has been proposed by the Valuers:

*"1 fully paid up equity shares of INR 1 each fully paid up of the Resulting Company for every 1 equity share of MSSL (hereinafter referred to as the "Share Entitlement Ratio") for Transaction 1"*



2 | **Axis Capital Limited (Erstwhile "Axis Securities and Sales Limited")**

SEBI Merchant Banker Regn No. AMB/INM00012079 Member Of: BSE Ltd. & National Stock Exchange of India Ltd., Mumbai  
CIN No. U51900MH2015PL152253

Regd. Office: Axis House, Six Road, Wadia International Centre, K. G. Marg, Worli, Mumbai - 400 025 &  
Core Office: Axis House, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai - 400 025  
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"51 fully paid up equity shares of INR 1 each of MSSL for every 10 existing fully paid up equity share of INR 10 each held in SAMIL" (hereinafter referred to as the "Share Exchange Ratio") for Transaction 2"

In connection with the aforesaid, you requested our opinion ("Opinion"), as of the date hereof, as to the fairness of the Share Entitlement Ratio and the Share Exchange Ratio, as proposed by the Valuers, from a financial point of view, to the shareholders of MSSL.

## II. Basis of Opinion

The rationale for the Scheme as shared with us by the management of MSSL is based on inter-alia the following aspects:

The Transferor Company is a multi-business corporate that is a specialised full-system solutions provider and caters to a diverse range of customers in the automotive and other industries across Asia, Europe, North America, South America, Australia and Africa. The Transferor Company is, directly and through its subsidiaries and joint venture companies, engaged in inter alia manufacturing of wiring harness systems, manufacturing of vision systems, manufacturing of moulded & polymer products, technology & software, manufacturing of metal products, retail and services & logistics. The aforesaid businesses of the Transferor Company have been nurtured over a period of time and are currently at different stages of growth. The DWH Undertaking, being solely focused on the domestic wiring harness business, and the Remaining Business (as defined in the Scheme) cater to distinct product segments with different market dynamics viz different competition, geographic focus, strategy and capital requirements. The segregation and transfer of the DWH Undertaking into the Resulting Company, as envisaged in the Scheme, will enable sharper focus on the domestic wiring harness business.

Consolidation of the Amalgamating Company with MSSL, pursuant to the Scheme, will result in the simplification of the group structure and in the alignment of the interests of various stakeholders. Further, amalgamation of Amalgamating Company, along with its respective subsidiaries and joint venture companies with MSSL will expand MSSL's product portfolio thereby leading to robust growth opportunities for the resultant MSSL, in India and overseas. It will also result in the resultant MSSL foraying into non-auto component businesses which will help in diversifying the revenue streams for the company. The amalgamation of the Amalgamating Company with MSSL would bring about synergy of operations and benefit of scale since duplication of administrative efforts and legal and regulatory compliances will be unified.

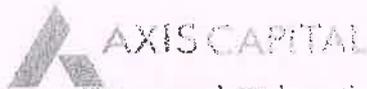


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The proposed amalgamation of the Amalgamating Company with MSSL would result in the consolidation of the entire shareholding in Samvardhana Motherson Automotive Systems Group B.V. ("SMRP BV"), a company engaged in the global supply of rear-view vision systems and manufacturing of moulded & polymer products currently, and which is currently jointly held by the Amalgamating Company and MSSL, within MSSL. Consequently, SMRP BV would become a wholly owned subsidiary of MSSL. This consolidation of SMRP BV's holding will simplify the overall group structure and will result in the entire benefit of future growth in SMRP BV accruing to MSSL shareholders.

The key aspects of the Draft Scheme Document and the Report dated 2<sup>nd</sup> July 2020, issued by the Valuers, provided to us and relied upon by us for framing this Opinion with respect to the Share Entitlement Ratio and Share Exchange Ratio, are as under:

1. Upon the Scheme coming into effect on the Effective Date 1 (as defined in the Scheme) and with effect from the Appointed Date 1 (as defined in the Scheme), the DWH Undertaking, together with all its properties, assets, investments, liabilities, rights, benefits, interests and obligations therein, shall demerge from the Transferor Company and be transferred to, and stand vested in, the Resulting Company
  - a. As consideration for the Proposed Demerger, equity shares in the Resulting Company shall be issued to the equity shareholders of the Transferor Company, on a proportionate basis
  - b. All shareholders of the Transferor Company on the Record Date (as defined in the Scheme) shall become shareholders of the Resulting Company and the shareholding pattern of the Resulting Company shall mirror the shareholding pattern of the Transferor Company
2. Upon the Scheme coming into effect on Effective Date 2 (as defined in the Scheme) and with effect from Appointed Date 2 (as defined in the Scheme), the Amalgamating Company, together with all its properties, assets, investments, liabilities, rights, benefits, interests and obligations therein, shall stand transferred to and vested in MSSL (after completion of Transaction 1)
3. All shareholders of the Amalgamating Company shall become shareholders of the Amalgamated Company
4. Upon the Scheme becoming effective, share capital of MSSL held by SAMIL shall be cancelled

The scope of our Opinion includes commenting on the fairness of the Share Entitlement Ratio and the Share Exchange Ratio as provided in the Report and not on the fairness or economic rationale of the Scheme per se, or the analysis done by the Valuers. We have relied upon the Draft Scheme Document and taken the abovementioned key features of the proposed Scheme (together

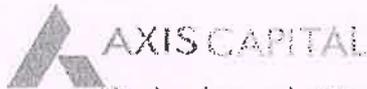


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with other facts and assumptions set forth in section III of this Opinion) into account while determining the meaning of "fairness", from a financial point of view, for the purposes of this Opinion.

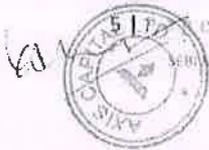
### III. Limitation of Scope and Review

Our Opinion and analysis is limited to the extent of review of documents as provided to us by MSSL including the Report prepared by the Valuers and the Draft Scheme Document.

In arriving at this Opinion, we have among other things:

- reviewed the Draft Scheme Document provided to us by MSSL;
- reviewed the Report provided to us by MSSL;
- reviewed certain relevant publicly available business information relating to the activities of MSSL up to March 31, 2020 including its annual report for 2018-19, quarterly filings and provisional/unaudited numbers for the financial year ended March 2020, as well as its shareholding pattern as on March 31, 2020;
- reviewed certain relevant publicly available business information relating to the activities of SAMIL up to March 31, 2020 including its annual report & quarterly filings for the financial year ended March 2020, as well as its shareholding pattern as on March 31, 2020;
- certain information shared by MSSL and SAMIL through a data room;
- reviewed financial projections for MSSL standalone, other entities under MSSL, SAMIL, as provided to us by the management of the respective entities;
- held discussions with the Valuers and with the management teams of MSSL, SAMIL and their respective principal joint venture entities, associates and subsidiaries;
- reviewed historical stock prices and trading volumes of MSSL on NSE and BSE;
- reviewed certain publicly available information with respect to certain other companies in the same line of business and which we believe to be generally relevant in the context of businesses of MSSL and SAMIL;
- reviewed other relevant information, explanations and representations that were provided by the management teams of MSSL and SAMIL; and
- performed such other analysis and studies and considered such other information and factors as we deemed appropriate.

In arriving at our Opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with us and have relied upon the assurances of the management of MSSL and SAMIL that they are not aware of any facts or circumstances



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that would make such information or data inaccurate, incomplete or misleading in any material respect. We have not reviewed any internal management information statements or any non-public reports (other than as mentioned above), and instead, have relied upon documents/information that was provided by MSSL and SAMIL, for the purposes of this Opinion. We are not experts in the evaluation of litigation or other actual or threatened claims. We have assumed that there are no other contingent liabilities or circumstances that could materially affect the activities including underlying businesses or financial prospects of the Resulting Company, Amalgamating Company, and/or the Amalgamated Company and their respective joint venture entities, associates and subsidiaries, other than those disclosed in the information provided. Our work does not constitute an audit, due diligence or certification of historical financial statements including working results of the Resulting Company, Amalgamating Company, and/or the Amalgamated Company or their activities including underlying businesses referred to in this Opinion. We have not made or been provided with any independent valuation or appraisal of the assets or liabilities (contingent or otherwise) of the Resulting Company, Amalgamating Company, and/or the Amalgamated Company, nor have we conducted any physical inspection of the properties or assets of the Resulting Company, Amalgamating Company, and/or the Amalgamated Company. In particular, we do not express any opinion as to the value of any asset of the Resulting Company, Amalgamating Company, and/or the Amalgamated Company and their subsidiaries/ investments whether at current prices or in the future. No investigation of SAMIL's, and MSSL's or their respective joint venture entities', associates' and subsidiaries' claim to title of assets has been made for the purpose of the exercise and the respective companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the annual reports. Therefore, no responsibility whatsoever is assumed for matters of a legal nature. We have not evaluated the solvency or fair value of the Resulting Company, Amalgamating Company, and/or the Amalgamated Company or their respective joint venture entities, associates and subsidiaries under either the laws of India or any other laws relating to bankruptcy, insolvency or similar matters. We have assumed that the final Scheme will be consummated without waiver, modification or amendment of any material terms, condition or agreement and that, in the course of obtaining the necessary governmental, judicial, regulatory and other approvals, consents, releases and waivers for the Scheme, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, will be imposed that would have an adverse effect on the Resulting Company, Amalgamating Company, or the Amalgamated Company or the contemplated benefits of the Scheme. We understand from the Management of MSSL and SAMIL that the Scheme will be given effect to in totality and not in parts. This Opinion is based and issued on the understanding that the Resulting Company, Amalgamating Company, and the Amalgamated Company and their respective subsidiaries/affiliates/joint ventures/investments have drawn our attention to all the

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matters, which they are aware of concerning the financial position of the Resulting Company, Amalgamating Company, and the Amalgamated Company and/or their respective joint venture entities, associates and subsidiaries, their activities including underlying businesses, and any other matter, which may have an impact on our analysis or our Opinion, on the Share Entitlement Ratio and the Share Exchange Ratio, including any significant changes that have taken place or are likely to take place in the financial position of the Resulting Company, Amalgamating Company, and the Amalgamated Company and their subsidiaries/affiliates/joint ventures/investments or their activities including underlying businesses subsequent to the date hereof. Further, to avoid factual inaccuracies in our report, as a part of our standard practice, SAMIL's, and MSSL's managements have been provided an opportunity to review a draft of the Opinion (wherein the Share Entitlement Ratio and Share Exchange Ratio are not mentioned).

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Moreover, in this case where shares of the Amalgamated Company are being issued as consideration to the shareholders of Amalgamating Company, it is not the absolute valuation that is important for framing an opinion but the relative valuation of the shares of the Amalgamated Company vis-à-vis shares of the Amalgamating Company.

We express no view or opinion as to any terms or other aspects of the Scheme other than the Share Entitlement Ratio and the Share Exchange Ratio as provided in the Report to the extent expressly specified herein, including, without limitation, the form or structure of the Scheme. No opinion or view is expressed with respect to any consideration received in connection with the Scheme by the holders of any other class of securities, creditors or other constituencies of any party. We do not express any opinion as to any tax or other consequences that might arise from the Scheme on the Resulting Company, Amalgamating Company, Amalgamated Company and / or their respective joint venture entities, associates and subsidiaries and their respective shareholders, nor does our Opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Resulting Company, Amalgamating Company, and the Amalgamated Company have obtained such advice as they deemed necessary from qualified professionals. In addition, no opinion or view is expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees or any party to the Scheme, or class of such persons, relative to the Share Exchange Ratio and the Share Entitlement Ratio. Furthermore, no opinion or view is expressed as to the relative merits of the Scheme in comparison to other strategies or transactions that might be available to the companies or in which the companies might engage or as to the underlying business decision of the companies to proceed with or effect the Scheme. We are not expressing any opinion as to what the value of the equity shares of the Resulting Company and MSSL actually will be when issued or the prices at which the equity shares will



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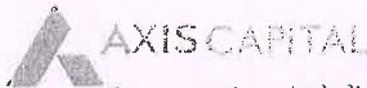
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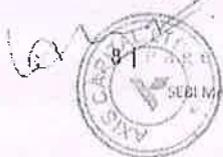
trade at any time, including following announcement or consummation of the Scheme. In addition, we express no opinion or recommendation as to how any shareholder should vote or act in connection with the Scheme or any related matter. Our Opinion does not address any matters otherwise than as expressly stated herein, including but not limited to matters such as corporate governance, shareholders' rights or any other equitable considerations.

MSSL and SAMIL acknowledge that in connection with the Scheme: (i) AXIS has acted at arm's length at all times, is not an agent of, and owes no fiduciary duties either to MSSL and SAMIL or any subsidiary or affiliate of the companies or the company's management, shareholders or creditors or the Board of the relevant companies or any other persons, and (ii) AXIS may have interests that differ from those of the relevant companies or their Board. MSSL and SAMIL waive, on behalf of themselves, New Co., any of their subsidiaries, joint ventures or affiliates or their respective Boards, to the fullest extent permitted by applicable law, any claims they may have against AXIS arising from any alleged breach of fiduciary duty in connection with the Scheme or otherwise. Any liability of AXIS shall be only to the extent provided under our Engagement Letter.

We have acted as advisor to the Board of MSSL solely to render this Opinion and will receive a fee for our services, which is payable upon the rendering of this Opinion. The fee for our service of providing the Opinion is not contingent upon the results of the Transactions. In addition, MSSL has agreed to reimburse our expenses and indemnify us against certain liabilities arising out of our engagement. In no event shall AXIS be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or willful default on the part of MSSL and SAMIL, their directors, employees or agents and / or their subsidiaries/joint ventures/affiliates, their directors, employees or agents. In no circumstances shall the liability of AXIS, its partners, affiliates or employees, relating to services provided in connection with this Opinion exceed the amount paid to us in respect of the fees, if any, charged for these services.

We and/or our affiliates are engaged in securities trading, securities brokerage and financing activities, as well as providing investment banking and financial advisory services and products to a wide range of companies, governments and individuals. In the ordinary course of our trading, brokerage and financing activities, we may undertake research analysis and may at any time hold long or short positions, and may trade or otherwise effect transactions, for our own account or the accounts of our customers, in debt or equity securities or senior loans of MSSL or SAMIL or their subsidiaries or affiliates.

We and/or our affiliates in the past have provided, currently may be providing, and in the future may provide investment banking and other financial services to MSSL and SAMIL, the promoters

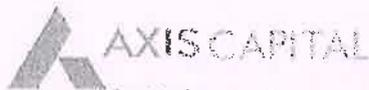


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of the Motherson Group, and other group companies of the Motherson Group, and have received or in the future may receive compensation for the rendering of these services.

This Opinion is subject to the laws of India. Further, the Opinion is addressed only to the Board of Directors of MSSL and is for the purpose of submission to the Stock Exchanges under the SEBI Circular Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, the Opinion may be disclosed on the websites of MSSL and SAMIL and the stock exchanges and also be made part of the explanatory statement of the notice to be circulated to the shareholders and/or creditors of the MSSL and SAMIL. The Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without our prior written consent.

In no circumstances however, will AXIS or its directors, officers, employees and controlling persons of AXIS accept any responsibility or liability including any pecuniary or financial liability to any third party.

Further, this Opinion should not be used or quoted for any purpose other than the purpose mentioned hereinabove. If this Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. Neither this Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

Our Opinion is necessarily based on (i) prevailing financial, economic, monetary, market and other conditions and circumstances, and (ii) the information made available to us by the relevant companies. It should be understood that subsequent developments may affect this Opinion, and we do not have any obligation to update, revise, or reaffirm this Opinion. Our Opinion is specific to the fairness of the Share Entitlement Ratio and the Share Exchange Ratio as contemplated in the Draft Scheme Document provided to us and is not valid for any other purpose. The issuance of this Opinion was approved in accordance with our internal policies. This Opinion has to be read in totality, and not in parts, in conjunction with the relevant documents referred therein.

**IV. Conclusion**

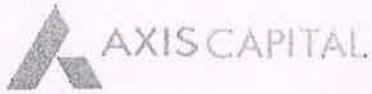
Based on our examination of the documents mentioned above including the Draft Scheme Document and the Report, our discussions with the managements of MSSL and SAMIL and other intermediaries as appointed by them in this regard and subject to the foregoing, including the various assumptions and limitations set forth herein, to the best of our knowledge and belief, we are of the opinion on the date hereof that from the financial point of view, the Share Entitlement



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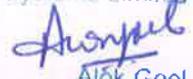
Ratio and the Share Exchange Ratio as provided in the Report are fair to the shareholders of MSSL.

Yours truly,  
For Axis Capital Ltd.,


Authorised Signatory

For Motherson Sumi Systems Limited

  
Alok Goel  
Company Secretary

July 2, 2020

The Board of Directors  
Motherson Sumi Systems Limited  
Unit - 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex  
Bandra East, Mumbai-400051, Maharashtra

Members of the Board of Directors:

We understand that Motherson Sumi Systems Limited, a listed public limited company incorporated under the laws of India ("MSSL"), proposes to enter into a Composite Scheme of Amalgamation and Arrangement pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, as amended, as may be applicable, and also read with Section 2(19AA) or Section 2(1B) of the Income tax Act, 1961, as amended, as may be applicable, among MSSL, Samvardhana Motherson International Limited, a public limited company incorporated under the laws of India ("SAMIL"), a new company currently in the process of being incorporated under the laws of India as a wholly owned subsidiary of MSSL ("NewCo"), and their respective shareholders and creditors, the agreed form of which was provided to us by MSSL (the "Scheme").

Pursuant to the Scheme, among other things:

- a) the entire Domestic Wiring Harness Business (as defined in the Scheme) of MSSL as of April 1, 2021 (the "DWH Undertaking" as defined in the Scheme) will be demerged from MSSL (such surviving entity after the Demerger, "Remaining MSSL") and stand transferred to and vested in NewCo (the "Resulting Company" as defined in the Scheme) which will become an independent listed entity upon completion of the Transactions (as defined herein) (the "Demerger"); and
- b) SAMIL will be amalgamated, by absorption, with and into Remaining MSSL subsequent to the completion of the Demerger (the "Merger", and together with the Demerger, the "Transactions").

We also understand that the equity shares held by SAMIL in Remaining MSSL shall stand cancelled as part of the Scheme and no further shares are required to be issued or payment made in lieu on cancellation of such equity shares.

The terms and conditions of the Transactions are more fully set forth in the Scheme, to be filed by the above-mentioned companies with the appropriate state benches of the National Company Law Tribunal in India. We understand that pursuant to the Scheme:



- a) as consideration for the Demerger, each holder of equity shares, of Rs. 1/- each of MSSL (each equity share of MSSL, a "**MSSL Equity Share**"), will be issued and allotted 1 equity share, of Rs. 1/- each of the Resulting Company, for every 1 MSSL Equity Share held by such holder (the "**Demerger Share Entitlement Ratio**"); and
- b) as consideration for the Merger, each holder of equity shares, of Rs. 10/- each of SAMIL, will be issued and allotted 51 MSSL Equity Shares, for every 10 equity shares of SAMIL held by such holder (the "**Merger Share Exchange Ratio**", and together with the Demerger Share Entitlement Ratio, the "**Exchange Ratios**").

Each of the Exchange Ratios is based upon the joint recommendation made by Price Waterhouse & Co LLP and B S R & Associates LLP, the independent accounting firms jointly appointed by MSSL and SAMIL in connection with the Transactions, as set forth in their joint valuation report dated July 2, 2020 (the "**Valuation Report**").

You have requested our opinion as of the date hereof as to the fairness, from a financial point of view, to the holders of the MSSL Equity Shares (other than SAMIL and Sehgal family) of the Exchange Ratios provided for in the Scheme.

In connection with this opinion, we have, among other things:

- (i) reviewed certain publicly available business and financial information relating to MSSL and its subsidiaries, the DWH Undertaking, Remaining MSSL and SAMIL, together with its joint ventures and subsidiaries;
- (ii) reviewed certain internal financial and operating information with respect to the business, operations and prospects of the DWH Undertaking, furnished to or discussed with us by the management of MSSL, including certain historical pro forma financial information and financial forecasts relating to the DWH Undertaking prepared by the management of MSSL (such financial information and forecasts, the "**DWH Undertaking Financials and Forecasts**");
- (iii) reviewed certain internal financial and operating information with respect to the business, operations and prospects of the Remaining MSSL and its subsidiaries (excluding the DWH Undertaking) (the "**Remaining MSSL Business**"), furnished to or discussed with us by the management of MSSL, including certain historical pro forma financial information and financial forecasts relating to MSSL and its subsidiaries (excluding the DWH Undertaking) prepared by the management of MSSL (such financial information and forecasts, the "**Remaining MSSL Business Financials and Forecasts**");
- (iv) reviewed certain financial and operating information with respect to the business, operations and prospects of SAMIL and its joint ventures and subsidiaries, including certain historical pro forma financial information (taking into account certain entities which have been included or carved out) and financial forecasts for SAMIL and some of its joint ventures and subsidiaries prepared by the management of SAMIL, as approved for our use by the management of MSSL (such financial information and forecasts, the "**SAMIL Financials and Forecasts**") and furnished to or discussed with us by the management of MSSL;



*Aron*

- (v) discussed the past and current business, operations, financial condition and prospects of MSSL and its subsidiaries and the DWH Undertaking with members of senior management of MSSL, and discussed the past and current business, operations, financial condition and prospects of SAMIL and its joint ventures and subsidiaries, with members of senior management of SAMIL and MSSL;
- (vi) reviewed the key terms of the proposed shared services and sourcing agreements for supply of certain products and services from Remaining MSSL, its subsidiaries and joint ventures to the DWH Undertaking (the "Agreements") and discussed with the management of MSSL, its assessments of the potential impact of such Agreements on the DWH Undertaking Financials and Forecasts and the Remaining MSSL Business Financials and Forecasts;
- (vii) reviewed the potential pro forma financial impact of the Transactions on the future financial performance of Remaining MSSL, including the potential effect on Remaining MSSL's estimated earnings per share;
- (viii) reviewed the trading histories for the MSSL Equity Shares and a comparison of such trading histories with the trading histories of other companies we deemed relevant, in India as well as outside India;
- (ix) reviewed the financial estimates and sum-of-the-parts valuation of MSSL done by various research analysts;
- (x) compared certain financial and trading information of MSSL with similar information of other companies we deemed relevant, in India as well as outside India;
- (xi) the Valuation Report;
- (xii) reviewed a draft, dated July 2, 2020, of the Scheme (the "Draft Scheme"); and
- (xiii) performed such other analyses and studies and considered such other information and factors as we deemed appropriate.

In arriving at our opinion, we have assumed and relied upon, without any independent verification or validation, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with us and have relied upon the assurances of the managements of MSSL and SAMIL that they are not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to the DWH Undertaking Financials and Forecasts and the Remaining MSSL Business Financials and Forecasts, we have been advised by MSSL, and have assumed, that they have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of MSSL as to the future financial performance of the DWH Undertaking and the Remaining MSSL Business.

With respect to the SAMIL Financials and Forecasts, we have been advised by SAMIL, and have assumed, with consent of MSSL, that they have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of SAMIL as to the future financial performance of SAMIL and we have relied, at the direction of MSSL, on the SAMIL Financials and Forecasts



for purposes of our opinion. Without limiting the generality of the foregoing, we have also assumed, at the direction of MSSL, that MSSL, SAMIL, the DWH Undertaking and their respective subsidiaries/affiliates/joint ventures will receive all statutory clearances with respect to their respective operations in accordance with the assumptions regarding such clearances in the DWH Undertaking Financials and Forecasts, the Remaining MSSL Business Financials and Forecasts and the SAMIL Financials and Forecasts.

Without limiting the generality of the foregoing, we have been advised by MSSL, and have assumed, at MSSL's direction, that, as contemplated by the SAMIL Financials and Forecasts, all indebtedness owed by SAMIL, its joint ventures and subsidiaries, to any person, following consummation of the Transactions, will be paid in full in accordance with the repayment terms of such indebtedness. Furthermore, we have assumed, at the direction of MSSL, that, as contemplated by the SAMIL Financials and Forecasts, any refinancing of the existing indebtedness of SAMIL, its joint ventures and subsidiaries, will be on terms not materially different in any respect from the terms of the existing indebtedness of SAMIL, its joint ventures and subsidiaries .

We have been informed by the management of MSSL that the forecasts provided to us have been prepared in accordance with Indian Accounting Standards (Ind-AS). We have not made or been provided with any independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of MSSL, the DWH Undertaking, the Remaining MSSL Business, SAMIL, or their respective subsidiaries/affiliates/joint ventures and/or any other entity (other than the Valuation Report, which we have reviewed and relied upon without independent verification for purposes of this opinion), nor have we made any physical inspection or title verification of the properties or assets of MSSL, the DWH Undertaking, the Remaining MSSL Business, SAMIL, their respective subsidiaries/affiliates/joint ventures and/or any other entity, and we do not express any opinion as to the value of any asset of MSSL, the DWH Undertaking, the Remaining MSSL Business, SAMIL, their respective subsidiaries/affiliates/joint ventures and/or any other entity, whether at current prices or in the future. We have not evaluated the solvency or fair value of MSSL, the DWH Undertaking, the Remaining MSSL Business, SAMIL, their respective subsidiaries/affiliates/joint ventures and/or any other entity under the laws of India or any other laws relating to bankruptcy, insolvency or similar matters.

We have assumed, at the direction of MSSL, that the Transactions will be consummated in accordance with their terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary governmental, judicial, regulatory and other approvals, consents, releases and waivers for the Transactions, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, will be imposed that would have an adverse effect on MSSL, the DWH Undertaking, the Remaining MSSL Business, SAMIL, their respective subsidiaries/affiliates/joint ventures and/or any other entity or the contemplated benefits of the Transactions. We have assumed, at the direction of MSSL, that the final executed Agreements will not differ in any material respect from the key terms of the Agreements, reviewed by us. We also have assumed, at the direction of MSSL, that the final executed Scheme will not differ in any material respect from the Draft Scheme, reviewed by us.

We are not experts in the evaluation of the automotive components sector including but not limited to manufacturing of products such as wiring harness, vision system, moulded and polymer products, metal products, elastomers, rear-view mirrors, tooling, automotive lighting products, plastic interiors, shock absorbers, etc., and we express no view as to MSSL, the DWH Undertaking, the Remaining MSSL Business , SAMIL, their respective subsidiaries/affiliates/joint ventures and/or any other entity's market share,



volume growth, new product development and launch, bargaining power with customers or suppliers or the ability to take price increases in products marketed by MSSL, the DWH Undertaking, the Remaining MSSL Business, SAMIL, their respective subsidiaries/affiliates/joint ventures and/or any other entity. We also express no opinion as to future price increases or margin expansions reflected in the financial forecasts and other information and data utilized in our analyses, and which, if different than as assumed, could have a material impact on our analyses or opinion. We have not undertaken any independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, or other contingent liabilities, or any settlements thereof, to which MSSL, the DWH Undertaking, the Remaining MSSL Business, SAMIL, their respective subsidiaries/affiliates/joint ventures and/or any other entity are or may be a party or are or may be subject, and this opinion does not consider the potential effects of any such litigation, actions, claims, other contingent liabilities or settlements.

Our opinion is necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to us as of, the date hereof. As you are aware, the credit, financial and stock markets have been experiencing unusual volatility over the last few months, inter alia due to the impact of the COVID-19 pandemic, and we express no opinion or view as to any potential effects of such volatility on MSSL Equity Shares or when the equity shares of the Resulting Company are listed, or on the Transactions or the Exchange Ratios. It should be understood that subsequent developments may affect this opinion, and we do not have any obligation to update, revise, or reaffirm this opinion.

We express no view or opinion as to any terms or other aspects or implications of the Transactions (other than the Exchange Ratios to the extent expressly specified herein), including, without limitation, the form or structure of the Transactions, the taxation impact of the Transactions or the MSSL Equity Shares issued under the Transactions or any terms or other aspects or implications of any other agreement, arrangement or understanding entered into in connection with or related to the Transactions or otherwise. We were not requested to, and we did not, participate in the negotiation of the terms of the Transactions. We express no view or opinion as to any such matters. Our opinion does not address any matters otherwise than as expressly stated herein, including but not limited solely to matters such as corporate governance, shareholder rights or any other equitable consideration, and is limited to the fairness, from a financial point of view, to the holders of the MSSL Equity Shares (other than SAMIL and Sehgal family) of the Exchange Ratios provided for in the Scheme and no opinion or view is expressed with respect to any consideration received in connection with the Transactions by the holders of any other class of securities, creditors or other constituencies of any party. In addition, no opinion or view is expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of any party to the Transactions, or class of such persons, relative to the Exchange Ratios. Furthermore, no opinion or view is expressed as to the relative merits of the Transactions in comparison to other strategies or transactions that might be available to MSSL or in which MSSL might engage or as to the underlying business decision of MSSL to proceed with or effect the Transactions. Further, MSSL will remain solely responsible for the commercial assumptions on which this opinion is based and for its decision to proceed with the Transactions.

Further, our opinion does not take into account any corporate actions of MSSL after the date hereof, including payment of dividends. We are not expressing any opinion as to what the value of MSSL Equity Shares actually will be when issued or the prices at which the MSSL Equity Shares or the equity shares of the Resulting Company will trade at any time, including following announcement or consummation of the Transactions. In addition, we express no opinion or recommendation as to how any shareholder, creditor



or other person should vote or act in connection with the Transactions or any related matter. In addition, we are not expressing any view or opinion with respect to, and have relied, with the consent of MSSL, upon the assessments of representatives of MSSL regarding, legal, regulatory, accounting, tax and other matters relating to MSSL, the DWH Undertaking, the Remaining MSSL Business, SAMIL, any of their respective subsidiaries/affiliates/joint ventures or any other entity and the Transactions (including the contemplated benefits of the Transactions) as to which we understand that MSSL obtained such advice as it deemed necessary from qualified professionals.

We have also assumed that all aspects of the Transactions and any other transaction contemplated in the Scheme would be in compliance with applicable laws and regulations, and we have issued this opinion on the understanding that we would not in any manner verify, or be responsible for ensuring, such compliance. Without prejudice to the generality of the foregoing, we express no opinion and have assumed that the Transactions will not trigger obligations to make open offers under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and accordingly we have not considered the consequences or impact on MSSL, if any such open offers are mandated, and we have also assumed that the Transactions will not result in any adverse effect on MSSL or its respective business, whether under tax or other laws or under the terms of any license or approval.

We have acted as financial advisor to the Board of Directors of MSSL solely to render this opinion and will receive a fee for our services, which will be paid upon the rendering of this opinion. In addition, MSSL has agreed to reimburse our expenses (subject to certain restrictions) and indemnify us against certain liabilities arising out of our engagement.

We and our affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of companies, governments and individuals. In the ordinary course of our businesses, we and our affiliates may invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of MSSL, its subsidiaries and/or its affiliates.

We and our affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to MSSL, the promoters of MSSL, and have received or in the future may receive compensation for the rendering of these services.

It is understood that this letter is for the benefit and use of the Board of Directors of MSSL (in its capacity as such) in connection with and for purposes of its evaluation of the Transactions and is not rendered to or for the benefit of, and shall not confer rights or remedies upon, any person other than the Board of Directors of MSSL. This opinion may not be disclosed, referred to, or communicated (in whole or in part) to any third party, nor shall any public reference to us be made, for any purpose whatsoever except (i) with our prior written consent in each instance; (ii) as required to be disclosed by MSSL to the relevant stock exchanges pursuant to Circular no. CFD/DIL3/CIR/2017/21, dated March 10, 2017, as amended by Circular no. CFD/DIL3/CIR/2018/2 issued by the Securities and Exchange Board of India ("SEBI Scheme Circulars") and may be disclosed on the website of MSSL and the stock exchanges to the extent required in terms of the SEBI Scheme Circulars and further may also be made a part of the explanatory statement to be circulated to the shareholders and/or creditors of MSSL; and (iii) as required to be disclosed to



*Handwritten signature*

The Board of Directors  
Motherson Sumi Systems Limited  
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relevant judicial, regulatory or government authorities, in each case only as may be mandatorily required by applicable laws. The issuance of this opinion was approved by our Asia Pacific Fairness Opinion Review Committee.

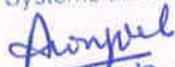
Based upon and subject to the foregoing, including the various assumptions and limitations set forth herein, we are of the opinion on the date hereof that the Demerger Share Entitlement Ratio and the Merger Share Exchange Ratio provided for in the Scheme is fair, from a financial point of view, to the holders of the MSSL Equity Shares (other than SAMIL and Sehgal family).



Very truly yours,

DSP MERRILL LYNCH LIMITED

For Motherson Sumi Systems Limited



Allok Goel  
Company Secretary

**Format of holding of specified securities**

1 Name of Listed Entity	:	<b>Motherson Sumi Systems Ltd.</b>
2 Scrip Code/Name of Scrip/Class of Security	:	<b>Equity</b>
3 Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c)	:	<b>Reg.31(1)(b)</b>
a. If under 31(1)(b) then indicate the report for Quarter ending	:	<b>30.06.2020</b>
b. If under 31(1)(c) then indicate date of allotment/extinguishment	:	<b>Not Applicable</b>

**Declaration :** The Listed entity is required to submit the following declaration to the extent of submission of information:

<b>Particulars</b>	<b>Yes*</b>	<b>No*</b>
1. Whether the Listed Entity has issued any partly paid up shares?		No
2. Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3. Whether the Listed Entity has any shares against which depository receipts are issued?		No
4. Whether the Listed Entity has any shares in locked-in?		No
5. Whether any shares held by promoters are pledge or otherwise encumbered?	Yes	
6. Whether the listed entity has any significant beneficial owner?		No**

\* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

\*\* The Promoter Group shareholding, inter-alia, is held by Samvardhana Motherson International Limited ("SAMIL") which holds 33.43% in the Company as on June 30, 2020. SAMIL being Core Investment Company duly registered with the Reserve Bank of India as an investment vehicle, is exempt from the Companies (Significant Beneficial Owners) Rules, 2018 ("SBO Rules") on the investments made it.



Table I - Summary Statement holding of specified securities																		
Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares : (calculated as per SCRR, 1967) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class eg: X	Class eg: Y	Total	Total as a % of (A+B+C)							
(A)	Promoter & Promoter Group	9	1949286546	0	0	1949286546	61.73	1949286546	0	1949286546	61.73	0	61.73	0	0.00	224411839	11.51	1949286546
(B)	Public	377285	1208647691	0	0	1208647691	38.27	1208647691	0	1208647691	38.27	0	38.27	0	0.00	NA	NA	1198612895
(C)	Non Promoter- Non Public	0	0	0	0	0	NA	0	0	0	0.00	0.00	0.00	0	0.00	NA	NA	0
(C1)	Shares underlying DRs	0	0	0	0	0	NA	0	0	0	0.00	0.00	0.00	0	0.00	NA	NA	0
(C2)	Shares held by Employee Trust	0	0	0	0	0	NA	0	0	0	0.00	0.00	0.00	0	0.00	NA	NA	0
	Total	377294	3157934237	0	0	3157934237	100.00	3157934237	0	3157934237	100.00	0	100.00	0	0.00	224411839	7.11	3147899441



Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category & Name of the Shareholders (I)	PAN (II)	No. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (V/II)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No. of Voting Rights					Total as a % Total Voting rights	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
								Class-Equity	Class Y	Total								
(1) Indian																		
(a) Individuals/Hindu Undivided Family			4	16630226	0	0	16630226	0.53	16630226	0	16630226	0.53	0	0.00	0	0.00	0	16630226
GEETA SONI	AAQPS6392F	1	8610328	0	0	8610328	0.27	8610328	0	8610328	0.27	0	0.00	0	0.00	0	0.00	8610328
RENU SEHGAL	ACHPS0380A	1	150085	0	0	150085	0.00	150085	0	150085	0.00	0	0.00	0	0.00	0	0.00	150085
NEELU MEHRA	AKVPM4396C	1	7869690	0	0	7869690	0.25	7869690	0	7869690	0.25	0	0.00	0	0.00	0	0.00	7869690
LAKSH VAAMAN SEHGAL	AOAPS1364K	1	123	0	0	123	0.00	123	0	123	0.00	0	0.00	0	0.00	0	0.00	123
(b) Central Government/ State Government(s)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c) Financial Institutions/ Banks		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d) Any Other (Body Corporates)		1	1055750653	0	0	1055750653	33.43	1055750653	0	1055750653	33.43	0	0.00	224411839	21.26	1055750653		
SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED	AAICSS115R	1	1055750653	0	0	1055750653	33.43	1055750653	0	1055750653	33.43	0	0.00	224411839	21.26	1055750653		
Sub-Total (A)[1]		5	1072380879	0	0	1072380879	33.96	1072380879	0	1072380879	33.96	0	0.00	224411839	20.93	1072380879		
(2) Foreign																		
(a) Individuals (Non-Resident Individuals/ Foreign Individuals)			1	73165402	0	0	73165402	2.32	73165402	0	73165402	2.32	0	0.00	0	0.00	0	73165402
VIVEK CHAAND SEHGAL	AFDPS4265E	1	73165402	0	0	73165402	2.32	73165402	0	73165402	2.32	0	0.00	0	0.00	0	0.00	73165402
(b) Government		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c) Institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d) Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e) Any Other (Body Corporates)		3	803740265	0	0	803740265	25.45	803740265	0	803740265	25.45	0	0.00	0	0.00	0	0.00	803740265
SUMITOMO WIRING SYSTEMS LIMITED	AAJCS2027H	1	792637291	0	0	792637291	25.10	792637291	0	792637291	25.10	0	0.00	0	0.00	0	0.00	792637291
H.K. WIRING SYSTEMS LIMITED	AAACH8513N	1	7660351	0	0	7660351	0.24	7660351	0	7660351	0.24	0	0.00	0	0.00	0	0.00	7660351
RADHA RANI HOLDINGS PTE LTD.	AACCR1689K	1	3442623	0	0	3442623	0.11	3442623	0	3442623	0.11	0	0.00	0	0.00	0	0.00	3442623
Sub-Total (A)[2]		4	876905667	0	0	876905667	27.77	876905667	0	876905667	27.77	0	0.00	0	0.00	0	0.00	876905667
Total Shareholding of Promoter and Promoter Group (A)= (A)[1]+(A)[2]		9	1949286546	-	-	1949286546	61.73	1949286546	-	1949286546	61.73	0	0.00	224411839	11.51	1949286546		
Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.																		
Note:																		
(1) PAN would not be displayed on website of Stock Exchange(s).																		
(2) The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.																		



Table III - Statement showing shareholding pattern of the Public shareholder

	Category & Name of the Shareholders (I)	PAN (II)	No. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (XI)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XII) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XIII)		Number of Shares pledged or otherwise encumbered (XIV)		Number of equity shares held in dematerialized form (XV)	
									No. of Voting Rights						As a % of Total Voting rights	No. (a)	As a % of Total Shares held (b)	No. (a)		As a % of Total Shares held (b)
									Class - Equity	Class Y	Total									
(1)	<b>Institutions</b>																			
(a)	Mutual Funds		22	346853640	0	0	346853640	10.98	346853640	0	346853640	10.98	0	0	0	0	0	0	0	346853640
	ICICI PRUDENTIAL VALUE FUND - SERIES 20	AAAAI0038F	1	133570708	0	0	133570708	4.23	133570708	0	133570708	4.23	0	0.00	0	0	0	0	0	133570708
	SBI MULTI ASSET ALLOCATION FUND	AABT66407Q	1	34847815	0	0	34847815	1.10	34847815	0	34847815	1.10	0	0.00	0	0	0	0	0	34847815
	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS LONG TERM EQUITY FUND	AACTA5925A	1	74468184	0	0	74468184	2.36	74468184	0	74468184	2.36	0	0.00	0	0	0	0	0	74468184
(b)	Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0
(c)	Alternate Investment Funds		5	4550652	0	0	4550652	0.14	4550652	0	4550652	0.14	0	0	0	0	0	0	0	4550652
(d)	Foreign Venture Capital Investors		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0
(e)	Foreign Portfolio Investors		480	493934094	0	0	493934094	15.64	493934094	0	493934094	15.64	0	0.00	0	0	0	0	0	493921290
	HERMES INVESTMENT FUNDS PLC ON BEHALF OF HERMES GLOBAL EMERGING MARKETS FUND	AACCH1892Q	1	39181256	0	0	39181256	1.24	39181256	0	39181256	1.24	0	0.00	0	0	0	0	0	39181256
(f)	Financial Institutions / Banks		14	23615478	0	0	23615478	0.75	23615478	0	23615478	0.75	0	0.00	0	0	0	0	0	23568503
(g)	Insurance Companies		17	46543739	0	0	46543739	1.47	46543739	0	46543739	1.47	0	0.00	0	0	0	0	0	46543739
(h)	Provident Funds / Pension Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0
(i)	Any Other (Specify)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0
	<b>Sub-Total (B)(1)</b>		<b>539</b>	<b>915497603</b>	<b>0</b>	<b>0</b>	<b>915497603</b>	<b>28.99</b>	<b>915497603</b>	<b>0</b>	<b>915497603</b>	<b>28.99</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>915437824</b>
(2)	Central Government/ State Government(s) / President of India		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (B)(2)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(3)	<b>Non-institutions</b>																			
(a)	Individuals -		368104	174819704	0	0	174819704	5.54	174819704	0	174819704	5.54	0	0.00	0	0	0	0	0	165815234
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		44	59731411	0	0	59731411	1.89	59731411	0	59731411	1.89	0	0.00	0	0	0	0	0	59116328
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.																			
(b)	NBFCs registered with RBI		3	25443	0	0	25443	0.00	25443	0	25443	0.00	0	0.00	0	0	0	0	0	25443
(c)	Employee Trusts		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0
(d)	Overseas Depositors (holding DRs) (balancing figure)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0
(e)	Any Other (Specify)																			
	IEPF		1	524817	0	0	524817	0.02	524817	0	524817	0.02	0	0.00	0	0	0	0	0	524817
	FOREIGN NATIONALS		2	525	0	0	525	0.00	525	0	525	0.00	0	0.00	0	0	0	0	0	525
	NON RESIDENT INDIANS		6941	10767620	0	0	10767620	0.34	10767620	0	10767620	0.34	0	0.00	0	0	0	0	0	10767320
	CLEARING MEMBERS		302	3970584	0	0	3970584	0.13	3970584	0	3970584	0.13	0	0.00	0	0	0	0	0	3970584
	BODIES CORPORATES		1323	26232112	0	0	26232112	0.83	26232112	0	26232112	0.83	0	0.00	0	0	0	0	0	25877057
	TRUSTS		26	17077872	0	0	17077872	0.54	17077872	0	17077872	0.54	0	0.00	0	0	0	0	0	17077763
	<b>Sub Total (B)(3)</b>		<b>376746</b>	<b>293150088</b>	<b>0</b>	<b>0</b>	<b>293150088</b>	<b>9.28</b>	<b>293150088</b>	<b>0</b>	<b>293150088</b>	<b>9.28</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>283175071</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)</b>		<b>377283</b>	<b>1208647691</b>	<b>0</b>	<b>0</b>	<b>1208647691</b>	<b>38.27</b>	<b>1208647691</b>	<b>0</b>	<b>1208647691</b>	<b>38.27</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1198612895</b>
<p>Details of the shareholders acting as persons in Concert including their Shareholding (No. and %)</p> <p>Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in dematerialized suspense account, voting rights which are frozen etc.</p> <p>Note</p> <p>(1) PAN would not be displayed on website of Stock Exchange(s)</p> <p>(2) The above format needs to be disclosed along with the name of following persons Institutions/Non Institutions holding more than 1% of total number of shares</p> <p>(3) Where the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.</p>																				

For Mitherson Sumi Systems Limited

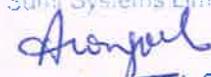
  
 Atok Goel  
 Company Secretary

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category & Name of the Shareholders (I)	PAN (II)	No. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV) (Not Applicable)
								No. of Voting Rights						No.	As a % of total Shares held	No. (Not Applicable)	As a % of total Shares held (Not Applicable)	
								Class X	Class Y	Total	Total as a % Total Voting rights							
(1) Custodian/DR Holder	--	--	--	--	--	--	--	--	--	--	--	--	--	--	NA	NA	--	
(a) Name of DR Holder (if available)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	NA	NA	--	
(2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	NA	NA	--	
Total Non -Promoter Non Public Shareholding (C)= (C1)+(C2)	0	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	



Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting  
**(Kindly start filing data from Row No - 3)**

No. of shareholders	No. of Shares
133	799129



**Format of holding of specified securities**

1 Name of Listed Entity : **Motherson Sumi Systems Ltd.**  
2 Scrip Code/Name of Scrip/Class of Security : **Equity**  
3 Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) : **Reg.31(1)(b)**  
    a. If under 31(1)(b) then indicate the report for Quarter ending : **30.06.2020\*\***  
    b. If under 31(1)(c) then indicate date of allotment/extinguishment : **Not Applicable**

**Declaration :** The Listed entity is required to submit the following declaration to the extent of submission of information:

Particulars	Yes*	No*
1. Whether the Listed Entity has issued any partly paid up shares?		No
2. Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3. Whether the Listed Entity has any shares against which depository receipts are issued?		No
4. Whether the Listed Entity has any shares in locked-in?		No
5. Whether any shares held by promoters are pledge or otherwise encumbered?#		No
6. Whether the listed entity has any significant beneficial owner?	Yes	

\* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

\*\*The post shareholding been computed on the basis of shareholding of Amalgamating Company i.e. SAMIL and Transferor Company, i.e. MSSL, as on June 30, 2020. The post shareholding may change on the basis of shares held as on the date of allotment.

#The existing pre-scheme shareholding of SAMIL is getting cancelled pursuant to the amalgamation as per the scheme and therefore the pledge on such shares are shown after removing it. The actual pledge position as on the record date may be different.

Table I - Summary Statement holding of specified securities

Category (i)	Category of shareholder (ii)	No. of shareholders (iii)	No. of fully paid up equity shares held (iv)	No. of Partly paid-up equity shares held (v)	No. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii) = (iv)+(v)+(vi)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (viii) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (ix)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (x)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (xi) = (vii)+(x) As a % of (A+B+C2)	Number of Locked in shares (xii)		Number of Shares pledged or otherwise encumbered (xiii)		Number of equity shares held in dematerialized form (xiv)
								No. of Voting Rights						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class eg: X	Class eg: Y	Total	Total as a % of (A+B+C)							
(A)	Promoter & Promoter Group	13	3078540427	0	0	3078540427	68.15	3078540427	0	3078540427	68.15	0	0.00	0	0.00	NA	NA	3078385642
(B)	Public	379825	1439073817	0	0	1439073817	31.85	1439073817	0	1439073817	31.85	0	0.00	0	0.00	NA	NA	1253280379
(C)	Non Promoter- Non Public	0	0	0	0	0	NA	0	0	0	0.00	0.00	0.00	0	0.00	NA	NA	0
(C1)	Shares underlying DFIs	0	0	0	0	0	NA	0	0	0	0.00	0.00	0.00	0	0.00	NA	NA	0
(C2)	Shares held by Trust for Odd lots	0	0	0	0	0	0.00	0	0	0	0.00	0.00	0.00	0	0.00	NA	NA	4
	Total	379838	4517614244	0	0	4517614244	100	4517614244	0	4517614244	100	0	0.00	0	0.00	0	0	4331666025



Table II - Statement showing shareholding pattern of the Promoter and Promoter Group.

Category & Name of the Shareholders (I)	PAN (II)	No. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No. of Voting Rights					Total as a % Total Voting rights	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
								Class-Equity	Class Y	Total								
(1) Indian																		
(a) Individuals/Hindu Undivided Family																		
GEETA SONI	AAQPS8392F	5	586762520	0	0	586762520	12.99	586762520	0	586762520	12.99	0	12.99	0	0.00	0	0.00	586762520
RENU SEHGAL	ACHPS0380A	1	16190764	0	0	16190764	0.36	16190764	0	16190764	0.36	0	0.36	0	0.00	0	0.00	16190764
NEELU MEHRA	AKVPM4396C	1	150085	0	0	150085	0.00	150085	0	150085	0.00	0	0.00	0	0.00	0	0.00	150085
LAKSH VAAMAN SEHGAL	AOAPS1364K	1	10312590	0	0	10312590	0.23	10312590	0	10312590	0.23	0	0.23	0	0.00	0	0.00	10312590
Ms. Renu Sehgal (As Trustee of Renu Sehgal Trust)	AADTR1980B	1	123	0	0	123	0.00	123	0	123	0.00	0	0.00	0	0.00	0	0.00	123
(b) Central Government/ State Government(s)		1	560108958	0	0	560108958	12.40	560108958	0	560108958	12.40	0	12.40	0	0.00	0	0.00	560108958
(c) Financial Institutions/ Banks		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d) Any Other (Body Corporates)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Shri Sehgal's Trustee Company Private Limited (As Trustee of Sehgal Family Trust)	AAUCS3994E	2	694293951	0	0	694293951	15.37	694293951	0	694293951	15.368598	0	15.36859753	0	0.00	0	0.00	694293951
Motherson Engineering Research & Integrated Technologies Limited	AACCM2051J	1	620113431	0	0	620113431	13.73	620113431	0	620113431	13.73	0	13.73	0	0.00	0	0.00	620113431
Sub-Total (A)(1)		7	74180520	0	0	74180520	1.64	74180520	0	74180520	1.64	0	1.64	0	0.00	0	0.00	74180520
(2) Foreign																		
(a) Individuals (Non-Resident Individuals/ Foreign Individuals)																		
VIVEK CHAAND SEHGAL	AFDPS4265B	2	610187991	0	0	610187991	13.51	610187991	0	610187991	13.51	0	13.51	0	0.00	0	0.00	610033206
Laksh Vaaman Sehgal	AOAPS1364K	1	585855096	0	0	585855096	12.97	585855096	0	585855096	12.97	0	12.97	0	0.00	0	0.00	585855096
Vidhi Sehgal	AQAPS3642C	1	1020	0	0	1020	0.00	1020	0	1020	0.00	0	0.00	0	0.00	0	0.00	1020
(b) Government		1	24331875	0	0	24331875	0.54	24331875	0	24331875	0.54	0	0.54	0	0.00	0	0.00	24177080
(c) Institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d) Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e) Any Other (Body Corporates)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
SUMITOMO WIRING SYSTEMS LIMITED	AAJCS2027H	4	1187295965	0	0	1187295965	26.28	1187295965	0	1187295965	26.28	0	26.28	0	0.00	0	0.00	1187295965
H.K. WIRING SYSTEMS LIMITED	AACCH8513N	1	792637291	0	0	792637291	17.55	792637291	0	792637291	17.55	0	17.55	0	0.00	0	0.00	792637291
RADHA RANI HOLDINGS PTE LTD	AACCR1689K	1	7660351	0	0	7660351	0.17	7660351	0	7660351	0.17	0	0.17	0	0.00	0	0.00	7660351
Adrance Technologies and Automotive Resources Pte Ltd	AAKCA4508Q	1	344020623	0	0	344020623	7.62	344020623	0	344020623	7.62	0	7.62	0	0.00	0	0.00	344020623
Sub-Total (A)(2)		1	42977700	0	0	42977700	0.95	42977700		42977700	0.95	0	0.95	0	0.00	0	0.00	42977700
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		6	1797483956	0	0	1797483956	39.79	1797483956	0	1797483956	39.79	0	39.79	0	0.00	0	0.00	1797329171
		13	3078548427	0	0	3078548427	68.15	3078548427	0	3078548427	68.15	0	68.15	0	0.00	0	0.00	3078385642

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note:

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



Table III - Statement showing shareholding pattern of the Public shareholder

Category & Name of the Shareholders (I)	PAN (II)	No. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No. of Voting Rights					Total as a % Total Voting rights	No. (a)	As a % of Total Shares held (b)	No. (a)		As a % of Total Shares held (b)
								Class - Equity	Class Y	Total								
(1) Institutions																		
(a) Mutual Funds		22	346853640	0	0	346853640	7.68	346853640	0	346853640	7.68	0	0	NA	NA	346853640		
ICICI PRUDENTIAL VALUE FUND - SERIES 20	AAAA0638F	1	133570708	0	0	133570708	2.96	133570708	0	133570708	2.96	0	0.00	NA	NA	133570708		
SBI MULTI ASSET ALLOCATION FUND	AABTS6407Q	1	34847815	0	0	34847815	0.77	34847815	0	34847815	0.77	0	0.00	NA	NA	34847815		
AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS LONG TERM EQUITY FUND	AACTA5925A	1	74468184	0	0	74468184	1.65	74468184	0	74468184	1.65	0	0.00	NA	NA	74468184		
(b) Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	NA	0		
(c) Alternate Investment Funds		6	4550652	0	0	4550652	0.10	4550652	0	4550652	0.10	0	0	NA	NA	4550652		
(d) Foreign Venture Capital Investors		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	NA	0		
(e) Foreign Portfolio Investors		480	493934084	0	0	493934084	10.93	493934084	0	493934084	10.93	0	0.00	NA	NA	493934084		
HERMES INVESTMENT FUNDS PLC ON BEHALF OF HERMES GLOBAL EMERGING MARKETS FUND	AACCH1882Q	1	39181256	0	0	39181256	0.87	39181256	0	39181256	0.87	0	0.00	NA	NA	39181256		
(f) Financial Institutions / Banks		14	23615478	0	0	23615478	0.52	23615478	0	23615478	0.52	0	0.00	NA	NA	23615478		
(g) Insurance Companies		17	46543739	0	0	46543739	1.03	46543739	0	46543739	1.03	0	0.00	NA	NA	46543739		
(h) Provident Funds / Pension Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	NA	0		
(i) Any Other (Specify)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	NA	0		
<b>Sub-Total (B)(1)</b>		<b>539</b>	<b>915497603</b>	<b>0</b>	<b>0</b>	<b>915497603</b>	<b>20.27</b>	<b>915497603</b>	<b>0</b>	<b>915497603</b>	<b>20.27</b>	<b>0</b>	<b>0.00</b>	<b>NA</b>	<b>NA</b>	<b>915497603</b>		
(2) Central Government/ State Governments / President of India		0	0	0	0	0	0	0	0	0	0.00	0	0	NA	NA	0		
<b>Sub-Total (B)(2)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>NA</b>	<b>NA</b>	<b>0</b>		
(3) Non-institutions																		
(a) Individuals -		370364	199633065	0	0	199633065	4.42	199633065	0	199633065	4.42	0	0.00	NA	NA	183207903		
i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		137	84610899	0	0	84610899	1.87	84610899	0	84610899	1.87	0	0.00	NA	NA	8253791		
ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		3	25443	0	0	25443	0.00	25443	0	25443	0.00	0	0.00	NA	NA	25443		
(b) NBFCs registered with RBI		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	NA	0		
(c) Employee Trusts		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	NA	0		
(d) Overseas Depositories (holding DRs) balancing figure)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	NA	0		
(e) Any Other (Specify)																		
IEPF		1	524817	0	0	524817	0.01	524817	0	524817	0.01	0	0.00	NA	NA	524817		
FOREIGN NATIONALS		160	2434953	0	0	2434953	0.05	2434953	0	2434953	0.05	0	0.00	NA	NA	525		
NON RESIDENT INDIANS		6964	15674585	0	0	15674585	0.35	15674585	0	15674585	0.35	0	0.00	NA	NA	15776285		
CLEARING MEMBERS		302	3970584	0	0	3970584	0.09	3970584	0	3970584	0.09	0	0.00	NA	NA	3970584		
BODIES CORPORATES		1326	187718104	0	0	187718104	4.16	187718104	0	187718104	4.16	0	0.00	NA	NA	26718833		
TRUSTS		28	28983760	0	0	28983760	0.64	28983760	0	28983760	0.64	0	0.00	NA	NA	25064470		
Trust for fractional entitlement		1	4	0	0	4	0.00	4	0	4	0.00	0	0.00	NA	NA	4		
<b>Sub Total (B)(3)</b>		<b>379286</b>	<b>523576214</b>	<b>0</b>	<b>0</b>	<b>523576214</b>	<b>11.59</b>	<b>523576214</b>	<b>0</b>	<b>523576214</b>	<b>11.59</b>	<b>0</b>	<b>0</b>	<b>NA</b>	<b>NA</b>	<b>337842555</b>		
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)</b>		<b>379286</b>	<b>1439073817</b>	<b>0</b>	<b>0</b>	<b>1439073817</b>	<b>31.85</b>	<b>1439073817</b>	<b>0</b>	<b>1439073817</b>	<b>31.85</b>	<b>0</b>	<b>0.00</b>	<b>NA</b>	<b>NA</b>	<b>1253280379</b>		
Details of the shareholders acting as persons in Concert including their Shareholding (No. and %) Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. Note: (1) PAN would not be displayed on website of Stock Exchanges. (2) The above format needs to be disclosed along with the name of following persons: Institutions/Non Institutions holding more than 1% of total number of shares. (3) Where the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.																		



Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category & Name of the Shareholders (I)	PAN (II)	No. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = IV+V+VI	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV) (Not Applicable)
								No. of Voting Rights						No.	As a % of total Shares held	No. (Not Applicable)	As a % of total Shares held (Not Applicable)	
								Class X	Class Y	Total	Total as a % Total Voting rights							
(1) Custodian/DR Holder	NA	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0	0	0	0
(a) Name of DR Holder (if available)	NA	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0	0	0	0
(2) Trust for odd lots shares			0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
<b>Total Non -Promoter Non Public Shareholding (C)= (CK1)+(CK2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



Details of Shares which remain unclaimed for Public may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting

No. of shareholders	No. of Shares
133	799129

*\* Included under public (non-institutional)*



Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015			
1.	Name of Entity: Samvardhana Motherson International Limited		
2.	Scrip Code/Name of Scrip/Class of Security:		
3.	Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c)		
a.	If under 31(1)(b) then indicate the report for Quarter ending	June 30, 2020	
b.	If under 31(1)(c) then indicate date of allotment/extinguishment		
4.	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-		
	Particulars	Yes*	No*
1	Whether the Listed Entity has issued any partly paid up shares?		No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3	Whether the Listed Entity has any shares against which depository receipts are issued?		No
4	Whether the Listed Entity has any shares in locked-in?		No
5	Whether any shares held by promoters are pledge or otherwise encumbered?		No
* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.			

For Motherson Sumi Systems Limited

*Alok Goel*  
Alok Goel  
Company Secretary



**Samvardhana Motherson International Limited**

**Table I - Summary Statement holding of specified securities**

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				Shares Underlying Outstanding convertible securities (including	ing, as a % assuming full conversion of convertible securities	Number of Locked In shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class eg: X	Class eg: Y	Total								
(A)	Promoter & Promoter Group	10	428432262	0	0	428432262	90.4602	428432262	0	428432262	90.4602	0	0.0000	0	0.0000	428401912		
(B)	Public	2539	45181593	0	0	45181593	9.5398	45181593	0	45181593	9.5398	0	0.0000	NA	NA	10407589		
(C)	Non Promoter - Non Public				0				0			0	0.0000	NA	NA			
(C1)	Shares Underlying DRs	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	NA	NA	0		
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	NA	NA	0		
	Total	2549	473613855	0	0	473613855	100.0000	473613855	0	473613855	100.0000	0	0.0000	0	0.0000	428401912		



Samvardhana Motherson International Limited

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C)	Number of Voting Rights held in each class of securities			Shares Underlying Outstanding convertible securities (including securities)	ing, as a % assuming full conversion of convertible securities	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total Shares held(b)	No. (a)		As a % of total Shares held(b)
								Class eg: X	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (VIII) As a	(IX)			(X)	(XI) =	(XII)		(XIII)		(XIV)		
1	Indian																	
(a)	Individuals / Hindu Undivided Family		11179064	0	0	11179064	23.6038	11179064	11179064	0	0	23.6038	0	0	0.0000	0	0.0000	11179064
	Renu Alka Sehgal	AADTR1988B	10982528	0	0	10982528	23.1888	10982528	10982528	0	0	23.1888	0	0	0.0000	0	0.0000	10982528
	Geeta Soni	AAQPS8392F	1486360	0	0	1486360	0.3138	1486360	1486360	0	0	0.3138	0	0	0.0000	0	0.0000	1486360
	Nitlu Mehra	AKVPM4396C	479000	0	0	479000	0.1011	479000	479000	0	0	0.1011	0	0	0.0000	0	0.0000	479000
(b)	Central Government / State Government(s)		0	0	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0
(c)	Financial Institutions / Banks		0	0	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0
(d)	Any Other (Specify)		13613606	0	0	13613606	28.7441	13613606	13613606	0	0	28.7441	0	0	0.0000	0	0.0000	13613606
	Bodies Corporate		13613606	0	0	13613606	28.7441	13613606	13613606	0	0	28.7441	0	0	0.0000	0	0.0000	13613606
	Shri Sehgal's Trustee Company Private Limited	AAUCS3994E	12159086	0	0	12159086	25.6730	12159086	12159086	0	0	25.6730	0	0	0.0000	0	0.0000	12159086
	Motherson Engineering Research And Integrated Technologies	AACCM2051J	14545200	0	0	14545200	3.0711	14545200	14545200	0	0	3.0711	0	0	0.0000	0	0.0000	14545200
	Sub Total (A)(1)		24792671	0	0	24792671	52.3479	24792671	24792671	0	0	52.3479	0	0	0.0000	0	0.0000	24792671
2	Foreign																	
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)		10529854	0	0	10529854	22.2330	10529854	10529854	0	0	22.2330	0	0	0.0000	0	0.0000	10529854
	Vivek Chand Sehgal	AFDPS4265B	10052739	0	0	10052739	21.2256	10052739	10052739	0	0	21.2256	0	0	0.0000	0	0.0000	10052739
	Vidhi Sehgal	AOAPS3642C	4770956	0	0	4770956	1.0074	4770956	4770956	0	0	1.0074	0	0	0.0000	0	0.0000	4740606
	Laksh Vaaman Sehgal	AOAPS1364K	200	0	0	200	0.0000	200	200	0	0	0.0000	0	0	0.0000	0	0.0000	200
(b)	Government		0	0	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0
(c)	Institutions		0	0	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0
(d)	Foreign Portfolio Investor		0	0	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0
(e)	Any Other (Specify)		75207000	0	0	75207000	15.8794	75207000	75207000	0	0	15.8794	0	0	0.0000	0	0.0000	75207000
	Bodies Corporate		75207000	0	0	75207000	15.8794	75207000	75207000	0	0	15.8794	0	0	0.0000	0	0.0000	75207000
	Radha Rani Holdings Pte Ltd	AACCR1689K	66780000	0	0	66780000	14.1001	66780000	66780000	0	0	14.1001	0	0	0.0000	0	0.0000	66780000
	Advance Technologies And Automotive Resources Pte Ltd	AAKCA4508Q	8427000	0	0	8427000	1.7793	8427000	8427000	0	0	1.7793	0	0	0.0000	0	0.0000	8427000
	Sub Total (A)(2)		18050554	0	0	18050554	38.1124	18050554	18050554	0	0	38.1124	0	0	0.0000	0	0.0000	18047519
	Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)		42843226	0	0	42843226	90.4602	42843226	42843226	0	0	90.4602	0	0	0.0000	0	0.0000	42840191

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note :

(1) PAN would not be displayed on website of Stock Exchange(s)

(2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



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**Samvardhana Motherson International Limited**

**Table III - Statement showing shareholding pattern of the Public shareholder**

Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			Shares Underlying Outstanding convertible securities (including securities convertible as a % of convertible securities)	Number of Locked in shares	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form			
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)		As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)
								Class eg: X	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) =	(VIII) As a % of (A+B+C2)	(IX)			(X)	(XI) =	(XII)		(XIII)	(XIV)		
<b>1</b>																		
<b>Institutions</b>																		
(a) Mutual Fund		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(b) Venture Capital Funds		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(c) Alternate Investment Funds		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(d) Foreign Venture Capital Investors		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(e) Foreign Portfolio Investor		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(f) Financial Institutions / Banks		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(g) Insurance Companies		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(h) Provident Funds/ Pension Funds		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(i) Any Other (Specify)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
Sub Total (B)(1)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
Central Government/ State Government(s)/ President of India																		
Sub Total (B)(2)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
<b>2</b>																		
<b>Non-Institutions</b>																		
(a) Individuals			0	0												NA	NA	
i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		2260	4865365	0	0	4865365	1.0273	4865365	0	4865365	1.0273	0	1.0273	0	0.0000	NA	NA	3233837
ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		93	4878331	0	0	4878331	1.0300	4878331	0	4878331	1.0300	0	1.0300	0	0.0000	NA	NA	4595581
(b) NBFCs registered with RBI		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
Trust Employee		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(d) Overseas Depositories(holding DRs) [balancing figure]		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(e) Any Other (Specify)		186	35437897	0	0	35437897	7.4824	35437897	0	35437897	7.4824	0	7.4824	0	0.0000	NA	NA	2578171
Trusts		2	2334488	0	0	2334488	0.4929	2334488	0	2334488	0.4929	0	0.4929	0	0.0000	NA	NA	1566021
Foreign Nationals		158	477339	0	0	477339	0.1008	477339	0	477339	0.1008	0	0.1008	0	0.0000	NA	NA	0
Foreign Companies		2	31613920	0	0	31613920	6.6750	31613920	0	31613920	6.6750	0	6.6750	0	0.0000	NA	NA	0
Sojitz Corporation			30612843	0	0	30612843	6.4637	30612843	0	30612843	6.4637	0	6.4637	0	0.0000	NA	NA	0
Non Resident Indians (Non Repat)		13	545000	0	0	545000	0.1151	545000	0	545000	0.1151	0	0.1151	0	0.0000	NA	NA	545000
Non Resident Indians (Repat)		10	417150	0	0	417150	0.0881	417150	0	417150	0.0881	0	0.0881	0	0.0000	NA	NA	417150
Bodies Corporate		1	50000	0	0	50000	0.0106	50000	0	50000	0.0106	0	0.0106	0	0.0000	NA	NA	50000
Sub Total (B)(3)		2539	45181593	0	0	45181593	9.5398	45181593	0	45181593	9.5398	0	9.5398	0	0.0000	NA	NA	10407589
Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)		2539	45181593	0	0	45181593	9.5398	45181593	0	45181593	9.5398	0	9.5398	0	0.0000	NA	NA	10407589

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

No. of shareholders	No. of Shares

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note :

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.



**Samvardhana Motherson International Limited**

**Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder**

Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			Shares Underlying Outstanding convertible securities (Including	ing, as a % assuming full conversion of convertible securities	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	
								No of Voting Rights		Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)		
								Class eg: K	Class eg: Y									Total
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) =	(viii) As a % of (A+B+C2)	(ix)	(x)	(xi)	(xii)	(xiii)	(xiv)					
1 Custodian/DR Holder		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
2 Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
Total Non-Promoter- Non Public Shareholding (C)= (C1)+(C2)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0

**Note :**

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.



Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting

No. of shareholders	No. of Shares



**Format of holding of specified securities**

1 Name of Listed Entity : **Motherson Sumi Wiring India Ltd.**

2 Scrip Code/Name of Scrip/Class of Security : **Equity**

3 Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) : **Reg.31(1)(b)**

a. If under 31(1)(b) then indicate the report for Quarter ending : **02.07.2020**

b. If under 31(1)(c) then indicate date of allotment/extinguishment : **Not Applicable**

**Declaration :** The Listed entity is required to submit the following declaration to the extent of submission of information:

Particulars	Yes*	No*
1. Whether the Listed Entity has issued any partly paid up shares?		No
2. Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3. Whether the Listed Entity has any shares against which depository receipts are issued?		No
4. Whether the Listed Entity has any shares in locked-in?		No
5. Whether any shares held by promoters are pledge or otherwise encumbered?		No
6. Whether the listed entity has any significant beneficial owner?	Yes	

\* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

For Motherson Sumi Systems Limited

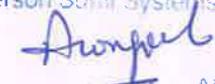
  
Alok Goel  
Company Secretary

Table I - Summary Statement holding of specified securities.

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (excluding Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VIII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class eg: X	Class eg: Y	Total	Total as a % of (A+B+C)							
(A)	Promoter & Promoter Group*	1	500000	0	0	500000	100.00	500000	0	500000	100.00	0	100.00	0	0.00	NA	NA	0
(B)	Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	NA	NA	0
(C)	Non Promoter- Non Public	0	0	0	0	0	NA	0	0	0	0.00	0.00	0.00	0	0.00	NA	NA	0
(C1)	Shares underlying DRs	0	0	0	0	0	NA	0	0	0	0.00	0.00	0.00	0	0.00	NA	NA	0
(C2)	Shares held by Employee Trust	0	0	0	0	0	NA	0	0	0	0.00	0.00	0.00	0	0.00	NA	NA	0
	Total	1	500000	0	0	500000	100	500000	0	500000	100	0	100	0	0	0	0	0

\*Shares been held along with 5 nominees and to be issued to the subscribers in demat form.



Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category & Name of the Shareholders (I)	PAN (II)	No. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No. of Voting Rights			Total as a % Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
								Class-Equity	Class Y	Total									
(1) Indian																			
(a) Individuals/Hindu Undivided Family		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0
(b) Central Government/ State Government(s)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0
(c) Financial Institutions/ Banks		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0
(d) Any Other (Body Corporates)		1	500000	0	0	500000	100.00	500000	0	500000	100.00	0	0.00	0	0.00	0	0	0	0
MOTHEERSON SUMI SYSTEMS LIMITED	AAACMD405A	1	500000	0	0	500000	100.00	500000	0	500000	100.00	0	0.00	0	0.00	0	0	0	0
Sub-Total (A)(1)		1	500000	0	0	500000	100.00	500000	0	500000	100.00	0	0.00	0	0.00	0	0.00	0	0
(2) Foreign																			
(a) Individuals (Non-Resident Individuals/ Foreign Individuals)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0
(b) Government		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0
(c) Institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0
(d) Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0
(e) Any Other (Body Corporates)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0
Sub-Total (A)(2)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		1	500000	0	0	500000	100.00	500000	0	500000	100.00	0	0.00	0	0.00	0	0.00	0	0
Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.																			
Note:																			
(1) PAN would not be displayed on website of Stock Exchange(s).																			
(2) The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.																			



Table III - Statement showing shareholding pattern of the Public shareholder.

Category & Name of the Shareholders (I)	PAN (II)	No. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (X)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VIII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)		
								No. of Voting Rights						Total as a % Total Voting rights	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)	
								Class -Equity	Class Y	Total										
(1) Institutions																				
(a) Mutual Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0.00	NA	NA	0
(b) Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0
(c) Alternate Investment Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0.00	NA	NA	0
(d) Foreign Venture Capital Investors		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0
(e) Foreign Portfolio Investors		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0
(f) Financial Institutions / Banks		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0
(g) Insurance Companies		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0
(h) Provident Funds / Pension Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0
(i) Any Other (Specify)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0
<b>Sub-Total (B)(1)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>NA</b>	<b>NA</b>	<b>0</b>
(2) Central Government/ State Government(s) / President of India		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0
<b>Sub-Total (B)(2)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NA</b>	<b>NA</b>	<b>0</b>
(3) Non-institutions		0																		0
(a) Individuals -		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0
i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0
ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0
(b) NBFCs registered with RBI		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0
(c) Employee Trusts		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0
(d) Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	NA	0
(e) Any Other (Specify)		0																		0
<b>Sub Total (B)(3)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>NA</b>	<b>NA</b>	<b>0</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>NA</b>	<b>NA</b>	<b>0</b>
<p>Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):</p> <p>Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.</p> <p>Note:</p> <p>(1) PAN would not be displayed on website of Stock Exchange(s).</p> <p>(2) The above format needs to be disclosed along with the name of following persons: Institutions/Non Institutions holding more than 1% of total number of shares.</p> <p>(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.</p>																				



Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category & Name of the Shareholders (I)	PAN (II)	No. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV) (Not Applicable)
								No. of Voting Rights						No.	As a % of total Shares held	No. (Not Applicable)	As a % of total Shares held (Not Applicable)	
								Class X	Class Y	Total	Total as a % Total Voting rights							
(1) Custodian/DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a) Name of DR Holder (if available)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non -Promoter Non Public Shareholding (C)= (C)(1)+(C)(2)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting  
(Kindly start filing data from Row No - 3)

No. of shareholders.	No. of Shares
0	0



**Format of holding of specified securities**

- 1 Name of Listed Entity : **Motherson Sumi Wiring India Ltd.**
- 2 Scrip Code/Name of Scrip/Class of Security : **Equity**
- 3 Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) : **Reg.31(1)(b)**
- a. If under 31(1)(b) then indicate the report for Quarter ending : **30.06.2020\*\***
- b. If under 31(1)(c) then indicate date of allotment/extinguishment : **Not Applicable**

**Declaration :** The Listed entity is required to submit the following declaration to the extent of submission of information:

Particulars	Yes*	No*
1. Whether the Listed Entity has issued any partly paid up shares?		No
2. Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3. Whether the Listed Entity has any shares against which depository receipts are issued?		No
4. Whether the Listed Entity has any shares in locked-in?		No
5. Whether any shares held by promoters are pledge or otherwise encumbered?#	Yes	
6. Whether the listed entity has any significant beneficial owner?	Yes	

\* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

\*\*The post shareholding been computed on the basis of shareholding of Transferor Company, i.e. MSSL, as on June 30, 2020. The post shareholding may change on the basis of shares held as on the date of allotment.

# The pledge of shares of Resulting Company is based on existing pledge on shares of Transferor Company and the actual position as on the record date may be different.

For Motherson Sumi Systems Limited

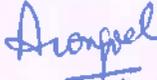
  
Alok Goel  
Company Secretary

Table I - Summary Statement holding of specified securities

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VIII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class eg: X	Class eg: Y	Total	Total as a % of (A+B+C)							
(A)	Promoter & Promoter Group	9	1949286546	0	0	1949286546	61.73	1949286546	0	1949286546	61.73	0	0.00	224411839	11.51	1949286546		
(B)	Public	377285	1208647691	0	0	1208647691	38.27	1208647691	0	1208647691	38.27	0	0.00	NA	NA	1198612895		
(C)	Non Promoter- Non Public	0	0	0	0	0	NA	0	0	0	0.00	0	0.00	NA	NA	0		
(C1)	Shares underlying DRs	0	0	0	0	0	NA	0	0	0	0.00	0	0.00	NA	NA	0		
(C2)	Shares held by Employee Trust	0	0	0	0	0	NA	0	0	0	0.00	0	0.00	NA	NA	0		
	Total	377294	3157934237	0	0	3157934237	100.00	3157934237	0	3157934237	100.00	0	0.00	224411839	7.11	3147899441		



Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category & Name of the Shareholders (I)	PAN (II)	No. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) [XI] = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No. of Voting Rights					Total as a % Total Voting rights	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
								Class-Equity	Class Y	Total								
(1) Indian																		
(a) Individuals/Hindu Undivided Family																		
		4	16630226	0	0	16630226	0.53	16630226	0	16630226	0.53	0	0.00	0	0.00			16630226
	AAQPS8392F	1	8610328	0	0	8610328	0.27	8610328	0	8610328	0.27	0	0.00	0	0.00			8610328
	ACHPS0380A	1	150085	0	0	150085	0.00	150085	0	150085	0.00	0	0.00	0	0.00			150085
	AKVPM4396C	1	7869690	0	0	7869690	0.25	7869690	0	7869690	0.25	0	0.00	0	0.00			7869690
	AOAPS1364K	1	123	0	0	123	0.00	123	0	123	0.00	0	0.00	0	0.00			123
(b) Central Government/ State Government(s)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00			0
(c) Financial Institutions/ Banks		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00			0
(d) Any Other (Body Corporates)		1	1055750653	0	0	1055750653	33.43	1055750653	0	1055750653	33.43	0	0.00	224411839	21.26			1055750653
	AAACM0405A	1	1055750653	0	0	1055750653	33.43	1055750653	0	1055750653	33.43	0	0.00	224411839	21.26			1055750653
	MOTHERSON SUMI SYSTEMS LIMITED																	
Sub-Total (A)(1)		5	1072380879	0	0	1072380879	33.96	1072380879	0	1072380879	33.96	0	0.00	224411839	20.93			1072380879
(2) Foreign																		
(a) Individuals (Non-Resident Individuals/ Foreign Individuals)																		
	AFDPS4265B	1	73165402	0	0	73165402	2.32	73165402	0	73165402	2.32	0	0.00	0	0.00			73165402
		1	73165402	0	0	73165402	2.32	73165402	0	73165402	2.32	0	0.00	0	0.00			73165402
(b) Government		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00			0
(c) Institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00			0
(d) Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00			0
(e) Any Other (Body Corporates)		3	803740265	0	0	803740265	25.45	803740265	0	803740265	25.45	0	0.00	0	0.00			803740265
	AAJCS2027H	1	792637291	0	0	792637291	25.10	792637291	0	792637291	25.10	0	0.00	0	0.00			792637291
	AACCH8513N	1	7660351	0	0	7660351	0.24	7660351	0	7660351	0.24	0	0.00	0	0.00			7660351
	AACCR1699K	1	3442623	0	0	3442623	0.11	3442623	0	3442623	0.11	0	0.00	0	0.00			3442623
Sub-Total (A)(2)		4	876905667	0	0	876905667	27.77	876905667	0	876905667	27.77	0	0.00	0	0.00			876905667
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		9	1949286546	0	0	1949286546	61.73	1949286546	0	1949286546	61.73	0	0.00	224411839	11.51			1949286546
Details of Shares which remain unclaimed may be given bear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.																		
Note:																		
(1) PAN would not be displayed on website of Stock Exchange(s).																		
(2) The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.																		



Table III - Statement showing shareholding pattern of the Public shareholder

(I)	Category & Name of the Shareholders (I)	PAN (II)	No. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VIII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No. of Voting Rights					No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class -Equity	Class Y	Total							
(1)	<b>Institutions</b>																	
(a)	<b>Mutual Funds</b>		22	346853640	0	0	346853640	10.98	346853640	0	346853640	10.98	0	0	NA	NA	346853640	
	ICICI PRUDENTIAL VALUE FUND - SERIES 20	AAAAI0038F	1	133570708	0	0	133570708	4.23	133570708	0	133570708	4.23	0	0.00	NA	NA	133570708	
	SBI MULTI ASSET ALLOCATION FUND	AARTS6407D	1	34847815	0	0	34847815	1.10	34847815	0	34847815	1.10	0	0.00	NA	NA	34847815	
	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS LONG TERM EQUITY FUND	AACTA5925A	1	74468184	0	0	74468184	2.36	74468184	0	74468184	2.36	0	0.00	NA	NA	74468184	
(b)	<b>Venture Capital Funds</b>		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	NA	0	
(c)	<b>Alternate Investment Funds</b>		6	4550652	0	0	4550652	0.14	4550652	0	4550652	0.14	0	0	NA	NA	4550652	
(d)	<b>Foreign Venture Capital Investors</b>		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	NA	0	
(e)	<b>Foreign Portfolio Investors</b>		400	493934094	0	0	493934094	15.54	493934094	0	493934094	15.64	0	0.00	NA	NA	493921290	
	HERMES INVESTMENT FUNDS PLC ON BEHALF OF HERMES GLOBAL EMERGING MARKETS FUND	AACCH188ZQ	1	39181256	0	0	39181256	1.24	39181256	0	39181256	1.24	0	0.00	NA	NA	39181256	
(f)	<b>Financial Institutions / Banks</b>		14	23615478	0	0	23615478	0.75	23615478	0	23615478	0.75	0	0.00	NA	NA	23568503	
(g)	<b>Insurance Companies</b>		17	46543739	0	0	46543739	1.47	46543739	0	46543739	1.47	0	0.00	NA	NA	46543739	
(h)	<b>Provident Funds / Pension Funds</b>		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	NA	0	
(i)	<b>Any Other (Specify)</b>		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	NA	0	
	<b>Sub-Total (B)(1)</b>		539	915497603	0	0	915497603	28.99	915497603	0	915497603	28.99	0	0.00	NA	NA	915437824	
(2)	<b>Central Government/ State Government(s) / President of India</b>		0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0	
	<b>Sub-Total (B)(2)</b>		0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0	
(3)	<b>Non-institutions</b>																	
(a)	<b>Individuals -</b>		368104	174819704	0	0	174819704	5.54	174819704	0	174819704	5.54	0	0.00	NA	NA	165615234	
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		44	59731411	0	0	59731411	1.88	59731411	0	59731411	1.89	0	0.00	NA	NA	59116328	
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.																	
(b)	<b>NBFCs registered with RBI</b>		3	25443	0	0	25443	0.00	25443	0	25443	0.00	0	0.00	NA	NA	25443	
(c)	<b>Employee Trusts</b>		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	NA	0	
(d)	<b>Overseas Depositories (holding DRs)(balancing figure)</b>		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	NA	0	
(e)	<b>Any Other (Specify)</b>																	
	IEPF		1	524817	0	0	524817	0.02	524817	0	524817	0.02	0	0.00	NA	NA	524817	
	FOREIGN NATIONALS		2	525	0	0	525	0.00	525	0	525	0.00	0	0.00	NA	NA	525	
	NON RESIDENT INDIANS		6941	10767620	0	0	10767620	0.34	10767620	0	10767620	0.34	0	0.00	NA	NA	10767320	
	CLEARING MEMBERS		302	3970584	0	0	3970584	0.13	3970584	0	3970584	0.13	0	0.00	NA	NA	3970584	
	BODIES CORPORATES		1323	26232112	0	0	26232112	0.83	26232112	0	26232112	0.83	0	0.00	NA	NA	25877057	
	TRUSTS		26	17077872	0	0	17077872	0.54	17077872	0	17077872	0.54	0	0.00	NA	NA	17077763	
	<b>Sub Total (B)(3)</b>		376746	293150088	0	0	293150088	9.28	293150088	0	293150088	9.28	0	0.00	NA	NA	283175071	
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)</b>		377285	1206647691	0	0	1206647691	38.27	1206647691	0	1206647691	38.27	0	0.00	NA	NA	1198612095	

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %).

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note:

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to be disclosed along with the name of following persons:

Institutions/Non Institutions holding more than 1% of total number of shares.

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.



Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category & Name of the Shareholders (I)	PAN (II)	No. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = IV+V+VI	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV) (Not Applicable)
								No. of Voting Rights						No.	As a % of total Shares held	No. (Not Applicable)	As a % of total Shares held (Not Applicable)	
								Class X	Class Y	Total	Total as a % Total Voting rights							
(1) Custodian/DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a) Name of DR Holder (if available)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non -Promoter Non Public Shareholding (C)= (CH1)+(CH2)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Details of Shares which remain unclaimed for Public may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting\*

(Kindly start filing data from Row No - 3)

No. of shareholders	No. of Shares
133	799129

\* These are the details of Shares which remain unclaimed for Public shareholders as provided in Table III.



Motherson Sumi Systems Limited							Motherson Sumi Wiring India Limited					Samvardhana Motherson International Limited				
Sr	Description	Name of Shareholder	Pre-arrangement (as on June 30, 2020)		Post-arrangement <sup>#</sup>		Name of Shareholder	Pre-arrangement (as on June 30, 2020)		Post-arrangement <sup>#</sup>		Name of Shareholder	Pre-arrangement (as on June 30, 2020)		Post-arrangement <sup>#</sup>	
			No. of shares	%	No. of shares	%		No. of shares	%	No. of shares	%		No. of shares	%	No. of shares	%
(A)	Shareholding of Promoter and Promoter Group															
1	Indian															
	Individuals/ Hindu Undivided Family	Ms. Geeta Soni	8610328	0.27	16190764	0.36	Ms. Geeta Soni	Nil	Nil	8610328	0.27	Ms. Geeta Soni	1486360	0.31	Not applicable since the Amalgamating Company will stand automatically dissolved upon the Scheme coming into effect.	
		Ms. Renu Sehgal	150085	0	150085	0	Ms. Renu Sehgal	Nil	Nil	150085	0	--	--	--		
		Ms. Neelu Mehra	7869690	0.25	10312590	0.23	Ms. Neelu Mehra	Nil	Nil	7869690	0.25	Ms. Nilu Mehra	479000	0.1		
		Mr. Laksh Vaaman Sehgal	123	0	123	0	Mr. Laksh Vaaman Sehgal	Nil	Nil	123	0	--	--	--		
		Ms. Renu Alka Sehgal (As Trustee of Renu Sehgal Trust)	Nil	Nil	560108958	12.4	--	--	--	--	--	Ms. Renu Alka Sehgal (As Trustee of Renu Sehgal Trust)	109825286	23.19		
(b)	Central Government/ State Government(s)	--	Nil	Nil	Nil	Nil	--	Nil	Nil	Nil	Nil	--	Nil	Nil		
(c)	Bodies Corporate	Samvardhana Motherson International Limited	1055750653	33.43	Nil	Nil	--	--	--	--	--	--	--	--		
		Shri Sehgal's Trustee Company Private Limited (As Trustee of Sehgal Family Trust)	Nil	Nil	620113431	13.73	--	--	--	--	--	Shri Sehgal's Trustee Company Private Limited (As Trustee of Sehgal Family Trust)	121590869	25.68		
		Motherson Engineering Research & Integrated Technologies Limited	Nil	Nil	74180520	1.64	--	--	--	--	--	Motherson Engineering Research & Integrated Technologies Limited	14545200	3.07		
		--	--	--	--	--	Motherson Sumi Systems Limited	500000 (including 6 shares held through 6 nominee shareholders)	100	1055750653	33.43	--	--	--		
(d)	Financial Institutions/ Banks	--	Nil	Nil	Nil	Nil	--	Nil	Nil	Nil	Nil	--	Nil	Nil		
(e)	Any Others	--	Nil	Nil	Nil	Nil	--	Nil	Nil	Nil	Nil	--	Nil	Nil		
	<b>Sub Total(A)(1)</b>		<b>1072380879</b>	<b>33.96</b>	<b>1281056471</b>	<b>28.36</b>		<b>500000</b>	<b>100</b>	<b>1072380879</b>	<b>33.96</b>		<b>247926715</b>	<b>52.35</b>		
2	Foreign															
(a)	Individuals (Non-Residents)	Mr. Vivek Chaand Sehgal	73165402	2.32	585855096	12.97	Mr. Vivek Chaand Sehgal	Nil	Nil	73165402	2.32	Mr. Vivek Chaand Sehgal	100527391	21.23		
	Foreign Individuals)	Mr. Laksh Vaaman Sehgal	Nil	Nil	1020	0	--	--	--	--	--	Mr. Laksh Vaaman Sehgal	200	-		





ii.	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	--	59731411	1.89	84610899	1.87	--	Nil	Nil	59731411	1.89	Individual shareholders are 93	4878331	1.03
(c)	NBFCs registered with RBI	--	25443	0	25443	0	--	Nil	Nil	25443	0	--	Nil	Nil
(d)	Any Other	IEPF	524817	0.02	524817	0.01	IEPF	Nil	Nil	524817	0.02	IEPF	Nil	Nil
		Foreign Nationals	525	0	2434953	0.05	Foreign Nationals	Nil	Nil	525	0	Foreign Nationals (158 shareholders)	477339	0.1
		Non Resident Indians	10767620	0.34	15674585	0.35	Non Resident Indians	Nil	Nil	10767620	0.34	Non Resident Indian (23 shareholders)	962150	0.2
		Clearing Members	3970584	0.13	3970584	0.09	Clearing Members	Nil	Nil	3970584	0.13	Clearing Members	Nil	Nil
		Trusts	17077872	0.54	28983760	0.64	Trusts	Nil	Nil	17077872	0.54	Trusts (Samvardhana Employees Welfare)	2334488	0.5
		Trust fractional entitlement	Nil	Nil	4	0	--	Nil	Nil	Nil	Nil	Trust for fractional entitlement	Nil	Nil
	Foreign Companies	Nil	Nil			--	Nil	Nil	Nil	Nil	Foreign Companies			
												1. Sojitz Corporation	30612843	6.46
												Motherson Employees Nominee Company UK Ltd.	1001077	0.21
	<b>Sub-Total (B)(2)</b>		<b>293150088</b>	<b>9.28</b>	<b>523576214</b>	<b>11.59</b>		<b>Nil</b>	<b>Nil</b>	<b>293150088</b>	<b>9.28</b>		<b>45181593</b>	<b>9.54</b>
(B)	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>		<b>1208647691</b>	<b>38.27</b>	<b>1439073817</b>	<b>31.85</b>		<b>Nil</b>	<b>Nil</b>	<b>1208647691</b>	<b>38.27</b>		<b>45181593</b>	<b>9.54</b>
	<b>TOTAL (A)+(B)</b>		<b>3157934237</b>	<b>100</b>	<b>4517614244</b>	<b>100</b>		<b>500000</b>	<b>100</b>	<b>3157934237</b>	<b>100</b>		<b>473613855</b>	<b>100%</b>
(C)	Shares held by Custodians and against which DRs have been issued	--	Nil	Nil	Nil	Nil		Nil	Nil	Nil	Nil		Nil	Nil
	<b>GRAND TOTAL (A)+(B)+(C)</b>	--	<b>3157934237</b>	<b>100</b>	<b>4517614244</b>	<b>100</b>		<b>500000</b>	<b>100</b>	<b>3157934237</b>	<b>100</b>		<b>473613855</b>	<b>100%</b>

For Motherson Sumi Systems Limited

*Alok Goel*  
Alok Goel  
Company Secretary

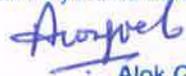
**No. of Shareholders Pre and Post Amalgamation/Arrangement of Motherson Sumi Systems Limited**

Category	Pre (as on June 30, 2020)	Post <sup>#</sup>
A) Promoter	9	13
B) Public	3,77,285	3,79,825 <sup>^</sup>
C) Non-Promoter Non-Public		
C1) Shares underlying DR's	Nil	Nil
C2) Shares held by Employee Trust	Nil	Nil
<b>Total</b>	<b>3,77,294</b>	<b>3,79,838</b>

# The post-Scheme no. of shareholders has been computed on the basis of the no. of shareholders of the Amalgamating Company, i.e., SAMIL, and Transferor Company, i.e. Motherson Sumi Systems Limited, as on June 30, 2020. The post-Scheme no. of shareholders may change on the basis of shares held as on the record date.

<sup>^</sup> Including 4 fractional shares

For Motherson Sumi Systems Limited

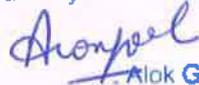
  
Alok Goel  
Company Secretary

**No. of Shareholders Pre and Post Amalgamation/Arrangement of Samvardhana Motherson International Limited ("Amalgamating Company")**

Category	Pre (as on June 30, 2020)	Post
A) Promoter	10	Not applicable since the Amalgamating Company will stand automatically dissolved on the Scheme becoming effective.
B) Public*	2539	
C) <b>Non-Promoter Non-Public</b>		
C1) Shares underlying DR's	Nil	
C2) Shares held by Employee Trust		
<b>Total</b>	<b>2549</b>	

\* Includes shares held by the Samvardhana Employee Welfare Trust

For Motherson Sumi Systems Limited

  
**Alok Goel**  
 Company Secretary



**No. of Shareholders Pre and Post Amalgamation/Arrangement of Motherson Sumi Wiring India Limited ("Resulting Company")**

Category	Pre	Post #
A) Promoter	1##	9
B) Public	Nil	3,77,285
<b>C) Non-Promoter Non-Public</b>		
C1) Shares underlying DR's	Nil	Nil
C2) Shares held by Employee Trust	Nil	Nil
<b>Total</b>	<b>1##</b>	<b>3,77,294</b>

# The post-Scheme no. of shareholders has been computed on the basis of no. of shareholders of the Transferor Company, i.e. Motherson Sumi Systems Limited, as on June 30, 2020. The post-Scheme no. of shareholders may change on the basis of shares held as on the record date.

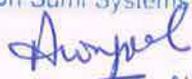
## 6 shares of the Resulting Company are held by 6 nominees of the Transferor Company, i.e., Motherson Sumi Systems Limited (1 share each), to fulfill the requirements of minimum shareholders prescribe for a public company, under the Companies Act, 2013.

**For Motherson Sumi Wiring India Ltd.**



**Director**

**For Motherson Sumi Systems Limited**

  
Alok Goel  
Company Secretary

The financial details of the Transferor Company for the previous 3 years as per the audited statement of Accounts:

Name of the Company: Motherson Sumi Systems Limited

	(Rs. in Crores)		
	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2019-20	2018-19	2017-18
Equity Paid up Capital	316	316	211
Reserves and surplus <sup>1</sup>	5,749	5,942	5,790
Carry forward losses	-	-	-
Net Worth <sup>1</sup>	6,065	6,258	6,001
Miscellaneous Expenditure	-	-	-
Secured Loans	1,407	1,129	1,149
Unsecured Loans <sup>2</sup>	13	6	6
Fixed Assets <sup>3</sup>	1,747	1,887	1,639
Income from Operations	6,874	7,581	7,667
Total Income	7,252	7,768	7,808
Total Expenditure	6,091	6,545	6,597
Profit before Tax	1,161	1,222	1,211
Profit after Tax	899	814	879
Cash profit <sup>4</sup>	1,187	1,033	1,097
EPS	2.85	2.58	2.78
Book value <sup>5</sup>	19.20	19.82	19.00

<sup>1</sup> Excluding amalgamation reserve amounting to INR 166 crores (FY2018-19: Rs. 166 crores, FY 2017-18: Rs. 166 crores) and FVOCI equity investments amounting to INR 13 crores (FY2018-19:Rs. 14 crores, FY 2017-18: Rs. 13 crores).

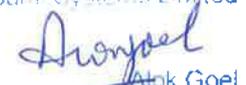
<sup>2</sup> Excluding lease liabilities recognised as per "Ind AS 116 leases" amounting Rs. 93 crores as on FY2019-20 (prior years: Nil)

<sup>3</sup> Includes Property, plant and equipment, Capital work in progress, intangible assets and investment property but excluding Right-of-use assets recognised as per Ind AS 116 as on FY2019-20 amounting Rs. 272 crores (prior years: Nil).

<sup>4</sup> Cash profit = Profit after Tax + Depreciation, impairment and amortization expense

<sup>5</sup> Book value per share = Net worth / Number of shares outstanding (No of share outstanding as on March 31, 2018 has been adjusted for bonus shares allotted on November 01, 2018 to calculate book value per share)

For Motherson Sumi Systems Limited

  
Atok Goel  
Company Secretary

Head Office:  
Motherson Sumi Systems Limited  
C-14 A & B, Sector 1, Noida - 201301  
Distt. Gautam Budh Nagar, U.P. India  
Tel: +91-120-6752100, 6752278  
Fax: +91-120-2521866, 2521966  
Website: www.motherson.com  
Email: investorrelations@motherson.com

Regd Office:  
Motherson Sumi Systems Limited Unit -  
705, C Wing, ONE BKC, G Block Bandra  
Kurla Complex, Bandra East  
Mumbai - 400051, Maharashtra (India)  
Tel: 022-61354800, Fax: 022-61354801  
CIN No.: L34300MH1986PLC284510



# Samvardhana Mother'son International Limited

The financial details of the Amalgamating Company for the previous 3 years as per the audited statement of Accounts:

Name of the Company: Samvardhana Mother'son International Limited

(Rs. in Crores)

	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2019-20	2018-19	2017-18
Equity Paid up Capital	474	474	474
Reserves and surplus <sup>(1)</sup>	871	727	781
Carry forward losses	0	0	0
Net Worth <sup>(1)</sup>	1,345	1,201	1,255
Miscellaneous Expenditure	0	0	0
Secured Loans	925	500	535
Unsecured Loans <sup>(2)</sup>	0	139	0
Fixed Assets <sup>(3)</sup>	4	5	7
Income from Operations	388	212	193
Total Income	403	248	1251
Total Expenditure	236	188	309
Profit before Tax	167	60	942
Profit after Tax	169	60	831
Cash profit <sup>(4)</sup>	175	62	832
Earning per share (in INR)	3.58	1.27	17.55
Book value (per share) (in INR)	33.47	30.41	31.57

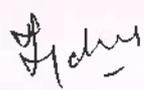
<sup>(1)</sup> Excluding capital reserve on amalgamation amounting to INR 240 crores (FY2018-19: Rs.240 crores, FY 2017-18: Rs. 240 crores).

<sup>(2)</sup> Excluding lease liabilities recognised as per "Ind AS 116 leases" amounting Rs. 9 crores as on FY2019-20 (prior years: Nil).

<sup>(3)</sup> Includes Property, plant and equipment, Capital work in progress, intangible assets and investment property but excluding Right-of-use assets recognised as per Ind AS 116 as on FY2019-20 amounting Rs. 9 crores (prior years : Nil).

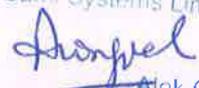
<sup>(4)</sup> Cash profit = Profit after Tax + Depreciation, impairment and amortization expense).

For Samvardhana Mother'son International limited

  
Pooja Mehra  
Company Secretary



For Mother'son Sumi Systems Limited

  
Alok Goel  
Company Secretary

Corporate Headquarters:  
Plot No.1, Sector-127, Noida-Greater Noida Expressway  
Noida - 201301, U.P., India  
Tel. No.: +91-120-6679500, Fax: +91-120-6679270  
Website: www.smil.co.in / www.motherson.com  
Email: smil@motherson.com

Registered Office:  
Unit 705, C Wing, ONE BKC, G Block,  
Bandra Kurla Complex, Bandra East,  
Mumbai, Maharashtra, India - 400051.  
Phone: +91-22-61354800, Fax: +91-22-61354801  
CIN No.: U74900MH2004PLC287011

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# S.R. BATLIBOI & CO. LLP

Chartered Accountants

2nd & 3rd Floor  
Golf View Corporate Tower - B  
Sector - 42, Sector Road  
Gurugram - 122 002, Haryana, India  
Tel: +91 124 681 6000

## Independent Auditor's Certificate to confirm that the Accounting Treatment is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013

To,  
The Board of Directors,  
Motherson Sumi Systems Limited  
Plot No.1, Sector 127, Noida, Greater Noida Expressway,  
Uttar Pradesh - 201301

We, the statutory auditors of Motherson Sumi Systems Limited, (hereinafter referred to as "the Company" or "MSSL" or "Transferor Company" or "Amalgamated Company"), have examined the proposed accounting treatment specified in Clause 15.1 of Section I and Clause 17 of Section II of the Composite Scheme of Amalgamation and Arrangement amongst Motherson Sumi Systems Limited, Samvardhana Motherson International Limited ("Amalgamating Company"), a new Company under Incorporation ("Resulting Company"), and their respective shareholders and creditors for demerger of Domestic Wiring Harness undertaking of the Company to the new Company under Incorporation; amalgamation of the Samvardhana Motherson International Limited into and with the Company by absorption, subsequent to the completion of the demerger referred above; (hereinafter referred to as the "Scheme"), which we have annexed with this certificate for identification purposes, in terms of the provisions of Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") with reference to its compliance with the applicable Accounting Standards notified under the Act and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

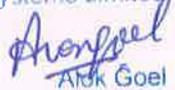
This Certificate is issued at the request of the Company pursuant to the requirements of Regulation 11 of Securities and Exchange Board of India Listing Obligations and Disclosure Requirements and SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 for onward submission to regulatory authorities including the National Stock Exchange of India Limited, BSE Limited, Securities and Exchange Board of India and the National Company Law Tribunal. This Certificate should not be used for any other purpose without our prior written consent.

This Certificate should be read with the Annexure I and scheme annexed herewith which forms an integral part of this certificate.

For S.R. BATLIBOI & CO. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

**PANKAJ  
CHADHA**  
Digitally signed by PANKAJ CHADHA  
DN: email=PANKAJ.CHADHA, c=IN,  
o=Personal,  
email=Pankaj.Chadha@srllp.in  
Reason: I am approving the document  
Date: 2020.07.02 21:49:55 +05'30'

per Pankaj Chadha  
Partner  
Membership Number: 091813  
UDIN: 20091813AAAACY9019

For Motherson Sumi Systems Limited  
  
Anshu Goel  
Company Secretary

Place: Gurugram  
Date: July 02, 2020

**Annexure 1 to the Certificate**

**Certificate to confirm that the Accounting Treatment is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013**

To,  
The Board of Directors,  
Motherson Sumi Systems Limited  
Plot No.1, Sector 127, Noida, Greater Noida Expressway,  
Uttar Pradesh – 201301

1. This report is issued in accordance with the terms of the service scope letter dated July 01, 2020 and Master Engagement Agreement dated June 02, 2020, between S.R. Batliboi & Co LLP ("we" or "us" or "SRBC") with Motherson Sumi Systems Limited (hereinafter the "Company").
2. At the request of the Company, we have examined the proposed accounting treatment specified in Clause 15.1 of Section I and Clause 17 of Section II of the Composite Scheme of Amalgamation and Arrangement amongst Motherson Sumi Systems Limited, Samvardhana Motherson International Limited ("Amalgamating Company"), a new Company under Incorporation ("Resulting Company"), and their respective shareholders and creditors for demerger of Domestic Wiring Harness undertaking of the Company to the new Company under Incorporation; amalgamation of the Samvardhana Motherson International Limited into and with the Company by absorption, subsequent to the completion of the demerger referred above; (hereinafter referred to as the "Scheme"), which we have annexed with this certificate for identification purposes, in terms of the provisions of Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") with reference to its compliance with the applicable Accounting Standards notified under the Act and Other Generally Accepted Accounting Principles.

This certificate is required by the Company in accordance with requirements of Regulation 11 of Securities and Exchange Board of India ("SEBI") Listing Obligations and Disclosure Requirements (hereinafter referred to as "SEBI LODR regulations") and SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular") for onward submission to regulatory authorities including The National Stock Exchange of India Limited, BSE Limited, Securities and Exchange Board of India and the National Company Law Tribunal to confirm that the Accounting Treatment prescribed in the Scheme is in compliance with the applicable accounting standards prescribed under Section 133 of the Companies Act 2013 (the "Act") and other Generally Accepted Accounting Principles.

**Management's Responsibility**

3. The Board of Directors of the Company are responsible for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable accounting standards read with the rules made thereunder. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Scheme.

**Auditor's Responsibility**

4. Our responsibility is to provide reasonable assurance whether the Accounting Treatment prescribed in the Scheme is in conformity with the applicable accounting standards prescribed under section 133 of the Act and other Generally Accepted Accounting Principles.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mention in paragraph 4 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. Accordingly, we have performed the following procedures:
  - a. Read the draft Scheme and the proposed accounting treatment as specified in Clause 15.1 of Section I and Clause 17 of Section II, which is attached as Annexure 2 to this certificate and initialed by us only for the purpose of identification.
  - b. Examined the Accounting Treatment prescribed in the Scheme and assessed whether the same is in compliance with the applicable accounting standard prescribed under Section 133 of the Act and other Generally Accepted Accounting Principles.



# S.R. BATLIBOI & Co. LLP

Chartered Accountants

8. Further, our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.

## Restriction on Use

9. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose mentioned in paragraph 2 above and for onward submission to regulatory authorities including in paragraph 2 above and to be submitted to the government regulatory authorities including The National Stock Exchange of India Limited, BSE Limited, Securities and Exchange Board of India and the National Company Law Tribunal, and should not be used for any other person or purpose or distributed to anyone or referred to in any document without our prior written consent. Our examination relates to the matters specified in this report and does not extend to the Company as a whole. We make no representations regarding compliance with company law or any other statutory requirements. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**PANKAJ  
CHADHA**

Digitally signed by PANKAJ CHADHA  
DN: c=IN, o=PANKAJ CHADHA, ou=Personal,  
email=pankaj.chadha@srb.in  
Reason: I am approving this document  
Date: 2020.07.02 01:41:22 +05'30'

per Pankaj Chadha

Partner

Membership Number: 091813

UDIN: 20091813AAAACY9019

Place: Gurugram

Date: July 02, 2020



**COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT**

**(UNDER SECTIONS 230 TO 232 AND OTHER RELEVANT PROVISIONS OF THE  
COMPANIES ACT, 2013)**

**AMONGST**

**MOTHERSON SUMI SYSTEMS LIMITED**

**MSSL / Transferor Company /  
Amalgamated Company**

**SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED**

**Amalgamating Company**

**[A NEW COMPANY UNDER INCORPORATION]**

**Resulting Company**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**Alok  
Goel** Digitally signed  
by Alok Goel  
Date: 2020.07.02  
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## INTRODUCTION

### 1. PREAMBLE

This composite scheme of arrangement is presented under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, including the rules and regulations issued thereunder, as may be applicable, read with Sections 2(19AA) or 2(1B) of the Income-tax Act, 1961, as may be applicable, for the

- (a) demerger of the DWH Undertaking (as defined in Section I of the Scheme) of the Transferor Company (as defined in Section I of the Scheme) and vesting of the same with the Resulting Company (as defined in Section I of the Scheme); and
- (b) amalgamation of the Amalgamating Company (as defined in Section II of the Scheme) into and with MSSL, by absorption, subsequent to the completion of the demerger referred to in (a) above.

In addition, this composite scheme of arrangement also provides for various other matters consequential or otherwise integrally connected herewith.

### 2. DESCRIPTION OF THE COMPANIES

#### 2.1 Transferor Company

Motherson Sumi Systems Limited ("MSSL" or "Transferor Company") is a public limited company incorporated on December 19, 1986, under the Laws of India, having its registered office at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Mumbai 400 051, Maharashtra. The CIN of MSSL is L34300MH1986PLC284510. The Equity Shares of MSSL are listed on BSE Limited and National Stock Exchange of India Limited. The non-convertible debentures ("NCDs") issued by MSSL are listed on BSE Limited. MSSL is engaged in the business of manufacturing of automotive components, *inter-alia*, wiring harness, manufacturing of vision system, manufacturing of moulded and polymer products etc., directly and/or through subsidiaries.

#### 2.2 Resulting Company

The Resulting Company is a new company currently in the process of being incorporated under the Companies Act, 2013, as a wholly owned subsidiary of MSSL. On incorporation, the registered office of the Resulting Company will be situated at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Mumbai – 400051, Maharashtra. The Resulting Company, on incorporation, will be a wholly owned subsidiary of MSSL.

#### 2.3 Amalgamating Company

Samvardhana Motherson International Limited is a public limited company incorporated on December 9, 2004, under the Laws of India, having its registered office at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Mumbai 400 051, Maharashtra. The NCDs issued by the Amalgamating Company are listed on BSE Limited. The CIN of the Amalgamating Company is U74900MH2004PLC287011. The Amalgamating Company is a non-deposit taking systemically important core investment company (CIC-ND-SI) registered with the Reserve Bank of India. Amalgamating Company is engaged in the business of holding and nurturing its investments in various subsidiaries and joint-venture companies in India and across the world and also provides strategic, operational and management support to its group companies. The Amalgamating Company, directly or indirectly through its subsidiaries, is contemplating the commencement of new businesses, including civil aviation. Amalgamating Company is one of the promoters of MSSL and holds 33.43% of the share capital of MSSL, as on July 2, 2020.



### 3. RATIONALE FOR THE SCHEME

#### 3.1 Rationale for demerger of the DWH Undertaking

- 3.1.1. The Transferor Company is a multi-business corporate that is a specialised full-system solutions provider and caters to a diverse range of customers in the automotive and other industries across Asia, Europe, North America, South America, Australia and Africa. The Transferor Company is, directly and through its subsidiaries and joint venture companies, engaged in the business of manufacturing of automotive components, *inter-alia*, wiring harness, manufacturing of vision system, manufacturing of moulded and polymer products etc. The Transferor Company has created value for its customers, its investors, its employees and other stakeholders through organic growth, by way of greenfield operations and inorganic growth, by way of continuing strategic acquisitions and as a result has expanded its business operations in various countries across Asia, Europe, North America, South America, Australia and Africa.
- 3.1.2. The aforesaid businesses of the Transferor Company have been nurtured over a period of time and are currently at different stages of growth. The DWH Undertaking (*as defined in Section I of the Scheme*), being focused on the Domestic Wiring Harness Business, and the Remaining Business (*as defined in Section I of the Scheme*) each have distinct market dynamics, like competition, distinct geographic focus, distinct strategy and distinct capital requirements. As a result, there are differences in the way in which the activities of the Domestic Wiring Harness Business and the Remaining Business are required to be organised and managed. The segregation and transfer of the DWH Undertaking into the Resulting Company, as envisaged in the Scheme, will enable sharper focus towards the Indian customers of the Domestic Wiring Harness Business, better alignment of the businesses to its customers and the respective businesses to improve competitiveness, operational efficiencies and strengthen its position in the relevant marketplace resulting in a more sustainable long term growth and competitive edge. The segregation and transfer of the DWH Undertaking into the Resulting Company will also align the interests of key stakeholders which will benefit the strategic direction of the Resulting Company in the long term.
- 3.1.3. Separation of the Domestic Wiring Harness Business into the Resulting Company will result in the creation of two listed entities engaged in the auto-component business, enabling them to be used for future inorganic growth opportunities. The transfer and vesting of the DWH Undertaking into the Resulting Company, pursuant to the Scheme, will also enable the Resulting Company to have a strong presence among original equipment manufacturers - catering to passenger vehicle, commercial vehicle, 2-wheeler and off-highway vehicle segments.

#### 3.2 Rationale for amalgamation of Amalgamating Company with MSSL

- 3.2.1. The Amalgamating Company (*as defined hereinafter*), through its subsidiaries and joint venture companies, is *inter alia* engaged in the business of product manufacturing of certain automotive components, including automotive rear-view mirrors, moulded plastic parts and assemblies, extruded and injection moulding tools and components, moulded and extruded rubber components, interior and exterior polymer modules, automotive modules, air intake manifolds, pedal box assemblies, heating ventilating and air conditioning (HVAC) systems for vehicles, cabins for off-highway vehicles, machined metal products, cutting tools, aluminium die casted products, sheet metal parts, sintered metal parts, thin film coating metals and IT services. The Amalgamating Company holds 33.43% of MSSL, the flagship company of the Motherson Group, as on July 2, 2020. The Motherson Group, through Amalgamating Company, has incubated several high growth businesses with market leadership positions, in addition to having partnered with global industry leaders.
- 3.2.2. Consolidation of the Amalgamating Company with MSSL, pursuant to the Scheme, will result in the simplification of the group structure and in the alignment of the interests of various stakeholders. Further, amalgamation of Amalgamating Company, along with its respective subsidiaries and joint venture companies with MSSL will expand MSSL's product portfolio



thereby leading to robust growth opportunities for the resultant MSSL, in India and overseas. It will also result in the resultant MSSL foraying into non-auto component business which will help in diversifying the revenue streams for the company. The amalgamation of the Amalgamating Company with MSSL would bring about synergy of operations and benefit of scale since duplication of administrative efforts and legal and regulatory compliances will be unified.

3.2.3. The amalgamation of the Amalgamating Company with MSSL will also result in the consolidation of the entire shareholding of Samvardhana Motherson Automotive Systems Group B.V. ("SMRP BV"), a company engaged in the supply of rear-view vision systems and manufacturing of moulded and polymer products, currently jointly held by the Amalgamating Company and MSSL, with MSSL. Consequently, SMRP BV would become a wholly owned subsidiary of MSSL, leading to the consolidation of SMRP BV and its joint ventures and subsidiaries under the resultant MSSL, resulting in a larger market capitalisation of resultant MSSL.

3.4. Therefore, in view of the above, the implementation of this Scheme will result in the following benefits:

- (a) creation of separate and distinct entities housing the DWH Undertaking and the Remaining Business with well-defined strategic priorities;
- (b) dedicated and specialised management focus on the specific needs of the respective businesses;
- (c) expanding the business of MSSL from a diversified auto component product portfolio and foray into non-auto component business, thereby creating greater value for the shareholders/ stakeholders of MSSL and will help and aid maintain supplier of choice status among Original Equipment Manufacturers;
- (d) availability of increased resources, expertise and assets in the resultant MSSL, which can be utilized for strengthening the customer base and servicing existing as well as prospective customers;
- (e) cost reduction, retaining talent, optimization of support functions, efficiencies and productivity gains by pooling the resources of MSSL and Amalgamating Company, thereby significantly contributing to future growth and maximizing shareholders value and being favourably positioned for mega trends in the auto component sector;
- (f) benefit to all stakeholders of the Transferor Company, Resulting Company, and Amalgamating Company, leading to growth and value creation in the long run and maximising the value and returns to the shareholders, unlocking intrinsic value of the assets, achieving cost efficiencies and operational efficiencies;
- (g) consolidation of 100% of the shareholding in SMRP BV in MSSL along with consolidation of all joint ventures and subsidiaries of SMRP BV under MSSL;
- (h) consolidation of Amalgamating Company with MSSL resulting in consolidation of the group's shareholdings in various entities and simplification of the group structure resulting in higher stakeholder accountability; and
- (i) to ensure standalone focus on the Domestic Wiring Harness Business of the Transferor Company.

3.5. For the reasons above, the composite scheme of arrangement would be in the best interests of the shareholders, creditors, employees and other stakeholders of MSSL, Resulting Company and the Amalgamating Company. In view of the abovementioned reasons and in order to avoid multiplicity of schemes and the consequent increase in cost and effort that may have to be expended by the Companies (as defined in Section 1 of the Scheme), the NCLT



and the governmental authorities, it is considered desirable and expedient to implement the proposed composite scheme of arrangement.

#### 4. PARTS OF THE SCHEME

This Scheme (as defined in Section I of the Scheme) is divided into the following sections:

##### 4.1 SECTION I

#### DEMERGER OF THE DWH UNDERTAKING (AS DEFINED HEREINAFTER) AND VESTING OF THE SAME IN THE RESULTING COMPANY

**Part A** deals with the Definitions and Share Capital.

**Part B** deals with demerger of the DWH Undertaking of the Transferor Company (as defined hereinafter) and vesting of the same in the Resulting Company (as defined hereinafter), in accordance with Section 2 (19AA) of the Income-tax Act, 1961 and Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as may be applicable.

**Part C** deals with various matters consequential or otherwise integrally connected with Section I of this Scheme, including the payment of consideration, cancellation of the paid-up share capital of the Resulting Company held by the Transferor Company, the accounting treatment in the books of the Transferor Company and the Resulting Company.

##### 4.2 SECTION II

#### AMALGAMATION, BY ABSORPTION, OF AMALGAMATING COMPANY WITH MSSL

**Part A** deals with the Definitions and Share Capital.

**Part B** deals with the amalgamation of the Amalgamating Company with MSSL, by absorption, in accordance with Section 2 (1B) of the Income-tax Act, 1961 and Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as may be applicable.

**Part C** deals with various matters consequential or otherwise integrally connected with Section II of this Scheme including the payment of consideration, cancellation of the paid-up share capital of the Amalgamated Company held by the Amalgamating Company immediately prior to Effective Date 2, the accounting treatment in the books of Amalgamated Company.

##### 4.3 SECTION III

#### GENERAL TERMS AND CONDITIONS

Section III deals with the general terms and conditions applicable to the Scheme.

##### 4.4 SCHEDULES TO THE SCHEME

**Schedule I** - Details of Manufacturing Units and Offices used for the DWH Undertaking as on July 2, 2020.

**Schedule II** - The revised Memorandum of Association to be adopted by the Amalgamated Company.



## SECTION I

### DEMERGER OF THE DWH UNDERTAKING AND VESTING OF THE SAME IN THE RESULTING COMPANY

#### PART A

#### 1. DEFINITIONS

- (a) "Accounting Standards" means the applicable accounting standards in force in India from time to time, consistently applied during the relevant period, including the generally accepted accounting principles and standards, Indian Accounting Standard (Ind AS), and all pronouncements including the guidance notes and other authoritative statements of the Institute of Chartered Accountants of India;
- (b) "Applicable Laws" or "Laws" means and includes all applicable statutes, enactments, acts of legislature or parliament, laws, regulations, ordinances, rules, by-laws, approvals from the concerned authority (including a governmental authority), government resolutions, directives, guidelines, policies, requirements, or other governmental restrictions or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any concerned authority having jurisdiction over the matter in question;
- (c) "Appointed Date 1" means April 1, 2021 or such subsequent date (if any) as may be decided by the Board of Directors of the Transferor Company and Resulting Company or such other date as the NCLT may direct;
- (d) "Board of Directors" or "Board", in relation to any company, means the board of directors of such company and, unless contrary to the provisions of Applicable Laws, includes any committee of directors or any person authorised by the board of directors or by such committee of directors;
- (e) "Companies" means collectively, the Transferor Company, Resulting Company and Amalgamating Company;
- (f) "Companies Act" means the Companies Act, 2013, together with the rules and regulations, circulars, notifications and clarifications issued thereunder, and as amended from time to time;
- (g) "Domestic Wiring Harness Undertaking" or "DWH Undertaking" means and includes all the activities, businesses, operations and undertakings of, and relating to the DWH Business (as defined hereinafter), on a going concern basis, inclusive of but not limited to the following:
- (i) all the property of the DWH Business, in the manner more specifically provided under Section I of this Scheme, wherever situated, including all computers and accessories, software and related data, lease/ leave and license rights with respect to use of offices, manufacturing units and other properties, including the premises listed under **Schedule I** of this Scheme, plant and machinery, capital work in progress, vehicles, furniture, fixtures, office equipment, electricals, appliances, accessories, pertaining to or relatable to the DWH Business, including all assets at the manufacturing units, offices, etc. situated at the premises listed under **Schedule I** of this Scheme.
- (ii) all rights and licenses, all assignments and grants thereof, all permits, clearances and registrations whether under central, state or other laws, rights (including rights/ obligations under agreement(s) entered into with various persons including independent consultants, subsidiaries/ associate



companies and other shareholders of such subsidiary/ associate/ joint venture companies, contracts, applications, letters of intent, memorandum of understandings or any other contracts), non-disposal undertakings, certifications and approvals, regulatory approvals, entitlements, other licenses, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), taxes, share of advance tax, tax deducted at source and minimum alternate tax credits (including but not limited to credits in respect of sales tax, value added tax, service tax, goods and services tax (GST), and other indirect taxes), deferred tax benefits and other benefits in respect of the DWH Business, tax losses, if any, cash balances, bank accounts and bank balances, deposits, advances, recoverables, receivables, easements, advantages, financial assets, treasury investments, hire purchase and lease arrangements, funds belonging to or proposed to be utilised for the DWH Business, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the DWH Business;

- (iii) all books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the DWH Business;
- (iv) all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, leases/ licenses, operation and maintenance contracts, memorandum of understanding, memorandum of agreements, memorandum of agreed points, letters of intent, hire and purchase agreements, tenancy rights, equipment purchase agreement and other agreement and/or arrangement, as amended and restated from time to time, whether executed with customers, suppliers, contractors, lessors, licensors, consultants, advisors or otherwise, which pertain to the DWH Business;
- (v) any and all earnest monies and/ or security deposits, or other entitlements in connection with or relating to the DWH Business;
- (vi) all employees of the Transferor Company that are determined by the Board of the Transferor Company to be substantially engaged in, or in relation to, the DWH Business, on the date immediately preceding the Effective Date 1;
- (vii) all liabilities (including liabilities, allocable as per this Scheme, if any) present and future, corporate guarantees issued and the contingent liabilities pertaining to or relating to the DWH Business, namely:
  - (A) the debts of the Transferor Company which arises out of the activities or operations of the DWH Business,
  - (B) specific loans and borrowings raised, incurred and utilised by the Transferor Company for the activities or operations of or pertaining to the DWH Business,
  - (C) general or multipurpose borrowings, if any, of the Transferor Company will be apportioned basis the proportion of the value of the assets transferred in this demerger of DWH Business to the total value of the assets of the Transferor Company immediately before the said demerger.



- (viii) all legal or other proceedings of whatsoever nature, including tax proceedings, by or against the Transferor Company pending as on the Effective Date 1 and relating to the DWH Business.

Any issue as to whether any asset or liability and/or employee pertains to or is relatable to the DWH Undertaking or not shall be decided by the Board of Directors of the Transferor Company.

- (h) **"Domestic Wiring Harness Business"** or **"DWH Business"** means and includes all the activities, business, operations and undertakings of the Transferor Company in relation to designing, development, prototyping, validation, manufacturing, sale and supply of wiring harnesses within India;
- (i) **"Effective Date 1"** means the date on which the last of the conditions and matters referred to in Clause 3.1 of Section III of this Scheme have been fulfilled, obtained or waived, as applicable. Any references in Section I of this Scheme to "upon Section I of this Scheme becoming effective" or "effectiveness of Section I of this Scheme" shall refer to the Effective Date 1;
- (j) **"Equity Shares"**, in regard to a company, means the fully paid-up equity shares of such a company;
- (k) **"IT Act"** means the Income-tax Act, 1961;
- (l) **"NCLT"** means the National Company Law Tribunal, Mumbai bench;
- (m) **"Record Date 1"** means the date to be fixed by the Board of Directors of the Transferor Company, for the purpose of determining the shareholders of the Transferor Company to whom the new Equity Shares of the Resulting Company will be issued and allotted, pursuant to Section I of the Scheme;
- (n) **"Remaining Business"** means all the undertakings, businesses, activities, operations, assets and liabilities of the Transferor Company, other than those forming part of the DWH Undertaking;
- (o) **"RoC"** means the Registrar of Companies, Mumbai;
- (p) **"Scheme"** means this composite scheme of arrangement among the Transferor Company, Resulting Company and the Amalgamating Company and their respective shareholders and creditors, in accordance with the provisions hereof and pursuant to the provisions of Sections 230-232 and other relevant provisions of the Companies Act;
- (q) **"SEBI"** means the Securities and Exchange Board of India;
- (r) **"SEBI Circular"** means SEBI Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017, issued by the SEBI regarding Schemes of Arrangement by Listed Entities and Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, as amended from time to time;
- (s) **"Stock Exchanges"** means collectively BSE Limited and the National Stock Exchange of India Limited; and
- (t) **"Tax", "Taxes" or "Taxation"** means all forms of taxation, duties, cess, levies, imposts and social security (or similar) charges of any kind whatsoever in any jurisdiction, including without limitation corporate income tax, any other form of withholding tax, provident fund, employee state insurance and gratuity contributions, service tax, value added tax, customs and excise duties, capital tax and other legal transaction taxes, stamp duty, dividend distribution tax, securities transaction tax, real estate



taxes, gross receipts taxes, windfall profit taxes, employment taxes, severance taxes, franchise taxes, transfer taxes, profit taxes, registration taxes, unclaimed property or escheatment taxes, alternative or add-on minimum taxes, estimated taxes, other municipal, provincial, state or local taxes and duties, environmental taxes and duties, goods and service taxes and any other type of taxes or duties in any relevant jurisdiction, whether disputed or not, together with any interest, penalties, surcharges or fines relating thereto, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction, and including any obligations to indemnify or otherwise assume or succeed to the tax liability of any other Person.

The expressions, which are used in this Section I of the Scheme and not defined in Section I shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Sections II of the Scheme, the Companies Act, the IT Act and other Applicable Laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

**2. SHARE CAPITAL**

2.1 The capital structure of the Transferor Company, as on July 2, 2020, is as under:

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
6,050,000,000 Equity Shares of Rs. 1 each	605,00,00,000
2,50,00,000 preference shares of Rs. 10 each	25,00,00,000
<b>Total</b>	<b>630,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
315,79,34,237 Equity Shares of Rs. 1 each	315,79,34,237
<b>Total</b>	<b>315,79,34,237</b>

2.2 Upon incorporation, the capital structure of the Resulting Company will be as under:

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
5,00,000 Equity Shares of Rs. 1 each	5,00,000
<b>Total</b>	<b>5,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
5,00,000 Equity Shares of Rs. 1 each	5,00,000
<b>Total</b>	<b>5,00,000</b>



PART B

3. **DEMERGER OF THE DWH UNDERTAKING AND VESTING OF THE SAME IN THE RESULTING COMPANY**

3.1 Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the DWH Undertaking, together with all its properties, assets, investments, liabilities, rights, benefits, interests and obligations therein, shall demerge from the Transferor Company and be transferred to, and stand vested in, the Resulting Company, and shall become the property of and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party. Without prejudice to the generality of the above, in particular, the DWH Undertaking shall stand transferred and vested in the Resulting Company, in the manner described in sub-clause (a) – (m) below:

- (a) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all assets of the DWH Undertaking that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/ or by endorsement and delivery, or by vesting and recordal, including equipment, furniture and fixtures, shall stand vested in and be deemed to be vested in the Resulting Company, wherever located, and shall become the property and an integral part of the Resulting Company in terms of Section I of this Scheme. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- (b) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all assets of the DWH Undertaking that are movable properties other than those described under sub-clause (a) above, including investments in shares and any other securities, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with governmental authorities, shall, without any further act or deed, become the property of the Resulting Company and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard.
- (c) The Transferor Company and the Resulting Company shall, as provided for under Clause 4 of Section I of the Scheme, enter into appropriate lease agreements / leave and license agreements, to allow the Resulting Company to continue using all immovable property used by the DWH Business immediately prior to Effective Date 1, (including as listed in Schedule I of this Scheme), and such lease / leave and license shall be effective upon Section I of the Scheme coming into effect, on the Effective Date 1. The freehold and/or leasehold rights, as the case may be, of the Transferor Company over such immovable properties leased and/or licensed and/or sub-leased to the Resulting Company, shall continue to remain with the Transferor Company.
- (d) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all debts, liabilities, contingent liabilities, present or future, duties and obligations, secured or unsecured, whether known or unknown, including contingent / potential tax liabilities of the DWH Undertaking shall, pursuant to the applicable provisions of the Companies Act and the provisions of Section I of this Scheme and, without any further act or deed, become the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and the Resulting Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of



this Clause. The amounts of general or multipurpose borrowings, if any, of the Transferor Company will be apportioned basis the proportion of the value of the assets transferred in this demerger of DWH Undertaking to the total value of the assets of the Transferor Company immediately before the said demerger or in such other manner as maybe determined by the Boards of the Transferor Company and Resulting Company.

- (e) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, leases and licenses of the Transferor Company in relation to the DWH Undertaking, including the shall be and remain in full force and effect on, against or in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligor thereto. Without prejudice to the generality of the foregoing, agreement executed with custodian, software contracts, derivative contracts, bonds, schemes, instruments, bank guarantees, performance guarantees and letters of credit, agreements with any governmental authority, hire purchase agreements, lending agreements, agreements with service providers or contractors for the supply of manpower or contract labour, and such other agreements, deeds, documents and arrangements pertaining to the DWH Undertaking or to the benefit of which the Transferor Company may be eligible in connection with the DWH Undertaking and which are subsisting or having effect immediately before the Effective Date 1, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date 1 and upon Section I of this Scheme becoming effective, in terms of Section I of this Scheme or by operation of law pursuant to the vesting orders of the NCLT, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Resulting Company. All contracts / agreements of the DWH Undertaking subsisting or having effect immediately before the Effective Date 1 shall stand vested in favour of the Resulting Company on the same terms and conditions. The Resulting Company and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder. Notwithstanding the generality of the foregoing, any technical services agreement executed by the Transferor Company with any technical partners, in relation to the DWH Undertaking, shall stand assigned to the Resulting Company on the same terms of conditions as the existing technical services agreement. The Resulting Company shall execute all necessary deeds/ documents/ agreements with the relevant technology partners to give effect to such assignment.
- (f) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all Taxes paid or payable by the Transferor Company, in respect of the operations and/or profits of the DWH Undertaking before the Appointed Date 1, shall be on account of the Transferor Company and, insofar as it relates to the Taxes, whether by way of deduction at source, advance tax or otherwise, by the Transferor Company in respect of profits from activates of the DWH Undertaking after the Appointed Date 1, the same shall be deemed to be the corresponding item paid by the Resulting Company, and shall, in all proceedings be dealt with accordingly;
- (g) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, any notices, disputes, pending suits / appeals, legal, Taxation, or any complaint or claim to any ombudsman, or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature relating to DWH Undertaking, whether by or against the Transferor Company, whether pending on the Appointed Date 1 or which may be instituted any time in the future shall not abate, be discontinued or in any way prejudicially affected by reason of demerger and vesting of the DWH Undertaking in the Resulting Company or anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Resulting



Company in the same manner and to the same extent as would or might have been continued, prosecuted and, or, enforced by or against the Transferor Company, as if this Scheme had not been implemented.

- (h) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all employees of the DWH Undertaking, as determined by the Board of the Transferor Company, shall be deemed to have become employees of the Resulting Company, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Transferor Company, on the Effective Date 1. The services of such employees with the Transferor Company up to the Effective Date 1 shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, severance pay, gratuity and other terminal benefits.
- (i) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the Resulting Company shall stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, or to such other relevant employee benefit funds maintained in accordance with the provisions of Applicable Laws. For the avoidance of doubt, it is clarified that upon Section I of this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred individuals and the services of all the transferred employees of the DWH Undertaking for such purpose shall be treated as having been continuous.
- (j) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, employment information, including personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to the employees of the DWH Undertaking and all forms, notifications, orders and contribution / identity cards issued by the concerned authorities relating to benefits shall be deemed to have been transferred to the Resulting Company, which shall continue to abide by any agreement(s) / settlement(s) entered into / by the Transferor Company with any of the employees of the DWH Undertaking prior to the Appointed Date 1 and from the Appointed Date 1 till Effective Date 1.
- (k) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all licenses of the DWH Undertaking shall be in full force and effect in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligee thereto. For the avoidance of doubt, it is clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution / endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the NCLT and upon the Scheme coming into effect on the Effective Date 1. For this purpose, the Resulting Company shall file appropriate applications / documents with relevant authorities concerned for information and record purposes.
- (l) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Transferor Company in regard to the DWH Undertaking shall be deemed to have been accrued to and, or, acquired for and on behalf of the Resulting Company and shall, upon Section I of this Scheme becoming effective, pursuant to the provisions of the Companies Act, without any further act or deed, be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Resulting Company to that extent and shall



become the estates, assets, right, title, interests and authorities of the Resulting Company.

- (m) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Company, insofar as the same pertains to the DWH Undertaking, shall be accepted by the relevant bankers and credited to the accounts of the Resulting Company.
- 3.2 Further, upon Section I of the Scheme coming into effect on the Effective Date 1, the Resulting Company shall, in the ordinary course of its business, enter into necessary deeds/ documents/ agreements with the legal owners of the trademark 'Motherson', in relation to the use of such the trademark by the Resulting Company, on such terms and conditions as may be mutually agreed between the Resulting Company and the legal owners of such trademark.
- 3.3 Notwithstanding anything to the contrary contained in Section I of the Scheme, it is clarified that all assets, liabilities, deposits and balances, investments, contracts, intellectual property rights, licenses, employees and books and records not specifically forming a part of the of the DWH Undertaking, as identified in Clause 3.1 above, shall not be transferred to the Resulting Company and shall continue to be a part of the Transferor Company.
- 3.4 Upon Section I of the Scheme coming into effect on the Effective Date 1, the secured creditors of the Transferor Company shall not be entitled to security over properties, assets, rights, benefits and interest of the DWH Undertaking, as existing immediately prior to the Effective Date 1.
- 3.5 Similarly, upon Section I of the Scheme coming into effect on the Effective Date 1, the secured creditors of the Resulting Company shall not be entitled to security over properties, assets, rights, benefits and interest over the Remaining Business, as existing immediately prior to the Effective Date 1. Notwithstanding the foregoing, it is clarified that, upon Section I of the Scheme coming into effect on the Effective Date 1, the secured creditors of the Resulting Company who have been granted security over the immovable property of the Transferor Company immediately prior to the Effective Date 1, shall continue to be entitled to security over such immovable properties of the Transferor Company, as existing immediately prior to the Effective Date 1, till such time that the Board of the Resulting Company and the secured creditors have mutually agreed to alternate security to be provided by the Resulting Company and have executed appropriate documents, as may be required, in respect of such alternate security. The consent of the shareholders of the Transferor Company and the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this, and no further resolution(s) under Section 185, 188 or other applicable provisions of the Companies Act, if any, would be required to be separately passed in this regard.
- 3.6 Notwithstanding anything contained under Clause 3.5 above, upon Section I of the Scheme coming into effect on the Effective Date 1 and subject to compliance with Section 185, Section 188 or other applicable provisions of the Companies Act and the provisions of Articles of Association of the Transferor Company, the Board of Directors of the Transferor Company may, based on mutual agreement and on such terms and conditions as the Board of Directors of the Transferor Company and the Resulting Company may mutually determine, permit creation of security by way of any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other agreement or arrangement, the effect of which is the creation of security over the assets of the Transferor Company, for borrowings to be availed by the Resulting Company, and may authorise the execution of appropriate arrangements between the Transferor Company, the Resulting Company and the lenders, as may be required, in respect of the same.
- 3.7 The Resulting Company shall, at any time after Section I of this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Transferor Company, in relation to the DWH Undertaking, if so required under any Law or otherwise,



execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the DWH Undertaking, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Resulting Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of the Transferor Company in relation to the DWH Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company *inter alia* in its capacity as the successor-in-interest of the Transferor Company in relation to the DWH Undertaking.

- 3.8 The Resulting Company shall, at any time after Section I of this Scheme becoming effective in accordance with the provisions hereof, if so required under any Law or otherwise, do all such acts or things as may be necessary to transfer / obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company in connection with the DWH Undertaking. For the avoidance of doubt, it is clarified that if the consent of any third party or governmental authority, if any, is required to give effect to the provisions of this Clause, the said third party or governmental authority shall make and duly record the necessary substitution / endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the NCLT, and upon Section I of this Scheme becoming effective. The Resulting Company shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and the Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company insofar as the same are in connection with the DWH Undertaking and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.
- 3.9 Upon Section I of the Scheme coming into effect on the Effective Date 1, all policies as may be required by Applicable Law to be adopted by the Resulting Company, and which may have already been adopted by the Transferor Company in accordance with Applicable Laws shall *mutatis mutandis* be deemed to have been adopted by the Resulting Company, without any further act or deed required by the Resulting Company.
- 3.10 Upon Section I of the Scheme coming into effect on the Effective Date 1 with effect from the Appointed Date 1, the Resulting Company shall be entitled to the benefit of the past experience and/or performance of the Transferor Company in relation to DWH Undertaking for all purposes without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement being required from any third party. If any instrument or deed or document is required or deemed necessary or expedient to give effect to the provisions of this Clause by the Resulting Company, the Transferor Company shall duly execute the same and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to Section I of the Scheme becoming effective in accordance with the terms hereof. The Resulting Company shall, under the provisions of Section I of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on behalf of the Transferor Company.
4. **Arrangements between the Resulting Company and the Transferor Company, etc.**
- 4.1 As on date, the DWH Undertaking is being carried on as a part of the business of the Transferor Company and will be continued to be carried on by the Transferor Company during the pendency of the Scheme. The DWH Undertaking has various inter-dependencies with the Remaining Business of the Transferor Company and its subsidiaries and joint ventures and therefore, the Transferor Company, its subsidiaries and joint ventures propose to undertake various business relationships with the Resulting Company, on an arms' length basis, for which appropriate contracts will be entered into between the Transferor Company, its subsidiaries and joint ventures and the Resulting Company prior to the Effective Date 1. Some of the key business relationships proposed between the Transferor Company, its subsidiaries and joint ventures and the Resulting Company, which will continue beyond Effective Date 1, pertain to, (a) purchase of components by the Resulting Company, such as



wires, rubber parts, tools, jig, fixtures, and other components as required for the DWH Business and which are manufactured and/or procured by the Transferor Company / its subsidiaries and joint ventures, (b) various functional support services to be provided by the Transferor Company to the Resulting Company, such as, design and development services, finance, logistics, human resource, marketing, etc.; (c) management services to be provided by the Transferor Company to the Resulting Company; and (d) leasing and/or licensing and/or sub-leasing of various immovable property owned / leased by the Transferor Company on which the manufacturing units and other office premises of the DWH Undertaking are located to the Resulting Company.

- 4.2 Upon the demerger of the DWH Undertaking into Resulting Company becoming effective on Effective Date 1, the Transferor Company, its subsidiaries and joint ventures also propose to purchase wiring harness manufactured by the Resulting Company.
- 4.3 The Transferor Company also has certain existing agreements with certain group companies, which are important for the efficient functioning of the Transferor Company as on date. The arrangements will be continued with the Resulting Company as well and the Resulting Company will be required to enter into appropriate agreements with the Transferor Company and other related parties, for procuring various goods and services from such related parties.
- 4.4 The agreements executed prior to Effective Date 1 between (a) the Resulting Company and the Transferor Company and (b) the Resulting Company and other group companies, shall be subject to the approval of the Board and shareholders of the Transferor Company and the Resulting Company (as applicable), which shall be obtained prior to Effective Date 1 and once executed and approved by the respective Board and shareholders of the Transferor Company and the Resulting Company (as applicable), such agreements shall be binding on the parties thereto.
- 4.5 Accordingly, the Board of the Resulting Company and the Transferor Company may, prior to the Effective Date 1, authorise the execution of necessary deeds/ documents/ agreements between the companies, as may be required, on such terms and conditions as may be mutually and, unless waived by the Board of the Transferor Company at its sole discretion, the effectiveness of Section I of this Scheme will be conditional upon all such arrangements as deemed necessary by the Resulting Company and the Transferor Company being put in place between the Resulting Company, on the one hand, and the Transferor Company and other group companies, on the other hand. All such arrangements shall be entered into on an arms' length basis.



## PART C

5. The Resulting Company shall have taken all necessary steps, including by way of passing all enabling corporate resolutions to increase or alter, to the extent required, its authorised share capital suitably so as to enable it to issue and allot the Equity Shares under this Section I of the Scheme.

6. **RECORD DATE 1**

Upon Section I of the Scheme coming into effect on the Effective Date 1 and upon the transfer of the DWH Undertaking and vesting of the same in the Resulting Company, the Board of the Transferor Company shall, after consulting with the Board of the Resulting Company, determine a Record Date 1, being a date subsequent to the filing of the order of the NCLT sanctioning the Scheme with the RoC, for issue and allotment of Equity Shares of the Resulting Company to the shareholders of the Transferor Company in terms of Clause 8 of Section I below. On determination of Record Date 1, the Transferor Company shall provide to the Resulting Company the list of its shareholders as on such Record Date 1, who are entitled to receive the Equity Shares in the Resulting Company in terms of Section I of this Scheme in order to enable the Resulting Company to issue and allot such Equity Shares to such shareholders of the Transferor Company.

7. **RECLASSIFICATION OF THE AUTHORISED SHARE CAPITAL OF THE TRANSFEROR COMPANY AND TRANSFER OF AUTHORISED SHARE CAPITAL OF THE TRANSFEROR COMPANY TO THE RESULTING COMPANY**

- 7.1. Upon Section I of the Scheme coming into effect on the Effective Date 1, 2,50,00,000 preference shares, of face value of Rs. 10 (Indian Rupees Ten) each, of the Transferor Company shall stand reclassified as 25,00,00,000 (Twenty Five Crore) Equity Shares of Re. 1 (Indian Rupee One) each. Accordingly, the authorised share capital of the Transferor Company shall stand reclassified to Rs. 650,00,00,000 (Indian Rupees Six Hundred and Fifty Crores), divided into 650,00,00,000 (Six Hundred and Fifty Crores) Equity Shares of Re. 1 (Indian Rupee One) each. The consent of the shareholders of the Transferor Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this reclassification of share capital as well, and no further resolution(s) under Sections 61 or 13 or other applicable provisions of the Companies Act, if any, would be required to be separately passed in this regard. Accordingly, consequent to the reclassification of the authorised share capital of the Transferor Company as per this Paragraph 7.1, Clause V of the Memorandum of Association of the Transferor Company shall stand modified and be substituted by the following:

*"The Authorised Share Capital of the Company is Rs. 650,00,00,000 (Indian Rupees Six Hundred and Fifty Crores) consisting of 650,00,00,000 (Six Hundred and Fifty Crores) Equity Shares of Re. 1/- (Rupee One) each"*

- 7.2. Upon Section I of the Scheme coming into effect on the Effective Date 1, and subsequent to the reclassification of the preference share capital of the Transferor Company into equity share capital, as per Paragraph 7.1 of Section I of this Scheme above, a portion of the authorised share capital of the Transferor Company, amounting to Rs. 300,00,00,000 (Indian Rupees Three Hundred Crores), comprising of 300,00,00,000 Equity Shares of Re. 1 (Indian Rupee One) each, shall stand transferred/ added to and be merged with the authorised share capital of the Resulting Company, without any liability for payment of any additional fees or stamp duty.
- 7.3. Upon Section I of the Scheme coming into effect on the Effective Date 1, and consequent to the transfer of the existing authorised Share Capital of Transferor Company, the authorised share capital of the Resulting Company of Rs. 5,00,000 (Indian Rupees Five Lakhs only), divided into 5,00,000 (Five Lakh) Equity Shares of Rs. 1 (Indian Rupee One) each, shall stand increased by an aggregate amount of Rs. 300,00,00,000 (Indian Rupees Three Hundred Crores), and the resultant authorised share capital of the Resulting Company shall



be Rs. 300,05,00,000 (Indian Rupees Three Hundred Crores and Five Lakhs), divided into 300,05,00,000 (Three Hundred Crores and Five Lakhs) Equity Shares of Re. 1 (Indian Rupee One) each. Accordingly, Clause V of the Memorandum of Association of the Resulting Company shall stand modified and be substituted by the following:

*"The Share Capital of the Company is Rs. 300,05,00,000 (Indian Rupees Three Hundred and Five Lakhs) divided into 300,05,00,000 (Three Hundred and Five Lakhs) of Re. 1/- (Rupee One) each."*

- 7.4. The consent of the shareholders of the Transferor Company and the Resulting Company to this Scheme shall be sufficient for the purposes of effecting the amendments contemplated in Clauses 7.1 and 7.2 of Section I of this Scheme to the Memorandum of Association of the Transferor Company and the Resulting Company, and no further resolutions, whether under Sections 61 or 13 of the Companies Act or any other applicable provisions of the Companies Act or under the Articles of Association of the Transferor Company or the Resulting Company, shall be required to be separately passed, nor shall the Transferor Company or the Resulting Company be required to pay any additional registration fees, stamp duty, etc.

#### 8. **ISSUANCE OF EQUITY SHARES**

- 8.1. Upon the coming into effect of this Scheme and in consideration of the demerger of the DWH Undertaking into the Resulting Company pursuant to Section I of this Scheme, the Resulting Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of the Transferor Company as on the Record Date 1, 1 (one) Equity Share of Re. 1 (Indian Rupee One) each of the Resulting Company, fully paid up, for every 1 (one) Equity Share of Re. 1 (Indian Rupee One) each of the Transferor Company ("**Demerger Share Entitlement Ratio**").

- 8.2. In the event of any restructuring of the equity share capital by the Transferor Company or the Resulting Company, including by way of share split/ consolidation/ issue of bonus shares or other similar action in relation to share capital of the Transferor Company or the Resulting Company, at any time before the Record Date 1, the Demerger Exchange Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate action.

#### 9. **ISSUANCE MECHANICS AND OTHER RELEVANT PROVISIONS**

- 9.1 Subject to Applicable Laws, the Equity Shares of the Resulting Company that are to be issued in terms of Clause 8 of Section I shall be issued in dematerialised form. The register of members maintained by the Resulting Company and, or, other relevant records, whether in physical or electronic form, maintained by the Resulting Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Resulting Company) be updated to reflect the issue of Equity Shares in terms of Clause 8 of Section I. The shareholders of the Transferor Company shall provide such confirmation, information and details as may be required by the Resulting Company to enable it to issue the aforementioned Equity Shares.

- 9.2 For the purpose of allotment of Equity Shares of the Resulting Company pursuant to Clause 8 of Section I of the Scheme, in case any member holds Equity Shares in the Transferor Company in physical form, the Resulting Company shall not issue its Equity Shares to such member but shall, subject to Applicable Laws, issue the corresponding Equity Shares in dematerialised form, to a demat account held by a trustee nominated by the Board of the Resulting Company or into a suspense account opened in the name of the Resulting Company with a depository or into an escrow account opened by the Resulting Company with a depository, as determined by the Board of the Resulting Company, where such Equity Shares shall be held on behalf of such member. The Equity Shares of the Resulting Company so held in a trustee's account or suspense account or escrow account, as the case may be, shall be transferred to the respective member once such member provides details of his / her / its demat account to the Resulting Company, along with such documents as maybe required. The respective member shall have all the rights of the shareholders of Resulting Company, including the right to receive dividend, voting rights and other corporate benefits,



pending the transfer of Equity Shares from the trustee. All costs and expenses incurred in this respect shall be borne by Resulting Company.

- 9.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferor Company shall be empowered, in appropriate cases, prior to or even subsequent to the Record Date 1, to effectuate such a transfer in the Transferor Company as if such changes in registered holder were operative as on the Record Date 1, in order to remove any difficulties arising to the transferor / transferee of the Equity Shares in the Transferor Company and in relation to the Equity Shares issued by the Resulting Company upon the effectiveness of section I of this Scheme. The Board of the Resulting Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Resulting Company on account of difficulties faced in the transition period.
- 9.4 The Equity Shares to be issued by the Resulting Company pursuant to Clause 8 of Section I above in respect of Equity Shares of the Transferor Company which are held in abeyance under the provisions of Section 126 of the Companies Act (erstwhile Section 206A of the Companies Act, 1956) or are otherwise shall, pending allotment or settlement of the dispute by order of a court or otherwise, also be kept in abeyance by the Resulting Company. Further, for the avoidance of doubt, it is clarified that Equity Shares to be issued by the Resulting Company pursuant to Clause 8 of Section I above in respect of Equity Shares of the Transferor Company which are (a) held in the suspense account of the Transferor Company in accordance with the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, shall also be held in a suspense account opened by the Resulting Company, and (b) transferred by the Transferor Company in the name of Investor Education and Protection Fund in accordance with Section 126(6) of the Companies Act shall also be transferred by the Resulting Company to the Investor Education and Protection Fund, in accordance with Applicable Law.
- 9.5 The Equity Shares to be issued and allotted by the Resulting Company in terms of Clause 8 of Section I shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Resulting Company and shall rank *pari passu* in all respects with the existing Equity Shares of the Resulting Company.

10. **CANCELLATION OF EQUITY SHARES HELD BY THE TRANSFEROR COMPANY IN THE RESULTING COMPANY**

- 10.1 The Resulting Company is proposed to be incorporated as a wholly owned subsidiary of the Transferor Company. Simultaneous with the issuance of the Equity Shares in accordance with Clause 9 of Section I of this Scheme, the existing issued and paid up Equity Share capital of the Resulting Company, as held by the Transferor Company and its nominees, shall, without any further application, act, instrument or deed, be automatically cancelled.
- 10.2 The cancellation of the Equity Share capital held by the Transferor Company and its nominees in Resulting Company, in accordance with Clause 10.1 of Section I of this Scheme, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Companies Act, and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Companies Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of Resulting Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Companies Act as well and no further compliances would be separately required.
- 10.3 The Resulting Company shall not be required to add the words "and reduced" as suffix to its name consequent upon the reduction of capital under Clause 10.1 of Section I of this Scheme above.
- 10.4 The reduction of capital of Resulting Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up



share capital or payment in any other form.

#### 11. LISTING OF EQUITY SHARES ISSUED AS CONSIDERATION

- 11.1 Subsequent to the effectiveness of Section I of the Scheme from Effective Date 1, the Equity Shares of the Resulting Company shall be listed and shall be admitted for trading on the Stock Exchanges by virtue of this Scheme and in accordance with the provisions of the SEBI Circular. Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of the aforesaid SEBI Circular and Applicable Laws and take all steps to get its Equity Shares listed on the Stock Exchanges.
- 11.2 The Equity Shares of Resulting Company issued and allotted pursuant to this Scheme shall remain frozen in the depositories system until listing and trading permission is granted by the relevant designated stock exchange for their listing and trading. Subsequent to the issuance of Equity Shares by Resulting Company in terms of Clause 8 of Section I of the Scheme, there shall be no change in the shareholding pattern or 'control' in the Resulting Company between Record Date 1 and the date of listing of such Equity Shares, which may affect the status of the approval granted by the Stock Exchanges, and any other governmental authority in this regard. Further, during such period, the Resulting Company will not issue/ reissue any Equity Shares which are not covered under the Scheme.

#### 12. SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Resulting Company as envisaged in this Section I of the Scheme shall not affect any transaction or proceedings already concluded by the Transferor Company or the Resulting Company on or before Appointed Date 1 and after Appointed Date 1 till the Effective Date 1, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

#### 13. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE 1

- 13.1 It is clarified that the Board of the Transferor Company shall have the absolute right to acquire any asset for, or sell, transfer, create, encumbrance or otherwise deal with any asset of, the DWH Undertaking or the Remaining Business and to raise debt for the DWH Undertaking and/or the Remaining Business, as per its business requirements and otherwise conduct its business in their sole discretion, up to Effective Date 1.
- 13.2 With effect from Appointed Date 1 and up to and including the Effective Date 1:
- (a) the business pertaining to the DWH Undertaking shall be deemed to have been carried on account of, and the properties and assets of DWH Undertaking shall be deemed to have been held for and in trust for, the Resulting Company; and
  - (b) all profits or income arising or accruing to or received in regard to the DWH Undertaking and all taxes paid thereon (including advance tax, tax deducted at source, minimum alternate tax, securities transaction tax, taxes withheld / paid in a foreign country, value added tax, sales tax, service tax, goods and services tax (GST), etc.) or losses arising in or incurred in regard to the DWH Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Resulting Company.

#### 14. TAXES

- 14.1 The provisions of Section I of this Scheme have been drawn up and intended to be in compliance with the conditions specified under the tax laws, specifically Section 2(19AA) of IT Act, and other relevant sections of IT Act. If any terms or provisions of Section I of this Scheme are found or interpreted to be inconsistent with the provisions of the aforesaid Sections of the IT Act at a later date (not being a date after the Effective Date 1), including



resulting from an amendment of Law or for any other reason whatsoever, such provisions of the tax laws shall prevail and Section I of this Scheme shall, subject to the approval of the Board of the Transferor company and Resulting Company, stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect the other Sections of this Scheme.

- 14.2 With effect from the Appointed Date 1 and upon Section I of this Scheme becoming effective from Effective Date 1, all taxes and duties payable by the Transferor Company, accruing and relating to the operations of the DWH Undertaking from the Appointed Date 1 onwards, including all advance tax payments, tax deducted at source, any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds and claims, as the case may be, of the Resulting Company.
- 14.3 Upon Section I of this Scheme becoming effective from Effective Date 1, all un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including MAT credit), CENVAT, customs, VAT, sales tax, service tax, goods and services tax (GST), etc. relating to the DWH Undertaking to which the Transferor Company is entitled shall be available to and vest in the Resulting Company, without any further act or deed.
- 14.4 All tax assessment proceedings / appeals, except for such assessment proceedings / appeals under the provisions of the IT Act, of whatsoever nature pertaining to the DWH Undertaking shall be continued and / or enforced as and from the Effective Date 1, by or against the Resulting Company. All assessment proceedings/ appeals under the provisions of the IT Act, of whatsoever nature pertaining to the DWH Undertaking shall continue and/ or, be enforced by or against, and shall continue to be enforced by or against, the Transferor Company. The aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of demerger of the DWH Undertaking into the Resulting Company assessment proceedings/ appeals under the provisions of the IT Act, of whatsoever nature pertaining to the DWH Undertaking.
- 14.5 Upon Section I of this Scheme becoming effective from Effective Date 1, the accounts of both the Transferor Company and the Resulting Company as on Appointed Date 1 shall be reconstructed in accordance with the terms of Section I of this Scheme. Both the Transferor Company and the Resulting Company shall be entitled to revise their income tax returns, TDS returns, and other statutory returns as may be required under respective statutes pertaining to direct taxes or indirect taxes, such as sales-tax, value added tax, goods and services tax, excise duties, service tax, etc. and the Resulting Company shall also have the right to claim refunds, advance tax credits, MAT credit, credit of tax deducted at source, credit of foreign taxes paid / withheld, carry forward of tax losses, credits in respect of sales tax, value added tax, service tax, goods and services tax (GST), and other indirect taxes etc., if any, as may be required consequent to implementation of Part C and other relevant provisions of this Scheme, as result of demerger and vesting of the DWH Undertaking in the Resulting Company.

## 15. ACCOUNTING TREATMENT

Upon Section I of this Scheme becoming effective from Effective Date 1, the Transferor Company and the Resulting Company shall account for the demerger of the DWH Undertaking in accordance with applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. Further, the date of such accounting treatment shall be in consonance with the applicable Ind AS.

### 15.1 Accounting treatment in the books of the Transferor Company:

Upon Section I of the Scheme becoming effective on Effective Date 1:

- (a) The Transferor Company shall recognise a liability for transfer of DWH Undertaking, at the book value of its net assets, by adjusting the corresponding amount to the



retained earnings. The book value of net assets shall be computed as the carrying value of assets less the carrying value of liabilities appearing in the books of the Transferor Company, pertaining to the DWH Undertaking transferred to and vested in the Resulting Company;

- (b) The Transferor Company shall de-recognize from its books, the book value of assets and liabilities of the DWH Undertaking transferred to the Resulting Company under this Scheme, including rights, interest and obligation of the Transferor Company in such assets and liabilities. The corresponding amount shall be adjusted against the liability recognised at (a) above; and
- (c) The Transferor Company's investment in the Resulting Company, cancelled pursuant to Clause 10 of Section II of this Scheme will be adjusted in the retained earnings.

**15.2 Accounting treatment in the books of the Resulting Company:**

Upon Section I of the Scheme becoming effective on Effective Date 1, the Resulting Company shall account for the transfer and vesting of the DWH Undertaking in its books of account in the following manner:

- (a) All the assets and liabilities pertaining to the DWH Undertaking, appearing in the books of the Transferor Company, shall stand transferred to, and the same shall be recorded by, the Resulting Company at their respective carrying amount and in the same form and manner as appearing in the books of accounts of the Transferor Company;
- (b) The amount of inter-company balances, transactions or investments, if any, between the Transferor Company and the Resulting Company appearing in the books of accounts of the Transferor Company and the Resulting Company, shall stand cancelled without any further act or deed;
- (c) The Resulting Company shall credit to its share capital account, the aggregate face value of the Equity Shares of the Resulting Company, issued to the shareholders of the Transferor Company, in terms of Clause 8 of Section I of the Scheme;
- (d) The difference between the carrying amount of Net Assets transferred by the Transferor Company to the Resulting Company and the face value of the Equity Shares issued by the Resulting Company shall be credited/debited to the capital reserve, as applicable;
- (e) The Resulting Company shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resulting Company, whichever is later; and
- (f) The Resulting Company's capital, reduction pursuant to Clause 10 of Section II of this Scheme will be transferred to the capital reserve.

**16. MISCELLANEOUS**

- 16.1 Upon effectiveness of Section I of this Scheme from Effective Date 1, the provisions of Section I of this Scheme shall take effect in their entirety without the requirement of any further act, matter or deed or approvals from any person so as to give effect to Section I of this Scheme. Accordingly, upon effectiveness of Section I of this Scheme from Effective Date 1, all relevant records shall be updated / amended so as to give effect to Section I of this Scheme and to vest the DWH Undertaking together with all assets, liabilities, contracts, licences, intellectual property rights and employees of the DWH Undertaking in the Resulting Company, without any procedural requirements for such assets, liabilities, contracts, licences, intellectual property rights and employees to first be registered or recorded in the name of the Transferor Company in terms of Section I of this Scheme.



## SECTION II

### AMALGAMATION OF THE AMALGAMATING COMPANY INTO AND WITH MSSL

#### PART A

#### 1. DEFINITIONS

- (a) "Amalgamated Company" means MSSL, being the resultant company after the amalgamation of Amalgamating Company into and with MSSL, in terms of Section II of this Scheme, subsequent to completion of the demerger of the DWH Undertaking and vesting of the same in the Resulting Company, in terms of this Section I of the Scheme;
- (b) "Amalgamating Company" means Samvardhana Motherson International Limited;
- (c) "Appointed Date 2" means Effective Date 2;
- (d) "Effective Date 2" means the date one day after the date on which the last of the conditions and matters referred to in Clause 3.2 in Section III of this Scheme have been fulfilled, obtained or waived, as applicable, including Section I of the Scheme having become effective in accordance with its terms. Any references in Section II of this Scheme to "upon Section II of this Scheme becoming effective" or "effectiveness of Section II of this Scheme" shall refer to the Effective Date 2;
- (e) "Record Date 2" means the date to be fixed by the Board of Directors of the Amalgamated Company, in consultation with the Board of Directors of the Amalgamating Company, for the purpose of determining the shareholders of the Amalgamating Company to whom the Equity Shares of the Amalgamated Company will be issued and allotted pursuant to Section II of the Scheme, provided that Record Date 2 shall be a date which is at least three working days after the date of issuance and allotment of Equity Shares by the Resulting Company, to the shareholders of the Transferor Company as on the Record Date 1, as per Section I of the Scheme; and
- (f) "MSSL" means Motherson Sumi Systems Limited.

The expressions, which are used in this Section II of the Scheme and not defined in Section II shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Sections I of the Scheme, the Companies Act, the IT Act and other Applicable Laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.



2. **SHARE CAPITAL**

2.1 The capital structure of the Amalgamating Company, as on July 2, 2020, is as under:

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
90,00,00,000 Equity Shares of Rs. 10 each	900,00,00,000
<b>Total</b>	<b>900,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
47,36,13,855 Equity Shares of Rs. 10 each	473,61,38,550
<b>Total</b>	<b>473,61,38,550</b>

2.2 The capital structure of MSSL, as on July 2, 2020, is as under:

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
6,050,000,000 Equity Shares of Rs. 1 each	605,00,00,000
2,50,00,000 preference shares of Rs. 10 each	25,00,00,000
<b>Total</b>	<b>630,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
315,79,34,237 Equity Shares of Rs. 1 each	315,79,34,237
<b>Total</b>	<b>315,79,34,237</b>



## PART B

### 3. AMALGAMATION OF THE AMALGAMATING COMPANY INTO AND WITH MSSL

- 3.1. Upon Section II of the Scheme coming into effect on Effective Date 2 and with effect from Appointed Date 2, the Amalgamating Company, together with all its properties, assets, investments, liabilities, rights, benefits, interests and obligations therein, shall stand transferred to and vested in MSSL (after completion of the demerger of the DWH Undertaking from the Transferor Company to the Resulting Company in accordance with Section I of this Scheme), as a going concern, and shall become the property of and an integral part of the Amalgamated Company, without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement of any third party. Without prejudice to the generality of the above
- 3.2. Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein:
- (a) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all assets of the Amalgamating Company that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and, or, by endorsement and delivery, or by vesting and recordal, including equipment, furniture and fixtures, shall stand vested in and be deemed to be vested in the Amalgamating Company, wherever located, and shall become the property and an integral part of the Amalgamated Company in terms of Section II of this Scheme. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
  - (b) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all assets of the Amalgamating Company that are movable properties other than those described under sub-clause (a) above, including investments in shares and any other securities, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with governmental authorities, shall, without any further act or deed, become the property of the Amalgamated Company and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard.
  - (c) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all assets of the Amalgamating Company that are owned / leased / licensed immovable properties, including any right or interest in the buildings and structures standing thereon and all lease / license or rent agreements, together with security deposits and advance / prepaid lease / license fee, rights and easements in relation to such properties shall stand transferred to and be vested in, or, be deemed to have been transferred to and vested in the Amalgamated Company, without any further act or deed, pursuant to the provisions of Section II of this Scheme. The Amalgamated Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease / license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee to the Amalgamated Company.
  - (d) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all debts, liabilities, contingent liabilities, present or



future, duties and obligations, secured or unsecured, whether known or unknown, including contingent / potential tax liabilities of the Amalgamating Company shall, pursuant to the applicable provisions of the Companies Act and the provisions of Section II of this Scheme and, without any further act or deed, become the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company, and the Amalgamated Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

- (e) Without prejudice to the foregoing provisions of this Clause (d) above, Upon Section II of the Scheme coming into effect on the Effective Date 2, all the NCDs (to the extent any such NCDs are outstanding as on Effective Date 2) shall, without any further act, instrument or deed, become the NCDs issued by the Amalgamated Company on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in and shall be exercised by or against the Amalgamated Company as if it was the issuer of such NCDs, so transferred and vested. Subject to the requirements, if any, imposed or concessions, if any, by BSE Limited, and other terms and conditions agreed with BSE Limited, the non-convertible debentures which stand transferred to the Amalgamated Company pursuant to transfer of the NCDs, shall be listed and/ or admitted to trading on the BSE Limited, where the NCDs are currently listed. Upon Section II of this Scheme coming into effect on Effective Date 2, the transfer of the NCDs to the Amalgamated Company shall be binding on holders of the NCDs, BSE Limited, banker(s), debenture trustee(s), depository/(ies), custodian(s) and registrar and transfer agents. The Amalgamated Company may execute such further documents and take such further actions as may be deemed necessary or appropriate to give effect to the provisions of this Scheme.
- (f) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, leases and licenses of the Amalgamating Company shall be and remain in full force and effect on, against or in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligor thereto. Without prejudice to the generality of the foregoing, agreements executed with custodian, software contracts, derivative contracts, bonds, schemes, instruments, bank guarantees, performance guarantees and letters of credit, agreements with any governmental authority, hire purchase agreements, lending agreements, agreements with service providers or contractors for the supply of manpower or contract labour, and such other agreements, deeds, documents and arrangements to which the Amalgamating Company is a party or to the benefit of which the Amalgamating Company may be eligible and which are subsisting or having effect immediately before Effective Date 2, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date 2 and upon Section II of this Scheme becoming effective, in terms of Section II of this Scheme or by operation of law pursuant to the orders of the NCLT, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Amalgamated Company. All contracts / agreements of the Amalgamating Company subsisting or having effect immediately before Effective Date 2 shall stand vested in favour of the Amalgamated Company on the same terms and conditions. The Amalgamated Company and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder.
- (g) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with



effect from the Appointed Date 2, any notices, disputes, pending suits / appeals, legal, Taxation, or any complaint or claim to any ombudsman, or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature, whether by or against the Amalgamating Company, whether pending on the Appointed Date 2 or which may be instituted any time in the future shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of the Amalgamating Company or anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Amalgamated Company in the same manner and to the same extent as would or might have been continued, prosecuted and, or, enforced by or against the Amalgamating Company, as if this Scheme had not been implemented.

- (h) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all employees of the Amalgamating Company shall be deemed to have become employees of the Amalgamated Company, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Amalgamating Company, on Effective Date 2. The services of such employees with the Amalgamating Company up to the Effective Date 2 shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, severance pay, gratuity and other terminal benefits.
- (i) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, or to such other relevant employee benefit funds maintained in accordance with the provisions of Applicable Laws. For the avoidance of doubt, it is clarified that upon Section II of this Scheme becoming effective on the Effective Date 2, the aforesaid benefits or schemes shall continue to be provided to the transferred individuals and the services of all the transferred employees of the Amalgamating Company for such purpose shall be treated as having been continuous.
- (j) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, employment information, including personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to the employees of the Amalgamating Company and all forms, notifications, orders and contribution / identity cards issued by the concerned authorities relating to benefits shall be deemed to have been transferred to the Amalgamated Company, which shall continue to abide by any agreement(s) / settlement(s) entered into / by the Amalgamating Company with any of the transferred employees prior to Appointed Date 2.
- (k) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, trademarks held by the Amalgamating Company shall stand vested and transferred to the Amalgamated Company with effect from Effective Date 2.
- (l) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all licenses of the Amalgamating Company shall be in full force and effect in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto. For the avoidance of doubt, it is clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution /



endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme by the NCLT and upon the Scheme coming into effect on the Effective Date 2. For this purpose, the Amalgamated Company shall file appropriate applications / documents with relevant authorities concerned for information and record purposes.

- (m) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, benefits of any and all corporate approvals as may have already been taken by the Amalgamating Company shall stand transferred to the Amalgamated Company and the said corporate approvals and compliances shall be deemed to have been taken / complied with by the Amalgamated Company.
  - (n) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Amalgamating Company shall be deemed to have been accrued to and, or, acquired for and on behalf of the Amalgamated Company and shall, upon Section II of this Scheme becoming effective, pursuant to the provisions of the Companies Act, without any further act or deed, be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Amalgamated Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Amalgamated Company.
  - (o) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Amalgamating Company shall be accepted by the relevant bankers and credited to the accounts of the Amalgamated Company.
- 3.3. Upon Section II of this Scheme becoming effective on the Effective Date 2 and the consequent amalgamation of Amalgamating Company into and with MSSL, the secured creditors of MSSL, if any, shall continue to be entitled to security only over such properties and assets forming part of Amalgamated Company, as existing immediately prior to the amalgamation of Amalgamating Company into and with MSSL but after the demerger of the DWH Undertaking into the Resulting Company under Section I of the Scheme, and the secured creditors of Amalgamating Company, if any, shall continue to be entitled to security only over such properties, assets, rights, benefits and interest of the Amalgamating Company as existing immediately prior to the amalgamation of Amalgamating Company into and with MSSL (other than to the extent of any property which ceases to exist as on Effective Date 2, as a result of Section II of this Scheme becoming effective on Effective Date 2). For the avoidance of doubt, it is clarified that all the assets of Amalgamating Company and MSSL which are not currently encumbered shall, subject to Applicable Laws, remain free and available for creation of any security thereon in future in relation to any existing indebtedness or new indebtedness that may be incurred by Amalgamated Company, at the discretion of the Board of the Amalgamated Company. For this purpose, no further consent from the existing creditors shall be required and sanction of this Scheme shall be considered as a specific consent of such secured creditors.
- 3.4. The Amalgamated Company shall, at any time after Section II of this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Amalgamating Company, if so required under any Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company *inter alia* in its capacity as the successor-in-interest of the Amalgamating Company.
- 3.5. The Amalgamated Company shall, at any time after Section II of this Scheme becoming effective on the Effective Date 2, if so required under any Law or otherwise, do all such acts



or things as may be necessary to transfer / obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by Amalgamating Company. For the avoidance of doubt, it is clarified that if the consent of any third party or governmental authority, if any, is required to give effect to the provisions of this Clause, the said third party or governmental authority shall make and duly record the necessary substitution / endorsement in the name of Amalgamated Company pursuant to the sanction of this Scheme by the NCLT, and upon Section II of this Scheme becoming effective on Effective Date 2. The Amalgamated Company shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Amalgamating Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

- 3.6. Upon Section II of the Scheme coming into effect on the Effective Date 2 with effect from the Appointed Date 2, the Amalgamated Company shall be entitled to the benefit of the past experience and/or performance of the Amalgamating Company for all purposes without any further act, instrument or deed required by the Amalgamated Company and without any approval or acknowledgement being required from any third party.

3.7. ***Inter se Transactions***

With effect from the Effective Date 2, all *inter se* contracts solely between the Amalgamating Company and MSSL shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in records of the Amalgamated Company.



## PART C

4. MSSL shall have taken all necessary steps, including by way of passing all enabling corporate resolutions to increase or alter, to the extent required, its authorised share capital suitably so as to enable it to issue and allot the Equity Shares under this Section II of the Scheme.
5. **COMBINATION OF AUTHORISED SHARE CAPITAL**
  - 5.1 Upon Section II of this Scheme becoming effective on Effective Date 2, the authorized share capital of Amalgamating Company shall stand combined with and be deemed to be added to the authorized share capital of the Amalgamated Company without any requirement of any further act or deed on the part of the Amalgamated Company, including payment of stamp duty and fees payable to the RoC, and the memorandum of association and articles of association of the Amalgamated Company (relating to the authorized share capital) shall, without any requirement of a further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 4, 13 and 61 and all other applicable provisions of the Companies Act, if any, would be required to be separately passed, as the case may be, and for this purpose, the stamp duties and fees paid on the authorized share capital of the Amalgamating Company in the past shall be deemed to have been utilized and applied to the increased authorized share capital of the Amalgamated Company and there would be no requirement of any further payment of stamp duty and/or fee by the Amalgamated Company for increase in and utilization of the authorized share capital to that extent. In relation to the foregoing, if applicable, the Amalgamated Company shall pay the requisite fees on its authorised share capital enhanced by the amalgamation after having made the applicable adjustments, as permitted in terms of Section 232(3)(i) read with Section 233(11) of the Companies Act.
6. **RECORD DATE 2**

The Board of MSSL shall, after consulting with the Board of Amalgamating Company, determine Record Date 2 (which shall be a date at least three working days after the date on which Equity Shares are issued and allotted by the Resulting Company in terms of Section I of this Scheme) for issue and allotment of Equity Shares of the Amalgamated Company to the relevant shareholders of the Amalgamating Company in terms of Clause 7 of Section II of this Scheme. On determination of Record Date 2, Amalgamating Company shall provide to MSSL, the list of its shareholders as on such Record Date 2 who are entitled to receive the Equity Shares in the Amalgamated Company in terms of Section II of this Scheme in order to enable the Amalgamated Company to issue and allot such Equity Shares to such shareholders of the Amalgamating Company.
7. **ISSUANCE OF EQUITY SHARES**
  - 7.1. Upon the coming into effect of this Scheme and in consideration of the amalgamation of the Amalgamating Company into and with MSSL, pursuant to Section II of this Scheme, the Amalgamated Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of the Amalgamating Company as on Record Date 2, 51 (fifty one) Equity Shares of Re. 1 (Indian Rupee One) each of the Amalgamated Company, fully paid up, for every 10 (ten) Equity Shares of Rs. 10 (Indian Rupees Ten) each of the Amalgamating Company ("**Merger Share Exchange Ratio**").
  - 7.2. In the event of any restructuring of the equity share capital by the Amalgamating Company or MSSL, including by way of share split/ consolidation/ issue of bonus shares or other similar action in relation to share capital of the Amalgamating Company or MSSL, at any time before the Record Date 2, the Merger Share Exchange Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate action.



## 8. ISSUANCE MECHANICS AND OTHER RELEVANT PROVISIONS

- 8.1 Subject to Applicable Laws, the Equity Shares of the Amalgamated Company that are to be issued in terms of Clause 7 of Section II of this Scheme shall be issued in dematerialised form. The register of members maintained by Amalgamated Company and, or, other relevant records, whether in physical or electronic form, maintained by the Amalgamated Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Resulting Company) be updated to reflect the issue of Equity Shares in terms of Clause 7 of Section II of this Scheme. The shareholders of the Amalgamating Company shall provide such confirmation, information and details as may be required by the Amalgamated Company to enable it to issue the aforementioned Equity Shares.
- 8.2 For the purpose of allotment of Equity Shares of the Amalgamated Company pursuant to Clause 7 of Section II of the Scheme, in case any member's holding in the Amalgamating Company (including the fractional entitlement arising out of the allotment contemplated in Section II of this Scheme, if any) is such that the member becomes entitled to a fraction of an Equity Share of the Amalgamated Company, the Amalgamated Company shall not issue fractional shares to such members but shall consolidate all such fractions and issue consolidated Equity Shares to trustee(s) nominated by the Board of the Amalgamated Company in that behalf provided that if the aggregate of all such fractions is also a fraction, then Amalgamated Company shall issue the next lower whole number of shares to such trustee(s). In each case, the trustee(s) shall sell such Equity Shares and distribute the net sale proceeds (after deduction of tax and other expenses incurred) to the members respectively entitled to the same, in proportion as nearly as the Board of the Amalgamated Company deems possible to their respective fractional entitlements in the Amalgamated Company in terms of the Merger Share Exchange Ratio.
- 8.3 For the purpose of allotment of Equity Shares of the Amalgamated Company pursuant to Clause 7 of Section II of the Scheme, in case any member holds Equity Shares in the Amalgamating Company in physical form, the Amalgamated Company shall not issue its Equity Shares to such member but shall subject to Applicable Laws, issue the corresponding Equity Shares in dematerialised form, to a demat account held by a trustee nominated by the Board of the Amalgamated Company or into a suspense account opened in the name of the Amalgamated Company with a depository or into an escrow account opened by the Amalgamated Company with a depository, as determined by the Board of the Amalgamated Company, where such Equity Shares shall be held on behalf of such member. The Equity Shares of the Amalgamated Company so held in a trustee's account or suspense account or escrow account, as the case may be, shall be transferred to the respective member once such member provides details of his/ her /its demat account to the Amalgamated Company, along with such documents as maybe required. The respective member shall have all the rights of the shareholders of Amalgamated Company, including the right to receive dividend, voting rights and other corporate benefits, pending the transfer of Equity Shares from the trustee. All costs and expenses incurred in this respect shall be borne by Amalgamated Company.
- 8.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Amalgamating Company, the Board of the Amalgamating Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date 2, to effectuate such a transfer in the Amalgamating Company as if such changes in registered holder were operative as on the Record Date 2, in order to remove any difficulties arising to the transferor / transferee of the Equity Shares in the Amalgamating Company and in relation to the Equity Shares issued by the Amalgamated Company upon the effectiveness of Section II of this Scheme. The Board of the Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of Section II of this Scheme and registration of new members in the Amalgamated Company on account of difficulties faced in the transition period.



8.5 The Equity Shares to be issued by the Amalgamated Company pursuant to Clause 7 of Section II of this Scheme above in respect of Equity Shares of the Amalgamating Company which are held in abeyance under the provisions of Section 126 of the Companies Act (erstwhile Section 206A of the Companies Act, 1956) or otherwise shall, pending allotment or settlement of the dispute by order of a court or otherwise, also be kept in abeyance by the Amalgamated Company.

8.6 The Equity Shares to be issued and allotted by the Amalgamated Company in terms of Clause 7 of Section II of this Scheme shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Amalgamated Company and shall rank *pari passu* in all respects with the existing Equity Shares of the Amalgamated Company.

**9. CANCELLATION OF EQUITY SHARES HELD BY AMALGAMATING COMPANY IN MSSL**

9.1 Simultaneous with the issuance of the Equity Shares, in accordance with Clause 7 of Section II of this Scheme, the existing issued and paid up equity share capital of MSSL, as held by Amalgamating Company, shall, without any further application, act, instrument or deed, be automatically cancelled.

9.2 The cancellation of the equity share capital held by the Amalgamating Company in MSSL, in accordance with Clause 9.1 of Section II of this Scheme, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Companies Act and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Companies Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of MSSL to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Companies Act as well and no further compliances would be separately required.

9.3 The Amalgamated Company shall not be required to add the words "and reduced" as suffix to its name consequent upon the reduction of capital under Clause 9.1 of Section II of this Scheme above.

9.4 The reduction of capital of the Amalgamated Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

**10. LISTING OF EQUITY SHARES ISSUED AS CONSIDERATION**

10.1 Subsequent to the effectiveness of Section II of the Scheme from Effective Date 2, the Equity Shares of the Amalgamated Company issued to the shareholders of the Amalgamating Company as on Record Date 2 shall be listed and shall be admitted for trading on the Stock Exchanges by virtue of this Scheme and in accordance with Applicable Laws. The Amalgamated Company shall make all requisite applications and shall otherwise comply with the provisions of Applicable Laws and take all steps to get its Equity Shares issued pursuant to Section II of this Scheme listed on the Stock Exchanges.

**11. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Amalgamated Company as envisaged in this Section II of the Scheme shall not affect any transaction or proceedings already concluded by the Amalgamating Company or MSSL on or before Appointed Date 2, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Company in respect thereto as done and executed on behalf of itself.

**12. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE 2**

It is clarified that the Boards of the Amalgamating Company and MSSL shall have the



absolute right to acquire any asset for, or sell, transfer, create, encumbrance or otherwise deal with any asset or raise any debt required for the business and generally carry on the business of Amalgamating Company and MSSSL, respectively, in their sole discretion, up to Effective Date 2.

**13. AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE AMALGAMATED COMPANY**

13.1 Upon coming into effect of Section II of the Scheme from Effective Date 2, the Memorandum of Association of the Amalgamated Company, immediately prior to Effective Date 2, shall, without the requirement to do any further act or thing, stand amended and replaced with the Memorandum of Association as set out in Schedule II to this Scheme.

13.2 The abovementioned change, being an integral part of the Scheme, it is hereby provided that the said revision to the Memorandum of Association of the Amalgamated Company shall be effective by virtue of the fact that the shareholders of the Amalgamated Company, while approving the Scheme as a whole, have also resolved and accorded the relevant consent as required respectively under the applicable provisions of the Companies Act and shall not be required to pass any separate resolution(s).

**14. CHANGE OF NAME OF THE AMALGAMATED COMPANY**

14.1 Upon coming into effect of Section II of the Scheme from Effective Date 2, without any further act or deed, the Amalgamated Company shall be re-named as "Samvardhana Motherson International Limited" or such other name as may be decided by the Board of the Amalgamated Company and approved by the NCLT and the jurisdictional Registrar of Companies. Further, the name of "Motherson Sumi Systems Limited", wherever it occurs in its Memorandum and Articles of the Amalgamated Company, will be substituted by such name.

14.2 The approval and consent of the Scheme by the shareholders of MSSSL and the Amalgamating Company shall be deemed to be the approval of the shareholders by way of special resolution for change of name of the Amalgamated Company, as contemplated herein, under Section 13 of the Companies Act. The sanction of this Scheme by the NCLT shall be deemed to be in compliance with Section 13 and other applicable provisions of the Companies Act.

**15. DISSOLUTION OF AMALGAMATING COMPANY**

Upon Section II of this Scheme becoming effective on the Effective Date 2, the Amalgamating Company shall stand dissolved without being wound-up, without any further act or deed, and the Board and any committee thereof of the Amalgamating Company shall without further act, instrument or deed be and stand discharged. The name of the Amalgamating Company shall be struck off from the records of the RoC and the Amalgamated Company shall make necessary filings in this regard.

**16. TAXES**

16.1 The provisions of Section II of this Scheme have been drawn up in compliance with the conditions specified under the tax laws, specifically Section 2(1B) of IT Act, and other relevant sections of IT Act. If any terms or provisions of Section II of this Scheme are found or interpreted to be inconsistent with the provisions of the aforesaid Section of the IT Act at a later date (not being a date after Effective Date 2), including resulting from an amendment of Law or for any other reason whatsoever, such provisions shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect the other parts of this Scheme.

16.2 All benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, wealth tax, service tax, excise



duty, central value added tax, central sales tax, applicable state value added tax, goods and services tax (GST), customs duty drawback, etc.) to which Amalgamating Company is entitled to in terms of Applicable Laws, shall be available to and vest in the Amalgamated Company, upon Section II of this Scheme coming into effect.

- 16.3 All tax assessment proceedings / appeals of whatsoever nature pertaining to the Amalgamating Company shall be continued and, or, enforced as and from the Effective Date 2, by or against Amalgamated Company. The aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of Amalgamating Company into and with Amalgamated Company.
- 16.4 Upon Section II of this Scheme becoming effective on the Effective Date 2, the accounts of the Amalgamated Company as on the Appointed Date 2 shall be reconstructed in accordance with the terms of Section II of this Scheme. The Amalgamated Company shall be entitled to revise its income tax returns, TDS returns, and other statutory returns as may be required under respective statutes pertaining to indirect taxes, such as sales-tax, value added tax, excise duties, service tax, etc., and shall also have the right to claim refunds, advance tax credits, MAT credit, credit of tax deducted at source, credit of foreign taxes paid / withheld, etc., if any, as may be required consequent to implementation of Section II and other relevant provisions of this Scheme, as result of the amalgamation of Amalgamating Company into and with Amalgamated Company.
- 16.5 Any tax deducted at source by the Amalgamating Company/ Amalgamated Company on payables to Amalgamated Company/ the Amalgamating Company respectively which has been deemed not to be accrued, shall be deemed to be payment of tax accruing or arising to the Amalgamated Company and shall, in all proceedings, be dealt with accordingly.

#### 17. ACCOUNTING TREATMENT

- 17.1 Upon Section II of the Scheme becoming effective from the Effective Date 2, the Amalgamated Company shall account for the transfer and vesting of the assets and liabilities of the Amalgamating Company in its books of account as per the "Acquisition Method" prescribed under Indian Accounting Standard 103 (*Business Combination*) notified under Section 133 of the Companies Act read with relevant rules issued thereunder and other applicable Accounting Standards provided under the Companies Act, specifically:
- (a) All the assets, including intangible assets and shares of MSSSL held by the Amalgamating Company, and all liabilities, including contingent liabilities of the Amalgamating Company, shall stand transferred to, and the same shall be recorded by, the Amalgamated Company at their fair value, as per Ind AS 103 and/or other applicable Ind AS;
  - (b) The Amalgamated Company shall credit to its share capital account, the aggregate face value of the Equity Shares issued by it to the shareholders of the Amalgamating Company in terms of Clause 8 of Section II of the Scheme. The difference between the fair value and the face value of such Equity Shares issued will be credited to the securities premium account;
  - (c) The difference between the fair value of the Equity Shares issued and the fair value of the net assets acquired will be treated as goodwill or capital reserve as per Ind AS 103;
  - (d) The fair value of the Equity Shares of the Amalgamated Company recorded at (a) above shall stand cancelled against the share capital and the securities premium recorded at (b) above; and
  - (e) The Amalgamated Company shall ensure compliance with the requirements of the acquisition method under Ind AS 103 for all other aspects of accounting for the amalgamation.



17.2 The cancellation of the fair value of the Equity Shares of the Amalgamated Company against the share capital and the securities premium, as provided under Clause 17.1(a) of Section II of this Scheme, above, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Companies Act and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Companies Act, or any other applicable provisions of the Companies Act, confirming the reduction. The consent of the shareholders of the Transferor Company to this Scheme shall be deemed to be sufficient for the purposes of effecting such cancellation as well, and no further resolution(s) under Sections 66 or other applicable provisions of the Companies Act, if any, would be required to be separately passed in this regard.

**18. MISCELLANEOUS**

18.1 Upon effectiveness of Section II of this Scheme, from Effective Date 2, the provisions of Section II of this Scheme shall take effect in their entirety without the requirement of any further act, matter or deed or approvals from any person so as to give effect to Section II of this Scheme. Accordingly, upon effectiveness of Section II of this Scheme from Effective Date 2, all relevant records shall be updated / amended, so as to give effect to Section II of this Scheme and to vest all the assets, liabilities, contracts, licences, intellectual property rights and employees of the Amalgamating Company into and with the Amalgamated Company, without any procedural requirements for such assets, liabilities, contracts, licences, intellectual property rights and employees to first be registered or recorded in the name of the Amalgamated Company in terms of Section II of this Scheme.



## SECTION III

### GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

#### 1. APPLICATION TO THE NCLT

- 1.1 Each of the Transferor Company, Resulting Company and Amalgamating Company shall, as may be required, dispatch, make and file all applications and petitions under Section 230 to 232 of the Companies Act before the NCLT, for sanction of the Scheme under the provisions of Applicable Laws.
- 1.2 The Transferor Company, Resulting Company and Amalgamating Company, as the case may be, shall be entitled, pending the sanction of the Scheme, to apply to appropriate governmental authorities, as required, under any Applicable Law for such consents and approvals which the Companies may require to own / transfer the assets and/or liabilities of the DWH Undertaking or to merge / carry on the business of the Amalgamating Company, as the case may be.

#### 2. SEQUENCE OF EVENTS

- 2.1 Upon the sanction of the Scheme by the NCLT and after the Scheme has become effective upon completion of the conditions listed in Clause 3 of this Section III, the following shall be deemed to have occurred and become effective and operative, only in the sequence and in the order mentioned hereunder, in the following sequence:
- (a) with effect from Appointed Date 1, demerger of the DWH Undertaking from the Transferor Company and the vesting of the same in the Resulting Company, in accordance with Section I of the Scheme;
  - (b) reclassification of the preference share capital of the Transferor Company into equity share capital, transfer of a portion of the authorised share capital of the Transferor Company to the Resulting Company and consequential increase in the authorised share capital of the Resulting Company, as provided in Section I of this Scheme;
  - (c) issue and allotment of Equity Shares of the Resulting Company to the shareholders of the Transferor Company as of Record Date 1, in accordance with Section I of this Scheme, along with simultaneous cancellation of the shareholding of the Transferor Company in the Resulting Company (either held directly or through its nominee shareholders) in its entirety, without any further act or deed;
  - (d) with effect from Appointed Date 2, amalgamation of the Amalgamating Company into and with the Amalgamated Company, by absorption, in accordance with Section II of the Scheme;
  - (e) transfer of the authorised share capital of the Amalgamating Company to the Amalgamated Company and consequential increase in the authorised share capital of the Amalgamated Company, as provided in Section II of this Scheme;
  - (f) cancellation of the shareholding of the Amalgamating Company in MSSL in its entirety, without any further act or deed;
  - (g) dissolution of the Amalgamating Company without winding-up; and
  - (h) issue and allotment of Equity Shares of the Amalgamated Company to the shareholders of the Amalgamating Company as of Record Date 2, in accordance with Section II of this Scheme.



### 3. CONDITIONALITY OF THE SCHEME

3.1 The effectiveness of Section I of this Scheme is and shall be conditional upon and subject to the fulfilment (or waiver by the Transferor Company, to the extent permitted under Applicable Law) of the following conditions:

- (a) The requisite consents, no-objections and approvals being received from the Stock Exchanges to the Scheme in terms of the SEBI Circular;
- (b) The Scheme being approved by respective requisite majorities in numbers and value of such classes of members and creditors of the Transferor Company, the Resulting Company and/or Amalgamating Company, as may be directed by the NCLT. Notwithstanding the generality of the foregoing, it is clarified that the Scheme is conditional upon the Scheme being approved by the public shareholders of Transferor Company through e-voting in terms of Para 9(a) of Part I of Annexure I of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and the Scheme shall be acted upon only if the votes cast by the public shareholders of Transferor Company in favour of the Scheme are more than the number of votes cast by the public shareholders against it;
- (c) The Stock Exchanges issuing their observation/ no-objection letters and SEBI issuing its comments on the Scheme, as required under Applicable Laws;
- (d) The Scheme being sanctioned by the NCLT under Sections 230 – 232, read with other applicable provisions of the Companies Act;
- (e) Certified copies of the order of the NCLT sanctioning this Scheme being filed with the RoC, by each of the Transferor Company, Resulting Company and the Amalgamating Company;
- (f) Approval of the shareholders of the Transferor Company and the Resulting Company being obtained for entering into various agreements between Transferor Company and the Resulting Company, in furtherance of Clause 4 of Section I of the Scheme;
- (g) All statutory approvals required for the Scheme as per Applicable Law, including approval of the Competition Commission of India ("CCI"), if required, being received; and
- (h) Satisfaction (or waiver in writing) of such other conditions precedent as may be mutually agreed between Transferor Company, the Resulting Company and/or Amalgamating Company in writing.

3.2 The effectiveness of Section II of this Scheme is and shall be conditional upon and subject to:

- (a) Section I of the Scheme having become effective on Effective Date 1, as per the terms of Section I of the Scheme; and
- (b) the Resulting Company having completed the issue and allotment of Equity Shares to the shareholders of the Transferor Company as of Record Date 1, in accordance with Section I of this Scheme.

### 4. REVOCATION, WITHDRAWAL OF THIS SCHEME

4.1 Subject to the order of the NCLT, the Board of the Transferor Company shall be entitled to revoke, cancel, withdraw and declare this Scheme of no effect at any stage if, (a) this Scheme is not being sanctioned by the NCLT or if any of the consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not obtained or for any other reason; (b) in case any condition or alteration imposed by the shareholders and/or creditors of the Companies, the NCLT or any other authority is not



acceptable to the Board of the Transferor Company; or (c) the Board of the Transferor Company is of the view that the coming into effect of this Scheme, in terms of the provisions of this Scheme, or filing of the drawn up order with any governmental authority could have adverse implication on all or any of the Companies. On revocation, withdrawal, or cancellation, this Scheme shall stand revoked, withdrawn, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* between the Companies or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the Applicable Law and in such case, the Transferor Company shall bear all costs relating to this Scheme unless otherwise mutually agreed.

5. **EFFECT OF NON-RECEIPT OF APPROVALS**

In case this Scheme is not sanctioned by the NCLT, or in the event this Scheme cannot be implemented due to any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in this Scheme not being obtained or complied with, unless waived by the Board of the Transferor Company (to the extent permitted under Applicable Laws), or for any other reason, then, this Scheme shall become null and void.

6. **COSTS, CHARGES AND EXPENSES**

All costs, charges, fees, taxes including duties, stamp duties, levies and all other expenses, if any, including as maybe directed by the NCLT in relation to and incidental to the approval of this Scheme by the NCLT shall be borne equally by MSSL and the Resulting Company. All other costs, charges, fees, taxes and expenses in relation to and incidental to implementing this Scheme and matters incidental thereto, shall be borne as mutually agreed among the Transferor Company, Resulting Company and the Amalgamating Company.

7. Based on mutual agreement between the Boards of the Transferor Company, Resulting Company and the Amalgamating Company, as the case may be, and subject to the provisions of Applicable Law, the Boards of the Companies may authorise the execution of appropriate arrangements between the Companies and the lenders, as may be required, in respect of any loans raised by the Transferor Company prior to Effective Date 1.

8. **DIVIDENDS**

8.1 The Transferor Company, Resulting Company and the Amalgamating Company shall be entitled to declare and make a distribution / pay dividends, whether interim or final, and/or issue bonus shares to their respective members / shareholders prior to the Effective Date 1, in accordance with Applicable Law. Any declaration of dividend or other distribution of capital or income by the Transferor Company, Resulting Company or the Amalgamating Company shall be consistent with the past practice of such company.

8.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions and shall not be deemed to confer any right on any shareholder of the Transferor Company, Resulting Company or the Amalgamating Company, as the case may be, to demand or claim or be entitled to any dividends which, subject to the provisions of the Companies Act, shall be entirely at the discretion of the Board of the Transferor Company, Resulting Company or the Amalgamating Company, as the case may be, and subject to approval, if required, of the shareholders of the relevant companies.

9. **COMPLIANCE WITH APPLICABLE LAWS**

The Transferor Company, Resulting Company and the Amalgamating Company undertake to comply with all Applicable Laws (including all applicable compliances required by SEBI and the Stock Exchanges) including making the requisite intimations and disclosures to any statutory or regulatory authority and obtaining the requisite consent, approval or permission of the central government, Reserve Bank of India (if required), SEBI, Stock Exchanges,



Competition Commission of India (if required) or any other statutory or regulatory authority, which by-law may be required for the implementation of this Scheme or which by Law may be required in relation to any matters connected with this Scheme.

**10. AMENDMENT**

The Transferor Company, Resulting Company and the Amalgamating Company, through mutual consent and acting through their respective Boards, may jointly and as mutually agreed in writing in their full and absolute discretion, assent to alteration(s) or modification(s) to this Scheme, which the NCLT may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing, including without limitation, any modifications to the accounting treatment set out in the Scheme due to change in any regulatory or compliance requirements being made applicable to the Transferor Company, Resulting Company and the Amalgamating Company or to the matters set forth in this Scheme, and do all acts, deed and things as maybe necessary, desirable or expedient for the purpose of giving effect to this Scheme. Upon sanction of this Scheme by the NCLT, this Scheme shall not be amended without the approval of the NCLT.

**11. REMOVAL OF DIFFICULTIES**

11.1 The Transferor Company, Resulting Company and the Amalgamating Company may, through mutual consent and acting through their respective Board of Directors, agree to take steps, as may be necessary including but not limited to making any modification to the Scheme, desirable or proper, to resolve all doubts, difficulties or questions, whether by reason of any orders of the NCLT or of any directive or orders of any governmental authorities or otherwise arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith. After dissolution of the Amalgamating Company, the Amalgamated Company and the Resulting Company through their respective Board of Directors shall be authorised to take such steps, as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reasons of any order of the court(s) or of any directive or order of any other governmental authorities or otherwise, however, arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith.

11.2 MSSL is currently undertaking a scheme of merger under Sections 230 to 232 and other applicable provisions of the Companies Act with its wholly owned subsidiary, Motherson Polymers Compounding Solutions Limited ("**MPCSL Merger**"), pursuant to which Motherson Polymers Compounding Solutions Limited shall stand merged with MSSL, on the scheme becoming effective. The appointed date for the said scheme is April 1, 2018. The scheme was approved by the Board of MSSL on August 7, 2018 and is currently pending before the National Company Law Tribunal, Mumbai and Delhi Benches. The said MPCSL Merger will not have any impact on the equity capital structure of MSSL as no shares are proposed to be issued pursuant to the MPCSL Merger.

**12. MISCELLANEOUS**

The various Sections of this Scheme are inextricably inter-linked with each other and this Scheme constitutes an integral whole. This Scheme shall be given effect to only in its entirety and in the sequence and order mentioned in Clause 2 of Section III of this Scheme.



**SCHEDULE I**

*(Details of Manufacturing Units and Offices of the DWH Undertaking)*

Sl. No.	Unit	Address
1	SBU9 – Gurgaon	Plot No.21 & 22, Sector - 18, Industrial Estate, Gurugram, Haryana, Pin Code – 122050
2	SBU1A -Faridabad	Kila No. 12/2, Sarai Khwaja, Sector 36, Faridabad, Haryana, Pin Code - 121003
3	SBU16- Sector 84 DTA	A-3, Sector -84, Noida, Pin Code – 201305
4	Ecotech Greater Noida (New)	Plot No 5&6 Ecotech II Greater Noida
5	SBU 33 & 35 - Sector 85	B-3&4, Sector 85, Noida, Pin Code - 201301
6	SBU22-Pathredi	Plot No. SP1-890&895, Pathredi Industrial Area, Bhiwadi, Dist – Alwar Rajasthan, Pin Code 301707
7	SBU 30- Noida Sector A-15	A-15, Sector -6, Noida, Dist- Gautam Budda Nagar, Pin Code: 201301
8	SBU-31- Sanand	AV-24, Sanand GIDC Phase -2, Sanand Industrial Estate, Sanand Ahmedabad, Pin Code - 82445
9	Pithampur II	Plot No. 3, Industrial Growth Centre Integrated Industrial Park Pithampur, Dist- Dhar (MP) Pin Code - 454774
10	SBU07-Bangalore Kumbalgodu	Plot No. 31B, Kiadb, Industrial Area Phase-I Kumbalgodu Bangalore
11	SBU24 -Bengaluru Bidadi	Plot No.11, Sector-1, Phase-II, Talekuppe, Bidadi Industrial Area Ramnagar Taluk & Dist. Pin Code - 562109
12	SBU17-Chennai Kuruvanmedu	Survey No 181-186, Village Kuruvemedu, Taluk Chengalpatta, District Kanchipuram Pin Code - 603204
13	SBU18-Chennai RNSP	RNS 10, Renault & Nissan Suppliers Park, SIPCOT Industrial Park, Oragadam Expansion Scheme, Chennai Pin Code - 602105
14	SBU-27- Walajabad	Survey No.348/1A/1B, 348/2-5 and 355/3 Tambaram-Walajabad High Road Nathanallur and Uthukadu Village Dist. Kanchipuram Pin Code - 631605
15	DMSIL-Pune Hinjewadi	S No.241/1/2, Village Hinjawadi, Taluka Mulshi, Pune, Pin Code -411057
16	SBU32- Pithampur	Plot No.8, Sector-5, Pithampur Distt Dhar, Madhya Pradesh Pin Code– 454774
17	SBU15-Pune Marunji	Plot No.73/2 & 76/2/1B Village Marunji, Taluka Mulshi Dist. Pune, Pin Code -411057
18	SBU2- Noida C-6	C-6&7, Sector-1, Noida Dist. Gautam Buddh Nagar Uttar Pradesh, Pin Code -201301
19	SBU 26- Noida Sector 64	A-8 & 9, Sector-64, Noida Dist. Gautam Buddh Nagar



		Uttar Pradesh, Pin Code -201301
20	T01-Nasik	D - 36, MIDC, Satpur Nashik, Maharashtra Pin Code - 422007
21	SBU20- Haldwani	A12, Mahaveer Audyogic Aasthan Village Patlipur, Haldwani, Dist. Nainital Uttaranchal Pin Code - 263139
22	SBU23- Lucknow	562A, Village Natkur, Pargana Bijnaur Road, Lucknow Uttar Pradesh Pin Code -226001
23	SBU05- C-14 Noida Sector-1	C-14A & B, 1A&1B, Sector-1 (Ground floor and basement) Noida (UP), Pin Code - 201301



## SCHEDULE II

(Memorandum of Association of the Amalgamated Company)

**MEMORANDUM OF ASSOCIATION**  
**OF**  
**MOTHERSON SUMI SYSTEMS LIMITED**  
**(LIMITED BY SHARES)**

- I. The name of the company is MOTHERSON SUMI SYSTEMS LIMITED.
- II. The Registered Office of the Company will be situated in the STATE OF MAHARASHTRA.
- III. The objects for which the Company is established are:
  - (A) **THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**
    1. To carry on the business of manufacturing, fabrication, assembling and dealing in Wiring Harness and other parts of all kinds and description, automotive and other parts, mining equipment, tool, springs, fittings, head lamps, sealed beam component parts, spare parts, accessories and fittings of all kinds for the said articles of P.V.C., Polypropylene, P.F. Resin or other man-made chemicals, electrical wires, switch controls and other engineering items for automobiles or any other application as required.
    2. To design, prototype manufacture, process, prepare, press, vulcanise, repair, retread, export, import, purchase, sell and to carry on business of moulding of plastic and/or any other polymer parts and assembly thereof, diecasting of components and the assembly thereof of automobiles or any other any application as required, metal sheet pressing for making clips, moulds and other parts for automobiles or any other application as required, P.V.C., Polythene, P.F. Resin parts, moulding and dealing in the same for different types of vehicles or for any other application and repair materials and other articles and appliances made with or from natural or synthetic rubber, its compounds, substitutes, Indian rubber or the same in combination with any metallic or non metallic substances, vulcanised leather, rayon, Hessian or plastic or products in which rubber, rayon Hessian or other plastic is used.
    3. To carry on the business of hirers, repairers, cleaners and storsers of motor cars, motor cycles, mopeds, scooters, motor boats, motor launches, motor buses, motor lorries, aeroplanes, seaplanes, gliders, tractors and other conveyances of all descriptions whether propelled or assisted by means of petrol, spirit, diesel, steam, gas, electricity, animal, atomic or other power and of engine chassis, bodies and other things used for or in connection with the above mentioned business.
    4. To engage in and conduct the business of scientific, technical and other research and development in any field, particularly in the field of developing/ deploying advanced technologies, electronics, computer software, mechanics and electricals, systems integration, training systems, opto-electronics, communications, composites and mechanical engineering, to manufacture , test and experiment all kinds of equipment, to originate, develop and improve any discoveries, inventions, technology, processes and formulate, turn to account, particularly to integrate, manufacture, purchase or otherwise acquire, own, hold, operate, sell or otherwise transfer, lease, license the use of, distribute or otherwise dispose off.
    5. To carry on business of manufacturing, assembling, developing, and selling equipment, technology and property of every kind and description, including without limitation of the generality of foregoing, electronic, electrical and mechanical devices, apparatus, appliances, equipment and machines and parts thereof as also to create, reproduce, amplify, receive,



transmit and retain sound, signals, communications for use in a variety of end user segments, including the civil aerospace and aviation sector, customers, enterprises and the Government and also for all other processes, matters and things and to establish, provide, maintain and conduct or otherwise subsidize research and development, technical laboratories and experimental workshops for scientific and technical research and experiments, and to undertake and carry on with all scientific and technical researches, experiments and tests of all kinds.

6. To carry on the business of a holding company for establishing subsidiaries, making majority or minority investment, and/or to promoter technical collaborations in companies operating in any kind of activity and in specific by not limited to investment in entities engaged in the auto components or related sectors.
7. To provide management consultancy services related to supervisory, administrative, training, managerial, technical, consultancy, marketing, procurement, accounting, legal, communication, personnel to companies in which investment has been made by the Company and/or by any of its related/ affiliate/ associate companies.

**(B) MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) ARE:**

8. To carry on business as inventors, researchers and developers, to conduct, promoter and commission research and development in connection with the activities of the Company, to establish and maintain research and development stations, technology centers, computers complexes, laboratories, workshops, testing and proving grounds, and establishments and to exploit and turn to account, the results of any research and development carried out by or for it.
9. To generally to encourage, promote and reward, researches, investigations, experiments, tests, discoveries and invention of any kind that may be considered likely to assist any of the business which the Company is authorized to carry on.
10. To carry on or assist in carrying on in any place or places any other trade or business, which may seem to the Company as capable of being conveniently carried on with the business (es) of the Company, or render profitable any of the Company's properties or rights.
11. To form and incorporate or promoter any company or companies having amongst its or their objects, the acquisition, setting up, maintenance, establishment and promotion of business relevant to the business or the interest of the Company in India or elsewhere, either directly or indirectly, assisting the Company in the pursuance of its objects or in the supervision, control and management of its business or the development of its assets and properties, or otherwise prove advantageous to the Company and to pay, all or any of the costs and expenses incurred in connection with any such promotion or incorporation, and to remunerate any person of the Company in any manner it shall think fit for services rendered or to be rendered in obtaining, subscriptions of, or placing or assisting to place or to obtain subscriptions for, or for guaranteeing the subscriptions for or the placing of any shares in the capital of the Company or any bonds, debentures, obligations or securities of the Company may have interest in, or about the promotion or formation of any other company, in which the Company have an interest.
12. To purchase, hire or otherwise acquire factories and other premises or business in connection with the main business of the Company.
13. To deal in alloy steel forgings of every description used for the business of the Company.
14. To import, export, purchase, sell, manufacture or otherwise deal in Wiring Harness, electrical cables and mining machinery, plant and equipment, raw materials like alloy steel, ferrous and non-ferrous metals, industrial chemicals, rubber and machinery, plant and equipments including precision measuring and testing instruments and tools of every description used for the business of the Company.



15. To purchase, take on lease or in exchange, hire or otherwise acquire any movable or immovable property, rights or privileges which the company may think necessary or convenient for the purpose of its business and in particular any land, building, basements, machinery, plant and stock in trade and to construct, maintain and alter any buildings or work necessary or convenient for the purpose of the Company.
16. To invest in other than investments in Company's own shares and deal with the money of the Company not immediately required in such manner as may from time to time be determined.
17. To draw, make, endorse, discount, execute and issue promissory notes, bills of exchange, warrants, debentures and other negotiable or transferable instruments.
18. Subject to provision of Section 73 and 179 of the Companies Act, 2013 and the rule made thereunder and the directions of Reserve Bank of India to borrow or raise or secure the repayment of moneys in such manner as the Company shall think fit and in particular by the mortgage, legal or equitable or by the issue of debentures or debentures stock, perpetual or otherwise, charged upon all or any of the Company's property both present and future including its uncalled capital and to issue at par or at a premium or discount debentures or debentures stock, bonds or other obligations and to purchase, redeem, pay off or satisfy such securities.
19. Subject to Section 230 to 232 of the Companies Act, 2013 to amalgamate with any other company having objects altogether or in any part similar to those of this Company.
20. To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of the Company.
21. To establish branches in and out of India to appoint local committees, advisory boards and agents, managers, secretaries and other officers by any designation whatsoever and authorise them to transact the business of the Company and to discontinue transacting the same from time to time.
22. To adopt means of making known the business of the Company, as may seem expedient and in particular by advertising in the press, public, place and theatres, by radio, by television, by circulars, by purchase and exhibition of works of art or interest, by publication of books, pamphlets, bulletins, or periodicals, by organising or participating in exhibition and by granting prizes, rewards and donations or any manner considered suitable.
23. To erect, build and enlarge, alter maintain, work purchase, acquire, manage, take on lease, under license or concession or in exchange, deal with and dispose of solely or jointly with others, buildings, warehouses, sheds, work factories mills, workshops, sidings, roads and other premises and lands, necessary or expedient, for the purpose of the Company.
24. To apply for tender, purchase or otherwise, acquire contract, sub-contract, licenses and concessions for or in relation to the objects of business herein mentioned or any of them and to undertake, execute, carry out, dispose of or otherwise turn to account the same.
25. To sub-let all or any contracts obtained by the Company from time to time and upon such terms and conditions as may be thought expedient.
26. To purchase or by any other means, acquire and prolong and renew patents, patent rights, invention licenses, protection and concessions which may appear likely to be advantageous or useful to the Company for its business and to manufacture under grant licenses or privileges in respect of the same and to spend money in experimenting upon and testing any improving or seeking to improve any patents, inventions or rights which the company may acquire or propose to acquire for the business.



27. To establish and maintain agencies and branch officers and procure the company to be registered or recognised and to carry on business in any part of the world.
28. To distribute any of the property of the company among the members in Specie or in kind on its winding up.
29. To enter into arrangement for rendering and obtaining technical services and or in technical collaboration with individuals, firms or body corporate whether in or outside India.
30. To insure any of the properties, undertaking, contracts, guarantees or obligations of the Company of every nature and kind in any manner whatsoever.
31. To be interested in promotings and undertaking the formation and establishment of such institutions or companies (industrial, trading, manufacturing) which may seem to the Company capable of being conveniently carried on in connection with any of the business which the Company is authorised to do.
32. To obtain any order of Act of Legislature of Parliament for enabling the Company to obtain all power and authorities necessary or expedient to carry out or extend any of the objects of the Company or for any other purpose which may seem expedient and to make representations against any proceedings or applications which may seem calculated directly or indirectly prejudicial to the company's interest.
33. To pay out of the company's funds the cost and expenses incurred in connection with incorporation of the company and to remunerate any person or company for services rendered in the conduct of its business.
34. To create and issue equity, preference and guaranteed shares or stock and to redeem, cancel and accept and accept surrender or such shares or stocks.
35. To pay, to reserve or to distribute as dividend or bonus shares among the members or otherwise to apply as the company may think fit money belonging to the company including those received by way of premium or shares or debentures issued at a premium by the company, received in respect of dividends accrued on forfeited shares any money arising from reissue by the Company of forfeited shares and money arising from reissue by the Company of forfeited shares subject to the provisions of the Companies Act, 1956.
36. To open any kind of account in any bank and to make, draw, borrow, accept, endorse, issue and execute promissory notes, bills of exchange, bill hundies, cheques and other negotiable instruments in connection with the Company's business and to invest and deal with money not immediately in such manner as may from time to time be determined.
37. To make any loan to any person or company on any terms whatsoever in connection with the company's business.
38. To enter into partnership or any other individual arrangement for sharing profit, co-operation, joint venture, reciprocal concession, license or otherwise with any person, firm, private or public limited companies, association society or body corporate carrying on or engaged in any business or transaction which this company is authorised to carry on and to give special rights, licenses, and privileges in connection with the same and particularly the right to nominate one or more person whether they be shareholders or not, to be directors of the company.
39. Subject to the provisions of Section 182 of the Companies Act, 2013 to contribute to the funds of any association or to any individual, firm or body corporate which in the opinion of the Company is beneficial to the Company.
40. To engage, employ, suspend and dismiss agents, managers, workers, clerks and other servants and labourers and to remunerate any such person at such rate as shall be thought



fit, to grant pensions or gratuities to any such person or his widow or children and generally to provide for the welfare of all employees.

41. To purchase or to take on lease or in exchange hire or otherwise acquire any running business or part thereof, movable or immovable properties and any rights or privileges or licenses or concessions which the company may think necessary or expedient for the purpose of its business on such terms as may be deemed useful.
42. To sell or sublet any concession or privilege obtained or contracts entered into and generally to sell the whole or any part of the property and business of the company for cash or for the shares for obligations of any person or persons for the purpose of business.
43. To improve, manage, cultivate, develop, exchange, let on lease, mortgage, sell, dispose of, turn to account, grant rights and privileges in respect of or otherwise deal with all or any part of the properties and rights of the company.
44. To enter into any arrangement with any authority including Sovereign Government (Municipal, Local or otherwise) that may seem conducive to the Company's objects or any of them and to obtain from any such authority rights licenses privileges and concession which the company may think desirable to obtain and to carry out, exercise and comply with any such arrangement rights, licenses, privileges and concessions.
45. To do all or any part of the above things in any part of the world either as principals, contractors, trustees or otherwise and either alone or in conjunction with others and by or through agents, contractors, trustees or otherwise.
46. To acquire any securities by subscription, purchase, exchange or otherwise and to make any loan to any other body corporate, give any guarantee, or provide security, corporate guarantee including guarantees to banks, financial institutions or any other third party in connection with obligations of any other body corporate and/or in connection with a loan made by any other person to, or to any other person by, any body corporate.
47. To enter into, purchase, sell, transact, swaps, forwards, futures, options, caps, floors, collars, contracts for differences, repos, lending transactions, trust instruments in any currency and / or any other derivative transactions of any nature (whether exchange-traded or over-the-counter) including relating to any asset, index, event, statistic, rate or benchmark of any nature (whether tangible or intangible) and also including (without limitation) derivatives relating to currencies, interest rates, stocks, bonds, other securities, credit events and commodities, to the extent permitted under the Applicable Laws from time to time.
48. To identify, acquire, develop, organize and obtain financial, technological and managerial support in connection with all or any of the main objects of the company specified above.
49. To establish, appoint and maintain any agencies, representatives or servants in India for the conduct of the business and/or any other purpose of the Company and to remunerate such agencies, representative and servants.
50. To enter into contracts of indemnity and guarantee in connection with the business of the Company.
51. To establish, appoint and maintain any agencies, representatives or servants in India for the conduct of the business and/or any other purpose of the Company and to remunerate such agencies, representative and servants.
52. To establish and maintain or procure, the establishment and maintenance of, any pension, superannuation funds or retirement benefit schemes (whether contributory or otherwise) for, benefit of, and to give or procure the giving of donation, gratuities, pensions, allowances, enrollments and any other relevant benefits to any persons who are, or were at any time, in the employment or services of the Company, or any company which is a subsidiary or a



holding company of the Company, or which is a subsidiary of any such holding company or is allied to or associated with the Company, or any such subsidiary or of any of the predecessors of the Company, or any such other company as aforesaid, or who may be or have been Directors or officers of the Company, or of any such other company as aforesaid, and the wives, widows, families and dependents of any such person, and to establish, subsidise and subscribe to any institutions, associations, societies, clubs, trusts or funds calculated to be for the benefit of, or to advance the interests and well being of the Company, or any other company as aforesaid, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object, and to do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid and without prejudice to the generality of the foregoing, to act either alone or jointly, as trustee or administrator for the furtherance of any of the aforesaid purposes.

53. To act as manufacturers, assemblers, fabricators, of high tension and low tension cables, ACSR, conductor porcelain insulations of all types and designs, voltage and capacities, transmission towers, high voltage electrical porcelain bushing and insulation material, electrical switchgear, both high and low tension for AC and DC current.
54. To carry on the business of electricians, electrical and manufacturers of all kinds of electrical machinery and electrical apparatus for any purpose whatsoever and to manufacture, sell, supply and deal in accumulators, lamps, meters, engines, dynamos, batteries, telephonic and telegraphic apparatus of any kind.
55. To manufacture, buy, sell exchange, alter, improve, manipulate prepare, for market import or export or otherwise deal in all kinds of insulated cables and wires, rubber insulated wires and cables, cub type-sheeted wires, PVC cables and flexible cords, cotton or silk braided, conduct wires and cables, low and high tension power cables, telegraph and telephone cables, low and high tension paper rubber or bitumen insulated lead covered power cables, telephone or telegraphic cables according to B.B.S. long distance cables, signalling cables, lead covered house installation, accessories of power cables, alpastable cables with seamless aluminium sheath covered with a second seamless skin thermoplastic material, overhead material, bare copper, bronze, aluminium wires and cables solid or standard for telephone, telegraph and signalling purpose, aluminium cable for overhead lines, bare copper and cadmium copper wire round or grooved for tramways trolley buses etc. (also suitable for crane operation), bare copper and aluminium bus bars, binders and rotor bars suitable for dynamo, transformer and switchgear wire manufacturers, copper and aluminium wires and tapes, lighting conductors, aerais of copper, aluminium varnish cambric insulated main, furnace, H.F., ship wiring, switch boards, bell wires, lead alloy and tinned copper, and all kinds of cables wire conductors and accessories.
56. To purchase, sell, import, export, manufacture, repair or otherwise deal in all types of extruders and other machinery used for the manufacture, repair or otherwise deal in all types of extruders and other machinery used for the manufacture of insulated cables, sheeted and unsheeted wirs, industrial cables.
57. To manufacture, produce, process or assemble and deal in all sorts of air and gas treatment plants and equipments, air-conditioning plants, refrigeration and equipments, industrial fans, steam heaters, air filters, air- curtains, spray painting, booths and complete system of all kinds and description relating to air technology.
58. To carry on business of imports, exports, buyers and sellers of all types of axial flow fans, centrifugal fans, mancooling fans, blowers, fabricated items, motor starters, mining equipments, port material, handling, equipment, process plants and washing plants.
59. To undertake the manufacture or production of calcined petroleum coal and calcined atheacite coal and sale thereof.
60. To search, win, work, raise, quarry, smelt, refine, dress, manufacture, manipulate, convert make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal,



metaliferrous ores and to manufacture, sell, buy import, export and otherwise deal in any of such articles and any commodities.

61. To produce steel bricks and bats from steel scrap and cast iron scrap.
62. To carry on the business of an investment company and to buy, underwrite, invest in, acquire, hold and deal in shares, stocks, debenture stock, bonds, obligations and securities issued or guaranteed by any company constituted for carrying on business in India or elsewhere, and debentures, debentures stock bonds, obligations and securities, issued or guaranteed by any government, state dominion, sovereign rules, commissioners, public body or authority, supreme, municipal, local or otherwise, firm or person whether in India or elsewhere.
63. To carry on the business of purchase and sale of petroleum and petroleum products, to act as dealers and distributors for petroleum companies, to run service stations for the repair and servicing of automobiles and to manufacture or deal in fuel oils, cutting oils and greases.
64. To carry on the business of manufacturers of and dealers in all types of rubber leather, celluloid, bakelite, plastic and all other chemicals, rubber and plastic goods, particularly industrial rollers, sheets and consumer goods such as tyres, tubes and other allied products, medical and goods and all other kinds of products.
65. To carry on trade or business or manufacturers of ferro manganese, colliery proprietors, coke manufacturers, miners, smelters engineers and tin plate makers in all their respective branches.
66. To carry on business of electrical engineers, electricians, contractors, manufacturers, constructors, suppliers of and dealers in electric and other appliances, electric motors, fans, lamps, furnaces, household appliances, batteries, cables, wire line, dry cells, accumulator, lamps and works to generate, accumulate, distribute and supply electricity for the purposes of light, head, motive power and for all other purpose for which electrical energy can be employed.
67. To carry on the business of manufacturers of or dealers in glass products including sheet and plates glass, opticals glass wool and laboratory ware.
68. To carry on the business of manufacturers of or dealers in industrial machinery of all types, including bearing, speed reduction units, pumps, machine tools and light engineering goods.
69. To carry on the business of manufacturers, stockists, importers and exporters of and dealers in engineering, drawing sets, builders, hardware steel rolls, measuring tapes, cutting tools and hand tools precision measuring tools, machinery, garage tools, hardware tools instruments, apparatus and other machinery, plant, equipment articles, appliances, their components, parts, accessories and allied things.
70. To carry on the business of manufacturers, dealers, stockists, exporters and importers of bolts, nuts, nails, rivets, hings, hooks and other hardware items of all types and description.
71. To carry on the business of manufacturers, dealers, stockists, exporters and importers of forging, casting, stampings of all metals, machinery parts, moulds press tools, jigs, fixtures, injection and compression moulding and steel products.
72. To carry on the profession of consultants on management, employment, engineering industrial and technical matters to industry and business and to act as employment agent.
73. To undertake or arrange for the writing and publications of books, magazine, journals or pamphlets on subjects relating to business of the Company.
74. To carry on the business of importers, exporters, dealers, stockists, suppliers and manufacturers of commercial, industrial and domestic plastic products of any nature, substance and form and any raw material including styrene, polystyrene vinyl, chloride,



polyvinyl, polyethylene, polypropylene, polyclfines, viny acetate and copolymers and other allied material, acrylics and polyesters, polycarbonates and polyethers and epoxy resin and compositions, silicon resins and compositions, P.P.U.F. and other thermoplastic moulding compositions includings prefabricated sections and shapes, cellulosic and other thermosetting and thermoplastic materials (of synthetic or nature origin), colouring materials, plastic and resinous materials and adhesive compositions.

75. To act as trustees, executors, administrators, attorneys nominees and agents and to undertake and to execute trusts of all kinds and (subjects to compliance with any statutory condition) to exercise all the powers of custodian, trustees, and trust corporations.
76. To procure or develop and supply patents, inventions, models, designs, scientific or industrial formulae or processes.
- IV. The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.
- V. The Authorised Share Capital of the Company is Rs. \_\_\_\_\_ consisting of \_\_\_\_\_ Equity Shares of Re. 1/- (Rupee One) each.

We the several persons, whose names and addresses are subscribed, are desirous of being formed into a Company. In pursuance of the Memorandum of Association, and we respectively agree to take the number of shares in the Company set opposite respective names.

Name, address, description and occupation of subscribers	No. of equity shares taken by each subscriber	Signature of subscriber	Signatures, address, descriptions and occupations of the witness
Mrs. Swarn Lata Sehgal W/o Sh. K.L. Sehgal B-300, New Friends Colony, New Delhi-110065 Business	100	Sd/- Swarn Lata Sehgal	I Witness the signatures of both the subscribers
Mr. Vivek Chaand Sehgal S/o Sh. K.L. Sehgal B-300, New Friends Colony, New Delhi- 110065 Business	100	Sd/- Vivek Chaand Sehgal	Sd/- (K Souri Rajan) S/o M.K. Krishnamachari Chartered Accountant Phone: 80963 240A, Pocket I Mayur Vihar Delhi- 110091.

Place: New Delhi  
Date: December 10, 1986

Alok  
Goel

Digitally signed  
by Alok Goel  
Date: 2020.07.02  
20:56:25 +05'30'



# S.R. BATLIBOI & Co. LLP

Chartered Accountants

2nd & 3rd Floor  
Golf View Corporate Tower - B  
Sector - 42, Sector Road  
Gurugram - 122 002, Haryana, India  
Tel: +91 124 681 6000

## Independent Auditor's Certificate to confirm that the Accounting Treatment is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013

To,  
The Board of Directors,  
Motherson Sumi Wiring India Limited  
Plot No.1, Sector 127, Noida, Greater Noida Expressway,  
Uttar Pradesh - 201301

We, the statutory auditors of Motherson Sumi Wiring India Limited (hereinafter referred to as "the Company" or "Resulting Company"), a wholly owned subsidiary of Motherson Sumi Systems Limited, have examined the proposed accounting treatment specified in Clause 15.2 of Section I of the Composite Scheme of Amalgamation and Arrangement amongst Motherson Sumi Systems Limited ("MSSL" or "Transferor Company" or "Amalgamated Company"), Samvardhana Motherson International Limited ("Amalgamating Company"), the Company (as incorporated on July 2, 2020 ("Resulting Company")), and their respective shareholders and creditors for demerger of Domestic Wiring Harness Undertaking of the MSSL to the Company; amalgamation of the Samvardhana Motherson International Limited into and with the MSSL by absorption, subsequent to the completion of the demerger referred above; (hereinafter referred to as the "Scheme"), which we have annexed with this certificate for identification purposes, in terms of the provisions of Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") with reference to its compliance with the applicable Accounting Standards notified under the Act and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

This certificate is required by the Company for submission to MSSL. In accordance with requirements of Regulation 11 of Securities and Exchange Board of India ("SEBI") Listing Obligations and Disclosure Requirements (hereinafter referred to as 'SEBI LODR regulations') and SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular"), MSSL is required to submit this certificate for onward submission to regulatory authorities including The National Stock Exchange of India Limited, BSE Limited, Securities and Exchange Board of India and the National Company Law Tribunal to confirm that the Accounting Treatment prescribed in the Scheme is in compliance with the applicable accounting standards prescribed under Section 133 of the Companies Act 2013 (the "Act") and other Generally Accepted Accounting Principles. This Certificate should not be used for any other purpose without our prior written consent.

This Certificate should be read with the Annexure 1 and scheme annexed herewith which forms an integral part of this certificate.

For S.R. BATLIBOI & CO. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

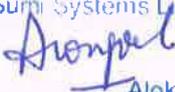
**PANKAJ  
CHADHA**

Digitally signed by PANKAJ CHADHA  
DN: cn=PANKAJ CHADHA, c=IN,  
o=Personal,  
email=pankaj.chadha@srbl.in  
Reason: I am approving the document  
Date: 2020.07.21 18:25:10 +05'30'

per Pankaj Chadha  
Partner  
Membership Number: 091813  
UDIN: 20091813AAAADN2307

Place: Gurugram  
Date: July 21, 2020

For Motherson Sumi Systems Limited

  
Alok Goel  
Company Secretary

# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

## **Annexure 1 to the Certificate**

**Certificate to confirm that the Accounting Treatment is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013**

To,  
The Board of Directors,  
Motherson Sumi Wiring India Limited  
Plot No.1, Sector 127, Noida, Greater Noida Expressway,  
Uttar Pradesh – 201301

1. This certificate is issued in accordance with the terms of our service letter dated July 21, 2020 and Engagement Agreement dated July 21, 2020, between S.R. Batliboi & Co LLP (“we” or “us” or “SRBC”) with Motherson Sumi Wiring India Limited (hereinafter the “Company”).
2. At the request of the Company, we have examined the proposed accounting treatment specified in Clause 15.2 of Section I of the Composite Scheme of Amalgamation and Arrangement amongst Motherson Sumi Systems Limited (“MSSL” or “Transferor Company” or “Amalgamated Company”), Samvardhana Motherson International Limited (“Amalgamating Company”), the Company (as incorporated on July 2, 2020 (“Resulting Company”)), and their respective shareholders and creditors for demerger of Domestic Wiring Harness Undertaking of the MSSL to the Company; amalgamation of the Samvardhana Motherson International Limited into and with the MSSL by absorption, subsequent to the completion of the demerger referred above; (hereinafter referred to as the “Scheme”), which we have annexed with this certificate for identification purposes, in terms of the provisions of Section 133 of the Companies Act, 2013 (hereinafter referred to as “the Act”) with reference to its compliance with the applicable Accounting Standards notified under the Act and Other Generally Accepted Accounting Principles.

This certificate is required by the Company for submission to MSSL. In accordance with requirements of Regulation 11 of Securities and Exchange Board of India (“SEBI”) Listing Obligations and Disclosure Requirements (hereinafter referred to as ‘SEBI LODR regulations’) and SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“SEBI Circular”), MSSL is required to submit this certificate for onward submission to regulatory authorities including The National Stock Exchange of India Limited, BSE Limited, Securities and Exchange Board of India and the National Company Law Tribunal to confirm that the Accounting Treatment prescribed in the Scheme is in compliance with the applicable accounting standards prescribed under Section 133 of the Companies Act 2013 (the “Act”) and other Generally Accepted Accounting Principles.

### **Management’s Responsibility**

3. The Board of Directors of the Company are responsible for the compliance with the Scheme and the relevant laws and regulations, including the applicable accounting standards read with the rules made thereunder. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Scheme.

### **Auditor’s Responsibility**

4. Our responsibility is to provide reasonable assurance whether the Accounting Treatment prescribed in the Scheme is in conformity with the applicable accounting standards prescribed under section 133 of the Act and other Generally Accepted Accounting Principles.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mention in paragraph 4 above. The procedures selected depend on the auditor’s judgement, including the assessment of the risks associated with the Reporting Criteria. Accordingly, we have performed the following procedures:



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

- a. Read the draft Scheme and the proposed accounting treatment as specified in Clause 15.2 of Section I, which is attached to this certificate for identification purposes.
  - b. Examined the Accounting Treatment prescribed in the Scheme and assessed whether the same is in compliance with the applicable accounting standard prescribed under Section 133 of the Act and other Generally Accepted Accounting Principles.
8. Further, our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.

### **Restriction on Use**

9. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose mentioned in paragraph 2 above for onward submission to MSSL for submission to regulatory authorities including The National Stock Exchange of India Limited, BSE Limited, Securities and Exchange Board of India and the National Company Law Tribunal, and should not be used for any other person or purpose or distributed to anyone or referred to in any document without our prior written consent. Our examination relates to the matters specified in this report and does not extend to the Company as a whole. We make no representations regarding compliance with company law or any other statutory requirements. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**PANKAJ  
CHADHA**

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**per Pankaj Chadha**

Partner

Membership Number: 091813

UDIN: 20091813AAAADN2307

Place: Gurugram

Date: July 21, 2020



**COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT**

**(UNDER SECTIONS 230 TO 232 AND OTHER RELEVANT PROVISIONS OF THE  
COMPANIES ACT, 2013)**

**AMONGST**

**MOTHERSON SUMI SYSTEMS LIMITED**

**MSSL / Transferor Company /  
Amalgamated Company**

**SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED**

**Amalgamating Company**

**MOTHERSON SUMI WIRING INDIA LIMITED**

**Resulting Company**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**SANJAY  
MEHTA**

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## INTRODUCTION

### 1. PREAMBLE

This composite scheme of arrangement is presented under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, including the rules and regulations issued thereunder, as may be applicable, read with Sections 2(19AA) or 2(1B) of the Income-tax Act, 1961, as may be applicable, for the:

- (a) demerger of the DWH Undertaking (as defined in Section 1 of the Scheme) of the Transferor Company (as defined in Section 1 of the Scheme) and vesting of the same with the Resulting Company (as defined in Section 1 of the Scheme); and
- (b) amalgamation of the Amalgamating Company (as defined hereinafter) into and with MSSL, by absorption, subsequent to the completion of the demerger referred to in (a) above.

In addition, this composite scheme of arrangement also provides for various other matters consequential or otherwise integrally connected herewith.

### 2. DESCRIPTION OF THE COMPANIES

#### 2.1 Transferor Company

Motherson Sumi Systems Limited ("MSSL" or "Transferor Company" or "Amalgamated Company") is a public limited company incorporated on December 19, 1986, under the Laws (as defined in Section 1 of this Scheme) of India, having its registered office at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Mumbai 400 051, Maharashtra. The CIN of MSSL is L34300MH1986PLC284510. The Equity Shares of MSSL are listed on BSE Limited and National Stock Exchange of India Limited. The non-convertible debentures ("NCDs") issued by MSSL are listed on BSE Limited. MSSL is engaged in the business of manufacturing of automotive components, *inter alia*, wiring harness, manufacturing of vision system, manufacturing of moulded and polymer products etc., directly and / or through subsidiaries.

#### 2.2 Resulting Company

Motherson Sumi Wiring India Limited ("Resulting Company") is a public limited company incorporated on July 2, 2020, under the Laws of India, having its registered office at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Mumbai 400 051, Maharashtra. The CIN of the Resulting Company is U29306MH2020PLC341326. The Resulting Company is a wholly owned subsidiary of MSSL.

#### 2.3 Amalgamating Company

Samvardhana Motherson International Limited ("Amalgamating Company"), is a public limited company incorporated on December 9, 2004, under the Laws of India, having its registered office at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Mumbai 400 051, Maharashtra. The NCDs issued by the Amalgamating Company are listed on BSE Limited. The CIN of the Amalgamating Company is U74900MH2004PLC287011. The Amalgamating Company is a non-deposit taking systemically important core investment company (CIC-ND-SI) registered with the Reserve Bank of India. The Amalgamating Company is engaged in the business of holding and nurturing its investments in various subsidiaries and joint-venture companies in India and across the world and also provides strategic, operational and management support to its group companies. The Amalgamating Company, directly or indirectly through its subsidiaries, is contemplating the commencement of new businesses, including civil aviation. Amalgamating Company is one of the promoters of MSSL and holds 33.43% of the share capital of MSSL, as on July 2, 2020.



### 3. RATIONALE FOR THE SCHEME

#### 3.1 Rationale for demerger of the DWH Undertaking

- 3.1.1. The Transferor Company is a multi-business corporate that is a specialised full-system solutions provider and caters to a diverse range of customers in the automotive and other industries across Asia, Europe, North America, South America, Australia and Africa. The Transferor Company is, directly and through its subsidiaries and joint venture companies, engaged in the business of manufacturing of automotive components, *inter alia*, wiring harness, manufacturing of vision system, manufacturing of moulded and polymer products etc. The Transferor Company has created value for its customers, its investors, its employees and other stakeholders through organic growth, by way of greenfield operations and inorganic growth, by way of continuing strategic acquisitions, and as a result has expanded its business operations in various countries across Asia, Europe, North America, South America, Australia and Africa.
- 3.1.2. The aforesaid businesses of the Transferor Company have been nurtured over a period of time and are currently at different stages of growth. The DWH Undertaking (as defined in Section I of the Scheme), being focused on the Domestic Wiring Harness Business, and the Remaining Business (as defined in Section I of the Scheme), each have distinct market dynamics, like competition, distinct geographic focus, distinct strategy and distinct capital requirements. As a result, there are differences in the way in which the activities of the Domestic Wiring Harness Business and the Remaining Business are required to be organised and managed. The segregation and transfer of the DWH Undertaking into the Resulting Company, as envisaged in the Scheme, will enable sharper focus towards Indian customers of the Domestic Wiring Harness Business, better alignment of the businesses to its customers and the respective businesses to improve competitiveness, operational efficiencies and strengthen its position in the relevant marketplace resulting in a more sustainable long term growth and competitive edge. The segregation and transfer of the DWH Undertaking into the Resulting Company will also align the interests of key stakeholders, which will benefit the strategic direction of the Resulting Company in the long term.
- 3.1.3. Separation of the Domestic Wiring Harness Business into the Resulting Company will result in the creation of two listed entities engaged in the auto-component business, enabling them to be used for future inorganic growth opportunities. The transfer and vesting of the DWH Undertaking into the Resulting Company, pursuant to the Scheme, will also enable the Resulting Company to have a strong presence among original equipment manufacturers - catering to passenger vehicle, commercial vehicle, 2-wheeler and off-highway vehicle segments.

#### 3.2 Rationale for amalgamation of Amalgamating Company with MSSL

- 3.2.1. The Amalgamating Company, through its subsidiaries and joint venture companies, is *inter alia* engaged in the business of product manufacturing of certain automotive components, including automotive rear-view mirrors, moulded plastic parts and assemblies, extruded and injection moulding tools and components, moulded and extruded rubber components, interior and exterior polymer modules, automotive modules, air intake manifolds, pedal box assemblies, heating ventilating and air conditioning (HVAC) systems for vehicles, cabins for off-highway vehicles, machined metal products, cutting tools, aluminium die casted products, sheet metal parts, sintered metal parts, thin film coating metals and IT services. The Amalgamating Company holds 33.43% of MSSL, the flagship company of the Motherson Group, as on July 2, 2020. The Motherson Group, through Amalgamating Company, has incubated several high growth businesses with market leadership positions, in addition to having partnered with global industry leaders.
- 3.2.2. Consolidation of the Amalgamating Company with MSSL, pursuant to the Scheme, will result in the simplification of the group structure and in the alignment of the interests of various stakeholders. Further, amalgamation of Amalgamating Company, along with its respective subsidiaries and joint venture companies with MSSL will expand MSSL's product portfolio



thereby leading to robust growth opportunities for the resultant MSSL, in India and overseas. It will also result in the resultant MSSL foraying into non-auto component business, which will help in diversifying the revenue streams for resultant MSSL. The amalgamation of the Amalgamating Company with MSSL would bring about synergy of operations and benefit of scale, since duplication of administrative efforts and legal and regulatory compliances will be unified.

3.2.3. The amalgamation of the Amalgamating Company with MSSL will also result in the consolidation of the entire shareholding of Samvardhana Motherson Automotive Systems Group B.V. ("**SMRP BV**"), a company engaged in the supply of rear-view vision systems and manufacturing of moulded and polymer products, currently jointly held by the Amalgamating Company and MSSL, with MSSL. Consequently, SMRP BV would become a wholly owned subsidiary of MSSL, leading to the consolidation of SMRP BV and its joint ventures and subsidiaries under the resultant MSSL, resulting in a larger market capitalisation of resultant MSSL.

3.3 Therefore, in view of the above, the implementation of this Scheme will result in the following benefits:

- (a) creation of separate and distinct entities housing the DWH Undertaking and the Remaining Business with well-defined strategic priorities;
- (b) dedicated and specialised management focus on the specific needs of the respective businesses;
- (c) expanding the business of MSSL from a diversified auto component product portfolio and foray into non-auto component business, thereby creating greater value for the shareholders / stakeholders of MSSL and will help and aid maintain supplier of choice status among original equipment manufacturers;
- (d) availability of increased resources, expertise and assets in the resultant MSSL, which can be utilized for strengthening the customer base and servicing existing as well as prospective customers;
- (e) cost reduction, retaining talent, optimization of support functions, efficiencies and productivity gains by pooling the resources of MSSL and Amalgamating Company, thereby significantly contributing to future growth and maximizing shareholders value and being favourably positioned for mega trends in the auto component sector;
- (f) benefit to all stakeholders of the Transferor Company, Resulting Company, and Amalgamating Company, leading to growth and value creation in the long run and maximising the value and returns to the shareholders, unlocking intrinsic value of the assets, achieving cost efficiencies and operational efficiencies;
- (g) consolidation of 100% of the shareholding in SMRP BV in MSSL along with consolidation of all joint ventures and subsidiaries of SMRP BV under MSSL;
- (h) consolidation of Amalgamating Company with MSSL resulting in consolidation of the group's shareholdings in various entities and simplification of the group structure resulting in higher stakeholder accountability; and
- (i) to ensure standalone focus on the Domestic Wiring Harness Business of the Transferor Company.

3.4. For the reasons above, the composite scheme of arrangement would be in the best interests of the shareholders, creditors, employees and other stakeholders of MSSL, Resulting Company and the Amalgamating Company. In view of the abovementioned reasons and in order to avoid multiplicity of schemes and the consequent increase in cost and effort that may have to be expended by the Companies (as defined in Section 1 of the Scheme), the NCLT



and the governmental authorities, it is considered desirable and expedient to implement the proposed composite scheme of arrangement.

#### 4. PARTS OF THE SCHEME

This Scheme (as defined in Section I of the Scheme) is divided into the following sections:

##### 4.1 SECTION I

#### DEMERGER OF THE DWH UNDERTAKING (AS DEFINED HEREINAFTER) AND VESTING OF THE SAME IN THE RESULTING COMPANY

**Part A** deals with the Definitions and Share Capital.

**Part B** deals with demerger of the DWH Undertaking (as defined in Section I of this Scheme) and vesting of the same in the Resulting Company, in accordance with Section 2(19AA) of the Income-tax Act, 1961 and Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as may be applicable.

**Part C** deals with various matters consequential or otherwise integrally connected with Section I of this Scheme, including the payment of consideration, cancellation of the paid-up share capital of the Resulting Company held by the Transferor Company, the accounting treatment in the books of the Transferor Company and the Resulting Company.

##### 4.2 SECTION II

#### AMALGAMATION, BY ABSORPTION, OF AMALGAMATING COMPANY WITH MSSL

**Part A** deals with the Definitions and Share Capital.

**Part B** deals with the amalgamation of the Amalgamating Company with MSSL, by absorption, in accordance with Section 2(1B) of the Income-tax Act, 1961 and Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as may be applicable.

**Part C** deals with various matters consequential or otherwise integrally connected with Section II of this Scheme including the payment of consideration, cancellation of the paid-up share capital of the Amalgamated Company held by the Amalgamating Company immediately prior to Effective Date 2 (as defined in Section II of this Scheme), the accounting treatment in the books of Amalgamated Company.

##### 4.3 SECTION III

#### GENERAL TERMS AND CONDITIONS

Section III deals with the general terms and conditions applicable to the Scheme.

##### 4.4 SCHEDULES TO THE SCHEME

**Schedule I** - Details of Manufacturing Units and Offices used for the DWH Undertaking as on July 2, 2020.

**Schedule II** - The revised Memorandum of Association to be adopted by the Amalgamated Company.



## SECTION I

### DEMERGER OF THE DWH UNDERTAKING AND VESTING OF THE SAME IN THE RESULTING COMPANY

#### PART A

#### 1. DEFINITIONS

- (a) **"Accounting Standards"** means the applicable accounting standards in force in India from time to time, consistently applied during the relevant period, including the generally accepted accounting principles and standards, Indian Accounting Standard (Ind AS), and all pronouncements including the guidance notes and other authoritative statements of the Institute of Chartered Accountants of India;
- (b) **"Applicable Laws"** or **"Laws"** means and includes all applicable statutes, enactments, acts of legislature or parliament, laws, regulations, ordinances, rules, by-laws, approvals from the concerned authority (including a governmental authority), government resolutions, directives, guidelines, policies, requirements, or other governmental restrictions or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any concerned authority having jurisdiction over the matter in question;
- (c) **"Appointed Date 1"** means April 1, 2021 or such subsequent date (if any) as may be decided by the Board of Directors of the Transferor Company and Resulting Company or such other date as the NCLT may direct;
- (d) **"Board of Directors"** or **"Board"**, in relation to any company, means the board of directors of such company and, unless contrary to the provisions of Applicable Laws, includes any committee of directors or any person authorised by the board of directors or by such committee of directors;
- (e) **"Companies"** means collectively, the Transferor Company, Resulting Company and Amalgamating Company;
- (f) **"Companies Act"** means the Companies Act, 2013, together with the rules and regulations, circulars, notifications and clarifications issued thereunder, and as amended from time to time;
- (g) **"Domestic Wiring Harness Undertaking"** or **"DWH Undertaking"** means and includes all the activities, businesses, operations and undertakings of, and relating to the DWH Business (as defined hereinafter), on a going concern basis, inclusive of but not limited to the following:
- (i) all the property of the DWH Business, in the manner more specifically provided under Section I of this Scheme, wherever situated, including all computers and accessories, software and related data, lease / leave and license rights with respect to use of offices, manufacturing units and other properties, including the premises listed under **Schedule I** of this Scheme, plant and machinery, capital work in progress, vehicles, furniture, fixtures, office equipment, electricals, appliances, accessories, pertaining to or relatable to the DWH Business, including all assets at the manufacturing units, offices, etc. situated at the premises listed under **Schedule I** of this Scheme;
- (ii) all rights and licenses, all assignments and grants thereof, all permits, clearances and registrations whether under central, state or other laws, rights (including rights/ obligations under agreement(s) entered into with various persons including independent consultants, subsidiaries / associate



companies and other shareholders of such subsidiary / associate / joint venture companies, contracts, applications, letters of intent, memorandum of understandings or any other contracts), non-disposal undertakings, certifications and approvals, regulatory approvals, entitlements, other licenses, consents, tenancies, investments and / or interest (whether vested, contingent or otherwise), taxes, share of advance tax, tax deducted at source and minimum alternate tax credits (including but not limited to credits in respect of sales tax, value added tax, service tax, goods and services tax (GST), and other indirect taxes), deferred tax benefits and other benefits in respect of the DWH Business, tax losses, if any, cash balances, bank accounts and bank balances, deposits, advances, recoverables, receivables, easements, advantages, financial assets, treasury investments, hire purchase and lease arrangements, funds belonging to or proposed to be utilised for the DWH Business, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the DWH Business;

- (iii) all books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the DWH Business;
- (iv) all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, leases / licenses, operation and maintenance contracts, memorandum of understanding, memorandum of agreements, memorandum of agreed points, letters of intent, hire and purchase agreements, tenancy rights, equipment purchase agreement and other agreement and / or arrangement, as amended and restated from time to time, whether executed with customers, suppliers, contractors, lessors, licensors, consultants, advisors or otherwise, which pertain to the DWH Business;
- (v) any and all earnest monies and / or security deposits, or other entitlements in connection with or relating to the DWH Business;
- (vi) all employees of the Transferor Company that are determined by the Board of the Transferor Company to be substantially engaged in, or in relation to, the DWH Business, on the date immediately preceding the Effective Date 1;
- (vii) all liabilities (including liabilities allocable as per this Scheme, if any) present and future, corporate guarantees issued and the contingent liabilities pertaining to or relatable to the DWH Business, namely:
  - (A) the debts of the Transferor Company which arises out of the activities or operations of the DWH Business,
  - (B) specific loans and borrowings raised, incurred and utilised by the Transferor Company for the activities or operations of or pertaining to the DWH Business,
  - (C) general or multipurpose borrowings, if any, of the Transferor Company will be apportioned basis the proportion of the value of the assets transferred in this demerger of DWH Business to the total value of the assets of the Transferor Company immediately before the said demerger.



- (viii) all legal or other proceedings of whatsoever nature, including tax proceedings, by or against the Transferor Company pending as on the Effective Date 1 and relating to the DWH Business.

Any issue as to whether any asset or liability and / or employee pertains to or is relatable to the DWH Undertaking or not shall be decided by the Board of Directors of the Transferor Company.

- (h) **"Domestic Wiring Harness Business"** or **"DWH Business"** means and includes all the activities, business, operations and undertakings of the Transferor Company in relation to designing, development, prototyping, validation, manufacturing, sale and supply of wiring harnesses within India;
- (i) **"Effective Date 1"** means the date on which the last of the conditions and matters referred to in Clause 3.1 of Section III of this Scheme have been fulfilled, obtained or waived, as applicable. Any references in Section I of this Scheme to "upon Section I of this Scheme becoming effective" or "effectiveness of Section I of this Scheme" shall refer to the Effective Date 1;
- (j) **"Equity Shares"**, in regard to a company, means the fully paid-up equity shares of such a company;
- (k) **"IT Act"** means the Income-tax Act, 1961;
- (l) **"NCLT"** means the National Company Law Tribunal, Mumbai bench;
- (m) **"Record Date 1"** means the date to be fixed by the Board of Directors of the Transferor Company, for the purpose of determining the shareholders of the Transferor Company to whom the new Equity Shares of the Resulting Company will be issued and allotted, pursuant to Section I of the Scheme;
- (n) **"Remaining Business"** means all the undertakings, businesses, activities, operations, assets and liabilities of the Transferor Company, other than those forming part of the DWH Undertaking;
- (o) **"RoC"** means the Registrar of Companies, Mumbai;
- (p) **"Resulting Company"** means Motherson Sumi Wiring India Limited;
- (q) **"Scheme"** means this composite scheme of arrangement among the Transferor Company, Resulting Company and the Amalgamating Company and their respective shareholders and creditors, in accordance with the provisions hereof and pursuant to the provisions of Sections 230-232 and other relevant provisions of the Companies Act;
- (r) **"SEBI"** means the Securities and Exchange Board of India;
- (s) **"SEBI Circular"** means SEBI Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017, issued by the SEBI regarding Schemes of Arrangement by Listed Entities and Relaxation under Sub-rule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957, as amended from time to time;
- (t) **"Stock Exchanges"** means collectively BSE Limited and the National Stock Exchange of India Limited; and
- (u) **"Tax", "Taxes" or "Taxation"** means all forms of taxation, duties, cess, levies, imposts and social security (or similar) charges of any kind whatsoever in any jurisdiction, including without limitation corporate income tax, any other form of withholding tax, provident fund, employee state insurance and gratuity contributions, service tax,



value added tax, customs and excise duties, capital tax and other legal transaction taxes, stamp duty, dividend distribution tax, securities transaction tax, real estate taxes, gross receipts taxes, windfall profit taxes, employment taxes, severance taxes, franchise taxes, transfer taxes, profit taxes, registration taxes, unclaimed property or escheatment taxes, alternative or add-on minimum taxes, estimated taxes, other municipal, provincial, state or local taxes and duties, environmental taxes and duties, goods and service taxes and any other type of taxes or duties in any relevant jurisdiction, whether disputed or not, together with any interest, penalties, surcharges or fines relating thereto, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction, and including any obligations to indemnify or otherwise assume or succeed to the tax liability of any other Person.

The expressions, which are used in this Section I of the Scheme and not defined in Section I shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Sections II of the Scheme, the Companies Act, the IT Act and other Applicable Laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

## 2. SHARE CAPITAL

2.1 The capital structure of the Transferor Company, as on July 2, 2020, is as under:

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
605,00,00,000 Equity Shares of Re. 1 each	605,00,00,000
2,50,00,000 preference shares of Rs. 10 each	25,00,00,000
<b>Total</b>	<b>630,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
315,79,34,237 Equity Shares of Re. 1 each	315,79,34,237
<b>Total</b>	<b>315,79,34,237</b>

2.2 The capital structure of the Resulting Company, as on July 2, 2020, is as under:

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
5,00,000 Equity Shares of Re. 1 each	5,00,000
<b>Total</b>	<b>5,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
5,00,000 Equity Shares of Re. 1 each	5,00,000
<b>Total</b>	<b>5,00,000</b>



## PART B

### 3. DEMERGER OF THE DWH UNDERTAKING AND VESTING OF THE SAME IN THE RESULTING COMPANY

3.1 Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the DWH Undertaking, together with all its properties, assets, investments, liabilities, rights, benefits, interests and obligations therein, shall demerge from the Transferor Company and be transferred to, and stand vested in, the Resulting Company, and shall become the property of and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party. Without prejudice to the generality of the above, in particular, the DWH Undertaking shall stand transferred and vested in the Resulting Company, in the manner described in sub-clause (a) – (m) below:

- (a) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all assets of the DWH Undertaking that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and / or by endorsement and delivery, or by vesting and recordal, including equipment, furniture and fixtures, shall stand vested in and be deemed to be vested in the Resulting Company, wherever located, and shall become the property and an integral part of the Resulting Company in terms of Section I of this Scheme. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- (b) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all assets of the DWH Undertaking that are movable properties, other than those described under sub-clause (a) above, including investments in shares and any other securities, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with governmental authorities, shall, without any further act or deed, become the property of the Resulting Company and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard.
- (c) The Transferor Company and the Resulting Company shall, as provided for under Clause 4 of Section I of the Scheme, enter into appropriate lease agreements / leave and license agreements, to allow the Resulting Company to continue using all immovable property used by the DWH Business immediately prior to Effective Date 1, (including as listed in Schedule I of this Scheme), and such lease / leave and license shall be effective upon Section I of the Scheme coming into effect, on the Effective Date 1. The freehold and / or leasehold rights, as the case may be, of the Transferor Company over such immovable properties leased and / or licensed and / or sub-leased to the Resulting Company, shall continue to remain with the Transferor Company.
- (d) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all debts, liabilities, contingent liabilities, present or future, duties and obligations, secured or unsecured, whether known or unknown, including contingent / potential tax liabilities of the DWH Undertaking shall, pursuant to the applicable provisions of the Companies Act and the provisions of Section I of this Scheme and, without any further act or deed, become the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and the Resulting Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts,



liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. The amounts of general or multipurpose borrowings, if any, of the Transferor Company will be apportioned basis the proportion of the value of the assets transferred in this demerger of DWH Undertaking to the total value of the assets of the Transferor Company immediately before the said demerger or in such other manner as may be determined by the Boards of the Transferor Company and Resulting Company.

- (e) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, leases and licenses of the Transferor Company in relation to the DWH Undertaking, including the shall be and remain in full force and effect on, against or in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligor thereto. Without prejudice to the generality of the foregoing, agreement executed with custodian, software contracts, derivative contracts, bonds, schemes, instruments, bank guarantees, performance guarantees and letters of credit, agreements with any governmental authority, hire purchase agreements, lending agreements, agreements with service providers or contractors for the supply of manpower or contract labour, and such other agreements, deeds, documents and arrangements pertaining to the DWH Undertaking or to the benefit of which the Transferor Company may be eligible in connection with the DWH Undertaking and which are subsisting or having effect immediately before the Effective Date 1, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date 1 and upon Section I of this Scheme becoming effective, in terms of Section I of this Scheme or by operation of law pursuant to the vesting orders of the NCLT, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Resulting Company. All contracts / agreements of the DWH Undertaking subsisting or having effect immediately before the Effective Date 1 shall stand vested in favour of the Resulting Company on the same terms and conditions. The Resulting Company and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder. Notwithstanding the generality of the foregoing, any technical services agreement executed by the Transferor Company with any technical partners, in relation to the DWH Undertaking, shall stand assigned to the Resulting Company on the same terms of conditions as the existing technical services agreement. The Resulting Company shall execute all necessary deeds / documents / agreements with the relevant technology partners to give effect to such assignment.
- (f) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all Taxes paid or payable by the Transferor Company, in respect of the operations and / or profits of the DWH Undertaking before the Appointed Date 1, shall be on account of the Transferor Company and, insofar as it relates to the Taxes, whether by way of deduction at source, advance tax or otherwise, by the Transferor Company in respect of profits from activates of the DWH Undertaking after the Appointed Date 1, the same shall be deemed to be the corresponding item paid by the Resulting Company, and shall, in all proceedings be dealt with accordingly;
- (g) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, any notices, disputes, pending suits / appeals, legal, Taxation, or any complaint or claim to any ombudsman, or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature relating to DWH Undertaking, whether by or against the Transferor Company, whether pending on the Appointed Date 1 or which may be instituted any time in the future shall not abate, be discontinued or in any way prejudicially affected by reason of demerger and vesting of the DWH Undertaking in the Resulting Company or anything contained in this Scheme, but the proceedings



shall continue and any prosecution shall be enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued, prosecuted and, or, enforced by or against the Transferor Company, as if this Scheme had not been implemented.

- (h) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all employees of the DWH Undertaking, as determined by the Board of the Transferor Company, shall be deemed to have become employees of the Resulting Company, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Transferor Company, on the Effective Date 1. The services of such employees with the Transferor Company up to the Effective Date 1 shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, severance pay, gratuity and other terminal benefits.
- (i) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the Resulting Company shall stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, or to such other relevant employee benefit funds maintained in accordance with the provisions of Applicable Laws. For the avoidance of doubt, it is clarified that upon Section I of this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the DWH Undertaking for such purpose shall be treated as having been continuous.
- (j) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, employment information, including personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to the employees of the DWH Undertaking and all forms, notifications, orders and contribution / identity cards issued by the concerned authorities relating to benefits shall be deemed to have been transferred to the Resulting Company, which shall continue to abide by any agreement(s) / settlement(s) entered into / by the Transferor Company with any of the employees of the DWH Undertaking prior to the Appointed Date 1 and from the Appointed Date 1 till Effective Date 1.
- (k) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all licenses of the DWH Undertaking shall be in full force and effect in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligee thereto. For the avoidance of doubt, it is clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution / endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the NCLT and upon the Scheme coming into effect on the Effective Date 1. For this purpose, the Resulting Company shall file appropriate applications / documents with relevant authorities concerned for information and record purposes.
- (l) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Transferor Company in regard to the DWH Undertaking shall be deemed to have been accrued to and, or, acquired for and on behalf of the Resulting Company and shall, upon Section I of this Scheme becoming effective, pursuant to the provisions of the Companies Act, without any further act or deed, be and stand transferred to or vested in or be deemed to have



been transferred to or vested in the Resulting Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Resulting Company.

- (m) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Company, insofar as the same pertains to the DWH Undertaking, shall be accepted by the relevant bankers and credited to the accounts of the Resulting Company.
- 3.2 Further, upon Section I of the Scheme coming into effect on the Effective Date 1, the Resulting Company shall, in the ordinary course of its business, enter into necessary deeds / documents / agreements with the legal owners of the trademark 'Motherson', in relation to the use of such the trademark by the Resulting Company, on such terms and conditions as may be mutually agreed between the Resulting Company and the legal owners of such trademark.
- 3.3 Notwithstanding anything to the contrary contained in Section I of the Scheme, it is clarified that all assets, liabilities, deposits and balances, investments, contracts, intellectual property rights, licenses, employees and books and records not specifically forming a part of the of the DWH Undertaking, as identified in Clause 3.1 above, shall not be transferred to the Resulting Company and shall continue to be a part of the Transferor Company.
- 3.4 Upon Section I of the Scheme coming into effect on the Effective Date 1, the secured creditors of the Transferor Company shall not be entitled to security over properties, assets, rights, benefits and interest of the DWH Undertaking, as existing immediately prior to the Effective Date 1.
- 3.5 Similarly, upon Section I of the Scheme coming into effect on the Effective Date 1, the secured creditors of the Resulting Company shall not be entitled to security over properties, assets, rights, benefits and interest over the Remaining Business, as existing immediately prior to the Effective Date 1. Notwithstanding the foregoing, it is clarified that, upon Section I of the Scheme coming into effect on the Effective Date 1, the secured creditors of the Resulting Company who have been granted security over the immovable property of the Transferor Company immediately prior to the Effective Date 1, shall continue to be entitled to security over such immovable properties of the Transferor Company, as existing immediately prior to the Effective Date 1, till such time that the Board of the Resulting Company and the secured creditors have mutually agreed to alternate security to be provided by the Resulting Company and have executed appropriate documents, as may be required, in respect of such alternate security. The consent of the shareholders of the Transferor Company and the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this, and no further resolution(s) under Section 185, 188 or other applicable provisions of the Companies Act, if any, would be required to be separately passed in this regard.
- 3.6 Notwithstanding anything contained under Clause 3.5 above, upon Section I of the Scheme coming into effect on the Effective Date 1 and subject to compliance with Section 185, Section 188 or other applicable provisions of the Companies Act and the provisions of Articles of Association of the Transferor Company, the Board of Directors of the Transferor Company may, based on mutual agreement and on such terms and conditions as the Board of Directors of the Transferor Company and the Resulting Company may mutually determine, permit creation of security by way of any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other agreement or arrangement, the effect of which is the creation of security over the assets of the Transferor Company, for borrowings to be availed by the Resulting Company, and may authorise the execution of appropriate arrangements between the Transferor Company, the Resulting Company and the lenders, as may be required, in respect of the same.
- 3.7 The Resulting Company shall, at any time after Section I of this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Transferor



Company, in relation to the DWH Undertaking, if so required under any Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the DWH Undertaking, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Resulting Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of the Transferor Company in relation to the DWH Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company *inter alia* in its capacity as the successor-in-interest of the Transferor Company in relation to the DWH Undertaking.

- 3.8 The Resulting Company shall, at any time after Section I of this Scheme becoming effective in accordance with the provisions hereof, if so required under any Law or otherwise, do all such acts or things as may be necessary to transfer / obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company in connection with the DWH Undertaking. For the avoidance of doubt, it is clarified that if the consent of any third party or governmental authority, if any, is required to give effect to the provisions of this Clause, the said third party or governmental authority shall make and duly record the necessary substitution / endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the NCLT, and upon Section I of this Scheme becoming effective. The Resulting Company shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and the Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company insofar as the same are in connection with the DWH Undertaking and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.
- 3.9 Upon Section I of the Scheme coming into effect on the Effective Date 1, all policies as may be required by Applicable Law to be adopted by the Resulting Company, and which may have already been adopted by the Transferor Company in accordance with Applicable Laws shall *mutatis mutandis* be deemed to have been adopted by the Resulting Company, without any further act or deed required by the Resulting Company.
- 3.10 Upon Section I of the Scheme coming into effect on the Effective Date 1 with effect from the Appointed Date 1, the Resulting Company shall be entitled to the benefit of the past experience and / or performance of the Transferor Company in relation to DWH Undertaking for all purposes without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement being required from any third party. If any instrument or deed or document is required or deemed necessary or expedient to give effect to the provisions of this Clause by the Resulting Company, the Transferor Company shall duly execute the same and duly record the necessary substitution / endorsement in the name of the Resulting Company pursuant to Section I of the Scheme becoming effective in accordance with the terms hereof. The Resulting Company shall, under the provisions of Section I of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on behalf of the Transferor Company.
4. **Arrangements between the Resulting Company and the Transferor Company, etc.**
- 4.1 As on date, the DWH Undertaking is being carried on as a part of the business of the Transferor Company and will be continued to be carried on by the Transferor Company during the pendency of the Scheme. The DWH Undertaking has various inter-dependencies with the Remaining Business of the Transferor Company and its subsidiaries and joint ventures and therefore, the Transferor Company, its subsidiaries and joint ventures propose to undertake various business relationships with the Resulting Company, on an arms' length basis, for which appropriate contracts will be entered into between the Transferor Company, its subsidiaries and joint ventures and the Resulting Company prior to the Effective Date 1. Some of the key business relationships proposed between the Transferor Company, its subsidiaries and joint ventures and the Resulting Company, which will continue beyond



Effective Date 1, pertain to, (a) purchase of components by the Resulting Company, such as wires, rubber parts, tools, jig, fixtures, and other components as required for the DWH Business and which are manufactured and / or procured by the Transferor Company / its subsidiaries and joint ventures; (b) various functional support services to be provided by the Transferor Company to the Resulting Company, such as, design and development services, finance, logistics, human resource, marketing, etc.; (c) management services to be provided by the Transferor Company to the Resulting Company; and (d) leasing and / or licensing and / or sub-leasing of various immovable property owned / leased by the Transferor Company on which the manufacturing units and other office premises of the DWH Undertaking are located to the Resulting Company.

- 4.2 Upon the demerger of the DWH Undertaking into Resulting Company becoming effective on Effective Date 1, the Transferor Company, its subsidiaries and joint ventures also propose to purchase wiring harness manufactured by the Resulting Company.
- 4.3 The Transferor Company also has certain existing agreements with certain group companies, which are important for the efficient functioning of the Transferor Company as on date. The arrangements will be continued with the Resulting Company as well and the Resulting Company will be required to enter into appropriate agreements with the Transferor Company and other related parties, for procuring various goods and services from such related parties.
- 4.4 The agreements executed prior to Effective Date 1 between (a) the Resulting Company and the Transferor Company; and (b) the Resulting Company and other group companies, shall be subject to the approval of the Board and shareholders of the Transferor Company and the Resulting Company (as applicable), which shall be obtained prior to Effective Date 1 and once executed and approved by the respective Board and shareholders of the Transferor Company and the Resulting Company (as applicable), such agreements shall be binding on the parties thereto.
- 4.5 Accordingly, the Board of the Resulting Company and the Transferor Company may, prior to the Effective Date 1, authorise the execution of necessary deeds / documents / agreements between the companies, as may be required, on such terms and conditions as may be mutually and, unless waived by the Board of the Transferor Company at its sole discretion, the effectiveness of Section I of this Scheme will be conditional upon all such arrangements as deemed necessary by the Resulting Company and the Transferor Company being put in place between the Resulting Company, on the one hand, and the Transferor Company and other group companies, on the other hand. All such arrangements shall be entered into on an arms' length basis.



## PART C

5. The Resulting Company shall have taken all necessary steps, including by way of passing all enabling corporate resolutions to increase or alter, to the extent required, its authorised share capital suitably so as to enable it to issue and allot the Equity Shares under this Section I of the Scheme.

6. **RECORD DATE 1**

Upon Section I of the Scheme coming into effect on the Effective Date 1 and upon the transfer of the DWH Undertaking and vesting of the same in the Resulting Company, the Board of the Transferor Company shall, after consulting with the Board of the Resulting Company, determine a Record Date 1, being a date subsequent to the filing of the order of the NCLT sanctioning the Scheme with the RoC, for issue and allotment of Equity Shares of the Resulting Company to the shareholders of the Transferor Company in terms of Clause 8 of Section I below. On determination of Record Date 1, the Transferor Company shall provide to the Resulting Company the list of its shareholders as on such Record Date 1, who are entitled to receive the Equity Shares in the Resulting Company in terms of Section I of this Scheme in order to enable the Resulting Company to issue and allot such Equity Shares to such shareholders of the Transferor Company.

7. **RECLASSIFICATION OF THE AUTHORISED SHARE CAPITAL OF THE TRANSFEROR COMPANY AND TRANSFER OF AUTHORISED SHARE CAPITAL OF THE TRANSFEROR COMPANY TO THE RESULTING COMPANY**

- 7.1. Upon Section I of the Scheme coming into effect on the Effective Date 1, 2,50,00,000 (Two Crore Fifty Lakhs) preference shares, of face value of Rs. 10 (Indian Rupees Ten) each, of the Transferor Company shall stand reclassified as 25,00,00,000 (Twenty Five Crore) Equity Shares of Re. 1 (Indian Rupee One) each. Accordingly, the authorised share capital of the Transferor Company shall stand reclassified to Rs. 650,00,00,000 (Indian Rupees Six Hundred and Fifty Crores), divided into 650,00,00,000 (Six Hundred and Fifty Crores) Equity Shares of Re. 1 (Indian Rupee One) each. The consent of the shareholders of the Transferor Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this reclassification of share capital as well, and no further resolution(s) under Sections 61 or 13 or other applicable provisions of the Companies Act, if any, would be required to be separately passed in this regard.

- 7.2. Upon Section I of the Scheme coming into effect on the Effective Date 1, and subsequent to the reclassification of the preference share capital of the Transferor Company into equity share capital, as per Clause 7.1 of Section I of this Scheme above, a portion of the authorized share capital of the Transferor Company, amounting to Rs. 300,00,00,000 (Indian Rupees Three Hundred Crores), comprising of 300,00,00,000 (Three Hundred Crore) Equity Shares of Re. 1 (Indian Rupee One) each, shall stand transferred and be deemed to be added to the authorized share capital of the Resulting Company as on Effective Date 1, without any requirement of any further act or deed on the part of the Transferor Company, including payment of stamp duty and fees payable to the RoC, and the memorandum of association and articles of association of the Resulting Company (relating to the authorized share capital) shall, without any requirement of a further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 4, Section 13, Section 61 and/or other applicable provisions of the Companies Act, if any, would be required to be separately passed, and for this purpose, the stamp duties and fees paid on the authorized share capital of the Transferor Company in the past shall be deemed to have been utilized and applied to the increased authorized share capital of the Resulting Company and there would be no requirement of any further payment of stamp duty and/or fee by the Resulting Company for increase in and utilization of the authorized share capital to that extent, provided that, if applicable, the Resulting Company shall pay the requisite fees on its authorised share capital enhanced by the demerger, in terms of Section 233(11) of the Companies Act.



## 8. ISSUANCE OF EQUITY SHARES

- 8.1. Upon the coming into effect of this Scheme and in consideration of the demerger of the DWH Undertaking into the Resulting Company pursuant to Section I of this Scheme, the Resulting Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of the Transferor Company as on the 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 Transferor Company ("**Demerger Share Entitlement Ratio**").
- 8.2. In the event of any restructuring of the equity share capital by the Transferor Company or the Resulting Company, including by way of share split / consolidation / issue of bonus shares or other similar action in relation to share capital of the Transferor Company or the Resulting Company, at any time before the Record Date 1, the Demerger Share Entitlement Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate action.

## 9. ISSUANCE MECHANICS AND OTHER RELEVANT PROVISIONS

- 9.1 Subject to Applicable Laws, the Equity Shares of the Resulting Company that are to be issued in terms of Clause 8 of Section I shall be issued in dematerialised form. The register of members maintained by the Resulting Company and, or, other relevant records, whether in physical or electronic form, maintained by the Resulting Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Resulting Company) be updated to reflect the issue of Equity Shares in terms of Clause 8 of Section I. The shareholders of the Transferor Company shall provide such confirmation, information and details as may be required by the Resulting Company to enable it to issue the aforementioned Equity Shares.
- 9.2 For the purpose of allotment of Equity Shares of the Resulting Company pursuant to Clause 8 of Section I of the Scheme, in case any member holds Equity Shares in the Transferor Company in physical form, the Resulting Company shall not issue its Equity Shares to such member but shall, subject to Applicable Laws, issue the corresponding Equity Shares in dematerialised form, to a demat account held by a trustee nominated by the Board of the Resulting Company or into a suspense account opened in the name of the Resulting Company with a depository or into an escrow account opened by the Resulting Company with a depository, as determined by the Board of the Resulting Company, where such Equity Shares shall be held on behalf of such member. The Equity Shares of the Resulting Company so held in a trustee's account or suspense account or escrow account, as the case may be, shall be transferred to the respective member once such member provides details of his / her / its demat account to the Resulting Company, along with such documents as maybe required. The respective member shall have all the rights of the shareholders of Resulting Company, including the right to receive dividend, voting rights and other corporate benefits, pending the transfer of Equity Shares from the trustee. All costs and expenses incurred in this respect shall be borne by Resulting Company.
- 9.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferor Company shall be empowered, in appropriate cases, prior to or even subsequent to the Record Date 1, to effectuate such a transfer in the Transferor Company as if such changes in registered holder were operative as on the Record Date 1, in order to remove any difficulties arising to the transferor / transferee of the Equity Shares in the Transferor Company and in relation to the Equity Shares issued by the Resulting Company upon the effectiveness of Section I of this Scheme. The Board of the Resulting Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Resulting Company on account of difficulties faced in the transition period.
- 9.4 The Equity Shares to be issued by the Resulting Company pursuant to Clause 8 of Section I above in respect of Equity Shares of the Transferor Company which are held in abeyance



under the provisions of Section 126 of the Companies Act (erstwhile Section 206A of the Companies Act, 1956) or are otherwise shall, pending allotment or settlement of the dispute by order of a court or otherwise, also be kept in abeyance by the Resulting Company. Further, for the avoidance of doubt, it is clarified that Equity Shares to be issued by the Resulting Company pursuant to Clause 8 of Section I above in respect of Equity Shares of the Transferor Company which are (a) held in the suspense account of the Transferor Company in accordance with the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, shall also be held in a suspense account opened by the Resulting Company, and (b) transferred by the Transferor Company in the name of Investor Education and Protection Fund in accordance with Section 126(6) of the Companies Act shall also be transferred by the Resulting Company to the Investor Education and Protection Fund, in accordance with Applicable Law.

- 9.5 The Equity Shares to be issued and allotted by the Resulting Company in terms of Clause 8 of Section I shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Resulting Company and shall rank *pari passu* in all respects with the existing Equity Shares of the Resulting Company.

**10. CANCELLATION OF EQUITY SHARES HELD BY THE TRANSFEROR COMPANY IN THE RESULTING COMPANY**

- 10.1 The Resulting Company is a wholly owned subsidiary of the Transferor Company. Accordingly, simultaneous with the issuance of the Equity Shares in accordance with Clause 8 of Section I of this Scheme, the existing issued and paid up Equity Share capital of the Resulting Company, as held by the Transferor Company and its nominees, shall, without any further application, act, instrument or deed, be automatically cancelled.
- 10.2 The cancellation of the Equity Share capital held by the Transferor Company and its nominees in Resulting Company, in accordance with Clause 10.1 of Section I of this Scheme, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Companies Act, and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Companies Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of Resulting Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Companies Act as well and no further compliances would be separately required.
- 10.3 The Resulting Company shall not be required to add the words "and reduced" as suffix to its name consequent upon the reduction of capital under Clause 10.1 of Section I of this Scheme above.
- 10.4 The reduction of capital of Resulting Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

**11. LISTING OF EQUITY SHARES ISSUED AS CONSIDERATION**

- 11.1 Subsequent to the effectiveness of Section I of the Scheme from Effective Date 1, the Equity Shares of the Resulting Company shall be listed and shall be admitted for trading on the Stock Exchanges by virtue of this Scheme and in accordance with the provisions of the SEBI Circular. Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of the aforesaid SEBI Circular and Applicable Laws and take all steps to get its Equity Shares listed on the Stock Exchanges.
- 11.2 The Equity Shares of Resulting Company issued and allotted pursuant to this Scheme shall remain frozen in the depositories system until listing and trading permission is granted by the relevant designated stock exchange for their listing and trading. Subsequent to the issuance of Equity Shares by Resulting Company in terms of Clause 8 of Section I of the Scheme, there shall be no change in the shareholding pattern or 'control' in the Resulting Company between Record Date 1 and the date of listing of such Equity Shares, which may affect the



status of the approval granted by the Stock Exchanges, and any other governmental authority in this regard. Further, during such period, the Resulting Company will not issue / reissue any Equity Shares which are not covered under the Scheme.

## 12. SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Resulting Company as envisaged in this Section I of the Scheme shall not affect any transaction or proceedings already concluded by the Transferor Company or the Resulting Company on or before Appointed Date 1 and after Appointed Date 1 till the Effective Date 1, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

## 13. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE 1

13.1 It is clarified that the Board of the Transferor Company shall have the absolute right to acquire any asset for, or sell, transfer, create, encumbrance or otherwise deal with any asset of, the DWH Undertaking or the Remaining Business and to raise debt for the DWH Undertaking and / or the Remaining Business, as per its business requirements and otherwise conduct its business in their sole discretion, up to Effective Date 1.

13.2 With effect from Appointed Date 1 and up to and including the Effective Date 1:

- (a) the business pertaining to the DWH Undertaking shall be deemed to have been carried on account of, and the properties and assets of DWH Undertaking shall be deemed to have been held for and in trust for, the Resulting Company; and
- (b) all profits or income arising or accruing to or received in regard to the DWH Undertaking and all taxes paid thereon (including advance tax, tax deducted at source, minimum alternate tax, securities transaction tax, taxes withheld / paid in a foreign country, value added tax, sales tax, service tax, goods and services tax (GST), etc.) or losses arising in or incurred in regard to the DWH Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Resulting Company.

## 14. TAXES

14.1 The provisions of Section I of this Scheme have been drawn up and intended to be in compliance with the conditions specified under the tax laws, specifically Section 2(19AA) of IT Act, and other relevant sections of IT Act. If any terms or provisions of Section I of this Scheme are found or interpreted to be inconsistent with the provisions of the aforesaid Sections of the IT Act at a later date (not being a date after the Effective Date 1), including resulting from an amendment of Law or for any other reason whatsoever, such provisions of the tax laws shall prevail and Section I of this Scheme shall, subject to the approval of the Board of the Transferor company and Resulting Company, stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect the other Sections of this Scheme.

14.2 With effect from the Appointed Date 1 and upon Section I of this Scheme becoming effective from Effective Date 1, all taxes and duties payable by the Transferor Company, accruing and relating to the operations of the DWH Undertaking from the Appointed Date 1 onwards, including all advance tax payments, tax deducted at source, any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds and claims, as the case may be, of the Resulting Company.

14.3 Upon Section I of this Scheme becoming effective from Effective Date 1, all un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including Minimum Alternate Tax (MAT) credit), central value added tax (CENVAT), customs, value added tax (VAT), sales tax, service tax, goods and services



tax (GST), etc. relating to the DWH Undertaking to which the Transferor Company is entitled shall be available to and vest in the Resulting Company, without any further act or deed.

- 14.4 All tax assessment proceedings / appeals, except for such assessment proceedings / appeals under the provisions of the IT Act, of whatsoever nature pertaining to the DWH Undertaking shall be continued and / or enforced as and from the Effective Date 1, by or against the Resulting Company. All assessment proceedings / appeals under the provisions of the IT Act, of whatsoever nature pertaining to the DWH Undertaking shall continue and / or, be enforced by or against, and shall continue to be enforced by or against, the Transferor Company. The aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of demerger of the DWH Undertaking into the Resulting Company assessment proceedings / appeals under the provisions of the IT Act, of whatsoever nature pertaining to the DWH Undertaking.
- 14.5 Upon Section I of this Scheme becoming effective from Effective Date 1, the accounts of both the Transferor Company and the Resulting Company as on Appointed Date 1 shall be reconstructed in accordance with the terms of Section I of this Scheme. Both the Transferor Company and the Resulting Company shall be entitled to revise their income tax returns, TDS returns, and other statutory returns as may be required under respective statutes pertaining to direct taxes or indirect taxes, such as sales-tax, value added tax, goods and services tax, excise duties, service tax, etc. and the Resulting Company shall also have the right to claim refunds, advance tax credits, minimum alternate tax (MAT) credit, credit of tax deducted at source, credit of foreign taxes paid / withheld, carry forward of tax losses, credits in respect of sales tax, value added tax, service tax, goods and services tax (GST), and other indirect taxes etc., if any, as may be required consequent to implementation of Part C and other relevant provisions of this Scheme, as result of demerger and vesting of the DWH Undertaking in the Resulting Company.

#### 15. ACCOUNTING TREATMENT

Upon Section I of this Scheme becoming effective from Effective Date 1, the Transferor Company and the Resulting Company shall account for the demerger of the DWH Undertaking in accordance with applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. Further, the date of such accounting treatment shall be in consonance with the applicable Ind AS.

##### 15.1 Accounting treatment in the books of the Transferor Company:

Upon Section I of the Scheme becoming effective on Effective Date 1:

- (a) The Transferor Company shall recognise a liability for transfer of DWH Undertaking, at the book value of its net assets, by adjusting the corresponding amount to the retained earnings. The book value of net assets shall be computed as the carrying value of assets less the carrying value of liabilities appearing in the books of the Transferor Company, pertaining to the DWH Undertaking transferred to and vested in the Resulting Company;
- (b) The Transferor Company shall de-recognize from its books, the book value of assets and liabilities of the DWH Undertaking transferred to the Resulting Company under this Scheme, including rights, interest and obligation of the Transferor Company in such assets and liabilities. The corresponding amount shall be adjusted against the liability recognised at (a) above; and
- (c) The Transferor Company's investment in the Resulting Company, cancelled pursuant to Clause 10 of Section II of this Scheme will be adjusted in the retained earnings.

##### 15.2 Accounting treatment in the books of the Resulting Company:



Upon Section I of the Scheme becoming effective on Effective Date 1, the Resulting Company shall account for the transfer and vesting of the DWH Undertaking in its books of account in the following manner:

- (a) All the assets and liabilities pertaining to the DWH Undertaking, appearing in the books of the Transferor Company, shall stand transferred to, and the same shall be recorded by, the Resulting Company at their respective carrying amount and in the same form and manner as appearing in the books of accounts of the Transferor Company;
- (b) The amount of inter-company balances, transactions or investments, if any, between the Transferor Company and the Resulting Company appearing in the books of accounts of the Transferor Company and the Resulting Company, shall stand cancelled without any further act or deed;
- (c) The Resulting Company shall credit to its share capital account, the aggregate face value of the Equity Shares of the Resulting Company, issued to the shareholders of the Transferor Company, in terms of Clause 8 of Section I of the Scheme;
- (d) The difference between the carrying amount of net assets transferred by the Transferor Company to the Resulting Company and the face value of the Equity Shares issued by the Resulting Company shall be credited / debited to the capital reserve, as applicable;
- (e) The Resulting Company shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resulting Company, whichever is later; and
- (f) The Resulting Company's capital, reduction pursuant to Clause 10 of Section II of this Scheme will be transferred to the capital reserve.

16. MISCELLANEOUS

- 16.1 Upon effectiveness of Section I of this Scheme from Effective Date 1, the provisions of Section I of this Scheme shall take effect in their entirety without the requirement of any further act, matter or deed or approvals from any person so as to give effect to Section I of this Scheme. Accordingly, upon effectiveness of Section I of this Scheme from Effective Date 1, all relevant records shall be updated / amended so as to give effect to Section I of this Scheme and to vest the DWH Undertaking together with all assets, liabilities, contracts, licences, intellectual property rights and employees of the DWH Undertaking in the Resulting Company, without any procedural requirements for such assets, liabilities, contracts, licences, intellectual property rights and employees to first be registered or recorded in the name of the Transferor Company in terms of Section I of this Scheme.



## SECTION II

### AMALGAMATION OF THE AMALGAMATING COMPANY INTO AND WITH MSSL

#### PART A

##### 1. DEFINITIONS

- (a) **"Amalgamated Company"** means MSSL, being the resultant company after the amalgamation of Amalgamating Company into and with MSSL, in terms of Section II of this Scheme, subsequent to completion of the demerger of the DWH Undertaking and vesting of the same in the Resulting Company, in terms of this Section I of the Scheme;
- (b) **"Amalgamating Company"** means Samvardhana Motherson International Limited;
- (c) **"Appointed Date 2"** means Effective Date 2;
- (d) **"Effective Date 2"** means the date one day after the date on which the last of the conditions and matters referred to in Clause 3.2 in Section III of this Scheme have been fulfilled, obtained or waived, as applicable, including Section I of the Scheme having become effective in accordance with its terms. Any references in Section II of this Scheme to "upon Section II of this Scheme becoming effective" or "effectiveness of Section II of this Scheme" shall refer to the Effective Date 2;
- (e) **"Record Date 2"** means the date to be fixed by the Board of Directors of the Amalgamated Company, in consultation with the Board of Directors of the Amalgamating Company, for the purpose of determining the shareholders of the Amalgamating Company to whom the Equity Shares of the Amalgamated Company will be issued and allotted pursuant to Section II of the Scheme, provided that Record Date 2 shall be a date which is at least 3 (three) working days after the date of issuance and allotment of Equity Shares by the Resulting Company, to the shareholders of the Transferor Company as on the Record Date 1, as per Section I of the Scheme; and
- (f) **"MSSL"** means Motherson Sumi Systems Limited.

The expressions, which are used in this Section II of the Scheme and not defined in Section II shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Sections I of the Scheme, the Companies Act, the IT Act and other Applicable Laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.



2. **SHARE CAPITAL**

2.1 The capital structure of the Amalgamating Company, as on July 2, 2020, is as under:

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
90,00,00,000 Equity Shares of Rs. 10 each	900,00,00,000
<b>Total</b>	<b>900,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
47,36,13,855 Equity Shares of Rs. 10 each	473,61,38,550
<b>Total</b>	<b>473,61,38,550</b>

2.2 The capital structure of MSSL, as on July 2, 2020, is as under:

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
6,050,000,000 Equity Shares of Re. 1 each	605,00,00,000
2,50,00,000 preference shares of Rs. 10 each	25,00,00,000
<b>Total</b>	<b>630,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
315,79,34,237 Equity Shares of Re. 1 each	315,79,34,237
<b>Total</b>	<b>315,79,34,237</b>



## PART B

### 3. AMALGAMATION OF THE AMALGAMATING COMPANY INTO AND WITH MSSL

- 3.1. Upon Section II of the Scheme coming into effect on Effective Date 2 and with effect from Appointed Date 2, the Amalgamating Company, together with all its properties, assets, investments, liabilities, rights, benefits, interests and obligations therein, shall stand transferred to and vested in MSSL (after completion of the demerger of the DWH Undertaking from the Transferor Company to the Resulting Company in accordance with Section I of this Scheme), as a going concern, and shall become the property of and an integral part of the Amalgamated Company, without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement of any third party. Without prejudice to the generality of the above
- 3.2. Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein:
- (a) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all assets of the Amalgamating Company that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and, or, by endorsement and delivery, or by vesting and recordal, including equipment, furniture and fixtures, shall stand vested in and be deemed to be vested in the Amalgamating Company, wherever located, and shall become the property and an integral part of the Amalgamated Company in terms of Section II of this Scheme. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
  - (b) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all assets of the Amalgamating Company that are movable properties other than those described under sub-clause (a) above, including investments in shares and any other securities, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with governmental authorities, shall, without any further act or deed, become the property of the Amalgamated Company and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard.
  - (c) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all assets of the Amalgamating Company that are owned / leased / licensed immovable properties, including any right or interest in the buildings and structures standing thereon and all lease / license or rent agreements, together with security deposits and advance / prepaid lease / license fee, rights and easements in relation to such properties shall stand transferred to and be vested in, or, be deemed to have been transferred to and vested in the Amalgamated Company, without any further act or deed, pursuant to the provisions of Section II of this Scheme. The Amalgamated Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease / license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee to the Amalgamated Company.
  - (d) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all debts, liabilities, contingent liabilities, present or



future, duties and obligations, secured or unsecured, whether known or unknown, including contingent / potential tax liabilities of the Amalgamating Company shall, pursuant to the applicable provisions of the Companies Act and the provisions of Section II of this Scheme and, without any further act or deed, become the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company, and the Amalgamated Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

- (e) Without prejudice to the foregoing provisions of this Clause (d) above, Upon Section II of the Scheme coming into effect on the Effective Date 2, all the NCDs (to the extent any such NCDs are outstanding as on Effective Date 2) shall, without any further act, instrument or deed, become the NCDs issued by the Amalgamated Company on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and / or be deemed to have been transferred to and vested in and shall be exercised by or against the Amalgamated Company as if it was the issuer of such NCDs, so transferred and vested. Subject to the requirements, if any, imposed or concessions, if any, by BSE Limited, and other terms and conditions agreed with BSE Limited, the NCDs which stand transferred to the Amalgamated Company pursuant to transfer of the NCDs, shall be listed and / or admitted to trading on the BSE Limited, where the NCDs are currently listed. Upon Section II of this Scheme coming into effect on Effective Date 2, the transfer of the NCDs to the Amalgamated Company shall be binding on holders of the NCDs, BSE Limited, banker(s), debenture trustee(s), depository/(ies), custodian(s) and registrar and transfer agents. The Amalgamated Company may execute such further documents and take such further actions as may be deemed necessary or appropriate to give effect to the provisions of this Scheme.
- (f) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, leases and licenses of the Amalgamating Company shall be and remain in full force and effect on, against or in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligor thereto. Without prejudice to the generality of the foregoing, agreements executed with custodian, software contracts, derivative contracts, bonds, schemes, instruments, bank guarantees, performance guarantees and letters of credit, agreements with any governmental authority, hire purchase agreements, lending agreements, agreements with service providers or contractors for the supply of manpower or contract labour, and such other agreements, deeds, documents and arrangements to which the Amalgamating Company is a party or to the benefit of which the Amalgamating Company may be eligible and which are subsisting or having effect immediately before Effective Date 2, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date 2 and upon Section II of this Scheme becoming effective, in terms of Section II of this Scheme or by operation of law pursuant to the orders of the NCLT, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Amalgamated Company. All contracts / agreements of the Amalgamating Company subsisting or having effect immediately before Effective Date 2 shall stand vested in favour of the Amalgamated Company on the same terms and conditions. The Amalgamated Company and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder.
- (g) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, any notices, disputes, pending suits / appeals,



legal, Taxation, or any complaint or claim to any ombudsman, or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature, whether by or against the Amalgamating Company, whether pending on the Appointed Date 2 or which may be instituted any time in the future shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of the Amalgamating Company or anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Amalgamated Company in the same manner and to the same extent as would or might have been continued, prosecuted and, or, enforced by or against the Amalgamating Company, as if this Scheme had not been implemented.

- (h) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all employees of the Amalgamating Company shall be deemed to have become employees of the Amalgamated Company, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Amalgamating Company, on Effective Date 2. The services of such employees with the Amalgamating Company up to the Effective Date 2 shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, severance pay, gratuity and other terminal benefits.
- (i) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, or to such other relevant employee benefit funds maintained in accordance with the provisions of Applicable Laws. For the avoidance of doubt, it is clarified that upon Section II of this Scheme becoming effective on the Effective Date 2, the aforesaid benefits or schemes shall continue to be provided to the transferred individuals and the services of all the transferred employees of the Amalgamating Company for such purpose shall be treated as having been continuous.
- (j) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, employment information, including personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to the employees of the Amalgamating Company and all forms, notifications, orders and contribution / identity cards issued by the concerned authorities relating to benefits shall be deemed to have been transferred to the Amalgamated Company, which shall continue to abide by any agreement(s) / settlement(s) entered into / by the Amalgamating Company with any of the transferred employees prior to Appointed Date 2.
- (k) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, trademarks held by the Amalgamating Company shall stand vested and transferred to the Amalgamated Company with effect from Effective Date 2.
- (l) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all licenses of the Amalgamating Company shall be in full force and effect in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto. For the avoidance of doubt, it is clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution / endorsement in the name of the Amalgamated Company pursuant to the sanction of



this Scheme by the NCLT and upon the Scheme coming into effect on the Effective Date 2. For this purpose, the Amalgamated Company shall file appropriate applications / documents with relevant authorities concerned for information and record purposes.

- (m) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, benefits of any and all corporate approvals as may have already been taken by the Amalgamating Company shall stand transferred to the Amalgamated Company and the said corporate approvals and compliances shall be deemed to have been taken / complied with by the Amalgamated Company.
- (n) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Amalgamating Company shall be deemed to have been accrued to and, or, acquired for and on behalf of the Amalgamated Company and shall, upon Section II of this Scheme becoming effective, pursuant to the provisions of the Companies Act, without any further act or deed, be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Amalgamated Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Amalgamated Company.
- (o) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Amalgamating Company shall be accepted by the relevant bankers and credited to the accounts of the Amalgamated Company.

3.3. Upon Section II of this Scheme becoming effective on the Effective Date 2 and the consequent amalgamation of Amalgamating Company into and with MSSL, the secured creditors of MSSL, if any, shall continue to be entitled to security only over such properties and assets forming part of Amalgamated Company, as existing immediately prior to the amalgamation of Amalgamating Company into and with MSSL but after the demerger of the DWH Undertaking into the Resulting Company under Section I of the Scheme, and the secured creditors of Amalgamating Company, if any, shall continue to be entitled to security only over such properties, assets, rights, benefits and interest of the Amalgamating Company as existing immediately prior to the amalgamation of Amalgamating Company into and with MSSL (other than to the extent of any property which ceases to exist as on Effective Date 2, as a result of Section II of this Scheme becoming effective on Effective Date 2). For the avoidance of doubt, it is clarified that all the assets of Amalgamating Company and MSSL which are not currently encumbered shall, subject to Applicable Laws, remain free and available for creation of any security thereon in future in relation to any existing indebtedness or new indebtedness that may be incurred by Amalgamated Company, at the discretion of the Board of the Amalgamated Company. For this purpose, no further consent from the existing creditors shall be required and sanction of this Scheme shall be considered as a specific consent of such secured creditors.

3.4. The Amalgamated Company shall, at any time after Section II of this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Amalgamating Company, if so required under any Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company *inter alia* in its capacity as the successor-in-interest of the Amalgamating Company.

3.5. The Amalgamated Company shall, at any time after Section II of this Scheme becoming effective on the Effective Date 2, if so required under any Law or otherwise, do all such acts or things as may be necessary to transfer / obtain the approvals, consents, exemptions,



registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by Amalgamating Company. For the avoidance of doubt, it is clarified that if the consent of any third party or governmental authority, if any, is required to give effect to the provisions of this Clause, the said third party or governmental authority shall make and duly record the necessary substitution / endorsement in the name of Amalgamated Company pursuant to the sanction of this Scheme by the NCLT, and upon Section II of this Scheme becoming effective on Effective Date 2. The Amalgamated Company shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Amalgamating Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

3.6. Upon Section II of the Scheme coming into effect on the Effective Date 2 with effect from the Appointed Date 2, the Amalgamated Company shall be entitled to the benefit of the past experience and / or performance of the Amalgamating Company for all purposes without any further act, instrument or deed required by the Amalgamated Company and without any approval or acknowledgement being required from any third party.

3.7. **Inter se Transactions**

With effect from the Effective Date 2, all *inter se* contracts solely between the Amalgamating Company and MSSSL shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in records of the Amalgamated Company.



## PART C

4. MSSL shall have taken all necessary steps, including by way of passing all enabling corporate resolutions to increase or alter, to the extent required, its authorised share capital suitably so as to enable it to issue and allot the Equity Shares under this Section II of the Scheme.

### 5. COMBINATION OF AUTHORISED SHARE CAPITAL

Upon Section II of this Scheme becoming effective on Effective Date 2, the authorized share capital of Amalgamating Company shall stand combined with and be deemed to be added to the authorized share capital of the Amalgamated Company without any requirement of any further act or deed on the part of the Amalgamated Company, including payment of stamp duty and fees payable to the RoC, and the memorandum of association and articles of association of the Amalgamated Company (relating to the authorized share capital) shall, without any requirement of a further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 4, Section 13, Section 61 and/or other applicable provisions of the Companies Act, if any, would be required to be separately passed, and for this purpose, the stamp duties and fees paid on the authorized share capital of the Amalgamating Company in the past shall be deemed to have been utilized and applied to the increased authorized share capital of the Amalgamated Company and there would be no requirement of any further payment of stamp duty and / or fee by the Amalgamated Company for increase in and utilization of the authorized share capital to that extent. Provided that, in relation to the foregoing, if applicable, the Amalgamated Company shall pay the requisite fees on its authorised share capital enhanced by the amalgamation after having made the applicable adjustments, as permitted in terms of Section 232(3)(i) read with Section 233(11) of the Companies Act.

### 6. RECORD DATE 2

The Board of MSSL shall, after consulting with the Board of Amalgamating Company, determine Record Date 2 (which shall be a date at least 3 (three) working days after the date on which Equity Shares are issued and allotted by the Resulting Company in terms of Section I of this Scheme) for issue and allotment of Equity Shares of the Amalgamated Company to the relevant shareholders of the Amalgamating Company in terms of Clause 7 of Section II of this Scheme. On determination of Record Date 2, Amalgamating Company shall provide to MSSL, the list of its shareholders as on such Record Date 2 who are entitled to receive the Equity Shares in the Amalgamated Company in terms of Section II of this Scheme in order to enable the Amalgamated Company to issue and allot such Equity Shares to such shareholders of the Amalgamating Company.

### 7. ISSUANCE OF EQUITY SHARES

- 7.1. Upon the coming into effect of this Scheme and in consideration of the amalgamation of the Amalgamating Company into and with MSSL, pursuant to Section II of this Scheme, the Amalgamated Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of the Amalgamating Company as on Record Date 2, 51 (Fifty One) Equity Share of Re. 1 (Indian Rupee One) each of the Amalgamated Company for every 10 (Ten) Equity Share of Rs. 10 each of the Amalgamating Company ("Merger Share Exchange Ratio").
- 7.2. In the event of any restructuring of the equity share capital by the Amalgamating Company or MSSL, including by way of share split / consolidation / issue of bonus shares or other similar action in relation to share capital of the Amalgamating Company or MSSL, at any time before the Record Date 2, the Merger Share Exchange Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate action.



**8. ISSUANCE MECHANICS AND OTHER RELEVANT PROVISIONS**

- 8.1 Subject to Applicable Laws, the Equity Shares of the Amalgamated Company that are to be issued in terms of Clause 7 of Section II of this Scheme shall be issued in dematerialised form. The register of members maintained by Amalgamated Company and, or, other relevant records, whether in physical or electronic form, maintained by the Amalgamated Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Resulting Company) be updated to reflect the issue of Equity Shares in terms of Clause 7 of Section II of this Scheme. The shareholders of the Amalgamating Company shall provide such confirmation, information and details as may be required by the Amalgamated Company to enable it to issue the aforementioned Equity Shares.
- 8.2 For the purpose of allotment of Equity Shares of the Amalgamated Company pursuant to Clause 7 of Section II of the Scheme, in case any member's holding in the Amalgamating Company (including the fractional entitlement arising out of the allotment contemplated in Section II of this Scheme, if any) is such that the member becomes entitled to a fraction of an Equity Share of the Amalgamated Company, the Amalgamated Company shall not issue fractional shares to such members but shall consolidate all such fractions and issue consolidated Equity Shares to trustee(s) nominated by the Board of the Amalgamated Company in that behalf provided that if the aggregate of all such fractions is also a fraction, then Amalgamated Company shall issue the next lower whole number of shares to such trustee(s). In each case, the trustee(s) shall sell such Equity Shares and distribute the net sale proceeds (after deduction of tax and other expenses incurred) to the members respectively entitled to the same, in proportion as nearly as the Board of the Amalgamated Company deems possible to their respective fractional entitlements in the Amalgamated Company in terms of the Merger Share Exchange Ratio.
- 8.3 For the purpose of allotment of Equity Shares of the Amalgamated Company pursuant to Clause 7 of Section II of the Scheme, in case any member holds Equity Shares in the Amalgamating Company in physical form, the Amalgamated Company shall not issue its Equity Shares to such member but shall subject to Applicable Laws, issue the corresponding Equity Shares in dematerialised form, to a demat account held by a trustee nominated by the Board of the Amalgamated Company or into a suspense account opened in the name of the Amalgamated Company with a depository or into an escrow account opened by the Amalgamated Company with a depository, as determined by the Board of the Amalgamated Company, where such Equity Shares shall be held on behalf of such member. The Equity Shares of the Amalgamated Company so held in a trustee's account or suspense account or escrow account, as the case may be, shall be transferred to the respective member once such member provides details of his / her / its demat account to the Amalgamated Company, along with such documents as maybe required. The respective member shall have all the rights of the shareholders of Amalgamated Company, including the right to receive dividend, voting rights and other corporate benefits, pending the transfer of Equity Shares from the trustee. All costs and expenses incurred in this respect shall be borne by Amalgamated Company.
- 8.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Amalgamating Company, the Board of the Amalgamating Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date 2, to effectuate such a transfer in the Amalgamating Company as if such changes in registered holder were operative as on the Record Date 2, in order to remove any difficulties arising to the transferor / transferee of the Equity Shares in the Amalgamating Company and in relation to the Equity Shares issued by the Amalgamated Company upon the effectiveness of Section II of this Scheme. The Board of the Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of Section II of this Scheme and registration of new members in the Amalgamated Company on account of difficulties faced in the transition period.
- 8.5 The Equity Shares to be issued by the Amalgamated Company pursuant to Clause 7 of



Section II of this Scheme above in respect of Equity Shares of the Amalgamating Company which are held in abeyance under the provisions of Section 126 of the Companies Act (erstwhile Section 206A of the Companies Act, 1956) or otherwise shall, pending allotment or settlement of the dispute by order of a court or otherwise, also be kept in abeyance by the Amalgamated Company.

- 8.6 The Equity Shares to be issued and allotted by the Amalgamated Company in terms of Clause 7 of Section II of this Scheme shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Amalgamated Company and shall rank *pari passu* in all respects with the existing Equity Shares of the Amalgamated Company.

**9. CANCELLATION OF EQUITY SHARES HELD BY AMALGAMATING COMPANY IN MSSL**

- 9.1 Simultaneous with the issuance of the Equity Shares, in accordance with Clause 7 of Section II of this Scheme, the existing issued and paid up equity share capital of MSSL, as held by Amalgamating Company, shall, without any further application, act, instrument or deed, be automatically cancelled.

- 9.2 The cancellation of the equity share capital held by the Amalgamating Company in MSSL, in accordance with Clause 9.1 of Section II of this Scheme, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Companies Act and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Companies Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of MSSL to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Companies Act as well and no further compliances would be separately required.

- 9.3 The Amalgamated Company shall not be required to add the words "and reduced" as suffix to its name consequent upon the reduction of capital under Clause 9.1 of Section II of this Scheme above.

- 9.4 The reduction of capital of the Amalgamated Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

**10. LISTING OF EQUITY SHARES ISSUED AS CONSIDERATION**

Subsequent to the effectiveness of Section II of the Scheme from Effective Date 2, the Equity Shares of the Amalgamated Company issued to the shareholders of the Amalgamating Company as on Record Date 2 shall be listed and shall be admitted for trading on the Stock Exchanges by virtue of this Scheme and in accordance with Applicable Laws. The Amalgamated Company shall make all requisite applications and shall otherwise comply with the provisions of Applicable Laws and take all steps to get it's the Equity Shares issued pursuant to Section II of this Scheme listed on the Stock Exchanges.

**11. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Amalgamated Company as envisaged in this Section II of the Scheme shall not affect any transaction or proceedings already concluded by the Amalgamating Company or MSSL on or before Appointed Date 2, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Company in respect thereto as done and executed on behalf of itself.

**12. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE 2**

It is clarified that the Boards of the Amalgamating Company and MSSL shall have the absolute right to acquire any asset for, or sell, transfer, create, encumbrance or otherwise deal with any asset or raise any debt required for the business and generally carry on the



business of Amalgamating Company and MSSL, respectively, in their sole discretion, up to Effective Date 2.

**13. AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE AMALGAMATED COMPANY**

13.1 Upon coming into effect of Section II of the Scheme from Effective Date 2, the Memorandum of Association of the Amalgamated Company, immediately prior to Effective Date 2, shall, without the requirement to do any further act or thing, stand amended and replaced with the Memorandum of Association as set out in Schedule II to this Scheme.

13.2 The abovementioned change, being an integral part of the Scheme, it is hereby provided that the said revision to the Memorandum of Association of the Amalgamated Company shall be effective by virtue of the fact that the shareholders of the Amalgamated Company, while approving the Scheme as a whole, have also resolved and accorded the relevant consent as required respectively under the applicable provisions of the Companies Act and shall not be required to pass any separate resolution(s).

**14. CHANGE OF NAME OF THE AMALGAMATED COMPANY**

14.1 Upon coming into effect of Section II of the Scheme from Effective Date 2, without any further act or deed, the Amalgamated Company shall be re-named as "Samvardhana Motherson International Limited" or such other name as may be decided by the Board of the Amalgamated Company and approved by the NCLT and the jurisdictional Registrar of Companies. Further, the name of "Motherson Sumi Systems Limited", wherever it occurs in its Memorandum and Articles of the Amalgamated Company, will be substituted by such name.

14.2 The approval and consent of the Scheme by the shareholders of MSSL and the Amalgamating Company shall be deemed to be the approval of the shareholders by way of special resolution for change of name of the Amalgamated Company, as contemplated herein, under Section 13 of the Companies Act. The sanction of this Scheme by the NCLT shall be deemed to be in compliance with Section 13 and other applicable provisions of the Companies Act.

**15. DISSOLUTION OF AMALGAMATING COMPANY**

Upon Section II of this Scheme becoming effective on the Effective Date 2, the Amalgamating Company shall stand dissolved without being wound-up, without any further act or deed, and the Board and any committee thereof of the Amalgamating Company shall without further act, instrument or deed be and stand discharged. The name of the Amalgamating Company shall be struck off from the records of the RoC and the Amalgamated Company shall make necessary filings in this regard.

**16. TAXES**

16.1 The provisions of Section II of this Scheme have been drawn up in compliance with the conditions specified under the tax laws, specifically Section 2(1B) of IT Act, and other relevant sections of IT Act. If any terms or provisions of Section II of this Scheme are found or interpreted to be inconsistent with the provisions of the aforesaid Section of the IT Act at a later date (not being a date after Effective Date 2), including resulting from an amendment of Law or for any other reason whatsoever, such provisions shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect the other parts of this Scheme.

16.2 All benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, wealth tax, service tax, excise duty, central value added tax, central sales tax, applicable state value added tax, goods and services tax (GST), customs duty drawback, etc.) to which Amalgamating Company is entitled



to in terms of Applicable Laws, shall be available to and vest in the Amalgamated Company, upon Section II of this Scheme coming into effect.

- 16.3 All tax assessment proceedings / appeals of whatsoever nature pertaining to the Amalgamating Company shall be continued and, or, enforced as and from the Effective Date 2, by or against Amalgamated Company. The aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of Amalgamating Company into and with Amalgamated Company.
- 16.4 Upon Section II of this Scheme becoming effective on the Effective Date 2, the accounts of the Amalgamated Company as on the Appointed Date 2 shall be reconstructed in accordance with the terms of Section II of this Scheme. The Amalgamated Company shall be entitled to revise its income tax returns, tax deducted at source (TDS) returns, and other statutory returns as may be required under respective statutes pertaining to indirect taxes, such as sales-tax, value added tax, excise duties, service tax, etc., and shall also have the right to claim refunds, advance tax credits, minimum alternate tax (MAT) credit, credit of tax deducted at source, credit of foreign taxes paid / withheld, etc., if any, as may be required consequent to implementation of Section II and other relevant provisions of this Scheme, as result of the amalgamation of Amalgamating Company into and with Amalgamated Company.
- 16.5 Any tax deducted at source by the Amalgamating Company / Amalgamated Company on payables to Amalgamated Company / the Amalgamating Company respectively which has been deemed not to be accrued, shall be deemed to be payment of tax accruing or arising to the Amalgamated Company and shall, in all proceedings, be dealt with accordingly.

#### 17. ACCOUNTING TREATMENT

- 17.1 Upon Section II of the Scheme becoming effective from the Effective Date 2, the Amalgamated Company shall account for the transfer and vesting of the assets and liabilities of the Amalgamating Company in its books of account as per the "Acquisition Method" prescribed under Indian Accounting Standard 103 (*Business Combination*) notified under Section 133 of the Companies Act read with relevant rules issued thereunder and other applicable Accounting Standards provided under the Companies Act, specifically:
- (a) All the assets, including intangible assets and shares of MSSSL held by the Amalgamating Company, and all liabilities, including contingent liabilities of the Amalgamating Company, shall stand transferred to, and the same shall be recorded by, the Amalgamated Company at their fair value, as per Ind AS 103 and / or other applicable Ind AS;
  - (b) The Amalgamated Company shall credit to its share capital account, the aggregate face value of the Equity Shares issued by it to the shareholders of the Amalgamating Company in terms of Clause 8 of Section II of the Scheme. The difference between the fair value and the face value of such Equity Shares issued will be credited to the securities premium account;
  - (c) The difference between the fair value of the Equity Shares issued and the fair value of the net assets acquired will be treated as goodwill or capital reserve as per Ind AS 103;
  - (d) The fair value of the Equity Shares of the Amalgamated Company recorded at (a) above shall stand cancelled against the share capital and the securities premium recorded at (b) above; and
  - (e) The Amalgamated Company shall ensure compliance with the requirements of the acquisition method under Ind AS 103 for all other aspects of accounting for the amalgamation.
- 17.2 The cancellation of the fair value of the Equity Shares of the Amalgamated Company against the share capital and the securities premium, as provided under Clause 17.1(b) of Section II



of this Scheme, above, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Companies Act and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Companies Act, or any other applicable provisions of the Companies Act, confirming the reduction. The consent of the shareholders of the Transferor Company to this Scheme shall be deemed to be sufficient for the purposes of effecting such cancellation as well, and no further resolution(s) under Sections 66 or other applicable provisions of the Companies Act, if any, would be required to be separately passed in this regard.

18. **MISCELLANEOUS**

Upon effectiveness of Section II of this Scheme, from Effective Date 2, the provisions of Section II of this Scheme shall take effect in their entirety without the requirement of any further act, matter or deed or approvals from any person so as to give effect to Section II of this Scheme. Accordingly, upon effectiveness of Section II of this Scheme from Effective Date 2, all relevant records shall be updated / amended, so as to give effect to Section II of this Scheme and to vest all the assets, liabilities, contracts, licences, intellectual property rights and employees of the Amalgamating Company into and with the Amalgamated Company, without any procedural requirements for such assets, liabilities, contracts, licences, intellectual property rights and employees to first be registered or recorded in the name of the Amalgamated Company in terms of Section II of this Scheme.



## SECTION III

### GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

#### 1. APPLICATION TO THE NCLT

- 1.1 Each of the Transferor Company, Resulting Company and Amalgamating Company shall, as may be required, dispatch, make and file all applications and petitions under Section 230 to 232 of the Companies Act before the NCLT, for sanction of the Scheme under the provisions of Applicable Laws.
- 1.2 The Transferor Company, Resulting Company and Amalgamating Company, as the case may be, shall be entitled, pending the sanction of the Scheme, to apply to appropriate governmental authorities, as required, under any Applicable Law for such consents and approvals which the Companies may require to own / transfer the assets and / or liabilities of the DWH Undertaking or to merge / carry on the business of the Amalgamating Company, as the case may be.

#### 2. SEQUENCE OF EVENTS

- 2.1 Upon the sanction of the Scheme by the NCLT and after the Scheme has become effective upon completion of the conditions listed in Clause 3 of this Section III, the following shall be deemed to have occurred and become effective and operative, only in the sequence and in the order mentioned hereunder, in the following sequence:
- (a) with effect from Appointed Date 1, demerger of the DWH Undertaking from the Transferor Company and the vesting of the same in the Resulting Company, in accordance with Section I of the Scheme;
  - (b) reclassification of the preference share capital of the Transferor Company into equity share capital, transfer of a portion of the authorised share capital of the Transferor Company to the Resulting Company and consequential increase in the authorised share capital of the Resulting Company, as provided in Section I of this Scheme;
  - (c) issue and allotment of Equity Shares of the Resulting Company to the shareholders of the Transferor Company as of Record Date 1, in accordance with Section I of this Scheme, along with simultaneous cancellation of the shareholding of the Transferor Company in the Resulting Company (either held directly or through its nominee shareholders) in its entirety, without any further act or deed;
  - (d) with effect from Appointed Date 2, amalgamation of the Amalgamating Company into and with the Amalgamated Company, by absorption, in accordance with Section II of the Scheme;
  - (e) transfer of the authorised share capital of the Amalgamating Company to the Amalgamated Company and consequential increase in the authorised share capital of the Amalgamated Company, as provided in Section II of this Scheme;
  - (f) cancellation of the shareholding of the Amalgamating Company in MSSL in its entirety, without any further act or deed;
  - (g) dissolution of the Amalgamating Company without winding-up; and
  - (h) issue and allotment of Equity Shares of the Amalgamated Company to the shareholders of the Amalgamating Company as of Record Date 2, in accordance with Section II of this Scheme.

#### 3. CONDITIONALITY OF THE SCHEME



3.1 The effectiveness of Section I of this Scheme is and shall be conditional upon and subject to the fulfilment (or waiver by the Transferor Company, to the extent permitted under Applicable Law) of the following conditions:

- (a) The requisite consents, no-objections and approvals being received from the Stock Exchanges to the Scheme in terms of the SEBI Circular;
- (b) The Scheme being approved by respective requisite majorities in numbers and value of such classes of members and creditors of the Transferor Company, the Resulting Company and / or Amalgamating Company, as may be directed by the NCLT. Notwithstanding the generality of the foregoing, it is clarified that the Scheme is conditional upon the Scheme being approved by the public shareholders of Transferor Company through e-voting in terms of Paragraph 9(a) of Part I of Annexure I of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and the Scheme shall be acted upon only if the votes cast by the public shareholders of Transferor Company in favour of the Scheme are more than the number of votes cast by the public shareholders against it;
- (c) The Stock Exchanges issuing their observation / no-objection letters and SEBI issuing its comments on the Scheme, as required under Applicable Laws;
- (d) The Scheme being sanctioned by the NCLT under Sections 230–232, read with other applicable provisions of the Companies Act;
- (e) Certified copies of the order of the NCLT sanctioning this Scheme being filed with the RoC, by each of the Transferor Company, Resulting Company and the Amalgamating Company;
- (f) Approval of the shareholders of the Transferor Company and the Resulting Company being obtained for entering into various agreements between Transferor Company and the Resulting Company, in furtherance of Clause 4 of Section I of the Scheme;
- (g) All statutory approvals required for the Scheme as per Applicable Law, including approval of the Competition Commission of India ("CCI"), if required, being received; and
- (h) Satisfaction (or waiver in writing) of such other conditions precedent as may be mutually agreed between Transferor Company, the Resulting Company and / or Amalgamating Company in writing.

3.2 The effectiveness of Section II of this Scheme is and shall be conditional upon and subject to:

- (a) Section I of the Scheme having become effective on Effective Date 1, as per the terms of Section I of the Scheme; and
- (b) the Resulting Company having completed the issue and allotment of Equity Shares to the shareholders of the Transferor Company as of Record Date 1, in accordance with Section I of this Scheme.

#### 4. REVOCATION, WITHDRAWAL OF THIS SCHEME

4.1 Subject to the order of the NCLT, the Board of the Transferor Company shall be entitled to revoke, cancel, withdraw and declare this Scheme of no effect at any stage if, (a) this Scheme is not being sanctioned by the NCLT or if any of the consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not obtained or for any other reason; (b) in case any condition or alteration imposed by the shareholders and / or creditors of the Companies, the NCLT or any other authority is not acceptable to the Board of the Transferor Company; or (c) the Board of the Transferor Company is of the view that the coming into effect of this Scheme, in terms of the provisions



of this Scheme, or filing of the drawn up order with any governmental authority could have adverse implication on all or any of the Companies. On revocation, withdrawal, or cancellation, this Scheme shall stand revoked, withdrawn, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* between the Companies or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the Applicable Law and in such case, the Transferor Company shall bear all costs relating to this Scheme unless otherwise mutually agreed.

**5. EFFECT OF NON-RECEIPT OF APPROVALS**

In case this Scheme is not sanctioned by the NCLT, or in the event this Scheme cannot be implemented due to any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in this Scheme not being obtained or complied with, unless waived by the Board of the Transferor Company (to the extent permitted under Applicable Laws), or for any other reason, then, this Scheme shall become null and void.

**6. COSTS, CHARGES AND EXPENSES**

All costs, charges, fees, taxes including duties, stamp duties, levies and all other expenses, if any, including as maybe directed by the NCLT in relation to and incidental to the approval of this Scheme by the NCLT shall be borne equally by MSSL and the Resulting Company. All other costs, charges, fees, taxes and expenses in relation to and incidental to implementing this Scheme and matters incidental thereto, shall be borne as mutually agreed among the Transferor Company, Resulting Company and the Amalgamating Company.

7. Based on mutual agreement between the Boards of the Transferor Company, Resulting Company and the Amalgamating Company, as the case may be, and subject to the provisions of Applicable Law, the Boards of the Companies may authorise the execution of appropriate arrangements between the Companies and the lenders, as may be required, in respect of any loans raised by the Transferor Company prior to Effective Date 1.

**8. DIVIDENDS**

8.1 The Transferor Company, Resulting Company and the Amalgamating Company shall be entitled to declare and make a distribution / pay dividends, whether interim or final, and / or issue bonus shares to their respective members / shareholders prior to the Effective Date 1, in accordance with Applicable Law. Any declaration of dividend or other distribution of capital or income by the Transferor Company, Resulting Company or the Amalgamating Company shall be consistent with the past practice of such company.

8.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions and shall not be deemed to confer any right on any shareholder of the Transferor Company, Resulting Company or the Amalgamating Company, as the case may be, to demand or claim or be entitled to any dividends which, subject to the provisions of the Companies Act, shall be entirely at the discretion of the Board of the Transferor Company, Resulting Company or the Amalgamating Company, as the case may be, and subject to approval, if required, of the shareholders of the relevant companies.

**9. COMPLIANCE WITH APPLICABLE LAWS**

The Transferor Company, Resulting Company and the Amalgamating Company undertake to comply with all Applicable Laws (including all applicable compliances required by SEBI and the Stock Exchanges) including making the requisite intimations and disclosures to any statutory or regulatory authority and obtaining the requisite consent, approval or permission of the central government, Reserve Bank of India (if required), SEBI, Stock Exchanges, Competition Commission of India (if required) or any other statutory or regulatory authority, which by-law may be required for the implementation of this Scheme or which by Law may be



required in relation to any matters connected with this Scheme.

**10. AMENDMENT**

The Transferor Company, Resulting Company and the Amalgamating Company, through mutual consent and acting through their respective Boards, may jointly and as mutually agreed in writing in their full and absolute discretion, assent to alteration(s) or modification(s) to this Scheme, which the NCLT may deem fit to approve or impose, and / or effect any other modification or amendment jointly and mutually agreed in writing, including without limitation, any modifications to the accounting treatment set out in the Scheme due to change in any regulatory or compliance requirements being made applicable to the Transferor Company, Resulting Company and the Amalgamating Company or to the matters set forth in this Scheme, and do all acts, deed and things as maybe necessary, desirable or expedient for the purpose of giving effect to this Scheme. Upon sanction of this Scheme by the NCLT, this Scheme shall not be amended without the approval of the NCLT.

**11. REMOVAL OF DIFFICULTIES**

11.1 The Transferor Company, Resulting Company and the Amalgamating Company may, through mutual consent and acting through their respective Board of Directors, agree to take steps, as may be necessary including but not limited to making any modification to the Scheme, desirable or proper, to resolve all doubts, difficulties or questions, whether by reason of any orders of the NCLT or of any directive or orders of any governmental authorities or otherwise arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith. After dissolution of the Amalgamating Company, the Amalgamated Company and the Resulting Company through their respective Board of Directors shall be authorised to take such steps, as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reasons of any order of the court(s) or of any directive or order of any other governmental authorities or otherwise, however, arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith.

11.2 MSSL is currently undertaking a scheme of merger under Sections 230-232 and other applicable provisions of the Companies Act with its wholly owned subsidiary, Motherson Polymers Compounding Solutions Limited ("**MPCSL Merger**"), pursuant to which Motherson Polymers Compounding Solutions Limited shall stand merged with MSSL, on the scheme becoming effective. The appointed date for the said scheme is April 1, 2018. The scheme was approved by the Board of MSSL on August 7, 2018 and is currently pending before the National Company Law Tribunal, Mumbai and Delhi Benches. The said MPCSL Merger will not have any impact on the equity capital structure of MSSL as no shares are proposed to be issued pursuant to the MPCSL Merger.

**12. MISCELLANEOUS**

The various Sections of this Scheme are inextricably inter-linked with each other and this Scheme constitutes an integral whole. This Scheme shall be given effect to only in its entirety and in the sequence and order mentioned in Clause 2 of Section III of this Scheme.



**SCHEDULE I***(Details of Manufacturing Units and Offices of the DWH Undertaking)*

Sl. No.	Unit	Address
1	SBU9 – Gurgaon	Plot No.21 & 22, Sector - 18, Industrial Estate, Gurugram, Haryana, Pin Code – 122050
2	SBU1A -Faridabad	Kila No. 12/2, Sarai Khwaja, Sector 36, Faridabad, Haryana, Pin Code – 121003
3	SBU16- Sector 84 DTA	A-3, Sector -84, Noida, Pin Code – 201305
4	Ecotech Greater Noida (New)	Plot No 5&6 Ecotech II Greater Noida
5	SBU 33 & 35 - Sector 85	B-3&4, Sector 85, Noida, Pin Code – 201301
6	SBU22-Pathredi	Plot No. SP1-890&895, Pathredi Industrial Area, Bhiwadi, Dist – Alwar Rajasthan, Pin Code 301707
7	SBU 30- Noida Sector A-15	A-15, Sector -6, Noida, Dist- Gautam Buddha Nagar, Pin Code: 201301
8	SBU-31- Sanand	AV-24, Sanand GIDC Phase -2, Sanand Industrial Estate, Sanand Ahmedabad, Pin Code – 82445
9	Pithampur II	Plot No. 3, Industrial Growth Centre Integrated Industrial Park Pithampur, Dist- Dhar (MP) Pin Code – 454774
10	SBU07-Bangalore Kumbalgodu	Plot No. 31B, Kiadb, Industrial Area Phase-I Kumbalgodu Bangalore
11	SBU24 -Bengaluru Bidadi	Plot No.11, Sector-1, Phase-II, Talekuppe, Bidadi Industrial Area Ramnagar Taluk & Dist. Pin Code – 562109
12	SBU17-Chennai Kuruvanmedu	Survey No 181-186, Village Kuruvemedu, Taluk Chengalpatta, District Kanchipuram Pin Code – 603204
13	SBU18-Chennai RNSP	RNS 10, Renault & Nissan Suppliers Park, SIPCOT Industrial Park, Oragadam Expansion Scheme, Chennai Pin Code – 602105
14	SBU-27- Walajabad	Survey No.348/1A/1B, 348/2-5 and 355/3 Tambaram-Walajabad High Road Nathanallur and Uthukadu Village Dist. Kanchipuram Pin Code – 631605



15	DMSIL-Pune Hinjewadi	S No.241/1/2, Village Hinjawadi, Taluka Mulshi, Pune, Pin Code -411057
16	SBU32- Pithampur	Plot No.8, Sector-5, Pithampur Distt Dhar, Madhya Pradesh Pin Code- 454774
17	SBU15-Pune Marunji	Plot No.73/2 & 76/2/1B Village Marunji, Taluka Mulshi Dist. Pune, Pin Code -411057
18	SBU2- Noida C-6	C-6&7, Sector-1, Noida Dist. Gautam Buddh Nagar Uttar Pradesh, Pin Code -201301
19	SBU 26- Noida Sector 64	A-8 & 9, Sector-64, Noida Dist. Gautam Buddh Nagar Uttar Pradesh, Pin Code -201301
20	T01-Nasik	D - 36, MIDC, Satpur Nashik, Maharashtra Pin Code – 422007
21	SBU20- Haldwani	A12, Mahaveer Audyogic Aasthan Village Patlipur, Haldwani, Dist. Nainital Uttaranchal Pin Code – 263139
22	SBU23- Lucknow	562A, Village Natkur, Pargana Bijnaur Road, Lucknow Uttar Pradesh Pin Code -226001
23	SBU05- C-14 Noida Sector-1	C-14A & B, 1A&1B, Sector-1 (Ground floor and basement) Noida (UP), Pin Code – 201301



## SCHEDULE II

(Memorandum of Association of the Amalgamated Company)

**MEMORANDUM OF ASSOCIATION**  
**OF**  
**MOTHERSON SUMI SYSTEMS LIMITED**  
**(LIMITED BY SHARES)**

- I. The name of the company is MOTHERSON SUMI SYSTEMS LIMITED.
- II. The Registered Office of the Company will be situated in the STATE OF MAHARASHTRA.
- III. The objects for which the Company is established are:
  - (A) **THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**
    1. To carry on the business of manufacturing, fabrication, assembling and dealing in Wiring Harness and other parts of all kinds and description, automotive and other parts, mining equipment, tool, springs, fittings, head lamps, sealed beam component parts, spare parts, accessories and fittings of all kinds for the said articles of P.V.C., Polypropylene, P.F. Resin or other man-made chemicals, electrical wires, switch controls and other engineering items for automobiles or any other application as required.
    2. To design, prototype manufacture, process, prepare, press, vulcanise, repair, retread, export, import, purchase, sell and to carry on business of moulding of plastic and / or any other polymer parts and assembly thereof, diecasting of components and the assembly thereof of automobiles or any other any application as required, metal sheet pressing for making clips, moulds and other parts for automobiles or any other application as required, P.V.C., polythene, P.F. resin parts, moulding and dealing in the same for different types of vehicles or for any other application and repair materials and other articles and appliances made with or from natural or synthetic rubber, its compounds, substitutes, Indian rubber or the same in combination with any metallic or non-metallic substances, vulcanised leather, rayon, hessian or plastic or products in which rubber, rayon Hessian or other plastic is used.
    3. To carry on the business of hirers, repairers, cleaners and storsers of motor cars, motor cycles, mopeds, scooters, motor boats, motor launches, motor buses, motor lorries, aeroplanes, seaplanes, gliders, tractors and other conveyances of all descriptions whether propelled or assisted by means of petrol, spirit, diesel, steam, gas, electricity, animal, atomic or other power and of engine chassis, bodies and other things used for or in connection with the above mentioned business.
    4. To engage in and conduct the business of scientific, technical and other research and development in any field, particularly in the field of developing / deploying advanced technologies, electronics, computer software, mechanics and electricals, systems integration, training systems, opto-electronics, communications, composites and mechanical engineering, to manufacture , test and experiment all kinds of equipment, to originate, develop and improve any discoveries, inventions, technology, processes and formulate, turn to account, particularly to integrate, manufacture, purchase or otherwise acquire, own, hold, operate, sell or otherwise transfer, lease, license the use of, distribute or otherwise dispose off.
    5. To carry on business of manufacturing, assembling, developing, and selling equipment, technology and property of every kind and description, including without limitation of the generality of foregoing, electronic, electrical and mechanical devices, apparatus, appliances, equipment and machines and parts thereof as also to create, reproduce, amplify, receive,



transmit and retain sound, signals, communications for use in a variety of end user segments, including the civil aerospace and aviation sector, customers, enterprises and the Government and also for all other processes, matters and things and to establish, provide, maintain and conduct or otherwise subsidize research and development, technical laboratories and experimental workshops for scientific and technical research and experiments, and to undertake and carry on with all scientific and technical researches, experiments and tests of all kinds.

6. To carry on the business of a holding company for establishing subsidiaries, making majority or minority investment, and / or to promoter technical collaborations in companies operating in any kind of activity and in specific by not limited to investment in entities engaged in the auto components or related sectors.
7. To provide management consultancy services related to supervisory, administrative, training, managerial, technical, consultancy, marketing, procurement, accounting, legal, communication, personnel to companies in which investment has been made by the Company and / or by any of its related / affiliate / associate companies.

**(B) MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) ARE:**

8. To carry on business as inventors, researchers and developers, to conduct, promoter and commission research and development in connection with the activities of the Company, to establish and maintain research and development stations, technology centers, computers complexes, laboratories, workshops, testing and proving grounds, and establishments and to exploit and turn to account, the results of any research and development carried out by or for it.
9. To generally to encourage, promote and reward, researches, investigations, experiments, tests, discoveries and invention of any kind that may be considered likely to assist any of the business which the Company is authorized to carry on.
10. To carry on or assist in carrying on in any place or places any other trade or business, which may seem to the Company as capable of being conveniently carried on with the business(es) of the Company, or render profitable any of the Company's properties or rights.
11. To form and incorporate or promoter any company or companies having amongst its or their objects, the acquisition, setting up, maintenance, establishment and promotion of business relevant to the business or the interest of the Company in India or elsewhere, either directly or indirectly, assisting the Company in the pursuance of its objects or in the supervision, control and management of its business or the development of its assets and properties, or otherwise prove advantageous to the Company and to pay, all or any of the costs and expenses incurred in connection with any such promotion or incorporation, and to remunerate any person of the Company in any manner it shall think fit for services rendered or to be rendered in obtaining, subscriptions of, or placing or assisting to place or to obtain subscriptions for, or for guaranteeing the subscriptions for or the placing of any shares in the capital of the Company or any bonds, debentures, obligations or securities of the Company may have interest in, or about the promotion or formation of any other company, in which the Company have an interest.
12. To purchase, hire or otherwise acquire factories and other premises or business in connection with the main business of the Company.
13. To deal in alloy steel forgings of every description used for the business of the Company.
14. To import, export, purchase, sell, manufacture or otherwise deal in Wiring Harness, electrical cables and mining machinery, plant and equipment, raw materials like alloy steel, ferrous and non-ferrous metals, industrial chemicals, rubber and machinery, plant and equipments including precision measuring and testing instruments and tools of every description used for the business of the Company.



15. To purchase, take on lease or in exchange, hire or otherwise acquire any movable or immovable property, rights or privileges which the company may think necessary or convenient for the purpose of its business and in particular any land, building, basements, machinery, plant and stock in trade and to construct, maintain and alter any buildings or work necessary or convenient for the purpose of the Company.
16. To invest in other than investments in Company's own shares and deal with the money of the Company not immediately required in such manner as may from time to time be determined.
17. To draw, make, endorse, discount, execute and issue promissory notes, bills of exchange, warrants, debentures and other negotiable or transferable instruments.
18. Subject to provision of Section 73 and 179 of the Companies Act, 2013 and the rule made thereunder and the directions of Reserve Bank of India to borrow or raise or secure the repayment of moneys in such manner as the Company shall think fit and in particular by the mortgage, legal or equitable or by the issue of debentures or debentures stock, perpetual or otherwise, charged upon all or any of the Company's property both present and future including its uncalled capital and to issue at par or at a premium or discount debentures or debentures stock, bonds or other obligations and to purchase, redeem, pay off or satisfy such securities.
19. Subject to Section 230 to 232 of the Companies Act, 2013 to amalgamate with any other company having objects altogether or in any part similar to those of this Company.
20. To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of the Company.
21. To establish branches in and out of India to appoint local committees, advisory boards and agents, managers, secretaries and other officers by any designation whatsoever and authorise them to transact the business of the Company and to discontinue transacting the same from time to time.
22. To adopt means of making known the business of the Company, as may seem expedient and in particular by advertising in the press, public, place and theatres, by radio, by television, by circulars, by purchase and exhibition of works of art or interest, by publication of books, pamphlets, bulletins, or periodicals, by organising or participating in exhibition and by granting prizes, rewards and donations or any manner considered suitable.
23. To erect, build and enlarge, alter maintain, work purchase, acquire, manage, take on lease, under license or concession or in exchange, deal with and dispose of solely or jointly with others, buildings, warehouses, sheds, work factories mills, workshops, sidings, roads and other premises and lands, necessary or expedient, for the purpose of the Company.
24. To apply for tender, purchase or otherwise, acquire contract, sub-contract, licenses and concessions for or in relation to the objects of business herein mentioned or any of them and to undertake, execute, carry out, dispose of or otherwise turn to account the same.
25. To sub-let all or any contracts obtained by the Company from time to time and upon such terms and conditions as may be thought expedient.
26. To purchase or by any other means, acquire and prolong and renew patents, patent rights, invention licenses, protection and concessions which may appear likely to be advantageous or useful to the Company for its business and to manufacture under grant licenses or privileges in respect of the same and to spend money in experimenting upon and testing any improving or seeking to improve any patents, inventions or rights which the company may acquire or propose to acquire for the business.



27. To establish and maintain agencies and branch officers and procure the company to be registered or recognised and to carry on business in any part of the world.
28. To distribute any of the property of the company among the members in Specie or in kind on its winding up.
29. To enter into arrangement for rendering and obtaining technical services and or in technical collaboration with individuals, firms or body corporate whether in or outside India.
30. To insure any of the properties, undertaking, contracts, guarantees or obligations of the Company of every nature and kind in any manner whatsoever.
31. To be interested in promoting and undertaking the formation and establishment of such institutions or companies (industrial, trading, manufacturing) which may seem to the Company capable of being conveniently carried on in connection with any of the business which the Company is authorised to do.
32. To obtain any order of Act of Legislature of Parliament for enabling the Company to obtain all power and authorities necessary or expedient to carry out or extend any of the objects of the Company or for any other purpose which may seem expedient and to make representations against any proceedings or applications which may seem calculated directly or indirectly prejudicial to the company's interest.
33. To pay out of the company's funds the cost and expenses incurred in connection with incorporation of the company and to remunerate any person or company for services rendered in the conduct of its business.
34. To create and issue equity, preference and guaranteed shares or stock and to redeem, cancel and accept and accept surrender or such shares or stocks.
35. To pay, to reserve or to distribute as dividend or bonus shares among the members or otherwise to apply as the company may think fit money belonging to the company including those received by way of premium or shares or debentures issued at a premium by the company, received in respect of dividends accrued on forfeited shares any money arising from reissue by the Company of forfeited shares and money arising from reissue by the Company of forfeited shares subject to the provisions of the Companies Act, 1956.
36. To open any kind of account in any bank and to make, draw, borrow, accept, endorse, issue and execute promissory notes, bills of exchange, bill hundies, cheques and other negotiable instruments in connection with the Company's business and to invest and deal with money not immediately in such manner as may from time to time be determined.
37. To make any loan to any person or company on any terms whatsoever in connection with the company's business.
38. To enter into partnership or any other individual arrangement for sharing profit, co-operation, joint venture, reciprocal concession, license or otherwise with any person, firm, private or public limited companies, association society or body corporate carrying on or engaged in any business or transaction which this company is authorised to carry on and to give special rights, licenses, and privileges in connection with the same and particularly the right to nominate one or more person whether they be shareholders or not, to be directors of the company.
39. Subject to the provisions of Section 182 of the Companies Act, 2013 to contribute to the funds of any association or to any individual, firm or body corporate which in the opinion of the Company is beneficial to the Company.
40. To engage, employ, suspend and dismiss agents, managers, workers, clerks and other servants and labourers and to remunerate any such person at such rate as shall be thought



fit, to grant pensions or gratuities to any such person or his widow or children and generally to provide for the welfare of all employees.

41. To purchase or to take on lease or in exchange hire or otherwise acquire any running business or part thereof, movable or immovable properties and any rights or privileges or licenses or concessions which the company may think necessary or expedient for the purpose of its business on such terms as may be deemed useful.
42. To sell or sublet any concession or privilege obtained or contracts entered into and generally to sell the whole or any part of the property and business of the company for cash or for the shares for obligations of any person or persons for the purpose of business.
43. To improve, manage, cultivate, develop, exchange, let on lease, mortgage, sell, dispose of, turn to account, grant rights and privileges in respect of or otherwise deal with all or any part of the properties and rights of the company.
44. To enter into any arrangement with any authority including Sovereign Government (Municipal, Local or otherwise) that may seem conducive to the Company's objects or any of them and to obtain from any such authority rights licenses privileges and concession which the company may think desirable to obtain and to carry out, exercise and comply with any such arrangement rights, licenses, privileges and concessions.
45. To do all or any part of the above things in any part of the world either as principals, contractors, trustees or otherwise and either alone or in conjunction with others and by or through agents, contractors, trustees or otherwise.
46. To acquire any securities by subscription, purchase, exchange or otherwise and to make any loan to any other body corporate, give any guarantee, or provide security, corporate guarantee including guarantees to banks, financial institutions or any other third party in connection with obligations of any other body corporate and / or in connection with a loan made by any other person to, or to any other person by, any body corporate.
47. To enter into, purchase, sell, transact, swaps, forwards, futures, options, caps, floors, collars, contracts for differences, repos, lending transactions, trust instruments in any currency and / or any other derivative transactions of any nature (whether exchange-traded or over-the-counter) including relating to any asset, index, event, statistic, rate or benchmark of any nature (whether tangible or intangible) and also including (without limitation) derivatives relating to currencies, interest rates, stocks, bonds, other securities, credit events and commodities, to the extent permitted under the Applicable Laws from time to time.
48. To identify, acquire, develop, organize and obtain financial, technological and managerial support in connection with all or any of the main objects of the company specified above.
49. To establish, appoint and maintain any agencies, representatives or servants in India for the conduct of the business and / or any other purpose of the Company and to remunerate such agencies, representative and servants.
50. To enter into contracts of indemnity and guarantee in connection with the business of the Company.
51. To establish, appoint and maintain any agencies, representatives or servants in India for the conduct of the business and / or any other purpose of the Company and to remunerate such agencies, representative and servants.
52. To establish and maintain or procure, the establishment and maintenance of, any pension, superannuation funds or retirement benefit schemes (whether contributory or otherwise) for, benefit of, and to give or procure the giving of donation, gratuities, pensions, allowances, enrollments and any other relevant benefits to any persons who are, or were at any time, in the employment or services of the Company, or any company which is a subsidiary or a holding company of the Company, or which is a subsidiary of any such holding company or is



allied to or associated with the Company, or any such subsidiary or of any of the predecessors of the Company, or any such other company as aforesaid, or who may be or have been Directors or officers of the Company, or of any such other company as aforesaid, and the wives, widows, families and dependents of any such person, and to establish, subsidies and subscribe to any institutions, associations, societies, clubs, trusts or funds calculated to be for the benefit of, or to advance the interests and well-being of the Company, or any other company as aforesaid, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object, and to do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid and without prejudice to the generality of the foregoing, to act either alone or jointly, as trustee or administrator for the furtherance of any of the aforesaid purposes.

53. To act as manufacturers, assemblers, fabricators, of high tension and low tension cables, ACSR, conductor porcelain insulations of all types and designs, voltage and capacities, transmission towers, high voltage electrical porcelain bushing and insulation material, electrical switchgear, both high and low tension for AC and DC current.
54. To carry on the business of electricians, electrical and manufacturers of all kinds of electrical machinery and electrical apparatus for any purpose whatsoever and to manufacture, sell, supply and deal in accumulators, lamps, meters, engines, dynamos, batteries, telephonic and telegraphic apparatus of any kind.
55. To manufacture, buy, sell exchange, alter, improve, manipulate prepare, for market import or export or otherwise deal in all kinds of insulated cables and wires, rubber insulated wires and cables, cub type-sheeted wires, PVC cables and flexible cords, cotton or silk braided, conduct wires and cables, low and high tension power cables, telegraph and telephone cables, low and high tension paper rubber or bitumen insulated lead covered power cables, telephone or telegraphic cables according to B.B.S. long distance cables, signalling cables, lead covered house installation, accessories of power cables, alpha stable cables with seamless aluminium sheath covered with a second seamless skin thermoplastic material, overhead material, bare copper, bronze, aluminium wires and cables solid or standard for telephone, telegraph and signalling purpose, aluminium cable for overhead lines, bare copper and cadmium copper wire round or grooved for tramways trolley buses etc. (also suitable for crane operation), bare copper and aluminium bus bars, binders and rotor bars suitable for dynamo, transformer and switchgear wire manufacturers, copper and aluminium wires and tapes, lighting conductors, aeriels of copper, aluminium varnish cambric insulated main, furnace, H.F., ship wiring, switch boards, bell wires, lead alloy and tinned copper, and all kinds of cables wire conductors and accessories.
56. To purchase, sell, import, export, manufacture, repair or otherwise deal in all types of extruders and other machinery used for the manufacture, repair or otherwise deal in all types of extruders and other machinery used for the manufacture of insulated cables, sheathed and unshathed wires, industrial cables.
57. To manufacture, produce, process or assemble and deal in all sorts of air and gas treatment plants and equipment, air-conditioning plants, refrigeration and equipment, industrial fans, steam heaters, air filters, air- curtains, spray painting, booths and complete system of all kinds and description relating to air technology.
58. To carry on business of imports, exports, buyers and sellers of all types of axial flow fans, centrifugal fans, mancooling fans, blowers, fabricated items, motor starters, mining equipment, port material, handling, equipment, process plants and washing plants.
59. To undertake the manufacture or production of calcined petroleum coal and calcined anthracite coal and sale thereof.
60. To search, win, work, raise, quarry, smelt, refine, dress, manufacture, manipulate, convert make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal, metalliferous ores and to manufacture, sell, buy import, export and otherwise deal in any of such articles and any commodities.



61. To produce steel bricks and bats from steel scrap and cast iron scrap.
62. To carry on the business of an investment company and to buy, underwrite, invest in, acquire, hold and deal in shares, stocks, debenture stock, bonds, obligations and securities issued or guaranteed by any company constituted for carrying on business in India or elsewhere, and debentures, debentures stock bonds, obligations and securities, issued or guaranteed by any government, state dominion, sovereign rules, commissioners, public body or authority, supreme, municipal, local or otherwise, firm or person whether in India or elsewhere.
63. To carry on the business of purchase and sale of petroleum and petroleum products, to act as dealers and distributors for petroleum companies, to run service stations for the repair and servicing of automobiles and to manufacture or deal in fuel oils, cutting oils and greases.
64. To carry on the business of manufacturers of and dealers in all types of rubber leather, celluloid, bakelite, plastic and all other chemicals, rubber and plastic goods, particularly industrial rollers, sheets and consumer goods such as tyres, tubes and other allied products, medical and goods and all other kinds of products.
65. To carry on trade or business or manufacturers of ferro manganese, colliery proprietors, coke manufacturers, miners, smelters engineers and tin plate makers in all their respective branches.
66. To carry on business of electrical engineers, electricians, contractors, manufacturers, constructors, suppliers of and dealers in electric and other appliances, electric motors, fans, lamps, furnaces, household appliances, batteries, cables, wire line, dry cells, accumulator, lamps and works to generate, accumulate, distribute and supply electricity for the purposes of light, heat, motive power and for all other purpose for which electrical energy can be employed.
67. To carry on the business of manufacturers of or dealers in glass products including sheet and plates glass, optical glass wool and laboratory ware.
68. To carry on the business of manufacturers of or dealers in industrial machinery of all types, including bearing, speed reduction units, pumps, machine tools and light engineering goods.
69. To carry on the business of manufacturers, stockists, importers and exporters of and dealers in engineering, drawing sets, builders, hardware steel rolls, measuring tapes, cutting tools and hand tools precision measuring tools, machinery, garage tools, hardware tools instruments, apparatus and other machinery, plant, equipment articles, appliances, their components, parts, accessories and allied things.
70. To carry on the business of manufacturers, dealers, stockists, exporters and importers of bolts, nuts, nails, rivets, hings, hooks and other hardware items of all types and description.
71. To carry on the business of manufacturers, dealers, stockists, exporters and importers of forging, casting, stampings of all metals, machinery parts, moulds press tools, jigs, fixtures, injection and compression moulding and steel products.
72. To carry on the profession of consultants on management, employment, engineering industrial and technical matters to industry and business and to act as employment agent.
73. To undertake or arrange for the writing and publications of books, magazine, journals or pamphlets on subjects relating to business of the Company.
74. To carry on the business of importers, exporters, dealers, stockists, suppliers and manufacturers of commercial, industrial and domestic plastic products of any nature, substance and form and any raw material including styrene, polystyrene vinyl, chloride, polyvinyl, polyethylene, polypropylene, polyclfines, viny acetate and copolymers and other allied material, acrylics and polyesters, polycarbonates and polyethers and epoxy resin and



compositions, silicon resins and compositions, P.P.U.F. and other thermoplastic moulding compositions including prefabricated sections and shapes, cellulosic and other thermosetting and thermoplastic materials (of synthetic or nature origin), colouring materials, plastic and resinous materials and adhesive compositions.

75. To act as trustees, executors, administrators, attorneys nominees and agents and to undertake and to execute trusts of all kinds and (subjects to compliance with any statutory condition) to exercise all the powers of custodian, trustees, and trust corporations.
76. To procure or develop and supply patents, inventions, models, designs, scientific or industrial formulae or processes.
- IV. The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.
- V. The Authorised Share Capital of the Company is Rs. 1230,00,00,000 (Indian Rupees One Thousand Two Hundred and Thirty Crores) consisting of 1230,00,00,000 (One Thousand Two Hundred and Thirty Crores) Equity Shares of Re. 1/- (Rupee One) each.

We the several persons, whose names and addresses are subscribed, are desirous of being formed into a Company. In pursuance of the Memorandum of Association, and we respectively agree to take the number of shares in the Company set opposite respective names.

Name, address, description and occupation of subscribers	No. of equity shares taken by each subscriber	Signature of subscriber	Signatures, address, descriptions and occupations of the witness
Mrs. Swarn Lata Sehgal W/o Sh. K.L. Sehgal B-300, New Friends Colony, New Delhi-110065 Business	100	Sd/- Swarn Lata Sehgal	I Witness the signatures of both the subscribers
Mr. Vivek Chaand Sehgal S/o Sh. K.L. Sehgal B-300, New Friends Colony, New Delhi- 110065 Business	100	Sd/- Vivek Chaand Sehgal	Sd/- (K Souri Rajan) S/o M.K. Krishnamachari Chartered Accountant Phone: 80963 240A, Pocket I Mayur Vihar Delhi- 110091.

Place: New Delhi  
Date: December 10, 1986

**SANJAY MEHTA** Digitally signed  
by SANJAY MEHTA  
Date:  
2020.07.21  
16:38:39 +05'30'



It is hereby certified that the draft scheme of amalgamation and arrangement involving Motherson Sumi Systems Limited ("the Transferor Company"), Samvardhana Motherson International Limited and Motherson Sumi Wiring India Limited does not, in any way, violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and this circular, including the following:

Sl.	Reference	Particulars	Whether Complied or not
1	Regulations 17 to 27 of LODR Regulations	Corporate governance requirements	Complied.
2	Regulation 11 of LODR Regulations	Compliance with securities laws	Complied.
Requirements of the SEBI Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017, as amended from time to time ("SEBI Circular"):			
(a)	Para (I)(A)(2)	Submission of documents to Stock Exchanges	Complied.  The documents have been submitted vide our application dated July 24, 2020 with BSE Limited and July 24, 2020 with National Stock Exchange of India Limited.
(b)	Para (I)(A)(3)	Conditions for schemes of arrangement involving unlisted entities	The Transferor Company will be complying with the conditions mentioned in points (a) and (b) of Para. I(A)(3) of the SEBI Circular.  The condition mentioned in point (c) of Para. I(A)(3) of the SEBI Circular is complied with as the Transferor Company is listed on stock exchanges having nation-wide terminals, i.e., BSE Limited and National Stock Exchange of India Limited.
(c)	Para (I)(A)(4) (a)	Submission of Valuation Report	Complied.  Enclosed as Annexure 3 to this application.

Head Office:  
Motherson Sumi Systems Limited  
C-14 A & B, Sector I, Noida - 201301  
Distt. Gautam Budh Nagar, U.P. India  
Tel: +91-120-6752100, 6752278  
Fax: +91-120-2521866, 2521966  
Website: www.motherson.com  
Email: investorrelations@motherson.com

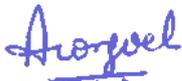
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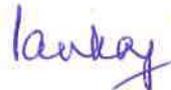
Regd Office:  
Motherson Sumi Systems Limited Unit -  
705, C Wing, ONE BKC, G Block Bandra  
Kurla Complex, Bandra East  
Mumbai - 400051, Maharashtra (India)  
Tel: 022-61354800, Fax: 022-61354801  
CIN No.: L34300MH1986PLC284510

(d)	Para (I)(A)(5)	Auditors certificate regarding compliance with Accounting Standards	Complied.  Enclosed as Annexure 10 to this application.
(e)	Para (I)(A)(9)	Provision of approval of public shareholders through e-voting	Complied.  The Scheme specifically provides that it is conditional upon the Scheme being approved by the public shareholders of the Transferor Company through e-voting in terms of Para 9(a) of Part I of Annexure I of the SEBI Circular and that the Scheme shall be acted upon only if the votes cast by the public shareholders of the Transferor Company in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

For Motherson Sumi Systems Limited



Alok Goel  
Company Secretary



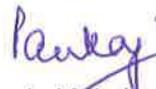
Pankaj Mital  
Whole time Director and COO

Certified that the transactions / accounting treatment provided in the draft scheme of amalgamation and arrangement involving Motherson Sumi Systems Limited ("the Transferor Company"), Samvardhana Motherson International Limited and Motherson Sumi Wiring India Limited are in compliance with all the Accounting Standards applicable to a listed entity.

For Motherson Sumi Systems Limited



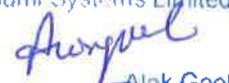
GN Gauba  
Chief Financial Officer



Pankaj Mital  
Whole time Director and COO

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For Motherson Sumi Systems Limited



Alok Goel  
Company Secretary

**Independent Auditor's Report on compliance with conditions of the Pricing Provisions specified in Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations")**

To  
The Board of Directors  
Motherson Sumi Systems Limited  
Plot No.1, Sector 127, Noida, Greater Noida Expressway,  
Uttar Pradesh - 201301

1. This Report is issued in accordance with the terms of our service scope letter dated July 01, 2020 read with Master Engagement Agreement dated June 02, 2020 with Motherson Sumi Systems Limited (hereinafter the "Company").
2. As per SEBI Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017, as amended ("SEBI Circular"), the issuance of shares under schemes in case of allotment of shares only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes shall follow the pricing provisions of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") and the relevant date for the purposes of computing the pricing shall be the date of the Board meeting at which the scheme is approved.
3. This Report is issued at the request of the Company pursuant to the requirements of the stock exchanges as provided in its list of "Documents required to be submitted for approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 (LODR regulations) for the scheme of amalgamation/arrangement (including reduction in capital, arrangement with creditors, etc.) proposed to be filed under Section 230-234 and Section 66 of the Companies Act, 2013".
4. We have been informed that the board of directors of the Company, at their meeting held on July 02, 2020 approved the Composite Scheme of Amalgamation and Arrangement proposed to be undertaken amongst the Motherson Sumi Systems Limited, Samvardhana Motherson International Limited, and a new Company under Incorporation ("Scheme").
5. As part of the Composite Scheme of Amalgamation and Arrangement, the following steps are proposed to be undertaken:
  - (a) Demerger of Domestic Wiring Harness undertaking of the Company (hereinafter termed DWH Undertaking) to the new Company under Incorporation;
  - (b) Amalgamation of the Samvardhana Motherson International Limited into and with the Company by absorption, subsequent to the completion of the demerger referred to in (a) above;

As the Scheme contemplates a merger of unlisted company (being Samvardhana Motherson International Limited) into a listed company (Motherson Sumi Systems Limited), the Company is required to obtain a Report from the Statutory Auditors with regard to compliance with the pricing provisions of ICDR Regulations and SEBI Circular, as referred above.

6. The accompanying statement contains details of compliance with the pricing provisions required to be met under the ICDR Regulations, by the Company, (the "Statement"), which we have annexed with this report for identification purposes.

**Managements' Responsibility for the Statement**

7. The preparation of the accompanying Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation



and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

8. The Management is also responsible for ensuring that the Company complies with the below requirements of the ICDR Regulations and the SEBI Circulars on "Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957" (as amended from time to time) ("SEBI Circular"):

- i. Determine the relevant date, being the date of Board meeting in which the restructuring scheme is approved.
- ii. Determination of the minimum price of equity shares, as per Regulation 164 of ICDR Regulations, of the Company being higher of:
  - (a) the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty-six weeks preceding the relevant date;
  - (b) the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date
- iii. Determination of adjustments required to be made, in accordance with Regulation 166 of the ICDR regulations, to the minimum price determined in paragraph (ii) above, more fully explained in the attached statement.
- iv. Determination of the minimum price for preferential issue after considering price determined in paragraph (ii) above and adjustment to the price determined in paragraph (iii) above, more fully explained in the attached statement.
- v. Compliance with the requirements of the ICDR Regulations and SEBI Circular, to the extent applicable.

**Auditor's Responsibility**

9. As per requirements of the stock exchanges as provided in its list of "Documents required to be submitted for approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 ( LODR regulations) for the scheme of amalgamation/arrangement ( including reduction in capital, arrangement with creditors, etc) proposed to be filed under Section 230-234 and Section 66 of the Companies Act, 2013", it is our responsibility to provide limited assurance as to whether the pricing provisions of the proposed preferential issue provided in the Statement are in accordance with the requirements of the ICDR Regulations applicable to preferential issue of equity shares and the SEBI Circular.
10. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Reports in Company Prospectuses (Revised 2019) both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
12. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria mentioned in paragraph 6 above. The procedures performed vary in nature, timing and extent from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

reasonable assurance engagement. Accordingly, we have performed the following procedures in relation to the Statement:

- a) Noted the relevant date, being the date of Board meeting in which the restructuring scheme is approved;
- b) Obtained annexed statement, prepared by the management to determine price adjustment, as explained in 8(ii) above, to be made to minimum price at 8(ii) above;
- c) Verified the calculation of the minimum price of the equity shares in accordance with pricing formula given in 8(ii) above;
- d) Obtained and read valuation reports of BSR & Associates LLP., Chartered Accountants obtained by the management for determination of fair value of the DWH undertaking as of the relevant date;
- e) Verified the arithmetical accuracy of the minimum price for preferential issue determined by the management at 8(iv) above.

## **Conclusion**

13. Based on our examination as above and the procedures performed by us as referred in Paragraph 12 above, and the information, explanations and management representations provided to us, nothing has come to our attention that causes us to believe that the details of the proposed preferential issue provided in the Statement are not in accordance with the pricing provisions of the ICDR Regulations and the SEBI Circular as applicable to the preferential issue of equity shares in the extant case.

## **Restriction on Use**

14. This Report is addressed to and provided to the Board of Directors of the Company solely for the purpose of further submission to the stock exchanges. The certificate should not be shared or used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**PANKAJ  
CHADHA**

Digitally signed by PANKAJ CHADHA  
DN: cn=PANKAJ CHADHA, c=IN,  
o=Personal,  
email=pankaj.chadha@sr.in  
Reason: I am approving the document  
Date: 2020.07.02 19:31:07 +05'30'

**per Pankaj Chadha**

Partner

Membership Number: 091813

UDIN: 20091813AAAACZ5700

Place: Gurugram

Date: July 02, 2020



**Statement of Compliance with the pricing provisions required to be met under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations")**

**A. Calculation of minimum issue price as prescribed under Chapter V of SEBI (ICDR) Regulations, 2018 of MotherSON Sumi Systems Limited ("MSSL")**

S. No.	Calculation of Price for Preferential Issue	Value (per share)/ Percentage
I	26 Weeks average of the weekly high and low of the volume weighted average price of Equity Shares on NSE [Refer table B below]	98.42
II	2 Weeks average of the weekly high and low of the volume weighted average price of Equity Shares on NSE [Refer table C below]	97.10
III	<b>Higher of (I) and (II) above (As per regulation 164 of ICDR)</b>	<b>98.42</b>
IV	Percentage value contributed by the Domestic Wiring Harness (DWH) business to the overall value of MSSL [as per the valuation report of BSR & Associates LLP., Chartered Accountants dated July 02, 2020, ratio of value of DWH business and value of MSSL (excluding DWH) is 17.7 : 82.3]	17.7%
V	Adjustment of share price of DWH as per regulation 166 of ICDR [III x IV]	(17.42)
VI	<b>Price for Preferential Issue [III + V]</b>	<b>81.00</b>

**B. Average of the weekly high and low of the Volume Weighted Average Price ("VWAP") of Equity Shares on NSE during 26 Weeks preceding the relevant date**

Week	From	To	VWAP - High	VWAP - Low	Average
Week 1	02.01.2020	08.01.2020	148.69	142.81	145.75
Week 2	09.01.2020	15.01.2020	148.24	139.41	143.83
Week 3	16.01.2020	22.01.2020	142.66	137.33	140.00
Week 4	23.01.2020	29.01.2020	145.37	139.75	142.56
Week 5	30.01.2020	05.02.2020	139.20	126.92	133.06
Week 6	06.02.2020	12.02.2020	137.52	125.42	131.47
Week 7	13.02.2020	19.02.2020	125.25	119.82	122.54
Week 8	20.02.2020	26.02.2020	123.42	112.61	118.02
Week 9	27.02.2020	04.03.2020	108.24	100.76	104.50
Week 10	05.03.2020	11.03.2020	100.26	90.33	95.30
Week 11	12.03.2020	18.03.2020	71.21	61.41	66.31
Week 12	19.03.2020	25.03.2020	66.03	56.06	61.05
Week 13	26.03.2020	01.04.2020	65.39	58.80	62.10
Week 14	02.04.2020	08.04.2020	57.08	55.80	56.44
Week 15	09.04.2020	15.04.2020	72.05	62.62	67.34
Week 16	16.04.2020	22.04.2020	86.07	73.20	79.64
Week 17	23.04.2020	29.04.2020	83.45	72.56	78.01
Week 18	30.04.2020	06.05.2020	88.81	75.16	81.99
Week 19	07.05.2020	13.05.2020	84.71	75.79	80.25
Week 20	14.05.2020	20.05.2020	81.79	78.98	80.39
Week 21	21.05.2020	27.05.2020	85.39	79.76	82.58
Week 22	28.05.2020	03.06.2020	103.08	92.42	97.75
Week 23	04.06.2020	10.06.2020	103.39	95.29	99.34
Week 24	11.06.2020	17.06.2020	96.77	92.12	94.45
Week 25	18.06.2020	24.06.2020	99.78	97.13	98.46
Week 26	25.06.2020	01.07.2020	97.04	94.43	95.74
<b>Average Price</b>					<b>98.42</b>

Head Office  
 MotherSON Sumi Systems Limited  
 C-14 A & B, Sector 1, Noida - 201301  
 Dist. Gautam Budh Nagar, U.P India  
 Tel: +91-120-6752100, 6752278  
 Fax: +91-120-2521866, 2521966  
 Website: www.motherSON.com  
 Email: [investorrelations@motherSON.com](mailto:investorrelations@motherSON.com)

Regd Office  
 MotherSON Sumi Systems Limited Unit - 705,  
 C Wing, ONE BKC, G Block Bandra Kurla  
 Complex, Bandra East  
 Mumbai - 400051, Maharashtra (India) Tel  
 022-61354800, Fax: 022-61354801 CIN No  
 L34300MH1986PLC284510

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C. Average of the weekly high and low of the Volume Weighted Average Price ("VWAP") of Equity Shares on NSE during 2 Weeks preceeding the relevant date

Week	From	To	VWAP - High	VWAP - Low	Average
Week 1	18.06.2020	24.06.2020	99.78	97.13	98.46
Week 2	25.06.2020	01.07.2020	97.04	94.43	95.74
<b>Average Price</b>					<b>97.10</b>

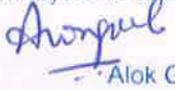
**For and on behalf of the Motherson Sumi Systems Limited**

Gaya Nand Gauba  
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Gaya Nand Gauba  
Date: 2020.07.02  
18:20:54 +05'30'

G. N. Gauba  
Chief Financial Officer

Date: July 02, 2020  
Place: Noida

For Motherson Sumi Systems Limited

  
Alok Goel  
Company Secretary

Brief particulars of the Resulting Company, the Transferor Company/Amalgamated Company and the Amalgamating Company:

Particulars	Resulting Company	Transferor Company/Amalgamated Company	Amalgamating Company
Name of the company	Motherson Sumi Wring India Limited	Motherson Sumi Systems Limited	Samvardhana Motherson International Limited
Date of Incorporation & details of name changes, if any	The Resulting Company was incorporated on July 2, 2020.	The Transferor Company was incorporated on December 19, 1986.  The Transferor Company was incorporated with the name of Motherson Sumi Systems Private Limited.  Thereafter the word 'Private' was deleted effective from April 28, 1987 and the name was changed to Motherson Sumi Systems Limited.	The Amalgamating Company was incorporated on December 9, 2004 under the name of "Samvardhana Motherson Finance Limited". Thereafter, the name of the company was changed from Samvardhana Motherson Finance Limited to Samvardhana Motherson International Limited on October 25, 2012.
Registered Office	Unit 705, C Wing, One BKC, G Block, Bandra Kuria Complex, Mumbai - 400051, Maharashtra.	Unit 705, C Wing, One BKC, G Block, Bandra Kuria Complex, Mumbai 400 051, Maharashtra.	Unit 705, C Wing, One BKC, G Block, Bandra Kuria Complex, Mumbai 400 051, Maharashtra.
Brief particulars of the scheme	<p>The composite scheme of arrangement is being undertaken between the Transferor, the Resulting Company and the Amalgamating Company, and their respective shareholders and creditors, under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, including the rules and regulations issued thereunder, as may be applicable, read with Sections 2(19AA) or 2(1B) of the Income-tax, 1961, as may be applicable, for the following:</p> <p>(a) demerger of the DWH Undertaking (as defined in the Section) of the Transferor Company and vesting of the same with the Resulting Company; and</p> <p>(b) amalgamation of the Amalgamating Company into and with the Transferor Company, by absorption, subsequent to the completion of the demerger referred to in (a) above.</p> <p>Salient features of the Scheme:</p> <p>(a) Upon the demerger becoming effective, all assets, liabilities, contracts, rights, obligations, employees, etc., pertaining to the DWH Undertaking (as defined in the Scheme) shall stand transferred to the Resulting Company, as a going concern, with effect from Appointed Date 1 (i.e., April 1, 2021).</p>		

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	<p>(b) Further, the Transferor Company and its subsidiaries and joint ventures will be entering into various agreements with the Resulting Company, prior to the demerger becoming effective, which will continue beyond the effectiveness of the Scheme, pertaining to, (i) purchase of components by the Resulting Company such as wires, rubber parts, tools, jig, fixtures, and other components as required for the DWH Business and which are manufactured and/or procured by the Transferor Company, (ii) various functional support services to be provided by the Transferor Company to the Resulting Company, such as, design and development services, finance, logistics, human resource, marketing, etc., (iii) management services to be provided by the Transferor Company to the Resulting Company, (iv) leasing and/or licensing and/or sub-leasing to the Resulting Company of various immovable property owned / leased by the Transferor Company on which the manufacturing units and other office premises of the DWH Undertaking are located; and (v) purchase wiring harness manufactured by the Resulting Company by the Transferor Company, its subsidiaries and joint ventures.</p> <p>(c) In consideration for the demerger, the shareholders of the Transferor Company, as of the record date, will be issued 1 Equity Share of INR 1 each of the Resulting Company, for every 1 Equity Share of INR 1 each of the Transferor Company. Further, the Equity Shares held by the Transferor Company in the Resulting Company shall stand cancelled.</p> <p>(d) The equity shares issued by the Resulting Company, pursuant to the Scheme, will be listed on BSE Limited and National Stock Exchange of India Limited.</p> <p>(e) Upon the amalgamation of the Amalgamating Company into the Transferor Company (after the demerger of the DWH Undertaking) becoming effective as per the Scheme, the Amalgamating Company together with all its properties, assets, investments, liabilities, rights, benefits, interests and obligations, shall stand transferred to and vested in the Transferor Company, as a going concern, with effect from the Appointed Date 2.</p> <p>(f) In consideration for the amalgamation, the shareholders of the Amalgamating Company, as of the record date, will be issued 51 Equity Share of INR 1 each of the Transferor Company, for every 10 Equity Share of INR 10 each of the Amalgamating Company. Further, the Equity Shares held by the Amalgamating Company in the Transferor Company shall stand cancelled.</p> <p>(g) Upon the amalgamation becoming effective, the Amalgamating Company shall stand dissolved without being wound-up, without any further act or deed and the name of the Amalgamating Company shall be struck off from the records of the Registrar of Companies ("RoC") and the Transferor Company shall make necessary filings in this regard.</p> <p>(h) Further, the Scheme provides for the Transferor Company to be renamed as 'Samvardhana Motherson International Limited' on the amalgamation becoming effective.</p> <p>(i) The effectiveness of the Scheme is conditional upon the fulfillment of the actions specified in the Scheme which include, (i) no-objections being received from the Stock Exchanges, in terms of the SEBI Circular, (ii) approval of the requisite majorities of the various classes of shareholders of the Transferor Company, the Amalgamating Company</p>
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	<p>and the Resulting Company. (iii) the Scheme being approved by the majority of the public shareholders of the Transferor Company as required by the SEBI Circular, i.e., if the votes cast by the public shareholders of the Transferor Company in favour of the Scheme are more than the number of votes cast by the public shareholders against it, (iv) the sanction of the Scheme by the National Company Law Tribunal ("NCLT"), (v) Certified copies of the order of the NCLT sanctioning the Scheme being filed with the RoC, by each of the Transferor Company, the Amalgamating Company and the Resulting Company; and (vi) obtaining such other approvals and sanctions as may be required by applicable law or contract, in respect of the Scheme.</p>			
<p><b>Rationale for the scheme</b></p>	<p>Demerger of DWH Undertaking into the Resulting Company will result in:</p> <ul style="list-style-type: none"> <li>(a) creation of separate and distinct entities housing the DWH Undertaking and the remaining businesses of the Transferor Company;</li> <li>(b) dedicated and specialised management focus on the specific needs of the respective businesses; and</li> <li>(c) ensuring standalone focus on the domestic wiring harness business of the Transferor Company.</li> </ul> <p>Amalgamation of the Amalgamating Company with the Transferor Company will result in:</p> <ul style="list-style-type: none"> <li>(a) consolidation of the Amalgamating Company with the Transferor Company, resulting in consolidation of the group's shareholdings in various entities and simplification of the group structure resulting in higher stakeholder accountability;</li> <li>(b) expanding the business of the Transferor Company from a diversified auto component product portfolio and foray into non-auto component business, thereby creating greater value for the shareholders/ stakeholders of the Transferor Company;</li> <li>(c) consolidation of 100% of the shareholding in Samvardhana Motherson Automotive Systems Group BV in the Transferor Company;</li> <li>(d) availability of increased resources, expertise and assets in the resultant company, which can be utilized for strengthening the customer base and servicing existing as well as prospective customers; and</li> <li>(e) cost reduction, retaining talent, optimization of support functions, efficiencies and productivity gains by pooling the resources of the Transferor Company and the Amalgamating Company, thereby significantly contributing to future growth and maximizing shareholders value.</li> </ul>			
<p><b>Date of resolution passed by the Board of Director of the company</b></p>	<table border="0" style="width: 100%;"> <tr> <td style="width: 33%; text-align: center;">July 17, 2020</td> <td style="width: 33%; text-align: center;">July 2, 2020</td> <td style="width: 33%; text-align: center;">July 2, 2020</td> </tr> </table>	July 17, 2020	July 2, 2020	July 2, 2020
July 17, 2020	July 2, 2020	July 2, 2020		

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approving the scheme			
Date of meeting of the Audit Committee in which the draft scheme has been approved	Not applicable	July 2, 2020	July 2, 2020
Appointed Date	April 1, 2021	Appointed date for the demerger of the DWH Undertaking from the Transferor Company into the Resulting Company is April 1, 2021. Appointed date for the amalgamation of the Amalgamating Company into the Transferor Company is the effective date of the amalgamation, as per the Scheme.	Appointed date for the amalgamation of the Amalgamating Company into the Transferor Company is the effective date of the amalgamation, as per the Scheme.
Name of Exchanges where securities of the company are listed	Not applicable	Equity shares of the Transferor Company are listed on BSE Limited and National Stock Exchange of India Limited. The non-convertible debentures issued by the Transferor Company are listed on BSE Limited.	The non-convertible debentures issued by the Amalgamating Company are listed on BSE Limited.
Nature of Business	Since the Resulting Company has been recently incorporated, on July 2, 2020, it has no business as on the date of the application. On the demerger of the Domestic Wiring Harness Undertaking of the Transferor Company, pursuant to the Scheme, becoming effective, the Resulting Company will be engaged in the Domestic Wiring Harness Business (as defined in the Scheme).	The Transferor Company is engaged in the business of manufacturing of automotive components, <i>inter-alia</i> , wiring harness, manufacturing of vision system, manufacturing of moulded and polymer products etc., directly and/or through subsidiaries.	The Amalgamating Company is engaged in the business of holding and nurturing its investments in various subsidiaries and joint-venture companies in India and across the world and also provides strategic, operational and management support to its group companies. It is registered as CIC-ND- SI with Department of Non Banking Supervision, Reserve Bank of India, Mumbai.



<p>Capital before the scheme (No. of equity shares as well as capital in rupees) (Based on share capital as on July 2, 2020)</p>	<p>The authorised share capital of the Resulting Company is INR 5,00,000 divided into 5,00,000 Equity Shares of INR 1 each.</p> <p>The issued, subscribed and paid-up share capital of the Resulting Company is INR 5,00,000 divided into 5,00,000 Equity Shares of INR 1 each.</p>	<p>The authorised share capital of the Transferor Company is INR 630,00,00,000 divided into 605,00,00,000 Equity Shares of INR 1 each and 2,50,00,000 preference shares of INR 10 each.</p> <p>The issued, subscribed and paid-up share capital of the Transferor Company is INR 315,79,34,237 divided into 315,79,34,237 Equity Shares of INR 1 each.</p>	<p>The authorised share capital of the Amalgamating Company is INR 900,00,00,000 divided into 90,00,00,000 Equity Shares of INR 10 each.</p> <p>The issued, subscribed and paid-up share capital of the Amalgamating Company is INR 473,61,38,550 divided into 47,36,13,855 Equity Shares of INR 10 each.</p>
<p>No. of shares to be issued</p>	<p>The Resulting Company shall issue and allot to the shareholders of the Transferor Company, as on Record Date 1 (as defined in the Scheme), 1 equity share of INR 1 each of the Resulting Company for every 1 equity share of INR 1 each of the Transferor Company.</p> <p>Thus, 315,79,34,237 equity shares of INR 1 each of the Resulting Company shall be issued and allotted to the shareholders of the Transferor Company, pursuant to the Scheme.</p>	<p>The Transferor Company shall issue and allot to the shareholders of the Amalgamating Company, as on Record Date 2 (as defined in the Scheme), 51 Equity Shares of INR 1 each of the Transferor Company for every 10 Equity Shares of INR 10 each of the Amalgamating Company.</p> <p>Thus, 241,54,30,660 equity shares of INR 1 each of the Transferor Company shall be issued and allotted to the shareholders of the Amalgamating Company.</p>	<p>NIL</p>



<p><b>Cancellation of shares on account of cross holding, if any</b></p>	<p>Since the Resulting Company is a wholly owned subsidiary of the Transferor Company, simultaneous upon the demerger under the Scheme becoming effective, the shareholding of the Transferor Company and its six nominees in the Resulting Company shall stand cancelled. The said cancellation will happen as an integral part of the Scheme.</p>	<p>Since the Resulting Company is a wholly owned subsidiary of the Transferor Company, simultaneous upon the demerger under the Scheme becoming effective, the shareholding of the Transferor Company and its six nominees in the Resulting Company shall stand cancelled. The said cancellation will happen as an integral part of the Scheme.</p> <p>As on the date of the approval of the Board for the Scheme, the Amalgamating Company holds 33.43% of the share capital of the Transferor Company, consisting of 105,57,50,653 equity shares of the Transferor Company of INR 1 each. Simultaneous with the amalgamation of the Amalgamating Company into and with the Transferor Company, the shareholding of the Amalgamating Company in the Transferor Company shall stand cancelled. The said cancellation will happen as an integral part of the Scheme.</p>	<p>As on the date of the approval of the Board of Directors for the Scheme, the Amalgamating Company holds 33.43% of the share capital of the Transferor Company, consisting of 105,57,50,653 equity shares of the Transferor Company of INR 1 each. Simultaneous with the amalgamation of the Amalgamating Company into and with the Transferor Company, the shareholding of the Amalgamating Company in the Transferor Company shall stand cancelled. The said cancellation will happen as an integral part of the Scheme.</p>
<p><b>Capital after the scheme (No. of equity shares as well as capital in rupees)</b></p>	<p>The authorised share capital of the Resulting Company will be INR 333,00,00,000 divided into 333,00,00,000 Equity Shares of INR 1 each as follows:  (a) The existing authorized share capital of the Resulting Company is INR 5,00,000.  (b) The Resulting Company will, prior to the Scheme becoming effective, increase its authorized share capital to the</p>	<p>The authorised share capital of the Amalgamated Company will be INR 1230,00,00,000 divided into 1230,00,00,000 Equity Shares of INR 1 each.</p> <p>The issued, subscribed and paid-up share capital of the Transferor Company will be INR 451,76,14,244 divided into 451,76,14,244 Equity Shares of INR 1 each.</p>	<p>Not Applicable</p>



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<p>Net Worth (INR In Crore)</p>	<p>of extent INR 32,95,00,000 divided into 32,95,00,000 Equity Shares of INR 1 each, as per the provisions of the Companies Act, 2013 so as to make the authorized share capital amounting to INR 33,00,00,000 divided into 33,00,00,000 Equity Shares of INR 1 each.</p>		
<p>Pre (As on March 31, 2020)</p>	<p>Not applicable</p>	<p>6,065 (Standalone)</p>	<p>1,345 (Standalone)</p>
<p>The issued, subscribed and paid-up share capital of the Resulting Company will be INR 315,79,34,237 divided into 315,79,34,237 Equity Shares of INR 1 each.</p>	<p>(c) The authorised share capital of the Transferor Company, to the extent of INR 300,00,00,000, divided into 300,00,00,000 Equity Shares of INR 1 each will be transferred from the Transferor Company to the Resulting Company, pursuant to Clause 7 of Section I of the Scheme.</p>		



Post	408 (Provisional)	6,088 (Standalone)	Not applicable.																													
Valuation Independent Chartered Accountant – Name of the valuer/valuer and Regn no.	<p>(a) Price Waterhouse &amp; Co. LLP, Chartered Accountants Firm Registration No. 016844N</p> <p>(b) BSR &amp; Associates LLP, Chartered Accountants Firm Registration No. 116231W</p> <p>(c) Incwert Advisory Private Limited Registration No. IBB/RV-E/05/2019/108</p>																															
Methods of valuation and value per share arrived under each method with weight given to each method, if any.	<p>As provided in the joint report, dated July 2, 2020, prepared by Price Waterhouse &amp; Co. LLP, Chartered Accountants and BSR &amp; Associates LLP, Chartered Accountants, and the valuation report, dated July 2, 2020, prepared by Incwert Advisory Private Limited, a registered valuer, enclosed herewith as <b>Annexure 3A to 3B</b> which is reproduced below:</p> <p><u>For the demerger of the DWH Undertaking:</u></p> <p>Demerger shall entail allotment of equity shares of the Resulting Company to all the shareholders of the Transferor Company, on a proportionate basis, and all shareholders of the Transferor Company shall be the beneficial economic owners of the Resulting Company, i.e., the shareholding pattern of the Resulting Company shall mirror the shareholding pattern of the Transferor Company.</p> <p><u>For the amalgamation of the Amalgamating Company into and with the Transferor Company:</u></p> <p>As derived by Price Waterhouse &amp; Co. LLP, Chartered Accountants</p>																															
	<table border="1"> <thead> <tr> <th rowspan="2">Method</th> <th colspan="2">THE TRANSFEROR COMPANY (excluding DWH)</th> <th colspan="2">THE AMALGAMATING COMPANY</th> </tr> <tr> <th>Value per share (INR)</th> <th>Weight</th> <th>Value per share (INR)</th> <th>Weight</th> </tr> </thead> <tbody> <tr> <td>Income Approach (DCF method)</td> <td>103.90</td> <td>50%</td> <td>531.15</td> <td>50%</td> </tr> <tr> <td>Market Approach (CCM method)</td> <td>97.11</td> <td>50%</td> <td>494.48</td> <td>50%</td> </tr> <tr> <td>Net Asset Value Method</td> <td>34.36</td> <td>0%</td> <td>148.37</td> <td>0%</td> </tr> <tr> <td>Relative Value per share</td> <td>100.51</td> <td></td> <td>512.81</td> <td></td> </tr> </tbody> </table> <p>As derived by BSR &amp; Associates LLP, Chartered Accountants</p>			Method	THE TRANSFEROR COMPANY (excluding DWH)		THE AMALGAMATING COMPANY		Value per share (INR)	Weight	Value per share (INR)	Weight	Income Approach (DCF method)	103.90	50%	531.15	50%	Market Approach (CCM method)	97.11	50%	494.48	50%	Net Asset Value Method	34.36	0%	148.37	0%	Relative Value per share	100.51		512.81	
Method	THE TRANSFEROR COMPANY (excluding DWH)		THE AMALGAMATING COMPANY																													
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	Method	THE TRANSFEROR COMPANY (excluding	THE AMALGAMATING COMPANY																													



		DWH)			
		Value per share (INR)	Weight	Value per share (INR)	Weight
Income (DCF method)	Approach	108.37	50%	560.70	50%
Market (CCM method)	Approach	95.25	50%	477.83	50%
Net Asset Method	Value	34.36	0%	148.37	0%
Relative Value per share		101.81		519.27	

As derived by Incwert Advisory Private Limited, a registered valuer:

Method	THE TRANSFEROR COMPANY (excluding DWH)		THE AMALGAMATING COMPANY	
	Value per share (INR)	Weight	Value per share (INR)	Weight
Income (DCF method)	107	50%	556	50%
Market (CCM method)	95	50%	475	50%
Net Asset Method	34	0%	148	0%
Relative Value per share	101		516	

As provided in the joint valuation report, dated July 2, 2020, prepared by Price Waterhouse & Co. LLP, Chartered Accountants and BSR & Associates LLP, Chartered Accountants, and the valuation report, dated July 2, 2020, prepared by Incwert Advisory Private Limited, a registered valuer, enclosed herewith as **Annexure 3A to 3B**. Fair value per share has been reproduced above.

**Exchange ratio**  
For the demerger of the DWH Undertaking:

The Resulting Company shall issue and allot to the shareholders of the Transferor Company as on Record Date 1 (as defined in the Scheme), 1 Equity Share of INR 1 each of the Resulting Company for every 1 Equity Share of INR 1 each of the Transferor Company.

For the amalgamation of the Amalgamating Company into and with the Transferor Company:

the Transferor Company shall issue and allot to the shareholders of the Amalgamating Company as on the Record Date 2 (as defined in the Scheme), 51 Equity Shares of INR 1 each of the Transferor Company for every 10 Equity Shares of INR 10 each of the Amalgamating Company.

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Name of Merchant Banker giving fairness opinion	Not Applicable	(a) Axis Capital Limited, a SEBI registered (Category I) Merchant Banker, and (b) DSP Merrill Lynch Limited, a SEBI registered (Category I) Merchant Banker.	Kotak Mahindra Capital Company Limited, a SEBI registered (Category I) Merchant Banker.			
Shareholding pattern	Resulting Company	Transferor Company / Amalgamated Company	Amalgamating Company			
Pre (as on June 30, 2020)	No. of Shares	% of holding	No. of Shares	% of holding		
Promoter and Promoter Group	5,00,000	100%	194,92,86,546	61.73%	42,84,32,262	90.5%
Public	-	-	120,86,47,691	38.27%	4,51,81,593	9.5%
Custodian	-	-	-	-	-	-
<b>TOTAL</b>	<b>5,00,000</b>	<b>100%</b>	<b>315,79,34,237</b>	<b>100%</b>	<b>47,36,13,855</b>	<b>100%</b>
No. of Shareholders	1 <sup>a</sup>	47 including 6 nominees of the Transferor Company.	3,77,294	3,77,294	2,549	2,549
Post (indicative, based on shareholding as on June 30, 2020)	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Promoter and Promoter Group	194,92,86,546	61.37%	307,85,40,427	68.15%	-	-
Public	120,86,47,691	38.27%	143,90,73,817*	31.85% (including indicative post-Scheme shareholding of 5.10% of the Transferor Company to be held by the non-promoter shareholders of the Amalgamating Company)	-	-
Custodian	-	-	-	0%	-	-
<b>TOTAL</b>	<b>315,79,34,237</b>	<b>100%</b>	<b>451,76,14,244</b>	<b>100%</b>	-	-
No. of shareholders	3,77,294	3,79,838	* Including 4 fractional shares	Not Applicable	Not Applicable	Not Applicable
Names of the Promoters (with PAN nos.)	Motherson Sumi Systems Limited (PAN: AAACM0405A)	1. The Amalgamating Company (PAN: AALCS6115R) 2. Sumitomo Wiring Systems Limited (PAN: AAJCS2027H)	1. Mr. Vivek Chaand Sehgal (PAN: AFDPS4265B) 2. Mr. Laksh Vaaman Sehgal (PAN: AOAPS1364K)	1. Mr. Vivek Chaand Sehgal (PAN: AFDPS4265B) 2. Mr. Laksh Vaaman Sehgal (PAN: AOAPS1364K)	1. Mr. Vivek Chaand Sehgal (PAN: AFDPS4265B) 2. Mr. Laksh Vaaman Sehgal (PAN: AOAPS1364K)	1. Mr. Vivek Chaand Sehgal (PAN: AFDPS4265B) 2. Mr. Laksh Vaaman Sehgal (PAN: AOAPS1364K)
[As on July 2, 2020]	on	on	on	on	on	on



	<ol style="list-style-type: none"> <li>Mr. Vivek Chaand Sehgal (PAN: AFDPS4265B)</li> <li>Mr. Laksh Vaaman Sehgal (PAN: AOAPS1364K) (DIN: 00048584)</li> <li>Mr. Sanjay Mehta (PAN: AGCPM3785G) (DIN: 03215388)</li> </ol>	<ol style="list-style-type: none"> <li>Mr. Vivek Chaand Sehgal (PAN: AFDPS4265B) (DIN: 00291126)</li> <li>Mr. Sushil Chandra Tripathi (PAN: ACXPT9105A) (DIN: 00941922)</li> <li>Mr. Shunichiro Nishimura (PAN: BYMPN0179C) (DIN: 08138608)</li> <li>Mr. Arijun Puri (PAN: AAFPP7688E) (DIN: 00211590)</li> </ol>	<ol style="list-style-type: none"> <li>Mrs. Renu Sehgal (PAN: ACHPS0380A) holding shares on behalf of Renu Sehgal Trust (PAN: AADTR1988B)}</li> <li>Ms. Nilu Mehra (PAN: AKVPM4396C)</li> <li>Ms. Geeta Soni (PAN: AAQPS8392F)</li> <li>Ms. Vidhi Sehgal (PAN: AOAPS3642C)</li> <li>Radha Rani Holdings Pte. Limited. (PAN: AACCR1689K)</li> <li>Advance Technologies And Automotive Resources Pte Ltd (PAN: AAKCA4508Q)</li> <li>Shri Sehgal's Trustee Company Private Limited (Holding for Sehgal Family Trust, PAN: AAUCS3994E)</li> <li>Motherson Engineering Research And Integrated Technologies Limited (PAN: AACCM2051J)</li> </ol>
<p><b>Names of the Board of Directors (with DIN and PAN nos.)</b></p> <p><b>[As on July 2, 2020]</b></p>			

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<p>Please specify relation among the companies involved in the scheme, if any</p>	<p>The Resulting Company is a wholly owned subsidiary of the Transferor Company.</p>	<p>5. Mr. Gautam Mukherjee (PAN: ADFPM55150Q) (DIN: 02590120)  6. Ms. Geeta Mathur (PAN: AAKPM7380D) (DIN: 02139552)  7. Mr. Naveen Ganzu (PAN: AAOPG5692G) (DIN: 00094595)  8. Mr. Laksh Vaaman Sehgal (PAN: AOAPS1364K) (DIN: 00048584)  9. Mr. Takeshi Fujimi (PAN: NA) (DIN: 08501292)  10. Mr. Pankaj Mittal (PAN: ADHPM4720H) (DIN: 00194931)</p>	<p>5. Mr. Dhruv Mehra (PAN: AJWPM2134N) (DIN: 01640143)  6. Mr. Hiroshi Morimoto (PAN: CCZPM5060M) (DIN: 02657113)  7. Mr. Sanjay Menta (PAN: AGCPM3785G) (DIN: 03215388)  8. Mr. Sanjay Kalia (PAN: AAFPK0286M) (DIN: 03556087)  9. Mr. Laksh Vaaman Sehgal (PAN: AOAPS1364K) (DIN: 00048584)  10. Ms. Madhu Bhaskar (PAN: AAI PB5066D) (DIN: 06900456)  11. Mr. Shigeru Ogura (PAN: NA) (DIN: 08738138)</p>
<p>Details regarding change in management control in listed or resulting company seeking listing if any</p>	<p>On the demerger becoming effective as per the Scheme, the Resulting Company will cease to be a wholly owned subsidiary of the Transferor Company, and the promoters of the Transferor Company, as on the date of effectiveness of the Scheme, will become the promoters of the Resulting Company as well.</p>	<p>On the amalgamation becoming effective as per the Scheme, the Amalgamating Company will cease to be a promoter of the Transferor Company, and following shareholders of the Amalgamating Company, who will be issued shared in the Transferor Company, will be classified as the promoters/ promoter group of the Transferor Company, along with the other existing promoters/ promoter group:</p> <p>(a) Mr. Vivek Chaand Sehgal;  (b) Mr. Laksh Vaaman Sehgal;</p>	<p>Not Applicable</p>



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	<p>The Board of the Resulting Company will be re-constituted on the Scheme becoming effective.</p>	<p>(c) Ms. Geeta Soni;  (d) Ms. Renu Sehgal;  (e) Ms. Nilu Mehra;  (f) Ms. Vidhi Sehgal;  (g) Radha Rani Holdings Pte Ltd;  (h) H.K. Wiring Systems Limited;  (i) Sumitomo Wiring Systems Limited;  (j) Ms. Renu Alka Sehgal (holding on behalf of Renu Sehgal Trust);  (k) Advance Technologies And Automotive Resources Pte Ltd;  (l) Shri Sehgal Trustee Company Private Limited;  (m) Motherson Engineering Research And Integrated Technologies Limited</p> <p>The Board of the Transferor Company will not undergo any change as a result of the Scheme.</p>	
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**For Motherson Sumi Systems Limited**

*Alok Goel*

Name: Alok Goel  
Designation: Company Secretary



Brief details of the Promoters and Board of Directors of Motherson Sumi Systems Limited  
("Transferor Company" or "Amalgamated Company")

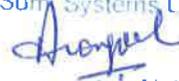
List of Promoters of the Transferor Company:

Sr.No	Name	PAN
1.	Samvardhana Motherson International Ltd.	AAICS6115R
2.	Mr. Vivek Chaand Sehgal	AFDPS4265B
3.	Mr. Laksh Vaaman Sehgal	AOAPS1364K
4.	Mrs. Renu Sehgal	ACHPS0380A
5.	Mrs. Geeta Soni	AAQPS8392F
6.	Mrs. Nilu Mehra	AKVPM4396C
7.	Radha Rani Holdings Pte. Ltd.	AACCR1689K
8.	Sumitomo Wiring Systems Ltd.	AAJCS2027H
9.	H. K. Wiring Systems Ltd.	AACCH8513N

List of Directors on the Board of Directors of the Transferor Company:

Sr.No	Name	DIN	PAN
1.	Mr. Vivek Chaand Sehgal	00291126	AFDPS4265B
2.	Mr. Sushil Chandra Tripathi, IAS (Retd.)	00941922	ACXPT9105A
3.	Mr. Shunichiro Nishimura	08138608	BYMPN0179C
4.	Mr. Arjun Puri	00211590	AAFPP7688E
5.	Mr. Gautam Mukherjee	02590120	ADFPM5515Q
6.	Ms. Geeta Mathur	02139552	AAKPM7380D
7.	Mr. Naveen Ganzu	00094595	AAOPG5692G
8.	Mr. Laksh Vaaman Sehgal	00048584	AOAPS1364K
9.	Mr. Takeshi Fujimi	08501292	-
10.	Mr. Pankaj Mital	00194931	ADHPM4720H

For Motherson Sumi Systems Limited

  
 Alok Goel  
 Company Secretary

Head Office:

Motherson Sumi Systems Limited  
C-14 A & B, Sector 1, Noida - 201301  
Dist. Gautam Budh Nagar, U.P. India  
Tel: +91-120-6752100, 6752278  
Fax: +91-120-2521866, 2521966  
Website: www.motherson.com  
Email: investorrelations@motherson.com

Regd Office:

Motherson Sumi Systems Limited Unit -  
705, C Wing, ONE BKC, G Block Bandra  
Kurla Complex, Bandra East  
Mumbai - 400051, Maharashtra (India)  
Tel: 022-61354800, Fax: 022-61354801  
CIN No.: L34300MH1986PLC284510



## Samvardhana Motherson International Limited

Brief details of the Promoters and Board of Directors of Samvardhana Motherson International Limited  
("Amalgamating Company")

### List of Promoters of the Amalgamating Company

Sr.No	Name	PAN
1.	Mr. Vivek Chaand Sehgal (PAN: AFDPS4265B)	AFDPS4265B
2.	Mr. Laksh Vaaman Sehgal	AOAPS1364K
3.	Mrs. Renu Sehgal (holding shares on behalf of Renu Sehgal Trust (PAN AADTR1988B))	ACHPS0380A
4.	Ms. Nilu Mehra	AKVPM4396C
5.	Ms. Geeta Soni	AAQPS8392F
6.	Ms. Vidhi Sehgal	AOAPS3642C
7.	Radha Rani Holdings Pte. Limited	AACCR1689K
8.	Advance Technologies And Automotive Resources Pte Ltd	AAKCA4508Q
9.	Shri Sehgal's Trustee Company Private Limited (holding for Sehgal Family Trust)	AAUCS3994E
10.	Motherson Engineering Research And Integrated Technologies Limited	AACCM2051J

### List of Directors on the Board of Directors of the Amalgamating Company

Sr.No	Name	DIN	PAN
1.	Mr. Vivek Chaand Sehgal	00291126	AFDPS4265B
2.	Mr. Sanjay Mehta	03215388	AGCPM3785G
3.	Mr. Laksh Vaaman Sehgal	00048584	AOAPS1364K
4.	Ms. Geeta Soni	00160710	AAQPS8392F
5.	Mr. Vivek Avasthi	00033876	AAAPA0370M
6.	Mr. Bimal Dhar	00297938	AKAPD8658B
7.	Mr. Dhruv Mehra	01640143	AJWPM2134N
8.	Mr. Hiroshi Morimoto	02657113	CCZPM5060M
9.	Ms. Madhu Bhaskar	06900456	AAIPB5066D
10.	Mr. Shigeru Ogura	08738138	-
11.	Mr. Sanjay Kalia	03556087	AAFPK0286M

#### Corporate Headquarters:

Plot No.1, Sector-127, Noida-Greater Noida Expressway  
Noida - 201301, U.P., India  
Tel. No.: +91-120-6679500, Fax: +91-120-6679270  
Website: www.smil.co.in / www.motherson.com  
Email: smil@motherson.com



#### Registered Office:

Unit 705, C Wing, ONE BKC, G Block,  
Bandra Kurla Complex, Bandra East,  
Mumbai, Maharashtra, India - 400051.  
Phone: +91-22-61354800, Fax: +91-22-61354801  
CIN No.: U74900MH2004PLC287011



Brief details of the Promoters and Board of Directors of Motherson Sumi Wiring India Limited  
("Resulting Company")

## List of Promoters of the Resulting Company:

Sr.No	Name	PAN
1.	Motherson Sumi Systems Limited	AAACM0405A

## List of Directors on the Board of Directors of the Resulting Company:

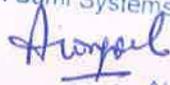
Sr.No	Name	DIN	PAN
1.	Mr. Vivek Chaand Sehgal	00291126	AFDPS4265B
2.	Mr. Laksh Vaaman Sehgal	00048584	AOAPS1364K
3.	Mr. Sanjay Mehta	03215388	AGCPM3785G
4.	Mr. Gauṭam Mukherjee	02590120	ADFPM5515Q
5.	Mr. Naveen Ganzu	00094595	AAOPG5692G
6.	Mr. Kunal Malani	07309466	AIVPM5334Q

For Motherson Sumi Wiring India Ltd.



Director.

For Motherson Sumi Systems Limited

Alok Goel  
Company Secretary

Regd. Office:

**Motherson Sumi Wiring India Limited**Unit - 705, C Wing, ONE BKC, G Block Bandra Kuria Complex,  
Bandra East Mumbai - 400051, Maharashtra (India)

Tel: 022-61354800, Fax: 022-61354801

CIN No.: U29306MH2020PLC341326

E-mail: investorrelations@motherson.com

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**Independent Auditor's Report on the Statement of Computation of pre scheme net worth and post scheme provisional net worth of Motherson Sumi Systems Limited on a Standalone basis as at March 31, 2020.**

The Board of Directors  
Motherson Sumi Systems Limited  
Plot No. 1, Sector 127, Greater Noida Expressway  
Noida, Uttar Pradesh-201301

1. This Report is issued in accordance with the terms of our service scope letter dated July 14, 2020 and master engagement agreement dated June 02, 2020 with Motherson Sumi Systems Limited (hereinafter the "Company").
2. At the request of the management, we have examined the accompanying "Statement of Computation of pre scheme net worth and post scheme provisional net worth of Motherson Sumi Systems Limited ("MSSL" or the "Company" or the "Transferor Company") on standalone basis as at March 31, 2020" (hereinafter referred together as the "Statement") prepared by the management, which we have annexed along with this report for identification purposes. The Statement together with our report thereon is required by the Company pursuant to the requirements of The National Stock Exchange of India Limited, BSE Limited ("stock exchanges") for filing along with the Composite Scheme of Amalgamation and Arrangement proposed to be filed under Section 230 to 232 and other relevant provisions of Companies Act, 2013.
3. We have been informed that the board of directors of the Company, at their meeting held on July 02, 2020 approved the Composite Scheme of Amalgamation and Arrangement proposed to be undertaken amongst the Motherson Sumi Systems Limited, Samvardhana Motherson International Limited, and a new incorporated Company, (since incorporated on July 2, 2020 as Motherson Sumi Wiring India Limited) ("Resulting Company"), and their respective shareholders and creditors ("Scheme").
4. As part of the Scheme, the following steps are proposed to be undertaken:
  - a) Demerger of Domestic Wiring Harness undertaking of the Company ("DWHU") to the Resulting Company;
  - b) Amalgamation of the Samvardhana Motherson International Limited ("SAMIL" or "Amalgamating Company") into and with the Company by absorption, subsequent to the completion of the demerger referred to in (a) above.

**Management's Responsibility**

5. The accompanying Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
6. The management is also responsible for ensuring that the company complies with the requirements of applicable Securities and Exchange Board of India (SEBI) circulars and the Companies Act, 2013, in relation to the proposed scheme and for providing all the information to the SEBI and the stock exchanges.

**Auditor's Responsibility**

7. Pursuant to the requirements of proposed Scheme, it is our responsibility to provide a limited assurance as to whether:
  - (i) the amounts in the Statement:
    - a) as much as these relate to pre scheme net worth as at March 31, 2020 have been accurately extracted from the audited standalone financial statements of the Company; and
    - b) as much as these relate to post scheme net worth as at March 31, 2020 computed on provisional basis, as per the Scheme pending submission with National Company Law Tribunal (NCLT), have been determined by the management using the basis as fully explained in notes 1 to 5 of the annexed statement;

(ii) the computation of pre scheme net worth and post scheme provisional net worth is arithmetically correct and is in accordance with the basis of computation set out in the Statement.

8. The standalone financial statements of the Company and the Amalgamating Company as at and for the year ended March 31, 2020 have been audited by us, on which we issued an unmodified audit opinion vide our report dated June 2, 2020 and June 17, 2020 respectively. Our audit of these financial statements was conducted in accordance with Standards on Auditing, as specified under section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The Special Purpose Financial Information of the DWHU as at and for the year ended March 31, 2020 have been audited by us, on which we issued an unmodified audit opinion vide our report dated July 2, 2020. Our audit of these Special Purpose Financial Information was conducted in accordance with Standards on Auditing, as specified under section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial information has been prepared, in all material respects, in accordance with the basis of preparation as defined in the statement of special purpose financial information.

9. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

11. A limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria mentioned in paragraph 7 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement been performed. Accordingly, we have performed the following procedures in relation to the Statement:

- a) Obtained and read the certified copy of the proposed Scheme, as approved by Board of Directors of the Company, at their meeting held on July 02, 2020.
- b) Traced and agreed the amounts in the Statement in relation to Computation of pre scheme net worth, to the audited standalone financial statements of the Company as at and for the year ended March 31, 2020.
- c) Traced reduction of DWHU provisional net worth from the special purpose financial information as at and for the year ended March 31, 2020.
- d) In relation to computation of Adjusted provisional net worth of SAMIL:
  - Traced and agreed net worth amount to the audited standalone financial statements of SAMIL as at and for the year ended March 31, 2020
  - Traced carrying amount of MSSSL investment held by SAMIL from audited standalone financial statements of SAMIL as at and for the year ended March 31, 2020
  - Obtained computation for the carrying amount of the investment in the resulting Company with necessary supporting as explained in the note 4 (b) (iii) to the statement
  - Read the valuation report of BSR & Associates LLP., Chartered Accountants and traced the proportionate value ascribed to DWHU with the computation in the annexed statement. However, we have not independently verified the fair valuation performed by the valuer.
- e) Read statement for necessary explanatory notes to explain computation



- f) Tested the arithmetical accuracy of the Statement and verified that the computation is in accordance with the basis of computation set out in the Statement.
- g) Performed necessary inquires with the management and obtained necessary representations from the management.

The above-mentioned procedures include examining evidence supporting the particulars in this Statement. Further, our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

12. The post scheme provisional net worth has been arrived at on the basis of balances in the books of the respective entities as on March 31, 2020. We understand from the management that this will undergo changes on the effective date of implementation of the Scheme, upon approval from NCLT on account of profit/(loss) during the intervening period (from 1st April 2020 to the effective date) and the accounting of the scheme as per Ind AS 103 – Business Combinations, including determination of fair value of the assets and liabilities of the Company as on the effective date and issue of equity shares by the Company to the shareholders of the Amalgamating Company in the approved swap ratio.

#### Conclusion

13. Based on the procedures performed by us as referred to in paragraph 11 above and according to the information, explanation and management representations received by us, nothing has come to our attention that causes us to believe that:
  - (i) the amounts in the Statement;
    - a) as much as these relate to pre scheme net worth as at March 31, 2020 have not been accurately extracted from the audited standalone financial statements of the Company; and
    - b) as much as these relate to post scheme net worth as at March 31, 2020 computed on provisional basis, as per the Scheme pending submission with NCLT have not been determined by the management using the basis as fully explained notes 1 to 5 of the annexed statement;
  - (ii) the computation of pre scheme net worth and post scheme provisional net worth is arithmetically inaccurate and is not in accordance with the basis of computation set out in the Statement.

#### Restriction on Use

14. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose given in paragraph 2 above for onward submission to stock exchanges and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S.R. Batliboi & CO. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

**PANKAJ  
CHADHA**

Digitally signed by PANKAJ CHADHA  
DN: cn=PANKAJ CHADHA, c=IN,  
o=Personal,  
email=pankaj.chadha@srb.in  
Reason: I am approving this document  
Date: 2020.07.18 22:12:39 +05'30'

per Pankaj Chadha  
Partner  
Membership Number: 091813  
UDIN: 20091813AAAADI6355

Place: Gurugram  
Date: July 18, 2020



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**Statement of computation of pre scheme net worth and post scheme provisional net worth of Motherson Sumi Systems Limited ("MSSL" or the "Company") on a Standalone basis as at March 31, 2020**

**A. Computation of pre scheme net worth of MSSL on a Standalone basis as at March 31, 2020**

S. No.	Particulars	Amount (INR Crores)
I	Equity Share capital (Paid up capital)	316
	<b>Other Equity</b>	
	Reserves & Surplus	5,915
	Less: Reserve on amalgamation	(166)
II	<b>Total Reserves &amp; Surplus</b>	<b>5,749</b>
III	<b>Pre scheme net worth (I+II)</b>	<b>6,065</b>

**B. Computation of post scheme provisional net worth of MSSL on a Standalone basis as at March 31, 2020**

S. No.	Particulars	Amount (INR Crores)
I	Pre scheme net worth of MSSL (as computed in table A above)	6,065
	<b>Scheme Adjustments</b>	
II	Less: Provisional net worth of Domestic Wiring Harness Undertaking (refer note 3 and 4(a))	(408)
III	<b>Sub-total (I-II)</b>	<b>5,657</b>
IV	Add: Adjusted provisional net worth of Samvardhana Motherson International Limited (SAMIL) (refer note 4(b))	430
V	<b>Post scheme provisional net worth (III+IV)</b>	<b>6,087</b>

**Basis of computation:**

- For the purpose of preparation of the aforesaid Statement and to compute pre scheme net worth and post scheme provisional net worth of Motherson Sumi Systems Limited (MSSL) (as computed in table A and B above), definition of net worth as given under Section 2(57) of the Companies Act, 2013 has been used. The definition is reproduced below "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- Pre scheme net worth (as computed in table A above) has been extracted from the audited Standalone financial statements of MSSL as at and for the year ended March 31, 2020.
- Provisional net worth of the Domestic Wiring Harness Undertaking (DWHU), to be demerged to the Resulting Company, has been extracted from the Special Purpose Financial Information of DWHU as at and for the year ended March 31, 2020. The Special Purpose Financial Information were prepared in accordance with the Guidance Note on "Combined and Carve-out Financial Information" ("Guidance Note") issued by the Institute of Chartered accounts of India ("ICAI") which sets out overall framework for the preparation and presentation of the carve-out Financial Information. In preparing the said carve-out Financial Information, principles set out in the Guidance Note and certain accounting conventions commonly used for preparing carve-out Financial Information have been applied. The information presented in the Special Purpose Financial Information may not be representative of the financial position and financial performance which may prevail after the scheme becomes effective. Hence, the net worth of DWHU used in the above computation is provisional and may undergo changes on the effective date of implementation of the Scheme.
- For the purpose of post scheme provisional net worth computation, the following scheme adjustments have been considered:
  - Provisional net worth of DWHU to be demerged to the resulting Company has been computed as explained in note 3 above and the same has been deducted from the net worth of MSSL.

Head Office:  
Motherson Sumi Systems Limited  
C-14 A & B, Sector 1, Noida - 201301  
Dist. Gautam Budh Nagar, U.P. India Tel: +91-120-6752100, 6752278  
Fax: +91-120-2521866, 2521966  
Website: www.motherson.com  
Email: investorrelations@motherson.com

Regd Office:  
Motherson Sumi Systems Limited  
Unit - 705, C Wing, ONE BKC, G Block  
Bandra Kurla Complex, Bandra East  
Mumbai - 400051, Maharashtra (India) Tel: 022-61354800,  
Fax: 022-61354801 CIN No: L34300MH1986PLC284510

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- b) Adjusted provisional net worth of Samvardhana Motherson International Limited (SAMIL) on a Standalone basis has been added to the net worth of MSSL. The adjusted provisional net worth of SAMIL as at March 31, 2020, has been computed as below:

S. No.	Particulars	Amount (INR Crores)
I	Equity Share capital (paid up capital)	474
	<b>Other Equity</b>	
	Reserve and surplus	1,111
	Less: Capital reserve on amalgamation	(240)
II	<b>Total Reserves and surplus</b>	<b>871</b>
III	<b>Net worth of SAMIL (I+II)</b>	<b>1,345</b>
	<b>Scheme Adjustments</b>	
	Less: Shares of MSSL held by SAMIL to be cancelled on amalgamation (refer note (ii) below)	(1,111)
	Add: Proportionate cost of investment in the Resulting Company to be allotted to SAMIL pursuant to Demerger (refer note (iii) below)	196
IV	<b>Total of Scheme Adjustments</b>	<b>(915)</b>
V	<b>Adjusted provisional net worth of SAMIL (III+IV)</b>	<b>430</b>

- i) Net worth of SAMIL has been extracted from the audited Standalone financial statements of SAMIL as at and for the year ended March 31, 2020.
- ii) Upon merger, SAMIL investment in MSSL will be cancelled against the share capital of MSSL. Accordingly, the carrying amount of the said investment has been reduced from net worth of SAMIL.
- iii) On Demerger of DWHU to the Resulting Company, SAMIL will receive additional shares in the Resulting Company without any additional consideration. Since the investment in the Resulting Company will continue to exist post-merger, the proportionate carrying amount of investment in the Resulting Company has been added to the net worth of SAMIL. For the purpose of computation, management has allocated SAMIL's cost of investment in MSSL between MSSL and the Resulting Company using fair valuation of DWHU and MSSL (excluding DWHU) as determined by an independent firm, BSR & Associates LLP., Chartered Accountants; vide its report dated July 2, 2020 which has computed as 17.7% value being contributed by the DWHU to the overall value of MSSL.
- iv) The above adjustments may not be representative of the final adjustments which will arise once the scheme become effective. Hence, the adjusted net worth of SAMIL is provisional and may undergo changes on the effective date of implementation of the Scheme.
5. The post scheme net worth is considered provisional as this will undergo changes on the effective date of implementation of the Scheme on account of profit/ (loss) during the intervening period (from 1st April 2020 to the effective date), other business transaction entered into by SAMIL in the intervening period and due to accounting of the scheme as per Ind AS 103 – Business Combinations, including determination of fair value of the assets and liabilities of the Company as on the effective date. The management has considered the book value of the assets and liabilities of the MSSL and SAMIL as per their audited Standalone financial statements as on March 31, 2020 to compute post scheme provisional net worth of MSSL.

**For and on behalf of the Motherson Sumi Systems Limited**

Gaya Nand Gauba  
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**G.N. Gauba**  
Chief Financial Officer

Place: Noida  
Date: July 18, 2020



**Independent Auditor's Report on Statement of computation of Pre Scheme Net worth of Samvardhana Motherhood International Limited on a Standalone basis as at March 31, 2020**

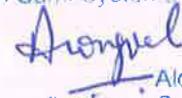
The Board of Directors  
Samvardhana Motherhood International Limited  
Plot No. 1, Sector 127, Greater Noida Expressway  
Noida, Uttar Pradesh-201301

1. This Report is issued in accordance with the terms of our service scope letter dated July 14, 2020 and master engagement agreement dated October 22, 2018 with Samvardhana Motherhood International Limited (hereinafter the "Amalgamating Company").
2. At the request of the management, we have examined the accompanying "Statement of Computation of Pre Scheme Net Worth of Samvardhana Motherhood International Limited ("Amalgamating Company") on standalone basis as at March 31, 2020 (hereinafter referred together as the "Statement"), which we have annexed along with this report for identification purposes. The Statement together with our report thereon is required by the Amalgamating Company for submission to Motherhood Sumi Systems Limited ("Transferor Company/ Amalgamated Company") (Joint Venture of the Amalgamating Company). Pursuant to the requirements of Bombay Stock Exchange Limited/National Stock Exchange of India Limited (Stock Exchanges), the Transferor Company/ Amalgamated Company is required to file with the Stock Exchanges, the Statement and this report along with the Composite Scheme of Amalgamation and Arrangement proposed to be filed under Section 230 to 232 and other relevant provisions of Companies Act, 2013.
3. We have been informed that the board of directors of the Amalgamating Company, at their meeting held on July 02, 2020 approved the Composite Scheme of Amalgamation and Arrangement proposed to be undertaken amongst the Amalgamating Company, Transferor Company/ Amalgamated Company, and a new wholly owned subsidiary of the Transferor Company/Amalgamated Company, (since incorporated on July 2, 2020 as Motherhood Sumi Wiring India Limited) ("Resulting Company") and their respective shareholders and creditors ("Scheme").
4. As part of the Scheme, the following steps are proposed to be undertaken:
  - a) Demerger of Domestic Wiring Harness undertaking of the Transferor Company/ Amalgamated Company ("DWHU") to the Resulting Company;
  - b) Amalgamation of the Amalgamating Company into and with Transferor Company/ Amalgamated Company by absorption, subsequent to the completion of the demerger referred to in (a) above.

**Management's Responsibility for the Statement**

5. The accompanying Statement is the responsibility of the Management of the Amalgamating Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
6. The management is also responsible for ensuring that the Amalgamating company complies with the requirements of applicable Securities and Exchange Board of India (SEBI) circulars and the Companies Act, 2013, in relation to the proposed scheme and for providing all the information to the SEBI and the Stock Exchanges.

For Motherhood Sumi Systems Limited

  
Alok Goel  
Company Secretary

**Auditor's Responsibility**

7. Pursuant to the requirements of the scheme, it is our responsibility to provide a limited assurance as to whether the amounts in the Statement that forms part of the Pre scheme Net worth computation as at March 31, 2020 have been accurately extracted from the audited standalone financial statement of the Amalgamating Company as at and for the year ended March 31, 2020 and the computation of net worth is arithmetically correct and is in accordance with the basis of computation set out in the Statement.
8. The standalone financial statements referred to in paragraph 7 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated June 17, 2020. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
9. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1. Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
11. A limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria mention in paragraph 7 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement been performed. We have performed the following procedures in relation to the Statement:
  - a) Obtained and read the certified copy of the proposed Scheme, as approved by Board of Directors of the Amalgamating Company, at their meeting held on July 02, 2020.
  - b) Traced and agreed the amounts in the attached Statement, to the audited standalone financial statements of the Amalgamating Company as at and for the year ended March 31, 2020, as referred in paragraph 8 above.
  - c) Read statement for necessary explanatory notes to explain computation
  - d) Tested the arithmetical accuracy of the Statement and verified that the computation is in accordance with the basis of computation set out in the Statement.
  - e) Performed inquiries with the management and obtained representations from the management.

The above-mentioned procedures include examining evidence supporting the particulars in this Statement. Further, our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Amalgamating Company taken as a whole.

**Conclusion**

12. Based on the procedures performed by us as referred to in paragraph 11 above and according to the information, explanation and management representations received by us, nothing has come to our attention that causes us to believe that that the amounts that form part of the Statement of computation of Pre Scheme Net worth have not been accurately extracted from the audited standalone financial statements of the Amalgamating Company as at and for the year ended March 31, 2020; and that the computation of standalone net worth in the Statement is arithmetically inaccurate and is not in accordance with the basis of computation set out in the Statement.



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

## **Restriction on Use**

13. The certificate is addressed to and provided to the Board of Directors of the Amalgamating Company solely for the purpose given in paragraph 2 above for submission to Transferor Company/ Amalgamated Company for onward filing with the Stock Exchanges, and shall not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**PANKAJ**  
**CHADHA**

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per **Pankaj Chadha**

Partner

Membership Number: 091813

UDIN No.: 20091813AAAADK5839

Place of Signature: Gurugram

Date: July 20, 2020



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## Samvardhana Motherson International Limited

### Statement of Computation of Pre Scheme Net worth of Samvardhana Motherson International Limited ('Amalgamating Company') on a Standalone basis as at March 31, 2020

Particulars	Amount in INR Crores
Paid up equity share capital (a)	474
Other equity	
Reserves & Surplus	1,111
Less: Capital reserve on amalgamation	240
Reserve and surplus (b)	871
<b>Net Worth (a)+(b)</b>	<b>1,345</b>

#### Basis of Computation:

1. For the purpose of preparation of the aforesaid Statement and to compute pre scheme net worth of the Amalgamating Company, definition of net worth as given under Section 2(57) of the Companies Act, 2013 has been used. The definition is reproduced below  
"Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

2. Pre scheme net worth (as computed above) has been extracted from the audited Standalone financial statements of the Amalgamating Company as at and for the year ended March 31, 2020.

For and on behalf of Samvardhana Motherson International Limited

SANJAY MEHTA  
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Sanjay Mehta  
Director  
Place: Noida  
Date: July 20, 2020



Corporate Headquarters:  
Plot No.1, Sector-127, Noida-Greater Noida Expressway  
Noida - 201301, U.P., India  
Tel. No.: +91-120-6679500, Fax: +91-120-6679270  
Website: www.smil.co.in / www.motherson.com  
Email: smil@motherson.com

Registered Office:  
Unit 705, C Wing, ONE BKC, G Block,  
Bandra Kurla Complex, Bandra East,  
Mumbai, Maharashtra, India - 400051.  
Phone: +91-22-61354800, Fax: +91-22-61354801  
CIN No.: U74900MH2004PLC287011

**Independent Auditor's Report on the Statement of post scheme provisional net worth as at March 31, 2020 of Motherson Sumi Wiring India Limited.**

To,  
The Board of Directors  
Motherson Sumi Wiring India Limited  
Plot No. 1, Sector 127, Greater Noida Expressway  
Noida, Uttar Pradesh-201301

1. This Report is issued in accordance with the terms of our service scope letter dated July 21, 2020 and Engagement Agreement dated July 21, 2020 with Motherson Sumi Wiring India Limited (hereinafter the "Company").
2. At the request of the management, we have examined the accompanying "Statement of post scheme provisional net worth of Motherson Sumi Wiring India Limited (hereinafter referred to as the "Company" or "Resulting Company") as at March 31, 2020" (hereinafter referred together as the "Statement"), which we have annexed along with this report for identification purposes. The Statement together with our report thereon is required by the Company for submission to Motherson Sumi Systems Limited ("MSSL"), a Holding Company for their onward submission to The National Stock Exchange of India Limited and BSE Limited ("stock exchanges"). Pursuant to the requirements of stock exchanges, MSSL is required to file the statement and this report along with the Composite Scheme of Amalgamation and Arrangement under Section 230 to 232 and other relevant provisions of Companies Act, 2013.
3. We have been informed that the board of directors of the MSSL, at their meeting held on July 02, 2020 approved the Composite Scheme of Amalgamation and Arrangement proposed to be undertaken amongst the Motherson Sumi Systems Limited ("MSSL" or "Amalgamated Company"), Samvardhana Motherson International Limited, and the Company (as incorporated on July 2, 2020 ("Resulting Company")), and their respective shareholders and creditors ("Scheme").
4. As part of the Scheme, the following steps are proposed to be undertaken:
  - a) Demerger of Domestic Wiring Harness undertaking of the MSSL ("DWHU") to the Resulting Company;
  - b) Amalgamation of the Samvardhana Motherson International Limited ("SAMIL" or "Amalgamating Company") into and with the MSSL by absorption, subsequent to the completion of the demerger referred to in (a) above.

**Management's Responsibility**

5. The accompanying Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
6. The management is also responsible for ensuring that the company complies with the requirements of Companies Act, 2013, in relation to the proposed scheme.

**Auditor's Responsibility**

7. Pursuant to the requirements of proposed Scheme, it is our responsibility to provide a limited assurance as to whether the amount in the Statement relate to post scheme provisional net worth as at March 31, 2020, have been accurately extracted from the audited Special Purpose Financial Information of DWHU as at and for the year ended March 31, 2020 as prepared by the management of the MSSL.

# S.R. BATLIBOI & Co. LLP

Chartered Accountants

8. The Special Purpose Financial Information of DWHU as at and for the year ended March 31, 2020, as referred to in paragraph 7 above have been audited by us, on which we issued an unmodified audit opinion vide our report dated July 02, 2020. Our audit of these Special Purpose Financial Information was conducted in accordance with Standards on Auditing, as specified under section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial information has been prepared, in all material respects, in accordance with the basis of preparation as defined in the statement of special purpose financial information.
9. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
11. A limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria mentioned in paragraph 7 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement been performed. Accordingly, we have performed the following procedures in relation to the Statement:
  - a) Obtained and read the certified copy of the proposed Scheme.
  - b) Traced and agreed the amount in the attached Statement in relation to post scheme provisional net worth, to the Special Purpose Financial Information of the DWHU as at and for the year ended March 31, 2020.
  - c) Read statement for necessary explanatory notes to explain the basis of statement.
  - d) Performed necessary inquiries with the management and obtained necessary representations from the management.

The above-mentioned procedures include examining evidence supporting the particulars in this Statement. Further, our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or financial statements of the Company taken as a whole.

12. The post scheme provisional net worth has been arrived on the basis of owner's net investment balance reported in Special Purpose Financial Information of DWHU as prepared by the management of the MSSSL. The information presented in the Special Purpose Financial Information may not be representative of the financial position and financial performance which may prevail after the scheme becomes effective. Also, the post scheme Net worth will undergo changes on the effective date of implementation of the Scheme on account of profit/ (loss) during the intervening period (from 1st April 2020 to the effective date), other business transaction entered into by DWHU in the intervening period and due to other Ind AS accounting impacts, if any. Hence, the net worth of the DWHU taken in the statement is provisional and may undergo changes on the effective date of implementation of the Scheme.



# S.R. BATLIBOI & Co. LLP

Chartered Accountants

## Conclusion

13. Based on the procedures performed by us as referred to in paragraph 11 above and according to the information, explanation and management representations received by us, nothing has come to our attention that causes us to believe that amount in the Statement relate to post scheme provisional net worth as at March 31, 2020, have not been accurately extracted from the audited Special Purpose Financial Information of DWHU as at and for the year ended March 31, 2020 as prepared by the management of the MSSL.

## Restriction on Use

14. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose given in paragraph 2 above for onward submission to MSSL for submission to stock exchanges and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**PANKAJ  
CHADHA**

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c=India  
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per Pankaj Chadha

Partner

Membership Number: 091813

UDIN: 20091813AAAADM3382

Place: Gurugram

Date: July 21, 2020



**Statement of post scheme provisional net worth of Motherson Sumi Wiring India Limited ("the Company" or "Resulting Company") as at March 31, 2020**

S. No.	Particulars	Amount (INR Crores)
	<b>Equity</b>	
I	Owner's net investment	408
II	<b>Net Worth</b>	<b>408</b>

**Basis of computation:**

1. For the purpose of preparation of the aforesaid Statement, the definition of net worth as given under Section 2(57) of the Companies Act, 2013 has been used. The definition is reproduced below:

"Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

2. The Board of Directors of the Motherson Sumi Systems Limited ("MSSL"), at their meeting held on July 02, 2020 approved the Composite Scheme of Amalgamation and Arrangement proposed to be undertaken amongst the MSSL, Samvardhana Motherson International Limited, and Motherson Sumi Wiring India Limited (as incorporated on July 2, 2020 ("Resulting Company" or the "Company")), and their respective shareholders and creditors ("Scheme"). The Scheme, among other matters, envisage that Domestic Wiring Harness Undertaking (DWHU) of MSSL will be transferred to the Company as a going concern. In consideration, the Company will issue shares to the Shareholders of MSSL.
3. Post scheme provisional net worth of the Company has been presumed to be equal to the provision net worth of DWHU to be demerged to the Company from MSSL. For this purpose, the provisional net worth of the DWHU has been extracted from the Special Purpose Financial Information of DWHU as at and for the year ended March 31, 2020. The Special Purpose Financial Information were prepared in accordance with the Guidance Note on 'Combined and Carve-out Financial Information' ("Guidance Note") issued by the Institute of Chartered accounts of India ("ICAI") which sets out overall framework for the preparation and presentation of the carve-out Financial Information. In preparing the said carve-out Financial Information, principles set out in the Guidance Note and certain accounting conventions commonly used for preparing carve-out Financial Information have been applied. The information presented in the Special Purpose Financial Information may not be representative of the financial position and financial performance which may prevail after the scheme becomes effective. Also, the post scheme Net worth will undergo changes on the effective date of implementation of the Scheme on account of profit/ (loss) during the intervening period (from 1st April 2020 to the effective date), other business transaction entered into by DWHU in the intervening period and due to other Ind AS accounting impacts, if any. Hence, the net worth of DWHU taken in the above statement is provisional and may undergo changes on the effective date of implementation of the Scheme.

**For and on behalf of the Motherson Sumi Wiring India Limited**

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MEHTA

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Date: 2020.07.21  
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Sanjay Mehta  
Director

Place: Noida  
Date: July 21, 2020



Regd. Office:  
**Motherson Sumi Wiring India Limited**  
Unit – 705, C Wing, ONE BKC, G Block Bandra Kurla Complex,  
Bandra East Mumbai – 400051, Maharashtra (India)  
Tel: 022-61354800, Fax: 022-61354801  
CIN No.: U29306MH2020PLC341326  
E-mail: investorrelations@motherson.com

Proud to be part of samvardhana 

Details of Capital evolution of Motherson Sumi Systems Limited

Date of Issue/ allotment	No. of shares issued/ allotted	Issue price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative No. of Equity Shares	Whether listed, if not listed, give reasons thereof
December 20, 1986	200	10	Subscription to Memorandum of Association	200	Listed at the time of IPO in year 1993
December 31, 1986	609,000	10	Allotment of equity shares to Motherson Auto Private Limited	609,200	Listed at the time of IPO in year 1993
April 29, 1987	590,800	10	Allotment of equity shares to Sumitomo Wiring Systems Limited, Japan, Nissho Iwai Corporation Limited and members of the Sehgal family.	1,200,000	Listed at the time of IPO in year 1993
July 11, 1989	300,000	10	Rights Issue	1,500,000	Listed at the time of IPO in year 1993
December 24, 1991	500,000	10	Allotment to Sumitomo Wiring Systems Limited, Nissho Iwai Corporation Limited, Motherson Sehgal Cables, Vaaman Auto Industry, members of the Sehgal family, etc.	2,000,000	Listed at the time of IPO in year 1993
June 17, 1992	500,000	10	Further issue	2,500,000	Listed at the time of IPO in year 1993
April 30, 1993	3,300,000	25.00	Public Issue	5,800,000	Listed
February 9, 1995	1,159,680	90.00	Rights Issue	6,959,680	Listed
January 17, 1998	3,479,840	N.A.	Bonus Issue (1:2)	10,439,520	Listed
December 9, 2000 <sup>1</sup>	5,219,760	N.A.	Bonus Issue (1:2)	15,659,280	Listed
March 3, 2005	78,296,400	N.A.	Bonus Issue (1:2)	234,889,200	Listed
September 10, 2007	117,444,600	N.A.	Bonus Issue (1:2)	352,333,800	Listed
October 18, 2007	1,050,000	74.30	Conversion of FCCBs by Swiss Finance Corp. Mauritius Limited	353,383,800	Listed

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Regd Office:  
Motherson Sumi Systems Limited Unit -  
705, C Wing, ONE BKC, G Block Bandra  
Kurla Complex, Bandra East  
Mumbai - 400051, Maharashtra (India)  
Tel: 022-61354800, Fax: 022-61354801  
CIN No.: L34300MH1986PLC284510

December 22, 2007	2,100,000	74.30	Conversion of FCCBs by Merrill Lynch Capital Markets Espana S.A. S.V.	355,483,800	Listed
January 14, 2008	70,000	74.30	Conversion of FCCBs by Nomura International Plc.	355,553,800	Listed
January 7, 2010	1,400,000	74.30	Conversion of FCCBs by Swiss Finance Corp. Mauritius Limited	356,953,800	Listed
January 11, 2010	700,000	74.30	Conversion of FCCBs by Swiss Finance Corp. Mauritius Limited	357,653,800	Listed
January 16, 2010	2,030,000	74.30	Conversion of FCCBs by Nomura International Plc, Deutshce Bank AG London and Swiss Finance Corp. Mauritius Limited.	359,683,800	Listed
January 28, 2010	1,120,000	74.30	Conversion of FCCBs by Swiss Finance Corp. Mauritius Limited and Deutshce Bank AG London	360,803,800	Listed
January 30, 2010	1,400,000	74.30	Conversion of FCCBs by Swiss Finance Corp. Mauritius Limited	362,203,800	Listed
February 6, 2010	210,000	74.30	Conversion of FCCBs by Nomura International Plc	362,413,800	Listed
February 20, 2010	210,000	74.30	Conversion of FCCBs by Swiss Finance Corp. Mauritius Limited	362,623,800	Listed
March 6, 2010	2,135,000	74.30	Conversion of FCCBs by Nomura International Plc , Swiss Finance Corp. Mauritius Limited, Credit Industriel et Commercial and VCM Limited, Mauritius	364,758,800	Listed
March 18, 2010	5,985,000	74.30	Conversion of FCCBs by Deutshce Bank AG London, Credit Industriel et Commercial and Brookdale India Value Fund Limited	370,743,800	Listed
March 31, 2010	3,850,000	74.30	Conversion of FCCBs by Goldman Sachs Investments (Mauritius) Limited, Deutshce Bank AG London, Swiss Finance Corp. Mauritius Limited and	374,593,800	Listed



			Brookdale India Value Fund Limited		
April 14, 2010	2,100,000	74.30	Conversion of FCCBs by Swiss Finance Corp. Mauritius Limited, Deutshce Bank AG London and Nomura International Plc	376,693,800	Listed
April 26, 2010	4,200,000	74.30	Conversion of FCCBs by Swiss Finance Corp. Mauritius Limited, Deutshce Bank AG London and Brookdale India Value Fund Limited	380,893,800	Listed
May 18, 2010	4,200,000	74.30	Conversion of FCCBs by Nomura International Plc, Swiss Finance Corp. Mauritius Limited and Credit Industriel et Commercial	385,093,800	Listed
June 23, 2010	1,050,000	74.30	Conversion of FCCBs by Nomura International Plc and VCM Limited, Mauritius	386,143,800	Listed
June 30, 2010	1,400,000	74.30	Conversion of FCCBs by Copthall Mauritius Investment Limited	387,543,800	Listed
April 23, 2012	4,420,360	N.A.	Allotment to the erstwhile shareholders of Sumi Motherson Innovation Engineering Ltd. consequent upon merger	391,964,160	Listed
October 5, 2012	195,982,080	N.A.	Bonus Issue (1:2)	587,946,240	Listed
December 24, 2013	293,973,120	N.A.	Bonus Issue (1:2)	881,919,360	Listed
July 28, 2015	440,959,680	N.A.	Bonus Issue (1:2)	1,322,879,040	Listed
September 12, 2016	1,77,62,460	317	Preferential issue to Sumitomo Wiring Systems Limited	134,06,41,500	Listed
September 16, 2016	6,28,84,827	317	Shares issued under QIP Issue	140,35,26,327	Listed
July 08, 2017	70,17,63,164	N.A.	Bonus Issue (1:2)	210,52,89,491	Listed
November 1, 2018	105,26,44,746	N.A.	Bonus Issue (1:2)	315,79,34,237	Listed



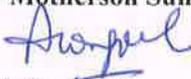
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**Notes:**

1. On October 31, 2002, the face value of the equity shares of the Company was split into Rs. 5 each and consequently, the issued paid up equity share capital was split from Rs. 156,592,800 divided into 15,659,280 equity shares of Rs. 10 each to Rs. 156,592,800 divided into 31,318,560 equity shares of Rs. 5 each. Further, on February 23, 2004, the face value of the equity shares of the Company was split into Re. 1 each and consequently, the issued paid up equity share capital was split from Rs. 156,592,800 divided into 31,318,560 equity shares of Rs. 5 each to 156,592,800 divided into 156,592,800 equity shares of Re. 1 each.
2. BSE/NSE has not granted listing / trading approval(s) for bonus issues made by the Company, where the original shares were kept in abeyance. The details of such shares as on June 30, 2020 are as under:

Sl. No.	Particulars	Shares for which approval is pending	Remarks, if any
1.	Bonus 2005	24,015	Trading approval pending
2.	Bonus 2007	12,014	Trading approval pending
3.	Bonus 2012	18,018	Listing approval pending
4.	Bonus 2013	27,026	Trading approval pending
5.	Bonus 2015	40,538	Trading approval pending
6.	Bonus 2017	60,805	Trading approval pending
7.	Bonus 2018	91,208	Trading approval pending

For **Motherson Sumi Systems Limited**

  
Alok Goel  
Company Secretary





## Samvardhana Motherson International Limited

Details of Capital evolution of the equity share capital of Samvardhana Motherson International Limited ("Amalgamating Company"):

Date of Issue/ allotment	No. of shares issued/ allotted	Issue price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative No. of Equity Shares	Whether listed, if not listed, give reasons thereof
December 27, 2004	50,000	10	Subscription to Memorandum of Association	50,000	N.A.
September 3, 2005	20,00,000	10	Preferential issue to Renu Sehgal	20,50,000	N.A.
October 28, 2005	14,00,000	10	Preferential issue to Motherson Consultancy Private Limited	34,50,000	N.A.
October 5, 2006	60,00,000	10	Preferential issue to Samvardhana Employees Welfare Trust	94,50,000	N.A.
February 7, 2008 (Date of Effectiveness of the scheme of amalgamation and arrangement involving inter alia reduction of paid-up share capital)	(-14,00,000)	N.A.	Capital reduced due to cancellation of Equity Shares held by Motherson Consultancy Private Limited, pursuant to the terms of a scheme of amalgamation and arrangement.	80,50,000	N.A.
February 19, 2008	29,21,30,594	10	Allotment pursuant to amalgamation of Motherson Consultancy Private Ltd ("MCPL") into our Company pursuant to a scheme of amalgamation	30,01,80,594	N.A.
March 16, 2009	4,68,71,100	23.30	Preferential issue to the Sehgal family	34,70,51,694	N.A.
June 19, 2009	6,49,72,318	23.30	Preferential issue to the Sehgal family	41,20,24,012	N.A.
December	28,50,000	21	Preferential issue to	41,48,74,012	N.A.

Corporate Headquarters:  
Plot No.1, Sector-127, Noida-Greater Noida Expressway  
Noida - 201301, U.P., India  
Tel. No.: +91-120-6679500, Fax: +91-120-6679270  
Website: www.smil.co.in / www.motherson.com  
Email: smil@motherson.com



Registered Office:  
Unit 705, C Wing, ONE BKC, 8 Block,  
Bandra Kurla Complex, Bandra East,  
Mumbai, Maharashtra, India - 400051  
Phone: +91-22-61354800, Fax: +91-22-61354801  
CIN No.: U74900MH2004PLC287011



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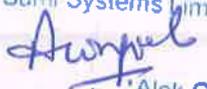
Date of Issue/allotment	No. of shares issued/allotted	Issue price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative No. of Equity Shares	Whether listed, if not listed, give reasons thereof
31, 2009			Samvardhana Employees Welfare Trust		
April 10, 2010	5,35,39,843	23.33	Conversion of preference shares held by Sojitz Corporation pursuant	46,84,13,855	N.A.
September 8, 2011	52,00,000	52.10	Preferential issue to Samvardhana Employees Welfare Trust	47,36,13,855	N.A.

Details of Capital evolution of the preference share capital of Samvardhana Motherson International Limited:

Date of Issue/allotment	Number of 0% compulsorily convertible preference shares	Issue price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative No. of Preference Shares	Whether listed, if not listed, give reasons thereof
April 11, 2009	12,48,82,670	16.50	Preferential issue to Sojitz Corporation	12,48,82,670	N.A.
April 10, 2010	(-12,48,82,670)	-	Conversion of preference shares held by Sojitz Corporation	-	N.A.

For Samvardhana Motherson International Limited

  
 Name: Pooja Mehta  
 Designation: Company Secretary

For Motherson Sumi Systems Limited  
  
 Alak Goel  
 Company Secretary

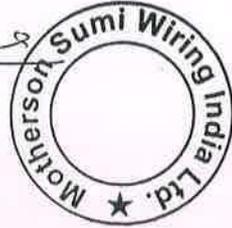
**Annexure 16C**

**Details of Capital evolution of Motherson Sumi Wiring India Limited**

Date of Issue/ allotment	No. of shares issued/ allotted	Issue price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative No. of Equity Shares	Whether listed, if not listed, give reasons thereof
July 2, 2020	5,00,000	1	Subscription to Memorandum of Association	5,00,000	N.A.

**For Motherson Sumi Wiring India Limited**

Mr. Sanjay Mehta  
Director



**For Motherson Sumi Systems Limited**

*Alok Goel*  
Alok Goel  
Company Secretary

To,  
The General Manager,  
Department of Corporate Services,  
BSE Limited,  
P.J. Towers, Dalal Street,  
Mumbai – 400 001.

Dear Sir,

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed scheme of amalgamation and arrangement involving Motherson Sumi Systems Limited (“the Transferor Company”), Samvardhana Motherson International Limited and Motherson Sumi Wiring India Limited, a new company incorporated as the wholly owned subsidiary of the Transferor Company.**

In connection with the above application, we hereby confirm that:

- a) The proposed scheme of amalgamation and arrangement to be presented to any Court or Tribunal does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, securities contract (Regulations) Rules, 1957, RBI Act, 1934, the Depositories Act, 1996, the Companies Act, 2013, the rules, regulations and guidelines made under these Acts, the provisions as explained in Regulation 11 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and the requirements of SEBI circulars and BSE Limited.
- b) In the explanatory statement to be forwarded by the Transferor Company to the shareholders under Sections 230 – 232, and other applicable provisions, if any, of the Companies Act, 2013, it shall disclose:
  - i) the pre and post-arrangement or amalgamation (expected) capital structure and shareholding pattern;
  - ii) the “fairness opinion” obtained from an Independent merchant banker on valuation of assets / shares done by the valuer for the company and unlisted company.
  - iii) Information about unlisted companies involved in the scheme as per the format provided for abridged prospectus in the SEBI ICDR;
  - iv) The Complaint report as per Annexure III; and
  - v) The observation letter issued by the stock exchanges.
- c) The draft scheme of amalgamation and arrangement, together with all documents mentioned in Para I(A)(7)(a) of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, has been disseminated on Transferor Company's website as per Website link given hereunder:  
  
<https://www.motherson.com/performance/mssl-investors/share-holder-information/SchemeofArrangement>
- d) The Transferor Company shall disclose the observation letter of the stock exchange on its website within 24 hours of receiving the same.
- e) The Transferor Company shall obtain shareholders' approval by way of special resolution passed through e-voting. Further, the Transferor Company shall proceed with the draft scheme only if the vote cast by the public shareholders in favor of the proposal is more than the number of votes cast by public shareholders against it.

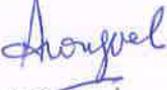
Head Office:  
Motherson Sumi Systems Limited  
C-14 A & B, Sector I, Noida – 201301  
Distt. Gautam Budh Nagar, U.P. India  
Tel: +91-120-6752100, 6752278  
Fax: +91-120-2521866, 2521966  
Website: www.motherson.com  
Email: investorrelations@motherson.com



Regd Office:  
Motherson Sumi Systems Limited Unit –  
705, C Wing, ONE BKC, G Block Bandra  
Kurla Complex, Bandra East  
Mumbai – 400051, Maharashtra (India)  
Tel: 022-61354800, Fax: 022-61354801  
CIN No.: L34300MH1986PLC284510

- f) The documents filed by the Transferor Company with the Exchange are same/ similar/ identical in all respect, which have been filed by the Transferor Company with Registrar of Companies/SEBI/Reserve Bank of India, wherever applicable.
- g) There will be no alteration in the Share Capital of the unlisted transferor company from the one given in the draft scheme of amalgamation and arrangement.
- h) None of the promoters or directors of the companies involved in the scheme is a fugitive economic offender.

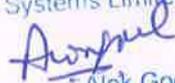
For Motherson Sumi Systems Limited

  
Alok Goel  
Company Secretary



# Motherson Sumi Systems Limited Standalone Financial Statements 2019-20

For Motherson Sumi Systems Limited

  
Alok Goel  
Company Secretary

(All amounts in INR Million, unless otherwise stated)

	Notes	As At	
		March 31, 2020	March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	15,819	17,087
Right-of-use assets	3(b)	2,716	-
Capital work in progress	3(a)	903	907
Investment property	4	747	872
Intangible assets	5	0	0
Investment in subsidiaries, joint ventures and associate	6(a)	46,632	45,836
<b>Financial assets</b>			
i. Investments	6(a)	188	188
ii. Loans	7	176	58
iii. Other financial assets	9 (a)	138	-
Deferred tax assets (net)	10	450	296
Other non-current assets	11	387	342
Non-current tax assets (net)	23	594	725
<b>Total non-current assets</b>		<b>68,748</b>	<b>66,311</b>
<b>Current assets</b>			
Inventories	12	9,931	10,551
<b>Financial assets</b>			
i. Investments	6(b)	6	10
ii. Trade receivables	8	8,675	8,090
iii. Cash and cash equivalents	13(a)	2,300	1,333
iv. Bank balances other than (iii) above	13(b)	66	49
v. Loans	7	89	110
vi. Other financial assets	9 (b)	1,050	1,939
Other current assets	14	1,164	2,039
<b>Total current assets</b>		<b>23,281</b>	<b>24,121</b>
<b>Total assets</b>		<b>92,029</b>	<b>90,432</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	3,158	3,158
<b>Other equity</b>			
Reserves and surplus	16(a)	59,153	61,088
Other reserves	16(b)	133	136
<b>Total equity</b>		<b>62,444</b>	<b>64,382</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings	17(a)	11,915	11,337
ii. Lease liabilities		791	-
iii. Other financial liabilities	18	226	164
Employee benefit obligations	21	485	424
Government grants	22	275	92
<b>Total non-current liabilities</b>		<b>13,692</b>	<b>12,017</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings	17(b)	2,279	2
ii. Lease liabilities		137	-
iii. Trade payables			
Total outstanding dues of micro, small and medium enterprises	19	155	202
Total outstanding dues of creditors other than micro, small and medium enterprises	19	8,901	8,747
iv. Other financial liabilities	18	2,584	2,698
Provisions	20	11	8
Employee benefit obligations	21	579	380
Government grants	22	34	12
Other current liabilities	24	1,213	2,004
<b>Total current liabilities</b>		<b>15,893</b>	<b>14,033</b>
<b>Total liabilities</b>		<b>29,585</b>	<b>26,050</b>
<b>Total equity and liabilities</b>		<b>92,029</b>	<b>90,432</b>

Summary of significant accounting policies

2

This is the Balance Sheet referred to in our report of even date

The above Standalone balance sheet should be read in conjunction with the accompanying notes

For S.R. Batliboi & Co. LLP

For and on behalf of the Board

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

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**CHADHA**

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per PANKAJ CHADHA

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Date: 2020.06.03 19:38:00 +05'30'

Partner

Membership No.: 081813

VIVEK

CHAAND

SEHGAL

V.C. SEHGAL

Chairman

Gaya Nand

Gauba

G.N. GAUBA

Chief Financial Officer

PANKAJ

KUMAR MITAL

PANKAJ MITAL

Whole-time Director/  
Chief Operating Officer

Alok Goel

ALOKE GOEL

Company Secretary

Place: Gurugram

Date: June 02, 2020

Place: Noida

Date: June 02, 2020



**MOTHERSON SUMI SYSTEMS LIMITED**  
Statement of profit and loss



(All amounts in INR Million, unless otherwise stated)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Revenue</b>			
Revenue from contract with customers	25 (a)	68,142	75,107
Other operating revenue	25 (b)	596	706
<b>Total revenue from operations</b>		<b>68,738</b>	<b>75,813</b>
Other income	26	3,784	1,865
<b>Total income</b>		<b>72,522</b>	<b>77,678</b>
<b>Expenses</b>			
Cost of materials consumed	27	35,694	42,002
Purchase of stock-in-trade		985	619
Changes in inventory of finished goods, work-in-progress and stock in trade	28	485	(522)
Employee benefit expense	29	12,176	11,785
Depreciation and amortization expense	32	2,883	2,193
Finance costs	31	306	176
Other expenses	30	8,379	9,201
<b>Total expenses</b>		<b>60,908</b>	<b>65,454</b>
<b>Profit before tax</b>		<b>11,614</b>	<b>12,224</b>
<b>Tax expenses</b>			
-Current tax	33	2,742	3,106
-Deferred tax expense/ (credit)		(116)	980
<b>Total tax expense</b>		<b>2,626</b>	<b>4,086</b>
<b>Profit for the year</b>		<b>8,988</b>	<b>8,138</b>
<b>Other comprehensive income</b>			
<b>Items not to be reclassified to profit or loss</b>			
Changes in fair valuation of FVOCI equity investment		(4)	2
Deferred tax on fair valuation of FVOCI equity investment		1	(0)
Remeasurements of employment benefit obligations		(146)	(88)
Deferred tax on remeasurements of employment benefit obligations		37	31
<b>Other comprehensive income for the year, net of tax</b>		<b>(112)</b>	<b>(55)</b>
<b>Total comprehensive Income for the year, net of tax</b>		<b>8,876</b>	<b>8,083</b>
<b>Earnings per share: (Refer Note 34)</b>			
Nominal value per share: INR 1/- (Previous year : INR 1/-)			
Basic		2.85	2.58
Diluted		2.85	2.58

**Summary of significant accounting policies**

This is the Statement of Profit and Loss referred to in our report of even date

The above Standalone statement of profit and loss should be read in conjunction with the accompanying notes

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

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CHADHA**

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email=pankaj.chadha@srb.in  
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Date: 2020.06.03 19:36:54 +05'30'

per PANKAJ CHADHA

Partner

Membership No.: 091813

Place: Gurugram

Date: June 02, 2020

For and on behalf of the Board

VIVEK CHAUDHARY  
SEHGAL

**V.C. SEHGAL**  
Chairman

Gaya Nand  
Gauga

**G.N. GAUBA**  
Chief Financial Officer

Place: Noida

Date: June 02, 2020

PANKAJ  
KUMAR MITAL

**PANKAJ MITAL**  
Whole-time Director/  
Chief Operating Officer

Alok Goel

**ALOK GOEL**  
Company Secretary



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(All amounts in INR Million, unless otherwise stated)

A. Equity share capital		Notes	Amount			
As at April 01, 2018			2,105			
Issue of equity share capital		15	1,053			
As at March 31, 2019			3,158			
Issue of equity share capital		15	-			
As at March 31, 2020			3,158			

B. Other equity		Notes	Reserves and surplus				Items of OCI	Total
			Securities premium	Reserve on amalgamation	General Reserve	Retained Earnings	FVOCI equity Investments	
Balance as at April 01, 2018			27,279	1,663	3,363	27,258	134	59,697
Profit for the year			-	-	-	8,138	-	8,138
Other comprehensive income			-	-	-	(57)	2	(55)
Total comprehensive income for the year			-	-	-	8,081	2	8,083
Additions during the year								
Bonus Issue		16 (a)	(1,053)	-	-	-	-	(1,053)
Dividend paid		16 (a)	-	-	-	(4,737)	-	(4,737)
Tax on Dividend		16 (a)	-	-	-	(766)	-	(766)
Balance at March 31, 2019			26,226	1,663	3,363	29,036	136	61,224
Profit for the year			-	-	-	8,988	-	8,988
Other comprehensive income			-	-	-	(109)	(3)	(112)
Total comprehensive income for the year			-	-	-	8,879	(3)	8,876
Additions during the year								
Bonus Issue		16 (a)	-	-	-	-	-	-
Dividend paid		16 (a)	-	-	-	(9,474)	-	(9,474)
Tax on Dividend		16 (a)	-	-	-	(1,340)	-	(1,340)
Balance at March 31, 2020			26,226	1,663	3,363	27,901	133	59,286
Summary of significant accounting policies		2						

The above statement of changes in equity should be read in conjunction with the accompanying notes

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**PANKAJ CHADHA**

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per PANKAJ CHADHA

Partner

Membership No.: 091813

Place: Gurugram

Date: June 02, 2020

For and on behalf of the Board

VIVEK CHAAND SEHGAL

V.C. SEHGAL  
Chairman

Gaya Nand Gauba

G.N. GAUBA  
Chief Financial Officer

Place: Noida

Date: June 02, 2020

PANKAJ KUMAR MITAL

PANKAJ MITAL  
Whole-time Director/  
Chief Operating Officer

Alok Goel

ALOK GOEL  
Company Secretary



	For the year Ended March 31, 2020	For the year Ended March 31, 2019
<b>A. Cash flow from operating activities:</b>		
Profit before tax	11,614	12,224
Adjustments to reconcile profit before tax to net cash flow:		
Depreciation and amortisation expense	2,883	2,193
Amortisation of government grant	(53)	(12)
Gain on disposal of property, plant and equipment & investment property (net)	(39)	(6)
Liabilities written back to the extent no longer required	(36)	(17)
Bad debts/ advances written off	1	0
Provision for doubtful debts/ advances	4	(3)
Provision for diminution in the value of investment	-	20
Interest income	(23)	(19)
Dividend income	(3,095)	(1,227)
Finance cost	308	177
Unrealised foreign exchange gain (net)	(76)	(168)
<b>Operating profit before working capital changes</b>	<b>11,486</b>	<b>13,162</b>
<b>Change in working Capital:</b>		
Increase/ (decrease) in Trade Payables	10	172
Increase/ (decrease) in Other Payables	(332)	265
Increase/ (decrease) in Other financial liabilities	151	83
(Increase)/ decrease in Trade Receivables	(397)	1,146
(Increase)/ decrease in Inventories	621	(1,309)
(Increase)/ decrease in other financial assets	770	258
(Increase)/ decrease in Other Receivables	636	(571)
<b>Cash generated from operations</b>	<b>12,945</b>	<b>13,206</b>
- Income taxes paid (net of refund)	(2,582)	(3,781)
<b>Net cash flows from operating activities</b>	<b>10,363</b>	<b>9,425</b>
<b>B. Cash flow from Investing activities:</b>		
Payments for property, plant and equipment and investment property (including capital work in progress)	(3,519)	(3,999)
Proceeds from sale of property, plant and equipment & investment property	49	23
Loan (to)/repaid by related parties (net)	(112)	-
Interest received	18	19
Dividend received from subsidiaries	2,963	1,023
Dividend received from others	104	172
(Investment)/ proceeds from maturity of deposits with remaining maturity for more than 12 months	0	(1)
<b>Net cash used in Investing activities</b>	<b>(497)</b>	<b>(2,763)</b>
<b>C. Cash flow from financing activities:</b>		
Dividend paid to equity share holders	(9,457)	(4,726)
Dividend distribution tax	(1,340)	(786)
Interest paid	(371)	(342)
Proceeds from long term borrowings	111	-
Proceeds from other short term borrowings	4,779	2
Repayment of long term borrowings	(17)	(554)
Repayment of other short term borrowings	(2,502)	(16)
Payment of lease liabilities	(129)	-
<b>Net cash used in financing activities</b>	<b>(8,926)</b>	<b>(6,402)</b>



**MOTHERSON SUMI SYSTEMS LIMITED**  
Cash Flow Statement



(All amounts in INR Million, unless otherwise stated)

	For the year Ended March 31, 2020	For the year Ended March 31, 2019
Net Increase/(decrease) in Cash and Cash Equivalents	939	260
Net foreign exchange difference	28	57
Net Cash and Cash equivalents at the beginning of the year	1,333	1,016
Cash and cash equivalents as at current year end	2,300	1,333
Cash and cash equivalents comprise of the following (Note 13(a))		
Cash on hand	10	8
Cheques/drafts on hand	5	6
Balances with banks	2,285	1,319
Cash and cash equivalents as per Balance Sheet	2,300	1,333

Summary of significant accounting policies (Note 2)

Notes:

- i) The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- ii) Figures in brackets indicate Cash Outflow.

This is the Cash Flow Statement referred to in our report of even date

The above Standalone cash flow statement should be read in conjunction with the accompanying notes

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**PANKAJ  
CHADHA**

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email=pankaj.chadha@srb.in  
Reason: I am approving this document  
Date: 2020.06.03 19:39:57 +05'30'

per PANKAJ CHADHA

Partner

Membership No.: 091813

Place: Gurugram

Date: June 02, 2020

For and on behalf of the Board

VIVEK  
CHAAND  
SEHGAL

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VIVEK CHAAND SEHGAL  
Date: 2020.06.03  
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V.C. SEHGAL  
Chairman

Gaya Nand  
Gauba

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Gaya Nand Gauba  
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G.N. GAUBA  
Chief Financial Officer

Place: Noida

Date: June 02, 2020

PANKAJ  
KUMAR MITAL

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Date: 2020.06.03  
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PANKAJ MITAL  
Whole-time Director/  
Chief Operating Officer

Alok Goel

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Alok Goel  
Date: 2020.06.03  
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ALOK GOEL  
Company Secretary



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# MOTHERSON SUMI SYSTEMS LIMITED

## Notes to the financial statements

(All amounts are in INR Million, unless otherwise stated)

### 1. Corporate Information

Motherson Sumi Systems Limited (MSSL or 'the Company') was incorporated on December 19, 1986 and domiciled in India and is engaged primarily in the manufacture and sale of components to automotive original equipment manufacturers. The address of its registered office is Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra. The Company is a public limited company and is listed in the Bombay Stock Exchange and National Stock Exchange. The Company is a joint venture entity between Samvardhana Motherson International Limited (SAMIL) and Sumitomo Wiring Systems Limited, Japan.

The standalone financial statements were authorised for issue in accordance with a resolution of the Board of directors on June 02, 2020.

### 2.1 Significant accounting policies

#### (a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statement.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments, refer note 37
- Certain financial assets and liabilities measured at fair value (refer note 1 below for accounting policy regarding financial instruments)
- Defined benefit pension plans – plan assets measured at fair value, refer note 21

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The financial statements are presented in INR and all values are rounded to the nearest millions (INR 000,000), except when otherwise indicated.

#### (b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### (c) Foreign currencies

##### (i) Functional and presentation currency

The Company's functional currency is Indian Rupee (INR) and the financial statements are presented in Indian Rupee (INR).

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### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges

Foreign exchange differences on foreign currency borrowings are presented in the Statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

### Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

### Revenue from sale of components

Revenue from sale of components is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of equipment, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

### Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Contracts for the sale of components provide customers with a customary right of return in case of defects, quality issues etc. The rights of return give rise to variable consideration.

The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

### Warranty obligations

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

### Revenue from assembly of components

The Company has contracts with customers to assemble, on their behalf, customised components from various parts procured from suppliers identified by the customer. The Company is acting as an agent in these arrangements.

When another party is involved in providing goods or services to its customer, the Company determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Company is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Company's role is only to arrange for another entity to provide the goods or services, then the Company is an agent and will need to record revenue at the net amount that it retains for its agency services.



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### Revenue from development of tools

The Company develops customised tooling for its customers and recognises its revenue over time using an input method to measure progress towards complete satisfaction of the tool development.

The Company recognises revenue from development of tools over time if it can reasonably measure its progress towards complete satisfaction of the performance obligation.

Where the Company cannot reasonably measure the outcome of a performance obligation, but the Company expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Company recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

### Determining the timing of satisfaction of tooling development

The Company concluded that revenue for development of tooling is to be recognised over time because the Company's performance does not create asset with an alternative use to the Company since the tools are customised for each customer and the Company has a legally enforceable right to payment of fair value for performance completed to date.

The Company determined that the input method is the best method in measuring progress of the tooling development because there is a direct relationship between the Company's effort (i.e., costs incurred) and the transfer of tooling to the customer. The Company recognises revenue on the basis of the total costs incurred relative to the total expected costs to complete the tool.

### Principal versus agent considerations

The Company enters into contracts with its customers to assemble, on their behalf, customised components using various parts procured from suppliers identified by the customer. Under these contracts, the Company provides assembly services (i.e., coordinating the procurement of various parts from the identified suppliers and combining or assembling them into components as desired by the customer). The Company determined that it does not control the goods before they are transferred to customers, and it does not have the ability to direct the use of the component or obtain benefits from the component. The following factors indicate that the Company does not control the goods before they are being transferred to customers. Therefore, the Company determined that it is an agent in these contracts.

- The Company is not primarily responsible for fulfilling the promise to provide the specified equipment.
- The Company does not have inventory risk before or after the specified component has been transferred to the customer as it purchases various parts on just-in-time basis and only upon contract of the customer.
- The Company has no discretion in establishing the price for the specified component. The Company's consideration in these contracts is only based on the difference between the maximum purchase price quoted by the customer and the cost of various parts purchased from the suppliers.
- In addition, the Company concluded that it transfers control over its services (i.e., assembling the component from various parts), at a point in time, upon receipt by the customer of the component, because this is when the customer benefits from the Company's agency service.

### Consideration of significant financing component in a contract

The Company develops customised tooling and secondary equipment's for which the manufacturing lead time after signing the contract is usually more than one year. This type of contract includes two payment options for the customer, i.e., payment of the transaction price equal to the cash selling price upon delivery of the tooling or payment of the transaction price as part of the component's selling price. The Company concluded that there is a significant financing component for those contracts where the customer elects to pay along with the component's selling price considering the length of time between the transfer of tooling and secondary equipment and the recovery of transaction price from the customer, as well as the prevailing interest rates in the market, if any.

In determining the interest to be applied to the amount of consideration, the Company concluded that the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance) is appropriate because this is commensurate with the rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception.

### Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount

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of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Trade receivables are disclosed in Note 45.

### Contract Assets

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables. The Company's contract assets are disclosed in Note 45 as Unbilled Receivables.

### Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. Contract Liabilities are disclosed in Note 45 as Advances received from customers.

### Impairment

An impairment is recognised to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which such asset relates; less (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

## (d) Other Income

### Interest

Interest is recognised using the effective interest rate (EIR) method, as income for the period in which it occurs. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### Rental Income

Rental income arising from investment properties given on leases is accounted for on a straight-line basis over the lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and is included in other income in the statement of profit and loss.

### Dividend

Dividend income is recognised when the right to receive payment is established, which is generally when shareholders approve the dividend.

### Duty drawback and export incentives

Income from duty drawback and export incentives is recognized on an accrual basis.

### Royalty income

Royalty income is recognized in Other operating income on an accrual basis in accordance with the substance of the relevant agreements.

## (e) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

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Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

When government grants relating to loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

### (f) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### Investment allowances and similar tax incentives:

The Company may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure. The Company accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense.

### (g) Leases

Pursuant to the notification by the Ministry of Corporate Affairs, The Company adopted IND AS 116 effective from April 1, 2019, prospectively using the modified retrospective method as mandated by Para C5(b) and Para C8(c)(ii) of IND AS 116. Accordingly, the Company has not restated comparative information and there is no cumulative effect of initially applying this Standard to be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

#### As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease

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liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in *section (h)* Impairment of non-financial assets.

### Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Lease liabilities, which separately shown in the financial statement are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing (while affecting other comprehensive income) the carrying amount to reflect the lease payments made.

### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### Key assumptions that the Company is applying for implementing the standard are as follows:

**Terms:** For each contract, the Company reviewed the renewal and the early termination options within the term of the arrangement and determined, after taking into account all the relevant facts and circumstances, what would be the date at which the Company reasonably expects the contract to be terminated. For certain categories of leased assets, (mainly vehicles), the Company assesses that there is no reasonably certain extension option, consequently the duration selected coincides with the first term of the lease contract. For real estate lease arrangements, the Company defines the reasonable end date of the contracts, while taking into account the renewal and early termination options stated in the agreements, in line with the asset's expected period of use.

**Discount rates:** The Company determined discount rates reflecting each subsidiary's specific credit risk, the currency of the contract and the weighted average maturity of the reimbursement of the lease liability. For the transition the incremental borrowing rate used is the rate applicable to the residual terms of the contracts. For contracts previously classified as finance leases the Company has recognised the carrying amount of the right of use assets and lease liability at the date of initial application.

### As a Lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate the lessor for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their respective nature.

### (h) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.



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The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used. Impairment losses including impairment on inventories, are recognised in the statement of profit and loss

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are tested for impairment annually at the end of the financial year at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

### (i) Cash and cash equivalents

Cash and cash equivalent includes cash on hand, cash at banks and short term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### (j) Inventories

Raw materials, stores and spares, work in progress, stock in trade and finished goods are stated at the lower of cost and net realisable value.

Cost of raw material and traded goods comprise cost of purchase and is determined after rebate and discounts. Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### (k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (e) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.



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Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

### Debt instruments at amortised cost

This category is the most relevant to the Company. A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

### Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-



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instrument basis. The classification is made on initial recognition and is irrevocable. The Company elected to classify irrevocably its non-listed equity investments under this category.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Lease receivables under Ind AS 116
- d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- e. Loan commitments which are not measured as at FVTPL
- f. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:



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- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount'

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

#### Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings and other payables.

#### Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of

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# MOTHERSON SUMI SYSTEMS LIMITED

## Notes to the financial statements

(All amounts are in INR Million, unless otherwise stated)

the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in statement of profit and loss, unless designated as effective hedging instruments.

### Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

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## Notes to the financial statements

(All amounts are in INR Million, unless otherwise stated)

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### (I) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 2.2, 36 and 37)
- Quantitative disclosures of fair value measurement hierarchy (note 36)
- Investment properties (note 4)
- Financial instruments (including those carried at amortised cost) (note 6, 7, 8, 9, 13, 17, 18, 19, 36 and 37)



# MOTHERSON SUMI SYSTEMS LIMITED

## Notes to the financial statements

(All amounts are in INR Million, unless otherwise stated)

### (m) Derivative financial instruments and hedge accounting

#### Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to statement of profit and loss when the hedge item affects profit and loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At inception of the hedge relationship, the Company documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking its hedge transactions.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

#### (i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

The Company has an interest rate swap that is used as a hedge for the exposure of changes in the fair value. See Note 37 for more details.

#### (ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.



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# MOTHERSON SUMI SYSTEMS LIMITED

## Notes to the financial statements

(All amounts are in INR Million, unless otherwise stated)

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

### (n) Property, Plant and equipment

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

The cost of self-generated assets comprises of raw material, components, direct labour, other direct cost and related production overheads.

### Depreciation methods and useful lives

Depreciation is calculated using the straight-line method over estimated useful lives of the assets:

Assets	Useful lives(years)*
Leasehold improvements	Over the period of lease or useful life, whichever is lower
Buildings	30 years
Plant & Machinery:	
Plant & Machinery	7.5 years
Die & Moulds	6.17 years
Electric Installation	10 years
Furniture & fixtures	6 years
Office equipment	5 years
Computers:	
Server & Networks	3 years
End user devices, such as desktops, laptops, etc.	3 years
Vehicles	4 years

\*Useful life of certain assets are different than the life prescribed under Schedule II to the Companies Act, 2013 and those has been determined based on technical evaluation by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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# MOTHERSON SUMI SYSTEMS LIMITED

## Notes to the financial statements

(All amounts are in INR Million, unless otherwise stated)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### (o) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company depreciates building component of investment property over 30 years.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in notes 4.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

### (p) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful live of intangible assets are as follows:

Asset	Useful lives (years)
Software	3 years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

### Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Cost incurred by the Company for Research and Development do not meet the recognition criteria and hence have been classified as research costs and are expensed of in the statement of profit and loss as and when these are incurred.

The amortisation methods, the usual useful lives and the residual values of intangible assets are checked annually

### (q) Borrowing costs



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## Notes to the financial statements

(All amounts are in INR Million, unless otherwise stated)

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### (r) Provisions and contingent liabilities

#### Provisions

Provisions for legal claims, product warranties and other obligations are recognised when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### Provision for onerous contracts

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Company at the end of every reporting period conducts the onerous contract test per the provisions of Ind AS 37 by comparing the remaining costs to be incurred under the contract with the related revenue of the contract. Where the costs of a contract exceed the related revenue of the contract, the Company makes a provision for the difference.

#### Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### (s) Employee benefits

#### Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### Provident Fund & Employee State Insurance

Contribution towards provident fund and employee state insurance for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

#### Superannuation fund

The Company has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The Company contributes up to 12% of the eligible employees' salary or 100,000 / 150,000, whichever is lower, every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligations beyond this contribution.

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## Notes to the financial statements

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### Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity plan in Company is funded through annual contributions to Life Insurance Corporation of India (LIC) under its Company's Gratuity Scheme whereas others are not funded.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in statement of profit and loss.

### Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss in the period in which they arise. Past-service costs are recognised immediately in statement of profit and loss.

### (t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### (u) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



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## Notes to the financial statements

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### (v) Changes in Accounting policies

#### Ind AS 116 Lease

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the full retrospective method of adoption, with the date of initial application on April 01, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The Company as lessee uses the following practical expedients of IND AS 116 at the date of initial application:

- With leases previously classified as operating leases according to IND AS 17, the lease liability is measured at the present value of the outstanding lease payments, discounted by incremental borrowing rate at April 1, 2019. The respective right-of-use asset is generally recognized at an amount equal to the lease liability.
- An impairment review is not performed. Instead, a right-of-use asset is adjusted by the amount of any provision for onerous leases recognized in the Statement of Financial Position at March 31, 2019.
- Regardless of their original lease term, leases for which the lease term ends at the latest on March 31, 2020 were recognized as short-term leases.

#### Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex multinational environment, it assessed whether the Appendix had an impact on its financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Company determined, based on its tax compliance and transfer pricing study that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

## 2.2 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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## Notes to the financial statements

(All amounts are in INR Million, unless otherwise stated)

### Judgements

In the process of applying the Company's accounting policies, there are no significant judgements established by the management.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### (i) Useful life of property, plant and equipment and investment properties

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

#### (ii) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment defined benefits are determined using actuarial valuations. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about gratuity obligations are given in **Note 21**

#### (iii) Fair valuation of unlisted securities

When the fair value of unlisted securities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer **Note 36 of the financials**.

#### (iv) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

#### (v) Percentage completion of recognition of revenue

The Company uses the percentage-of-completion method in accounting for 'development of tools' contracts. Use of the percentage-of-completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances



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**MOTHERSON SUMI SYSTEMS LIMITED**  
Notes to the financial statements

(All amounts in INR Million, unless otherwise stated)

**3(a) Property, plant and equipment**

Particulars	Leasehold Land Refer note (v)	Freehold Land	Leasehold Improvements	Buildings	Plant & Machinery Refer note (vi)	Furniture & Fixtures	Office equipments	Computers	Vehicles	Total	Capital work in progress
<b>Year ended March 31, 2019</b>											
Gross carrying amount											
As at April 01, 2018	1,281	1,091	105	7,017	10,388	118	165	269	51	20,483	822
Additions	273	-	-	243	1,923	87	45	105	22	2,898	1,994
Disposals	-	-	-	-	(45)	-	(2)	-	(15)	(82)	-
Transfer / Other adjustment	104	(104)	-	748	1,182	-	-	-	-	1,938	(2,009)
Closing gross carrying amount	1,658	987	105	8,008	13,458	205	208	374	58	25,057	907
Accumulated depreciation											
As at April 01, 2018	41	-	49	727	4,721	62	80	138	21	5,899	-
Depreciation charge during the year	18	-	13	281	1,700	28	33	89	13	2,177	-
Disposals	-	-	-	-	(32)	-	(2)	(1)	(11)	(48)	-
Other adjustment	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	59	-	62	1,008	6,389	88	111	230	23	7,870	-
Net carrying amount	1,599	987	43	6,996	7,067	117	97	144	35	17,087	907
<b>Year ended March 31, 2020</b>											
Gross carrying amount											
As at April 01, 2019	1,658	987	105	8,066	13,458	206	208	374	58	25,057	907
Additions	-	-	4	663	827	24	31	57	10	1,836	1,004
Disposals	-	-	-	-	(31)	(1)	(8)	(21)	(10)	(88)	-
Reclassification on account of Ind AS 116	(1,058)	-	-	-	-	-	-	-	-	(1,058)	-
Transfer / Other adjustment	-	-	-	102	818	-	0	0	0	1,808	(1,006)
Closing gross carrying amount	-	987	109	8,861	16,088	229	231	410	41	25,865	903
Accumulated depreciation											
As at April 01, 2019	59	-	62	1,008	6,389	88	111	230	23	7,870	-
Depreciation charge during the year	-	-	13	324	1,790	32	33	89	15	2,305	-
Disposals	-	-	-	-	(28)	(1)	(8)	(21)	(24)	(80)	-
Other adjustment	(59)	-	-	-	-	-	-	-	0	(59)	-
Reclassification on account of Ind AS 116	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	-	75	1,332	8,162	119	136	298	14	10,139	-
Net carrying amount	-	987	34	7,529	8,926	109	95	112	27	16,619	903

**3(b) Right-of-use assets**

Particulars	Land Refer note (vi)	Buildings	Vehicles	Total
<b>Year ended March 31, 2020</b>				
Gross carrying amount				
Recognised as at April 01, 2019	90	493	340	923
Reclassification on account of Ind AS 116	1,658	-	-	1,658
Additions (Refer note 40)	411	185	87	683
Disposals	-	-	(1)	(1)
Closing gross carrying amount	2,159	668	426	3,253
Accumulated depreciation				
Reclassification on account of Ind AS 116	59	-	-	59
Depreciation charge during the year	223	104	141	498
Disposals	-	-	-	-
Other adjustment	-	-	-	-
Closing accumulated depreciation	282	104	141	527
Net carrying amount	1,877	564	285	2,716

(i) Refer to note 44 for information on property plant and equipment pledged as security by the Company.

(ii) Contractual obligations: Refer to note 42 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

(iii) Capital work-in-progress: Capital work-in-progress mainly comprise plant & machinery, building and furniture.

(iv) Includes depreciation of INR 11 million (March 31, 2019: INR 9 million) capitalized during the year on assets used for the creation of self-generated assets (Refer Note 32).

(v) Leasehold land represents land obtained on long term lease from various government authorities and considered as finance lease. (Refer note 48).

(vi) The Company has recognised impairment loss amounting to INR 200 million. The impairment losses are included under 'Depreciation expense'.



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4 Investment property

	March 31, 2020	March 31, 2019
<b>Gross carrying amount</b>		
Opening gross carrying amount	979	909
Add: Additions during the year	-	70
Less: Deletions during the year	7	-
<b>Closing gross carrying amount</b>	<b>972</b>	<b>979</b>
<b>Accumulated depreciation:</b>		
Opening balance	107	87
Add: Depreciation for the year <sup>1</sup>	122	20
Less: Deletions during the year	(4)	-
Closing accumulated depreciation	225	107
<b>Net carrying amount</b>	<b>747</b>	<b>872</b>

<sup>1</sup> The Company has recognised impairment loss amounting to INR 100 million. The impairment losses are included under 'Depreciation expense'.

(i) Amounts recognised in profit or loss for investment property:

	March 31, 2020	March 31, 2019
Rental Income	19	25
Direct operating expenses from property that did not generate rental income	(1)	(1)
<b>Profit from investment property before depreciation</b>	<b>18</b>	<b>24</b>
Depreciation	122	20
<b>Profit / (loss) from investment property</b>	<b>(104)</b>	<b>5</b>

(ii) Contractual obligations:

Refer note 42 for disclosure of contractual obligation towards purchase of investment property.

(iii) Leasing arrangements:

Certain investment properties are leased to tenants under long-term and short-term cancellable operating leases with rentals payable monthly.

(iv) Fair value:

	March 31, 2020	March 31, 2019
Investment property	1,912	1,862

**Estimation of fair value**

The fair values of investment properties have been determined by independent valuer. The fair valuation is based on prevailing market prices/ price trend of the property in that locality/ city considering the location, size of plot, approach road, amenities, locality etc.

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**MOTHERSON SUMI SYSTEMS LIMITED****Notes to the financial statements****(All amounts in INR Million, unless otherwise stated)****5 Intangible assets**

	<u>Software</u>
<b>Year ended March 31, 2019</b>	
<b>Gross carrying amount</b>	
As at April 01, 2018	17
Closing gross carrying amount	<u>17</u>
<b>Accumulated amortisation</b>	
Opening accumulated amortisation as at April 01, 2018	13
Amortisation charge during the year	<u>4</u>
Closing accumulated amortisation	<u>17</u>
<b>Net carrying amount</b>	<u>0</u>
<b>Year ended March 31, 2020</b>	
<b>Gross carrying amount</b>	
As at April 01, 2019	17
Closing gross carrying amount	<u>17</u>
<b>Accumulated amortisation</b>	
As at April 01, 2019	17
Amortisation charge during the year	<u>-</u>
Closing accumulated amortisation	<u>17</u>
<b>Net carrying amount</b>	<u>0</u>

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6 (a) Non-Current investments

	March 31, 2020	March 31, 2019
<b>Investment in subsidiaries, joint ventures and associate (Unquoted instruments valued at cost unless stated otherwise)</b>		
<b>Investment In Subsidiaries :</b>		
<b>MSSL Mauritius Holdings Limited</b>		
37,820,080 (March 31, 2019: 37,820,080) equity shares of EUR 1 each fully paid-up	2,284	2,284
Net of provision for other than temporary diminution aggregating to INR 70 million (March 31, 2019 : INR 70 million)		
<b>MSSL Mideast (FZE)</b>		
1 (March 31, 2019: 1) equity share of AED 150,000 equivalent to EUR 46,875 each fully paid-up	2	2
44,170,000 (March 31, 2019: 44,170,000) equity shares of EUR 1 each fully paid-up	3,111	3,111
50,000,000 (March 31, 2019: 50,000,000) equity shares of EUR 1 each fully paid-up at a premium of EUR 2.60 per share	12,719	12,719
Add: Effective portion of fair value hedge (refer note 37)	1,865	1,092
<b>Motherston Electrical Wires Lanka Private Limited</b>		
1,456,202 (March 31, 2019: 1,456,202) equity shares of LKR 10 each fully paid-up	7	7
<b>MSSL (\$) PTE Limited</b>		
20,554,700 (March 31, 2019: 20,554,700) equity shares of SGD 1 each fully paid-up	960	960
<b>Samvardhana Motherston Polymers Limited</b>		
522,750 (March 31, 2019: 522,750) equity shares of INR 10 each fully paid-up	5	5
1,351,500 (March 31, 2019: 1,351,500) equity shares of INR 10 each fully paid-up at a premium of INR 190 per share	270	270
46,920 (March 31, 2019: 46,920) equity shares of INR 10 each fully paid-up at a premium of INR 2,300 per share	108	108
510 (March 31, 2019: Nil) equity shares of INR 10 each fully paid-up at a premium of INR 4,990 per share	3	-
<b>SMR Automotive Systems India Limited</b>		
6,712,990 (March 31, 2019: 6,712,990) equity shares of INR 10 each fully paid-up	67	67
<b>Motherston Innovations Tech Limited (formerly known as MSSL Automobile Component Limited)</b>		
50,000 (March 31, 2019: 50,000) equity shares of INR 10 each fully paid-up	1	1
<b>MSSL (GB) Limited</b>		
203,422,924 (March 31, 2019: 203,422,924) equity shares of GBP 1 each fully paid-up at a premium of GBP 0.50 per share. (These shares are pledged against borrowings, for further details refer note17(a) and note 44)	24,705	24,705
<b>Motherston Polymers Compounding Solution Limited</b>		
9,000,000 (March 31, 2019: 9,000,000) equity shares of INR 10 each fully paid-up	8	8
	(A)	46,135
<b>Investment in joint ventures :</b>		
<b>Kyungshin Industrial Motherston Limited</b>		
17,200,000 (March 31, 2019: 17,200,000) equity shares of INR 10 each fully paid-up	86	86
<b>Calsonic Kancel Motherston Auto Products Limited</b>		
30,930,836 (March 31, 2019: 30,930,836) equity shares of INR 10 each fully paid-up	400	400
	(B)	486
<b>Investment In Associate :</b>		
<b>Saks Ancillaries Limited</b>		
1,000,000 (March 31, 2019: 1,000,000) equity shares of INR 10 each fully paid-up	11	11
	(C)	11
<b>Total Investment in subsidiaries, joint ventures and associate (A+B+C)</b>	<b>46,632</b>	<b>45,836</b>
<b>Equity investments at FVOCI Unquoted</b>		
<b>Motherston Sumi Infotech &amp; Designs Limited</b>		
1,200,000 (March 31, 2019: 1,200,000) equity shares of INR 10 each fully paid-up	185	185
<b>Echanda Urja Private Limited</b>		
120,645 (March 31, 2019: 120,645) equity shares of INR 10 each fully paid-up	1	1
<b>Tulsyan NEC Limited</b>		
Nil (March 31, 2019: 63,750) equity shares of INR 30 each fully paid-up	-	2
	(D)	186
<b>TOTAL (A+B+C+D)</b>	<b>46,818</b>	<b>46,024</b>
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	46,888	46,094
Aggregate amount of impairment in the value of investments	70	70



6 (b) Current Investments

Investment in equity Instruments at FVOCI

Quoted

	March 31, 2020	March 31, 2019
<b>HDFC Bank Limited</b>	4	5
4,070 (March 31, 2019: 2,035) equity shares of INR 2 each fully paid up		
<b>Balrampur Chini Mills Limited</b>	0	0
1,200 (March 31, 2019: 1,200) equity shares of INR 1 each fully paid up		
<b>JD Orgochem Ltd</b>	0	0
100 (March 31, 2019: 100) equity shares of INR 10 each fully paid up		
<b>Meyer Apparel Limited</b>	0	0
28,475 (March 31, 2019: 28,475) equity shares of INR 3 each fully paid up		
<b>Mahindra &amp; Mahindra Limited</b>	2	5
7,288 (March 31, 2019: 7,288) equity shares of INR 5 each fully paid up		
<b>Arcotech Limited</b>	0	0
1,000 (March 31, 2019: 1,000) equity shares of INR 2 each fully paid up		

Unquoted

<b>Pearl Engineering Polymers Limited</b>	-	-
3,180 (March 31, 2019: 3,180) equity shares of INR 10 each fully paid up		
<b>Daewoo Motors Limited</b>	-	-
6,150 (March 31, 2019: 6,150) equity shares of INR 10 each fully paid up		
<b>Athena Financial Services Limited</b>	-	-
66 (March 31, 2019: 66) equity shares of INR 10 each fully paid up		
<b>Inox Leasing &amp; Finance Limited</b>	-	-
100 (March 31, 2019: 100) equity shares of INR 10 each fully paid up		

Total current investments

	0	
	6	10
Aggregate amount of quoted investments and market value thereof	6	10
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-

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**MOTHERSON SUMI SYSTEMS LIMITED**  
Notes to the financial statements

(All amounts in INR Million, unless otherwise stated)

**7 Loans**

	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loans to related parties (Refer note 40 & 49)	0	125	14	-
Loans to employees	89	51	96	58
<b>Total</b>	<b>89</b>	<b>176</b>	<b>110</b>	<b>58</b>

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**MOTHERSON SUMI SYSTEMS LIMITED**  
**Notes to the financial statements**

(All amounts in INR Million, unless otherwise stated)

**8 Trade receivables**

	March 31, 2020	March 31, 2019
Unsecured, considered good	5,951	6,666
Trade receivables from related parties <sup>1</sup> (Refer note 40)	2,724	1,424
Unsecured, credit impaired	25	37
	<b>8,700</b>	<b>8,127</b>
Less: Allowances for credit loss	25	37
<b>Total</b>	<b>8,675</b>	<b>8,090</b>

<sup>1</sup> Includes receivables from companies in which Director of the Company is also a Director

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Note 1: The Company has derecognised trade receivables amounting INR 1,010 million (March 31, 2019: INR 1,326 million) as it had transferred the contractual right and substantially transferred all risks and rewards of ownership of these receivables to various financial institutions.

**9 (a) Other financial assets - Non Current**

	March 31, 2020	March 31, 2019
<b>Unsecured, considered good</b>		
Security deposits	138	-
<b>Total</b>	<b>138</b>	<b>-</b>

**9 (b) Other financial assets - Current**

	March 31, 2020	March 31, 2019
<b>Unsecured, considered good</b>		
Security deposits <sup>1</sup>	580	690
Other advances receivable in cash (Refer note 40)	5	0
Unbilled revenue (Refer note 45)	423	1,214
Receivable from related parties (Refer note 40)	42	31
Others	0	4
<b>Total</b>	<b>1,050</b>	<b>1,939</b>

<sup>1</sup> Includes security deposit given to a partnership firm namely M/S Motherson in which Director of the Company is Partner

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**MOTHERSON SUMI SYSTEMS LIMITED**  
Notes to the financial statements

(All amounts in INR Million, unless otherwise stated)

**10 Deferred tax assets (net)**

	March 31, 2020	March 31, 2019
<b>Deferred tax assets</b>		
Derivatives designated as hedges	220	232
Provision for employee benefit obligations	268	274
Provision for doubtful debts and advances	6	13
Government grants	31	44
Others	14	(5)
<b>Deferred tax liabilities</b>		
FVOCI equity instruments	(41)	(42)
Property, plant and equipment and Intangible assets & Investment property and net of Right-of-use assets & lease liability	(48)	(220)
<b>Total</b>	<b>460</b>	<b>286</b>

**Movement in Deferred tax assets**

	Property, plant and equipments and Intangible assets & Investment property and net of Right-of-use assets & lease liability	Derivatives designated as hedges	Provision for employee benefits	Provisions for doubtful debts and advances	Government grants	FVOCI equity Instruments	Other Items	Total
At April 01, 2018	338	599	207	14	41	(38)	67	1,246
(Charged)/ credited:								
to profit or loss	(558)	(367)	36	(1)	3	(4)	(92)	(981)
to other comprehensive income	-	-	31	-	-	0	-	31
At March 31, 2019	(220)	232	274	13	44	(42)	(5)	296
(Charged)/ credited:								
to profit or loss	172	(12)	(43)	(7)	(13)	(0)	19	116
to other comprehensive income	-	-	37	-	-	1	-	38
At March 31, 2020	(48)	220	268	6	31	(41)	14	450



**MOTHERSON SUMI SYSTEMS LIMITED**  
Notes to the financial statements

(All amounts in INR Million, unless otherwise stated)

**11 Other non-current assets**

	March 31, 2020	March 31, 2019
<b>Unsecured, considered good, unless otherwise stated</b>		
Capital advances	195	238
Prepaid expenses	86	104
Subsidy receivable	106	-
<b>Total</b>	<b>387</b>	<b>342</b>

**12 Inventories**

	March 31, 2020	March 31, 2019
Raw materials	6,566	6,690
Work-in-progress	1,905	1,922
Finished goods	1,440	1,908
Stores and spares	20	31
<b>Total</b>	<b>9,931</b>	<b>10,551</b>

Inventory include inventory in transit of:

Raw materials	1,451	1,640
Finished goods	249	369

**Amount recognised in profit or loss:**

During the year ended March 31, 2020 write-back of inventories on account of provision in respect of obsolete/ slow moving items amounted to INR 53 million (March 31, 2019: INR 20 million). These were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods in statement of profit or loss.

**13 (a) Cash and cash equivalents \***

	March 31, 2020	March 31, 2019
Balances with banks:		
- in current accounts	2,231	1,319
- Deposits with original maturity of less than three months	54	-
Cheques/ drafts on hand	5	6
Cash on hand	10	8
<b>Total</b>	<b>2,300</b>	<b>1,333</b>

\* There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior period. For asset pledged refer note 44.

**Changes in liabilities arising from financing activities**

	March 31, 2019	Cash Flow	Non cash		March 31, 2020
			Foreign exchange movements	Fair value changes	
Non current borrowings	11,354	94	512	(45)	11,915
Current borrowings	2	2,277	-	-	2,279
<b>Total liabilities from financing activities</b>	<b>11,356</b>	<b>2,371</b>	<b>512</b>	<b>(45)</b>	<b>14,194</b>

**13 (b) Other bank balances**

	March 31, 2020	March 31, 2019
Deposits with remaining maturity of more than three months but less than 12 months	5	5
Unpaid dividend account	61	44
<b>Total</b>	<b>66</b>	<b>49</b>

**14 Other current assets**

	March 31, 2020	March 31, 2019
<b>Unsecured, considered good, unless otherwise stated</b>		
Advances recoverable	371	381
Prepaid expenses	60	243
Balances with government authorities	504	1,119
Subsidy receivable	229	296
<b>Total</b>	<b>1,164</b>	<b>2,039</b>



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15 Share Capital

	March 31, 2020	March 31, 2019
<b>Authorised:</b>		
6,050,000,000 (March 31,2019 : 6,050,000,000) Equity shares of INR 1 each	6,050	6,050
25,000,000 (March 31,2019 : 25,000,000) 8% Convertible Cumulative Preference Shares of INR 10 each	250	250
<b>Issued, subscribed and Paid up:</b>		
3,157,934,237 <sup>1</sup> ( March 31, 2019 : 3,157,934,237 <sup>1</sup> ) Equity Shares of INR 1 each	3,158	3,158

a. Movement in equity share capital

	Numbers	Amount
As at April 01, 2018	2,105,289,491	2,105
Add: Bonus shares issued by capitalisation of securities premium account <sup>1</sup>	1,052,644,746	1,053
<b>As at March 31, 2019</b>	<b>3,157,934,237</b>	<b>3,158</b>
Add: Changes during the year	-	-
<b>As at March 31, 2020</b>	<b>3,157,934,237</b>	<b>3,158</b>

<sup>1</sup> During the year ended March 31, 2019, the Company allotted 1,052,644,746 equity shares of INR 1 each as bonus shares in proportion of one equity share for every two equity shares held by capitalisation of Securities Premium Account.

b. Rights, preferences and restrictions attached to shares

Equity Shares:

The Company has only one class of equity shares having a par value of INR 1 per share. Each holder of equity is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

c. Aggregate number of Shares allotted as fully paid up by way of bonus shares (during 5 years immediately preceding March 31, 2020)

	Aggregate No of Shares issued in five years	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Equity shares allotted as fully paid bonus shares by capitalisation of Securities Premium Account	2,195,367,590	-	1,052,644,746	701,763,164	-	440,959,680

d. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

	March 31, 2020		March 31, 2019	
	Nos.	%	Nos.	%
<b>Equity shares:</b>				
Samvardhana Motherson International Limited	1,055,750,653	33.43%	1,055,750,653	33.43%
Sumitomo Wiring Systems Limited	792,637,291	25.10%	792,637,291	25.10%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



16 (a) Reserves and surplus

	March 31, 2020	March 31, 2019
Reserve on amalgamation	1,663	1,663
Securities premium	26,226	26,226
General reserve	3,363	3,363
Retained earnings	27,901	29,836
<b>Total reserves and surplus</b>	<b>59,153</b>	<b>61,088</b>

(i) Reserve on amalgamation

	March 31, 2020	March 31, 2019
Opening balance	1,663	1,663
<b>Closing balance</b>	<b>1,663</b>	<b>1,663</b>

(ii) Securities premium

	March 31, 2020	March 31, 2019
Opening balance	26,226	27,279
Utilisation during the year - issue of bonus shares	-	(1,053)
<b>Closing balance</b>	<b>26,226</b>	<b>26,226</b>

(iii) General reserve

	March 31, 2020	March 31, 2019
Opening balance	3,363	3,363
<b>Closing balance</b>	<b>3,363</b>	<b>3,363</b>

(iv) Retained earnings

	March 31, 2020	March 31, 2019
Opening balance	29,836	27,258
Additions during the year	8,988	8,138
Remeasurements of post-employment benefit obligation, net of tax	(109)	(57)
Dividend paid <sup>1</sup>	(9,474)	(4,737)
Tax on dividend <sup>1</sup>	(1,340)	(766)
<b>Closing balance</b>	<b>27,901</b>	<b>29,836</b>

<sup>1</sup> During the year ended March 31, 2020, the Company has paid final cash dividend for the year ended on March 31, 2019: INR 1.5 (March 31, 2019: INR 2.25) per share and Interim dividend for the year ended on March 31, 2020: INR 1.5 (March 31, 2019: Nil) per share to its share holders. This has resulted in payment of dividend distribution tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authorities on behalf of shareholders. Hence DDT paid is charged to equity.

16 (b) Other reserves

	FVOCI equity Investments
<b>As at April 01, 2018</b>	<b>134</b>
Change in fair value of FVOCI equity instruments	2
<b>As at March 31, 2019</b>	<b>136</b>
Change in fair value of FVOCI equity instruments	(3)
<b>As at March 31, 2020</b>	<b>133</b>

**Reserve on amalgamation**

This reserve was created at the time of amalgamation and mergers carried out in earlier years. The reserve is utilised in accordance with the provisions of the Act.

**Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the

**General reserve**

General reserve is the retained earnings of the Company which are kept aside out of the Company's profits to meet future (known or unknown) obligations.

**FVOCI equity investments**

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investment reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.



17 (a) Non-current borrowings

	Non Current Portion		Current Maturities	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Secured <sup>(i)</sup></b>				
Term Loans				
Foreign currency loans from banks	6,039	5,524	-	-
Indian rupee loan from banks	5,750	5,750	-	-
Indian rupee loan from other than banks	-	-	0	18
<b>Unsecured <sup>(ii)</sup></b>				
Term Loans				
Indian rupee loan from other than banks	126	63	-	-
Less : Disclosed under Other current financial liabilities (Refer Note 18)	-	-	(0)	(18)
<b>TOTAL</b>	<b>11,915</b>	<b>11,337</b>	<b>-</b>	<b>-</b>

(i) Secured Loans<sup>1</sup>

Nature of Security (In case of Secured Loans)	Principal Terms and Conditions
Foreign currency loan from banks is secured by creating a charge on Investment in shares of one of the subsidiary, MSSSL (GB) Ltd on pari passu basis	INR 6,039 million (March 31, 2019 :INR 5,524 million) repayable in March 2022 entirely in one instalment.  The applicable rate of interest in respect of foreign currency loans from banks is 0.52% p.a. (March 31, 2019 : 0.62% p.a.) over 6 months in respect of loans hedged for swap contracts.
Indian Rupee loan from banks is secured by creating a charge on Investment in shares of one of the subsidiary, MSSSL (GB) Ltd on pari passu basis	INR 5,750 million (March 31, 2019 : INR 5,750 million) repayable in March 2022 entirely in one instalment carrying Interest rate of 8.0% p.a.
Indian Rupee loan from other than banks for the purchase of investment property and is secured by the capital advance given for the purchase of investment property.	INR 0 million (March 31, 2019 : INR 18 million) repayable in remaining 12 monthly instalments till April 2020 carrying Interest rate of 10.2% p.a.

(ii) Unsecured Loans

Particulars	Terms of Repayment
Indian Rupee Loan from other than banks	Interest free loan of INR 126 million (March 31, 2019 : INR 63 million) repayable in 3 tranches on November 2022, March 2023 and December 2026 against each disbursements. Bank guarantee is furnished by the Company.

<sup>1</sup> The carrying amount of financials and non financial assets pledged as security for long term borrowings is disclosed in Note 44

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**MOTHERSON SUMI SYSTEMS LIMITED**  
Notes to the financial statements

(All amounts in INR Million, unless otherwise stated)

**17 (b) Current borrowings**

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
<b>Secured <sup>2,3</sup></b>		
Working capital loans repayable on demand- from banks <sup>1</sup>		
Indian rupee loan	2,279	2
<b>TOTAL</b>	<u>2,279</u>	<u>2</u>

<sup>1</sup> Working capital loans are secured by first pari passu charge on entire current assets of the Company including receivables, both present and future and second pari passu charge over the fixed assets of the Company including equitable mortgage of specified properties and are repayable on demand.

<sup>2</sup> The carrying amount of financials and non financial assets pledged as security for short term borrowings is disclosed in Note 44

<sup>3</sup> Short term borrowings carry interest rate ranging from 3% to 8% p.a.

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**MOTHERSON SUMI SYSTEMS LIMITED**  
**Notes to the financial statements**

(All amounts in INR Million, unless otherwise stated)

**18 Other financial liabilities**

	March 31, 2020	March 31, 2019
<b>Non-current</b>		
Retention money	76	33
Security deposit received (Refer note 40)	52	54
Recovery against Vehicle Loan	98	77
<b>Total</b>	<b>226</b>	<b>164</b>
<b>Current</b>		
Current maturities of long term borrowings (Refer note 17(a))	0	18
Interest accrued but not due on borrowings	4	4
Unpaid dividends <sup>1</sup>	61	44
Payables relating purchase of property, plant & equipments	342	761
Security deposit received	4	2
Employee benefits payable	1,169	1,103
Accrued expenses	75	-
Derivatives designated as hedges	873	665
Recovery against Vehicle Loan	56	101
<b>Total</b>	<b>2,584</b>	<b>2,698</b>

<sup>1</sup> There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

**19 Trade payables**

	March 31, 2020	March 31, 2019
Total outstanding dues of micro, small and medium enterprises (Refer note 43) and	155	202
Total outstanding dues of creditors other than micro, small and medium enterprises	5,951	6,331
Trade payable to related parties (Refer note 40)	2,950	2,416
<b>Total</b>	<b>9,056</b>	<b>8,949</b>

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**MOTHERSON SUMI SYSTEMS LIMITED**  
**Notes to the financial statements**

(All amounts in INR Million, unless otherwise stated)

**20 Provisions**

	March 31, 2020	March 31, 2019
For warranties	10	7
For contingencies	1	1
<b>Total</b>	<b>11</b>	<b>8</b>

**Warranty**

Provision for warranty relates to the estimated outflow in respect of warranty for products sold by the Company. Due to the very nature of such costs, it is not possible to estimate the timing/ uncertainties relating to the outflows of economic benefits.

**Contingencies**

Provision for contingencies relates to excise, entry tax and octroi demands including interest thereon, where applicable, being contested by the Company. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings.

The Company has following provisions in the books of account as at year end:

	Warranty		Contingencies	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Opening Balance</b>	7	19	1	6
<b>Additions/(deletion) during the year</b>	3	(12)	-	(5)
<b>Closing Balance</b>	<b>10</b>	<b>7</b>	<b>1</b>	<b>1</b>

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21 Employee benefit obligations

	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Gratuity	414	-	224	-
Compensated absences	164	485	135	424
for Provident fund scheme	1	-	1	-
<b>Total</b>	<b>579</b>	<b>485</b>	<b>360</b>	<b>424</b>

The long term defined employee benefits and contribution schemes of the Company are as under:

A. Defined Benefit Schemes

Gratuity

The Company operates a gratuity plan administered through Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme. Every employee is entitled to a benefit equivalent to fifteen days' salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. The Company pays contribution to Life Insurance Corporation of India to fund its plan.

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

(i) Present Value of Defined Benefit Obligation

Obligations at year beginning

Service Cost - Current  
Interest expense

Amount recognised in profit or loss

Remeasurements

Actuarial (gain)/ loss from change in financial assumption

Experience (gain)/loss

Amount recognised in other comprehensive income

Payment from plan:

Benefit payments

Addition/ (deletion) due to transfer of employee

Obligations at year end

	For the year ended	
	March 31, 2020	March 31, 2019
Obligations at year beginning	1,454	1,212
Service Cost - Current	140	120
Interest expense	106	91
Amount recognised in profit or loss	246	211
Remeasurements		
Actuarial (gain)/ loss from change in financial assumption	121	25
Experience (gain)/loss	22	57
Amount recognised in other comprehensive income	143	82
Payment from plan:		
Benefit payments	(84)	(48)
Addition/ (deletion) due to transfer of employee	(7)	(3)
Obligations at year end	1,772	1,454

(ii) Fair Value of Plan Assets

Plan assets at year beginning, at fair value

Interest income

Amount recognised in profit or loss

Remeasurements

Actuarial (gain)/ loss from change in financial assumption

Return on plan assets, excluding amount included in interest income

Amount recognised in other comprehensive income

Payment from plan:

Benefit payments

Contributions:

Employers

Plan assets at year end, at fair value

	For the year ended	
	March 31, 2020	March 31, 2019
Plan assets at year beginning, at fair value	1,230	1,087
Interest income	92	85
Amount recognised in profit or loss	92	85
Remeasurements		
Actuarial (gain)/ loss from change in financial assumption	(3)	(4)
Return on plan assets, excluding amount included in interest income	0	(2)
Amount recognised in other comprehensive income	(3)	(6)
Payment from plan:		
Benefit payments	(4)	(6)
Contributions:		
Employers	43	70
Plan assets at year end, at fair value	1,358	1,230

(iii) Assets and Liabilities recognized in the Balance Sheet

Present Value of the defined benefit obligations

Fair value of the plan assets

Amount recognized as Liability

	For the year ended	
	March 31, 2020	March 31, 2019
Present Value of the defined benefit obligations	1,772	1,454
Fair value of the plan assets	1,358	1,230
Amount recognized as Liability	414	224

(iv) Defined benefit obligations cost for the year:

Service Cost - Current

Interest Cost (Net)

Actuarial (gain)/ loss

Net defined benefit obligations cost

	For the year ended	
	March 31, 2020	March 31, 2019
Service Cost - Current	140	120
Interest Cost (Net)	14	6
Actuarial (gain)/ loss	146	88
Net defined benefit obligations cost	300	213



(v) Investment details of Plan Assets

The details of investments of plan assets are as follows:

	For the year ended	
	March 31, 2020	March 31, 2019
LIC of India	100%	100%
Total	100%	100%

Note: In respect of Employees Gratuity Fund, composition of plan assets is not readily available from LIC of India. The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

(vi) Actuarial assumptions:

	March 31, 2020	March 31, 2019
Discount Rate per annum	6.6%	7.4%
Future salary increases	8.0%	8.0%

Note: Estimate of future increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(vii) Amount recognized in current year and previous four years:

	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Defined benefit obligations	1,772	1,454	1,212	1,026	789
Plan assets	(1,358)	(1,230)	(1,087)	(808)	(650)
Deficit/(Surplus)	414	224	125	218	139

(viii) Expected Contribution to the Fund in the next year

	For the year ended	
	March 31, 2020	March 31, 2019
Gratuity	399	228

ix) Sensitivity Analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:

	Change in Assumption		Impact	Increase in Assumption		Impact	Decrease in Assumption	
	March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019
Discount Rate per annum	0.50%	0.50%	Decrease by	(74)	(82)	Increase by	80	66
Future salary increases	1.0%	1.0%	Increase by	167	139	Decrease by	(147)	(123)

Above sensitivity analysis is based on a change in assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in balance sheet.

x) Risk exposure

The gratuity scheme is a salary Defined Benefit Plan that provides for lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

(a) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds, if bond yield fall, the defined benefit obligation will tend to increase.

(b) Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.

(c) Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

xi) Defined benefit liability and employer contributions

Weighted average duration of the defined benefit obligation is 9 years (March 31, 2019: 9 years)

Expected benefit payments are as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2020 Defined benefit obligation (gratuity)	107	88	387	847	1,429
March 31, 2019 Defined benefit obligation (gratuity)	93	114	371	1,067	1,644

B. Defined Contribution Schemes

The Company deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident Fund, Employee State Insurance (ESI) and Social Insurance for the benefit of the employees.

Amount recognised in the Statement of Profit & Loss is as follows (Refer note 29):

	For the year ended	
	March 31, 2020	March 31, 2019
Provident fund paid to the authorities	444	417
Employee state insurance paid to the authorities	83	107
Contribution to other funds (Employee welfare etc.)	4	2
	531	526



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**MOTHERSON SUMI SYSTEMS LIMITED**  
**Notes to the financial statements**

(All amounts in INR Million, unless otherwise stated)

**22 Government grants**

	March 31, 2020	March 31, 2019
Opening balance	104	116
Grants received during the year	258	-
Released to profit and loss (Refer note 26)	(53)	(12)
<b>Closing balance</b>	<b>309</b>	<b>104</b>
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Current portion	34	12
Non-current portion	275	92
<b>Total</b>	<b>309</b>	<b>104</b>

The Company has received an interest free loan from Pradeshiya Industrial & Investment Corporation of U.P. Ltd. (PICUP) which is amortised based on the effective interest rate method and the amortised portion is treated as government grant.

The Company has also received Government grants relating to the purchase of property, plant and equipment and has presented the grant as deferred income which is credited to profit or loss on a straight-line basis over the expected lives of the related assets.

**23 Current tax liabilities/ Non-current tax assets (net)**

	March 31, 2020	March 31, 2019
<b>Tax assets</b>		
Non-current tax assets (net)	594	725
<b>Tax liabilities</b>		
Current tax liabilities (net)	-	-
<b>Net tax liabilities/ (assets)</b>	<b>(594)</b>	<b>(725)</b>

**24 Other current liabilities**

	March 31, 2020	March 31, 2019
Statutory dues including provident fund and tax deducted at source	368	986
Advances received from customers (Refer note 45)	838	1,010
Unearned revenue	7	8
<b>Total</b>	<b>1,213</b>	<b>2,004</b>



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30	Other expenses	For the year ended	
		March 31, 2020	March 31, 2019
	Electricity, water and fuel	1,309	1,400
	Repairs and maintenance:		
	Machinery	620	996
	Building	420	479
	Others	272	316
	Consumption of stores and spare parts	569	699
	Conversion charges	196	229
	Lease rent (Refer note 46)	455	751
	Rates & taxes	48	45
	Insurance	215	137
	Donation	21	19
	Travelling	455	640
	Freight & forwarding	1,218	1,331
	Royalty	315	90
	Cash Discount	-	1
	Commission	54	58
	Provision for diminution in value of investments	-	20
	Bad debts/ advances written off	1	0
	Provision for doubtful debts/advances	4	-
	Legal & professional expenses (Refer note (a) below)	1,164	1,083
	Expenditure towards corporate social responsibility (CSR) activities (Refer note (b) below)	37	130
	Miscellaneous expenses	1,006	777
	<b>Total</b>	<b>8,379</b>	<b>9,201</b>

**(a): Payment to auditors:**

**As Auditor:**

	For the year ended	
	March 31, 2020	March 31, 2019
Audit fees (including limited review)	40	37
Other services	2	0
Reimbursement of expenses	4	3
<b>Total</b>	<b>46</b>	<b>40</b>

**(b): Corporate social responsibility expenditure**

- (i) Contribution to Swarn Lata Motherson Trust  
(ii) Contribution towards welfare of the society

Amount required to be spent as per Section 135 of the Act

Amount spent during the year on:

- (i) Construction/acquisition of asset  
(ii) Purpose other than (i) above

	For the year ended	
	March 31, 2020	March 31, 2019
(i) Contribution to Swarn Lata Motherson Trust	35	127
(ii) Contribution towards welfare of the society	2	3
	<b>37</b>	<b>130</b>
Amount required to be spent as per Section 135 of the Act	230	209
Amount spent during the year on:		
(i) Construction/acquisition of asset	37	130
(ii) Purpose other than (i) above	37	130

**31 Finance costs**

	For the year ended	
	March 31, 2020	March 31, 2019
Interest on long term borrowings	92	105
Exchange differences regarded as an adjustment to borrowing costs <sup>1</sup>	(73)	(175)
Interest on lease liabilities	88	
Other finance costs	199	246
<b>Total</b>	<b>306</b>	<b>176</b>

<sup>1</sup> Includes foreign exchange loss/ (gain) on long term loan facilities of INR 512 million (March 31, 2019 : INR 369 million) and Mark to Market (gain)/ loss on derivatives of INR (585) million (March 31,2019: INR (543) million )



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32 Depreciation and amortization expense

	For the year ended	
	March 31, 2020	March 31, 2019
Depreciation on property, plant and equipment	2,305	2,178
Depreciation on right of use assets <sup>1</sup>	468	-
Amortization on intangible assets	0	4
Depreciation on investment Property <sup>1</sup>	121	20
Less: Capitalised during the year <sup>2</sup>	(11)	(9)
<b>Total</b>	<b>2,883</b>	<b>2,193</b>

<sup>1</sup> Includes impairment loss amounting to INR 200 million (March 31, 2019 : Nil) on Right-of-use assets and INR 100 million (March 31, 2019 : Nil) on investment property during the year.

<sup>2</sup> Includes depreciation of INR 11 million (March 31, 2019 : INR 9 million) capitalised during the year on assets used for creation of self generated assets (Refer note 3).

33 Income tax expense

	For the year ended	
	March 31, 2020	March 31, 2019
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current income tax charged	2,729	3,463
Adjustments for current tax of prior years	13	(357)
<b>Total current tax expense</b>	<b>2,742</b>	<b>3,106</b>
<b>Deferred tax (Refer note 10)</b>		
Decrease/ (increase) in deferred tax assets (net)	(116)	980
<b>Total deferred tax expense / (benefit)</b>	<b>(116)</b>	<b>980</b>
<b>Income tax expense</b>	<b>2,626</b>	<b>4,086</b>

Income tax expense is attributable to:  
Profit from continuing operations

	2,626	4,086
	<b>2,626</b>	<b>4,086</b>

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax for the year and re-measured its deferred tax asset (or/and deferred tax liability) basis the rate prescribed in the said section. Accordingly, deferred tax asset has increased by INR 18 million. The tax charge for the year has decreased by INR 665 million.

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

	For the year ended	
	March 31, 2020	March 31, 2019
Profit before income tax expense	11,614	12,224
<b>Tax at India's tax rate of 25.168% (March 2019: 34.944%)</b>	<b>2,923</b>	<b>4,271</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax effect of amounts which are not deductible in calculating taxable income (net off exempt income)	(263)	(376)
Tax impact on impairment loss recognised	52	-
Impact of tax rate change on opening deferred tax	50	-
Weighted deduction for expenditure incurred on research and development	-	(62)
Adjustments for tax of prior periods	13	155
Tax deductions under Chapter VIA	-	(61)
Tax impact on effective portion of fair value hedge	(200)	171
Other adjustments	51	(12)
<b>Income tax expense</b>	<b>2,626</b>	<b>4,086</b>

34 Earnings per share

	For the year ended	
	March 31, 2020	March 31, 2019
<b>a) Basic</b>		
Net profit after tax available for equity Shareholders	8,988	8,138
Equity shares outstanding at the beginning of the year	3,157,934,237	2,105,289,491
Add: Bonus shares issued by capitalisation of securities premium	-	1,052,644,746
Weighted average number of equity shares used to compute basic earnings per share	3,157,934,237	3,157,934,237
Basic earnings (in INR) per Share of INR 1 each. (March 31, 2019 : INR 1 each )	<b>2.85</b>	<b>2.58</b>
<b>b) Diluted (Refer note (l) below)</b>		
Net profit after tax available for equity Shareholders	8,988	8,138
Weighted average number of Equity Shares of INR 1 each (March 31, 2019 : INR 1 each )	3,157,934,237	3,157,934,237
Diluted earnings (in INR) per share of INR 1 each. (March 31, 2019 : INR 1 each )	<b>2.85</b>	<b>2.58</b>

(i) The Company does not have any potential equity shares and thus, weighted average number of shares for computation of basic EPS and diluted EPS remains same.

35 The following expenses incurred on Research and Development is included under respective account heads:

	For the year ended	
	March 31, 2020	March 31, 2019
Employee benefit expenses	210	178
Other expenses	51	60
Capital expenditure	1	39



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36 Fair value measurements  
Financial instruments by category

	March 31, 2020			March 31, 2019		
	FVPL	FVOCI	Amortised Cost*	FVPL	FVOCI	Amortised Cost*
<b>Financial assets</b>						
Investments	-	192	-	-	198	-
Trade receivables	-	-	8,875	-	-	8,090
Loans	-	-	265	-	-	168
Cash and cash equivalents	-	-	2,366	-	-	1,382
Other financial assets	-	-	1,188	-	-	1,939
<b>Total financial assets</b>	<b>-</b>	<b>192</b>	<b>12,494</b>	<b>-</b>	<b>198</b>	<b>11,579</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	14,194	-	-	11,357
Trade payables	-	-	9,056	-	-	8,948
Other financial liabilities	873	-	1,937	665	-	2,180
<b>Total financial liabilities</b>	<b>873</b>	<b>-</b>	<b>25,187</b>	<b>665</b>	<b>-</b>	<b>22,485</b>

i. Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2020

	Level 1	Level 2	Level 3	Total
<b>Financial asset</b>				
<b>Financial Investments at FVOCI</b>				
Listed equity investments	6	-	-	6
Unquoted equity investments	-	-	186	186
<b>Total</b>	<b>6</b>	<b>-</b>	<b>186</b>	<b>192</b>
<b>Financial liabilities</b>				
Borrowings	-	-	14,194	14,194
Other financial liabilities	-	873	226	1,099
<b>Total financial liabilities</b>	<b>-</b>	<b>873</b>	<b>14,420</b>	<b>15,293</b>

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2019

	Level 1	Level 2	Level 3	Total
<b>Financial asset</b>				
<b>Financial Investments at FVOCI</b>				
Listed equity investments	10	-	-	10
Unquoted equity investments	-	-	188	188
<b>Total</b>	<b>10</b>	<b>-</b>	<b>188</b>	<b>198</b>
<b>Financial liabilities</b>				
Borrowings	-	-	11,357	11,357
Other financial liabilities	-	665	164	830
<b>Total financial liabilities</b>	<b>-</b>	<b>665</b>	<b>11,521</b>	<b>12,187</b>

\*The carrying amounts of trade receivables, borrowings, cash and cash equivalents, other financial assets, trade payables and other financial liabilities are considered to be the same as their face values.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.



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ii. Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.
- the fair value of the remaining financial instruments covered under level 3 is determined using discounted cash flow analysis.

iii. Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2020 and March 31, 2019:

	Unquoted equity instruments
As at March 31, 2018	186
Additions during the year	-
Disposals during the year	-
Gains/(losses) recognised in other comprehensive income	2
<b>As at March 31, 2019</b>	<b>188</b>
Additions during the year	-
Disposals during the year	-
Gains/(losses) recognised in other comprehensive income	(2)
<b>As at March 31, 2020</b>	<b>186</b>

iv. Fair value of non current financial assets and liabilities measured at amortised cost

	March 31, 2020		March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Loan to related party <sup>1</sup>	125	125	-	-
Loan to employees <sup>1</sup>	51	51	58	58
	<b>176</b>	<b>176</b>	<b>58</b>	<b>58</b>
<b>Financial liabilities</b>				
Borrowings <sup>2</sup>	11,915	11,915	11,337	11,337
Other financial liabilities <sup>1</sup>	226	226	164	164
	<b>12,141</b>	<b>12,141</b>	<b>11,501</b>	<b>11,501</b>

<sup>1</sup> The fair value of non-current financial assets and financial liabilities carried at amortized cost is substantially same as their carrying amount.

<sup>2</sup> During financial year 2016-17 loan amounting to INR 10,975 million was taken at market rates. Loan amounting to INR 6,039 million as at March 31, 2020 (March 31, 2019: INR 5,524 million) carries floating rate of interest and hence are adjusted to current market rates. The Company has taken interest rate swap for the borrowing with fixed interest rate amounting to INR 5,750 million, because of this, effective finance cost to the company is at current market rate.

Note: The carrying amounts of current financial assets and current financial liabilities i.e. trade receivables, loans, other financial assets, trade payables, short term borrowings and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

v. Valuation inputs and relationships to fair value

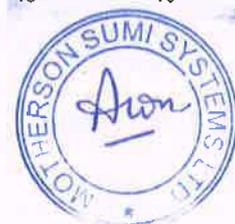
The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted:

	Fair Value as at	
	March 31, 2020	March 31, 2019
Unquoted equity instruments	186	188
<b>Significant unobservable inputs<sup>1</sup></b>		
Earnings growth rate	4%	4%
Risk adjusted discount rate	16%	16%
<b>Sensitivity</b>		
<b>Impact of change in risk adjusted discount rate <sup>2</sup></b>		
Decrease in discount rate by 0.50%	19	19
Increase in discount rate by 0.50%	(17)	(17)
<b>Impact of change in earnings growth rate <sup>2</sup></b>		
Decrease in growth rate by 0.50%	(14)	(14)
Increase in growth rate by 0.50%	16	16

<sup>1</sup> There were no significant inter-relationships between unobservable inputs that materially affect fair values

<sup>2</sup> Holding all the other variables constant

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37 (a) Financial risk management

The Company in its capacity as an internationally active supplier for the automobile industry is exposed to various risks i.e., market risk, liquidity risk and credit risk. The company has global presence and decentralized management structure. Concentrating on the plants make it necessary for implementing an organized risk management system. The Company is therefore exposed to risks associated with global organizations and automotive industry in particular.

The Company has set up a Risk Management Committee (RMC) at the board level to periodically review operating, financial and strategic risks in the business and their mitigating factors. RMC has formulated Risk Management Policy for the Company which outlines the risk management framework to help minimize the impact of uncertainty on the Company's strategic goals. The framework enables a structured and disciplined approach to risk management. The Company has developed guidelines on risk controlling and the use of financial instruments. These guidelines contain a clear allocation of duties. Risks are controlled and monitored by means of operational and financial measures.

Below are the major risks which can impact the Company:

A Market risk:

Market risk is the risk that the fair value of future cashflows of a financial instruments will fluctuate because of changes in market price/rate. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables/ receivables in foreign currencies.

a. Price risk:

Fluctuation in commodity price in global market affects directly and indirectly the price of raw material and components used by the Company in its various products segment. Substantial pricing pressure from major OEMs to give price cuts and inability to pass on the increased cost to customers may also affect the profitability of the Company. The Group has set up Global Sourcing Procurement (GSP) at Sharjah which gives leverage of bulk buying and helps in controlling prices to a certain extent.

The key raw material for the Company's wiring harness business is copper. There is substantial fluctuations in prices of copper. The Company has arrangements with its major customers for passing on the price impact.

The major raw materials used by Polymer Division of the Company are polypropylenes, polycarbonates and various grades of nylons and resins. The Company is having arrangement with major customers for actualization of raw material price variations periodically. Motherson Polymer Solutions, compounding unit has been established with a view of taking leverage on group's bulk consumption on major grades. The setting up of GSP further strengthens the procurement function.

The Company is regularly taking initiatives like VA-VE (value addition, value engineering) to reduce its raw material costs to meet targets set up by its customers for cost downs. In respect of customer nominated parts, the Company has back to back arrangements for cost savings with its suppliers.

b. Foreign currency risk:

The exchange variations in India has mainly impacted the imports, but however the Company has arrangements with its major domestic customers for passing on the exchange impact on import purchase and has considerably increased its export sales during last few years to attain natural hedge. The Company also does selective hedging to hedge its risks associated with foreign currency.

The hedged and unhedged foreign currency exposure is as follows:

(i) Derivatives outstanding as at the reporting date

Particulars/ Purpose	Currency (Amount in million)	As At	
		March 31, 2020	March 31, 2019
Cross currency swap	USD : EUR	USD 80; EUR 74	USD 80; EUR 74
	INR : EUR	INR 5,750; EUR 81	INR 5,750; EUR 81

(ii) Particular of unhedged foreign exposure as at the reporting date (Net exposure to foreign currency risk)

	March 31, 2020		March 31, 2019	
	Payable / (Receivable)		Payable / (Receivable)	
	Amount in Foreign currency In million	Amount in INR	Amount in Foreign currency in million	Amount in INR
AUD	(0)	(12)	(0)	(7)
CHF	0	17	0	11
CNY	8	85	19	191
EUR	(9)	(768)	(4)	(297)
GBP	(0)	(19)	0	27
JPY	1,881	1,329	2,294	1,433
KRW	(1,431)	(89)	-	-
SEK	0	1	0	1
SGD	0	2	0	2
THB	15	36	14	30
USD	(0)	(20)	92	6,389
ZAR	-	-	0	0

Foreign currency sensitivity on unhedged exposure

1% increase / decrease in foreign exchange rates will have the following impact on profit before tax:

	Impact on profit before tax	
	March 31, 2020	March 31, 2019
Increase by 1% in forex rate	(6)	(78)
Decrease by 1% in forex rate	6	78

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(iii) Mark to market losses / (gain) on cross currency interest rate swaps

	For the year ended	
	March 31, 2020	March 31, 2019
Mark to Market losses/(gain) on cross currency interest rate swaps	208	(1,031)

c. Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. During March 31, 2020 and March 31, 2019, the Company's borrowings at variable rate were mainly denominated in INR and USD.

(i) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2020	March 31, 2019
Variable rate borrowings	8,319	5,544
Fixed rate borrowings	5,876	5,813
<b>Total borrowings</b>	<b>14,194</b>	<b>11,357</b>

An analysis by maturities is provided in Note [C (ii)] Maturities of financial liabilities below.

(ii) Sensitivity analysis

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

	Impact on profit before tax	
	March 31, 2020	March 31, 2019
Interest rates-increase by 50 basis points*	(42)	(28)
Interest rates-decrease by 50 basis points*	42	28

\* Holding all other variables constant

B Credit risk:

The credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions.

Trade receivables

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major Indian automobile manufacturers (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default and impairment.

Financial instruments and cash deposits

The Company has deposited liquid funds at various banking institutions. Primary banking institutions are major Indian and foreign banks. In long term credit ratings these banking institutions are considered to be investment grade. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due.

C Liquidity risk:

The liquidity risk encompasses any risk that the Company cannot fully meet its financial obligations. To manage the liquidity risk, cash flow forecasting is performed in the operating divisions of the Company and aggregated by Company finance. The Company's finance monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities / overdraft facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

	March 31, 2020	March 31, 2019
Floating rate		
- Expiring within one year (cash credit and other facilities)	5,221	5,999

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative and derivative financial liabilities:

Year Ended March 31, 2020	Upto 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowings	2,351	12,059	-	14,410
Trade payables	9,056	-	-	9,056
Other financial liabilities	1,710	226	-	1,936
Lease liabilities	219	690	645	1,554
<b>Total non-derivative liabilities</b>	<b>13,336</b>	<b>12,975</b>	<b>645</b>	<b>26,956</b>
<b>Derivatives</b>				
Foreign exchange forward contracts	873	-	-	873
<b>Total derivative liabilities</b>	<b>873</b>	<b>-</b>	<b>-</b>	<b>873</b>
<b>Year Ended March 31, 2019</b>	<b>Upto 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>Non-derivatives</b>				
Borrowings	92	11,516	-	11,608
Trade payables	8,949	-	-	8,949
Other financial liabilities	2,015	164	-	2,179
<b>Total non-derivative liabilities</b>	<b>11,056</b>	<b>11,680</b>	<b>-</b>	<b>22,736</b>
<b>Derivatives</b>				
Foreign exchange forward contracts	665	-	-	665
<b>Total derivative liabilities</b>	<b>665</b>	<b>-</b>	<b>-</b>	<b>665</b>

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37 (b) Details related to hedging instrument

Fair value hedge	Nominal amount of the hedging instrument (in million)	Carrying amount of hedging instrument		Line Item in balance sheet where hedging instrument is disclosed	Change in fair value for calculating hedge ineffectiveness
		Assets	Liabilities		
<b>March 31, 2020</b>					
(i) Cross currency interest rate swap	USD 80; EUR 74 INR 5,750; EUR 81	-	67	Other financial liabilities	(142)
(ii) Loan	USD 80 INR 5,750	-	6,044	Non-current borrowings	351
		-	5,750		612
		-			-
<b>March 31, 2019</b>					
(i) Cross currency interest rate swap	USD 80; EUR 74 INR 5,750; EUR 81	-	209	Other financial liabilities	(596)
(ii) Loan	USD 80 INR 5,750	-	458	Non-current borrowings	(435)
		-	5,532		318
		-	5,750		-

(c) Details related to hedged item

Fair value hedge	Carrying amount of hedged item	Accumulated amount of fair value adjustments on the hedged item included in the carrying amount of the hedged item		Line item in balance sheet where hedging item is disclosed	Change in value used for calculating hedge ineffectiveness	Accumulated amount of fair value adjustments on the hedged item included in the carrying amount of hedged item that have ceased to be adjusted for hedging gains and losses
		Assets	Liabilities			
<b>For March 31, 2020:</b>						
(i) Investment	14,804	1,885	-	Non-current investments	793	-
<b>For March 31, 2019:</b>						
(i) Investment	13,810	1,082	-	Non-current investments	(487)	-

Details of Impact of fair value hedge on statement of profit and loss

Fair value hedge	Ineffectiveness recognized in profit or loss	Line items in profit and loss
<b>For year ended on 31 March 2020:</b>		
(i) Investment	(72)	Finance cost
<b>For year ended on 31 March 2018:</b>		
(i) Investment	(228)	Finance cost



**38 Capital management**

**(a) Risk management**

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors NET Debt to EBITDA ratio i.e. Net debt (total borrowings net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance costs).

The Company's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

	March 31, 2020	March 31, 2019
Net Debt*	11,888	10,019
EBITDA	14,803	14,592
<b>Net Debt to EBITDA</b>	<b>0.80</b>	<b>0.69</b>

\*Lease liabilities recognised as per Ind AS 116 is not included in Net Debt (Refer Note 46)

**(b) Loan covenants**

Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants and the Company has complied with those covenants throughout the reporting period.

**(c) Dividends**

	March 31, 2020	March 31, 2019
<b>On Equity shares of INR 1 each</b>		
<b>Final dividend</b>		
Amount of dividend paid (pertains to previous financial year)	4,737	4,737
Dividend per equity share	1.50	2.25
<b>Interim Dividend</b>		
Amount of dividend paid	4,737	-
Dividend per equity share	1.50	-

**39 Distribution made and proposed**

	March 31, 2020	March 31, 2019
<b>Cash dividends on equity shares declared and paid</b>		
Final cash dividend for the year ended on March 31, 2019: INR 1.5 (March 31, 2018: INR 2.25) per share	4,737	4,737
DDT on final dividend*	915	766
Interim dividend for the year ended on March 31, 2020: INR 1.5 per share (March 31, 2019: Nil per share)	4,737	-
DDT on interim dividend	425	-
	<b>10,814</b>	<b>5,503</b>
<b>Proposed dividends on Equity shares</b>		
Final cash dividend for the year ended on March 31, 2020: Nil (March 31, 2019: INR 1.5 per share)	-	4,737
DDT on proposed dividend	-	974
	-	<b>5,711</b>

\* Actual amount of dividend distribution tax (DDT) deposited is in accordance with provision of Income Tax Act.



**40 Related Party Disclosures**

1. Related party disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below:

a. Promoters / Entities with joint control over the Company

Name	Place of incorporation	Ownership interest	
		March 31, 2020	March 31, 2019
1 Samvardhana Motherson International Limited	India	33.43%	33.43%
2 Sumitomo Wiring Systems Limited, Japan	Japan	25.10%	25.10%

**Relationship where control exists**

b. Subsidiaries of the Company

- 1 MSSL Mauritius Holdings Limited
- 2 Motherson Electrical Wires Lanka Private Limited
- 3 MSSL Mideast (FZE)
- 4 MSSL (S) Pte Limited
- 5 Motherson Innovations Tech Limited (esrt MSSL Automobile Component Limited)
- 6 Samvardhana Motherson Polymers Limited
- 7 Motherson Polymers Compounding Solution Limited
- 8 MSSL (GB) Limited
- 9 Motherson Wiring System (FZE)
- 10 MSSL Tooling (FZE)
- 11 MSSL GmbH
- 12 Samvardhana Motherson Invest Deutschland GmbH
- 13 MSSL Advanced Polymers s.r.o.
- 14 Motherson Techno Precision GmbH
- 15 MSSL s.r.l. Unipersonale
- 16 Motherson Techno Precision México, S.A. de C.V
- 17 MSSL Manufacturing Hungary Kft
- 18 Motherson Air Travel Pvt Ltd
- 19 MSSL Australia Pty Limited
- 20 Motherson Elastomers Pty Limited
- 21 Motherson Investments Pty Limited
- 22 MSSL Ireland Private Limited
- 23 MSSL Global RSA Module Engineering Limited
- 24 MSSL Japan Limited
- 25 Vacuform 2000 (Proprietary) Limited
- 26 MSSL México, S.A. De C.V.
- 27 MSSL WH System (Thailand) Co., Ltd
- 28 MSSL Korea WH Limited
- 29 MSSL Consolidated Inc.
- 30 MSSL Wiring System Inc
- 31 Alphabet de Mexico, S.A. de C.V.
- 32 Alphabet de Mexico de Monclova, S.A. de C.V.
- 33 Alphabet de Saltillo, S.A. de C.V.
- 34 MSSL Wirings Juarez, S.A. de C.V.
- 35 Samvardhana Motherson Global Holdings Ltd.
- 36 Samvardhana Motherson Automotive Systems Group B.V. (SMRPBV)
- 37 Samvardhana Motherson Reflectec Group Holdings Limited (SMR)
- 38 SMR Automotive Technology Holding Cyprus Limited
- 39 SMR Automotive Mirror Parts and Holdings UK Ltd
- 40 SMR Automotive Holding Hong Kong Limited
- 41 SMR Automotive Systems India Limited
- 42 SMR Automotive Systems France S.A.
- 43 SMR Automotive Mirror Technology Holding Hungary KFT
- 44 SMR Patents S.á.r.l.
- 45 SMR Automotive Technology Valencia S.A.U.
- 46 SMR Automotive Mirrors UK Limited
- 47 SMR Automotive Mirror International USA Inc.
- 48 SMR Automotive Systems USA Inc.
- 49 SMR Automotive Beijing Company Limited
- 50 SMR Automotive Yancheng Co. Limited
- 51 SMR Automotive Mirror Systems Holding Deutschland GmbH
- 52 SMR Holding Australia Pty Limited
- 53 SMR Automotive Australia Pty Limited
- 54 SMR Automotive Mirror Technology Hungary BT



- 55 SMR Automotive Modules Korea Ltd.
- 56 SMR Automotive Beteiligungen Deutschland GmbH
- 57 SMR Hyosang Automotive Ltd.
- 58 SMR Automotive Mirrors Stuttgart GmbH
- 59 SMR Automotive Systems Spain S.A.U.
- 60 SMR Automotive Vision Systems Mexico S.A. de C.V.
- 61 SMR Grundbesitz GmbH & Co. KG
- 62 SMR Automotive Brasil Ltda.
- 63 SMR Automotive System (Thailand) Limited
- 64 SMR Automotives Systems Macedonia Dooel Skopje
- 65 SMR Automotive Operations Japan K.K.
- 66 SMR Automotive (Langfang) Co. Ltd
- 67 SMR Automotive Vision System Operations USA INC
- 68 SMR Mirror UK Limited
- 69 Motherson Innovations Company Limited
- 70 Motherson Innovations Deutschland GmbH
- 71 Samvardhana Motherson Global (FZE)
- 72 SMR Automotive Industries RUS Limited Liability Company
- 73 Re-time Pty Limited
- 74 Samvardhana Motherson Peguform GmbH (SMP)
- 75 SMP Automotive Interiors (Beijing) Co. Ltd.
- 76 SMP Deutschland GmbH
- 77 SMP Logistik Service GmbH
- 78 SMP Automotive Solutions Slovakia s.r.o.
- 79 Changchun Peguform Automotive Plastics Technology Co., Ltd.
- 80 Foshan Peguform Automotive Plastics Technology Co. Ltd.
- 81 Shenyang SMP Automotive Plastic Component Co. Ltd.
- 82 Tianjin SMP Automotive Component Company Limited
- 83 SMP Automotive Technology Management Services (Changchun) Co. Ltd.
- 84 SMP Automotive Technology Iberica S.L.
- 85 Samvardhana Motherson Peguform Barcelona S.L.U
- 86 SMP Automotive Technologies Teruel Sociedad Limitada
- 87 Samvardhana Motherson Peguform Automotive Technology Portugal S.A.
- 88 SMP Automotive Systems Mexico S.A. de C.V.
- 89 SMP Automotive Produtos Automotivos do Brasil Ltda.
- 90 SMP Automotive Exterior GmbH
- 91 Samvardhana Motherson Innovative Autosystems B.V. & Co. KG
- 92 Samvardhana Motherson Innovative Autosystems Holding Company BV
- 93 SM Real Estate GmbH
- 94 Samvardhana Motherson Innovative Autosystems de México, S.A. de C.V.
- 95 SMP Automotive Systems Alabama Inc.
- 96 Celulosa Fabril S.A.
- 97 Modulos Ribera Alta S.L.Unipersonal
- 98 Motherson Innovations Lights GmbH & Co KG
- 99 Motherson Innovations Lights Verwaltungs GmbH
- 100 MSSL Estonia WH OÜ
- 101 PKC Group Plc
- 102 PKC Wiring Systems Oy
- 103 PKC Group Poland Sp. z o.o.
- 104 PKC Wiring Systems Llc
- 105 PKC Group APAC Limited
- 106 PKC Group Canada Inc.
- 107 PKC Group USA Inc.
- 108 PKC Group Mexico S.A. de C.V.
- 109 Project del Holding S.a.r.l.
- 110 PK Cables do Brasil Ltda
- 111 PKC Eestí AS
- 112 TKV-sarjat Oy
- 113 PKC SEGU Systemelektrik GmbH
- 114 Groclin Luxembourg S.à r.l.
- 115 PKC Vehicle Technology (Suzhou) Co., Ltd.
- 116 AEES Inc.
- 117 PKC Group Lithuania UAB
- 118 PKC Group Poland Holding Sp. z o.o.
- 119 OOO AEK
- 120 Kabel-Technik-Polska Sp. z o.o.
- 121 T.I.C.S. Corporation



- 122 AEES Power Systems Limited partnership
- 123 Fortitude Industries Inc.
- 124 AEES Manufacturera, S. De R.L de C.V.
- 125 Cableodos del Norte II, S. de R.L de C.V.
- 126 Manufacturas de Componentes Electricos de Mexico S. de R.L de C.V.
- 127 Arnases y Accesorios de México, S. de R.L de C.V.
- 128 Asesoria Mexicana Empresarial, S. de R.L de C.V.
- 129 Arnases de Ciudad Juarez, S. de R.L de C.V.
- 130 PKC Group de Piedras Negras, S. de R.L. de C.V.
- 131 PKC Group AEES Comercial S. de R.L de C.V
- 132 Jiangsu Huakai-PKC Wire Harness Co., Ltd.
- 133 PKC Vechicle Technology (Hefei) Co, Ltd.
- 134 Shangdong Huakai-PKC Wire Harness Co., Ltd.
- 135 Motherson Rolling Stock Systems GB Limited
- 136 Motherson PKC Harness Systems FZ-LLC (incorporated on July 7, 2019)
- 137 Wisetime Oy (become subsidiary w.e.f March 6, 2020)
- 138 Global Environment Management (FZC)
- 139 SMRC Automotive Interiors Management B.V.
- 140 SMRC Automotive Holdings B.V.
- 141 SMRC Automotive Holdings Netherlands B.V.
- 142 SMRC Automotives Techno Minority Holdings B.V.
- 143 SMRC Smart Automotive Interior Technologies USA, LLC
- 144 SMRC Automotive Modules France SAS
- 145 Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U.
- 146 SMRC Automotive Interiors Spain S.L.U.
- 147 SMRC Automotive Interior Modules Croatia d.o.o
- 148 Samvardhana Motherson Reydel Autotecc Morocco SAS
- 149 SMRC Automotive Technology RU LLC
- 150 SMRC Smart Interior Systems Germany GmbH
- 151 SMRC Automotive Interiors Products Poland SA
- 152 SMRC Automotive Solutions Slovakia s.r.o.
- 153 SMRC Automotive Holding South America B.V.
- 154 SMRC Automotive Modules South America Minority Holdings B.V.
- 155 SMRC Automotive Tech Argentina S.A.
- 156 SMRC Fabricacao e Comercio de Produtos Automotivos do Brasil Ltda
- 157 SMRC Automotive Products India Private Limited
- 158 SMRC Automotive Smart Interior Tech (Thailand) Ltd.
- 159 SMRC Automotive Interiors Japan Ltd.
- 160 Shanghai Reydel Automotive Technology Consulting Co., Ltd
- 161 PT SMRC Automotive Technology Indonesia
- 162 Yujin SMRC Automotive Techno Corp.
- 163 SMRC Automotives Technology Phil Inc.
- 164 Motherson Innovations LLC
- 165 Samvardhana Motherson Corp Management Shanghai Co Ltd.
- 166 Motherson Osia Innovation llc.
- 167 MSSL M Tooling Ltd
- 168 Samvardhana Motherson Polymers Management Germany GmbH (merged with MSSL GmbH on August 30, 2019)
- 169 PKC Netherlands Holding B.V. (Liquidated on July 31, 2019)
- 170 PK Cables Nederland B.V. (Liquidated on July 31, 2019)
- 171 SMR Automotive Servicios Mexico S.A. de C.V. (liquidated on July 2, 2019)
- 172 Global Environment Management Australia Pty Limited (liquidated on April 20, 2018)
- 173 MSSL Overseas Wiring System Ltd. (liquidated on January 29, 2019)

**c. Joint Ventures:**

- 1 Kyungshin Industrial Motherson Private Limited
- 2 Calsonic Kansei Motherson Auto Products Private Limited
- 3 Ningbo SMR Huaxiang Automotive Mirrors Co. Limited (Indirectly through Subsidiary)
- 4 Chongqing SMR Huaxiang Automotive Products Limited (Indirectly through Subsidiary)
- 5 Tianjin SMR Huaxiang Automotive Part Co. Limited (Indirectly through Subsidiary)
- 6 Eissmann SMP Automotive Interieur Slovensko s.r.o (Indirectly through Subsidiary)

**d. Associate Companies:**

- 1 Saks Ancillaries Limited
- 2 Hubei Zhengao PKC Automotive Wiring Company Ltd.



II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 40 (l) above:

(a) Key management personnel compensation

	March 31, 2020	March 31, 2019
Short-term employee benefits	61	55
Directors commission/sitting fees	18	21
Post-employment benefits payable	46	40
Long-term employee benefits payable	16	14

(b) Transactions with related parties

S. No.	Particulars	Subsidiaries		Joint ventures		Key Management personnel		Joint control over the entity		Other related parties	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1	Sale of products	5,908	5,711	1,579	1,190	-	-	1	4	315	344
2	Sales of services	963	126	480	691	-	-	0	14	8	6
3	Rent income	-	-	23	29	-	-	-	-	34	29
4	Sale of property, plant and equipment	-	-	-	-	-	-	0	0	-	1
5	Purchase of goods	1,230	1,670	4	6	-	-	5,761	6,319	1,605	1,353
6	Purchase of property, plant and equipment & Right-of-use assets	30	10	-	-	-	-	64	44	1,713	1,830
7	Purchase of services	291	246	1	0	-	-	31	55	1,140	1,285
8	Rent expense	-	-	-	-	5*	5*	30	31	324	457
9	Payment of lease liability	-	-	-	-	-	-	-	-	159	-
10	Reimbursement made	116	130	0	0	0	0	17	7	30	26
11	Reimbursement received	75	53	0	2	-	-	1	9	5	5
12	Royalty	-	-	-	-	-	-	310	91	-	-
13	Dividend paid	-	-	-	-	270**	135**	5,545	2,773	10	5
14	Dividend received	2,991	1,055	101	172	-	-	-	-	2	-
15	Investment made	3	-	-	-	-	-	-	-	-	-
16	Guarantee given during the year	411	13,748	-	-	-	-	-	-	-	-

(c) Outstanding balances arising from sales / purchases of goods and services

S. No.	Particulars	Subsidiaries		Joint ventures		Associate Companies		Joint control over the entity		Other related parties	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1	Trade Payable	295	336	0	0	-	-	2,044	1,312	611	568
2	Trade Receivable	2,494	1,108	146	223	-	-	1	1	83	94
3	Other financial assets	42	31	-	-	-	-	-	-	-	-
4	Advances recoverable	3	2	-	0	-	-	-	0	134	178
5	Advances from customer	37	110	-	-	-	-	1	0	0	1
6	Investments	44,320	44,317	486	488	11	11	-	-	14	14
7	Guarantees given	13,127	19,953	-	-	-	-	-	-	-	-



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**MOTHERSON SUMI SYSTEMS LIMITED**

Notes to the financial statements

(All amounts in INR Million, unless otherwise stated)

(d) Loans & advances to / from related parties

S. No.	Particulars	Subsidiaries		Joint ventures		Other related parties	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
i.	Security deposits given:						
	Beginning of the year	-	-	-	-	464	427
	Security deposit given	-	-	-	-	75	88
	Security deposits received back	-	-	-	-	(51)	(31)
	End of the year	-	-	-	-	488	484
ii.	Security Deposit Received:						
	Beginning of the year	-	-	35	35	14	16
	Security deposits received	-	-	-	-	-	-
	Security deposits repaid	-	-	-	-	-	(2)
	End of the year	-	-	35	35	14	14
iii.	Loans given						
	Beginning of the year	14	11	-	-	-	-
	Loans given	-	2	-	-	125	-
	Interest charged	1	1	-	-	6	-
	Interest received	-	-	-	-	-	-
	Loans received back	(13)	-	-	-	-	-
	End of the year	1	14	-	-	131	-

\* Rent of INR 5 million (March 31, 2019: INR 5 million) paid to Mr. V.C. Sehgal, Mr. Laksh Veeman Sehgal, Ms. Renu Sehgal, and Ms. Vidhi Sehgal.

\*\*Dividend of INR 270 million (March 31, 2019: INR 135 million) paid to Mr. V. C. Sehgal, Mr. Laksh Veeman Sehgal, Ms. Renu Sehgal, Ms. Naeelu Mehra, Ms. Geeta Goni, Mr. Pankaj Mittal, Mr. G.N. Gauba, Ms. Geeta Mathur, Mr. Naveen Genzu, Arjun Puri, Alok Goel and Mr. Gautam Mukherjee.



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41 Segment Information:

Description of segments and principal activities

The Company is primarily in the business of manufacture and sale of components to automotive original equipment manufacturers.

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments. The Company has monthly review and forecasting procedure in place and CODM reviews the operations of the Company as a whole, hence there are no reportable segments as per Ind AS 108 "Operating Segments"

A. Disaggregated revenue Information

	March 31, 2020	March 31, 2019
i) Revenue from external customers		
India	57,926	65,868
Outside India	10,812	9,944
	<b>68,738</b>	<b>75,813</b>

Type of goods or Services

	March 31, 2020	March 31, 2019
Sales of Components	65,034	72,934
Tool development	1,287	1,025
Others operating revenue	1,821	1,148
<b>Total revenue from contracts with customers</b>	<b>68,142</b>	<b>75,107</b>

Timing of revenue recognition

	March 31, 2020	March 31, 2019
As a point in time	66,855	74,082
Over a period of time	1,287	1,025
<b>Total revenue from contracts with customers</b>	<b>68,142</b>	<b>75,107</b>

ii) Segment Assets

Total of non-current assets other than financial instruments, investment in subsidiaries, joint ventures and associate and deferred tax assets broken down by location of the assets, is shown below:

	March 31, 2020	March 31, 2019
India	20,572	19,208
Outside India	-	0
	<b>20,572</b>	<b>19,208</b>

iii) Capital expenditure

	March 31, 2020	March 31, 2019
	3,471	3,976

iv) Revenues from transactions with a single external customer amounting to 10 per cent or more of the Company's revenues is as follows

	March 31, 2020	March 31, 2019
Customer 1	22,690	25,171

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**42 Capital and Other Commitments**

Capital expenditure contracted at the end of the reporting period but not recognised as liabilities is as follows:

	March 31, 2020	March 31, 2019
<b>Property, plant and equipment</b>		
Estimated value of contracts in capital account remaining to be executed, (net of advances of INR 85 million (March 31, 2019: INR 97 million))	534	997
<b>Investment property</b>		
Estimated value of purchase consideration outstanding, (net of advances of INR 110 million (March 31, 2019: INR 107 million))	-	3
<b>Total</b>	<b>534</b>	<b>1,000</b>

**43 Contingent liabilities:**

Claims against the Company not acknowledged as debts

	March 31, 2020	March 31, 2019
a) Excise, sales tax and service tax matters*	65	94
b) Claims made by workmen	44	41
c) Income tax matters	152	120

\* Against which Company has given bank guarantees amounting to INR 2 million (March 31, 2019 : INR 6 million)

- a) The Company does not expect any reimbursements in respect of the above contingent liabilities,  
b) The Company has assessed that it is only possible but not probable that outflow of economic resources will be required.

**44 Assets pledged as security**

The carrying amount of assets pledged as security for current and non-current borrowings are as follows:

	Notes	March 31, 2020	March 31, 2019
<b>Current:</b>			
<b>Financial assets</b>			
<b>First charge</b>			
Cash and cash equivalents	13(a)	2,300	1,333
Trade receivables	8	8,675	8,090
Inventory	12	9,931	10,551
Other current assets		2,315	3,902
<b>Total current assets pledged as security</b>		<b>23,220</b>	<b>23,876</b>
<b>Non Current:</b>			
<b>Second charge</b>			
Freehold and leasehold land	3	987	2,586
Buildings and leasehold improvements	3	7,583	7,041
Plant & Machinery	3	6,906	7,067
Other items of PPE	3	343	393
Investment property	4	747	872
Non current investment	6(a)	24,705	24,705
Capital advance	11	110	-
<b>Total non-current assets pledged as security</b>		<b>41,380</b>	<b>42,664</b>
<b>Total assets pledged as security</b>		<b>64,600</b>	<b>66,540</b>

**45 Ind AS 115 Revenue from contracts with customers**

Effective April 1, 2018, the Company has adopted Ind AS 115, 'Revenue from Contracts with Customers', with a modified retrospective approach. The management has evaluated the implications of implementation of new standard on its revenue and has made appropriate adjustments to these results where significant. In certain contracts, it has been assessed that the Company is acting as an agent and therefore, revenue has been recognised excluding the cost of components sold.

The transaction price allocated to the remaining performance obligations related to tool development (unsatisfied or partially unsatisfied) are, as follows:

	March 31, 2020	March 31, 2019
Within one year	265	496
More than one year	1	-
<b>Total</b>	<b>266</b>	<b>496</b>

Table below provides information on revenue recognised from :

	March 31, 2020	March 31, 2019
Amounts included in contract liabilities at the beginning of the year	352	285
Performance obligations partly satisfied in previous years	289	218



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(All amounts in INR Million, unless otherwise stated)

The table below represents summary of contract assets and liabilities relating to contracts with customers:

	March 31, 2020	March 31, 2019
Receivables	8,675	8,090
Contract assets	423	1,214
Contract liabilities (Refer note 24)	838	1,010

**46 Leases**

The Company elected to apply Indian Accounting Standard 116 ('Ind AS 116'), Leases, with effect from April 01, 2019, using the modified retrospective method. Accordingly, comparatives for the year ended March 31, 2019 have not been restated. The Company assesses each lease contract and if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the Company recognised right to use assets and lease liabilities for those lease contracts except for short-term lease and lease of low-value assets.

The Company has leases contracts for land, premises, plant & machinery and vehicles. These lease arrangements for land are for a period upto 99 years, for premises are for a period upto 10 years, plant & machinery are for a period upto 5 years and vehicles are for a period upto 5 years. The Company also has certain leases of machinery, computers, vehicles with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

As at March 31, 2019, the Company had minimum lease payment commitment under non-cancellable operating leases of INR 18 million. Pursuant to adoption of Ind AS 116, lease liabilities of INR 806 million were recognised on April 01, 2019, the transition date. The difference between the operating lease commitments under Ind AS 17 and lease liabilities recognised under Ind AS 116 is largely due to discounting of lease commitments and adoption of practical expedients on exclusion of short-term leases and leases of lowvalue and other adjustments due to reassessment of terms of the contracts.

As at the transition date April 01, 2019 following impacts were recognised in financial position on account of recognition of right of use assets, lease liabilities and reclassification of existing finance lease assets and liabilities.

	March 31, 2019	April 01, 2019	Change
Property, plant & equipment (Refer note 3)	17,087	16,280	(806)
Right-of-use assets (Refer note 3)	-	923	923
Other receivables and assets (non-current and current)	2,381	2,265	(116)
Borrowings (non-current and non current, including current maturity of long term borrowing)	14,194	14,194	-
Lease Liabilities	-	806	806

The carrying amounts of lease liabilities and the movements during the period is given below:

	March 31, 2020
Recognised as at April 01, 2019 on account of adoption of ind AS 116	806
	806
	March 31, 2020
Current lease liabilities	137
Non-current lease liabilities	791
	928
	March 31, 2020
Amount recognised in statement of profit and loss during the year on account of Ind AS 116	
Interest expense on lease liabilities (included in finance cost)	88
Depreciation of Right of Use assets	248
Lease expense derecognised	289
Other items included in statement of profit and loss during the year:	
Short term and low value lease payments	455

**47 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**

The Company has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to fulfil its performance obligations under the contract with customers;(ii) revision of estimations of costs to complete the contract because of additional efforts; (iii) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Investments and other financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future demand of its products. The Company has performed analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

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48 Dues to micro, small and medium enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act is as follows:

	March 31, 2020	March 31, 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	155	202
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	(0)	3
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1,767	1,864
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	5	14
Further interest remaining due and payable for earlier years	-	-

49 During the year, the Company has recognised an expense of INR 56 million (31 March 2019: Nil) toward its proportionate share of costs allocated by the Samvardhana Employees Welfare Trust ('the Trust') constituted by Samvardhana Motherson International Limited for providing share scheme and other benefits to the employees of the participating companies. The trust helps the employees of participating companies to dispose off shares at fair value.

The Company has also given a loan amounting to INR 125 million (31 March 2019: Nil) to the Trust and is outstanding as on March 31, 2020. The loan carries interest @ rate of 9.5% p.a. and is repayable after 5 years from the date of loan.

50 Disclosure pursuant to the Regulation 34(3) read with para A of Schedule V to Securities and Exchange Board of India (Listing Obligations And Disclosures Requirements) Regulation, 2015:

a) Loans and advances in the nature of loans to subsidiaries and associates

	March 31, 2020	March 31, 2019
Loan to Subsidiary : Samvardhana Motherson Polymer Limited		
Balance as at year end	-	2
Maximum amount outstanding at any time during the year	2	2
Loan to Subsidiary: Motherson Polymers Compounding Solution Limited		
Balance as at year end	-	12
Maximum amount outstanding at any time during the year	12	12

b) Investment by the loanees in the shares of the Company: The loanees have not made any investment in the shares of the Company.

51 The Board of Directors in its meeting dated January 30, 2020, has constituted Sub Committee to examine and submit proposal to the Board for reorganization of business within the group which will, inter alia, demerge domestic wiring harness business of the Company into a newly formed legal entity with mirror shareholding, which shall be listed and consolidating shareholding in Samvardhana Motherson Automotive Systems Group B.V. ("SMRP BV") in MSSL through a process of merger to bring 49% stake held by Samvardhana Motherson International Limited ("SAMIL") in SMRP BV into MSSL. The sub-committee as formed by the Board of directors is currently evaluating all options which will be submitted to the board for their final approval and necessary actions thereafter.

52 Amounts appearing as zero "0" in financial are below the rounding off norm adopted by the Company

For S.R. Batlibol & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

**PANKAJ CHADHA**  
Digitally signed by PANKAJ CHADHA  
DN: cn=PANKAJ CHADHA, c=IN,  
o=Personal,  
email=pankaj\_chadha@srbc.in  
Reason: I am approving this document  
Date: 2020.06.03 19:41:23 +05'30'

per PANKAJ CHADHA  
Partner  
Membership No.: 091813

Place: Gurugram  
Date: June 02, 2020

For and on behalf of the Board

**VIVEK CHAAND SEHGAL**  
Digitally signed by VIVEK CHAAND SEHGAL  
Date: 2020.06.03 19:05:14 +05'30'

**V.C. SEHGAL**  
Chairman

**Gaya Nand Gauba**  
Digitally signed by Gaya Nand Gauba  
Date: 2020.06.03 18:19:11 +05'30'

**G.N. GAUBA**  
Chief Financial Officer

Place: Noida  
Date: June 02, 2020

**PANKAJ KUMAR MITAL**  
Digitally signed by PANKAJ KUMAR MITAL  
Date: 2020.06.03 18:42:28 +05'30'

**PANKAJ MITAL**  
Whole-time Director/  
Chief Operating Officer

**Alok Goel**  
Digitally signed by Alok Goel  
Date: 2020.06.03 18:26:53 +05'30'

**ALOK GOEL**  
Company Secretary



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## INDEPENDENT AUDITOR'S REPORT

To the Members of Samvardhana Motherson International Limited

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of Samvardhana Motherson International Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

*Alexa*



Key audit matters	How our audit addressed the key audit matter
<p><b><u>Impairment assessment of investments and assessment of expected credit loss for loans and financial guarantees</u></b> (as described in Note 6, 7(a), 7(b) and 16 of the standalone Ind AS financial statements)</p>	
<p>The Company, being a CIC-ND-SI-NBFC, has made investments in, granted loans to and provided financial guarantees on behalf of various subsidiaries/joint venture/associate companies.</p> <p>The carrying amount of such investments, loans and expected credit loss for financial guarantees as at March 31, 2020 amounts to Rs. 18,978 million, Rs. 1,359 million and Rs. 1,925 million respectively.</p> <p>Considering the long-term nature of these investments, loans and financial guarantees, the assessment of impairment and expected credit loss (ECL) prescribed under Ind AS 36 and Ind AS 109 respectively requires significant judgement and estimates to be applied by the management to determine:</p> <ol style="list-style-type: none"> <li>Value-In-Use (VIU) for investment impairment</li> <li>Recoverable value for ECL for loans.</li> <li>Provision in respect of ECL on financial guarantees</li> </ol> <p>In particular, the determination of the VIU/recoverable value/provision is sensitive to significant assumptions such as discount rate, revenues growth, operating margin, terminal value and changes in credit risk.</p> <p>Accordingly, the matter has been identified as a key audit matter.</p>	<p>The procedures performed by us include following:</p> <ul style="list-style-type: none"> <li>Assessed the process followed and controls implemented for the impairment review and measurement of financial guarantees and analysis performed by the management;</li> <li>Read and understand the board approved policy for ECL</li> <li>Tested management's impairment calculation in accordance with the applicable accounting standards;</li> <li>Read the financial position and operating/financial results of the respective companies from their financial information made available to us by the management;</li> <li>Tested the expected credit loss model, including assumptions and underlying computation;</li> <li>Where considered necessary, evaluated the key assumptions used in determining VIU and performed sensitivity analysis of key assumptions;</li> <li>Read and assessed the disclosure made in the financial statements for assessing compliance with disclosure requirements.</li> </ul>

**Emphasis of Matter- Corona developments**

The developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society as a whole, as well as on the operational and financial performance of organizations. The situation changes on a daily basis giving rise to inherent uncertainty. The Company is confronted with this uncertainty as well, which has been disclosed in the Note 54 to the Ind AS financial statements, together with its evaluation thereof. We draw attention to these disclosures. Our opinion is not modified in respect of this matter.

*Arora*

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### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### **Responsibility of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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*By*

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

*Amn*

*[Signature]*

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 39 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

**PANKAJ CHADHA**  
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per Pankaj Chadha

Partner  
Membership Number: 091813  
UDIN: 20091813AAAACL3377  
Place of Signature: Gurugram  
Date: June 17, 2020

*Am*

*[Handwritten Signature]*

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**Annexure I referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date**

**Re: Samvardhana Motherson International Limited (the "Company")**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (i) (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (i) (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) (a) The Company has granted loans to twelve companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
- (iii) (b) The Company has granted loans for stipulated period or loans repayable on demand to companies covered in the register maintained under section 189 of the Companies Act, 2013. The repayment/receipts of principal and interest has been regular as per the stipulated terms or on demand by the Company, taking into consideration the renewal of loans provided by the Company at request of the borrower.
- (iii) (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government of India has not specified the maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013 for any of the products of the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, cess and other statutory dues applicable to it and the Company is generally regular in depositing goods and service tax with the appropriate authorities. The provisions relating to employees' state insurance and duty of custom are not applicable to the Company.

*Arora*

*[Signature]*

- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance and duty of custom are not applicable to the Company.
- (vii)(c) According to the records of the Company, the dues outstanding of income-tax on account of any dispute, is as follows:

Name of the statute	Nature of dues	Amount (INR in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	12.64	AY 2013-14	Commissioner of Income-Tax (Appeals)

The provisions relating to sales tax, service tax, duty of custom, duty of excise and value added tax are not applicable to the Company.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given, considering the various source of funds available with the Company and fund flow statement prepared by the management, the Company has utilized the monies raised through issue of debentures and term loans for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

*Amn.*

*John*

**S.R. BATLIBOI & Co. LLP**  
Chartered Accountants

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

**PANKAJ  
CHADHA**

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per Pankaj Chadha  
Partner  
Membership Number: 091813  
UDIN: 20091813AAAACL3377  
Place of Signature: Gurugram  
Date: June 17, 2020

*Attn.*

*[Handwritten Signature]*

**ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Samvardhana Motherson International Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

*Aron*

*[Signature]*

**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & CO. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

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per Pankaj Chadha  
Partner  
Membership Number: 091813  
UDIN: 20091813AAAACL3377  
Place of Signature: Gurugram  
Date: June 17, 2020

Adm.

**Samvardhana Motherson International Limited**  
**Standalone balance sheet as at March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	6,813	154
Bank balances other than cash and cash equivalents	4	6	6
Trade receivables	5	82	52
Loans	6	1,359	2,403
Investments	7(a)	26	476
Other financial assets	8	75	86
<b>Total financial assets</b>		<b>8,361</b>	<b>3,177</b>
<b>Non-financial assets</b>			
Investments in subsidiaries, joint ventures and associates	7(b)	18,952	17,755
Income tax assets (net)	9	76	78
Deferred tax assets (net)	10	-	-
Property, plant and equipment	11(a)	39	53
Right-of-use assets	11(b)	90	-
Other non-financial assets	12	26	52
<b>Total non-financial assets</b>		<b>19,183</b>	<b>17,938</b>
<b>Total assets</b>		<b>27,544</b>	<b>21,115</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	13	-	-
(i) total outstanding dues of micro, small and medium enterprises		-	-
(ii) total outstanding dues of creditors other than micro, small and medium enterprises		31	35
Debt securities	14	7,000	3,500
Borrowings (other than debt securities)	15	2,250	2,886
Lease liabilities	38	88	-
Other financial liabilities	16	2,167	143
<b>Total financial liabilities</b>		<b>11,536</b>	<b>6,564</b>
<b>Non-financial liabilities</b>			
Provisions	17	66	65
Other non-financial liabilities	18	91	82
<b>Total non-financial liabilities</b>		<b>157</b>	<b>147</b>
<b>Equity</b>			
Equity share capital	19	4,736	4,736
Other equity	20	11,115	9,668
<b>Total equity</b>		<b>15,851</b>	<b>14,404</b>
<b>Total liabilities and equity</b>		<b>27,544</b>	<b>21,115</b>

Summary of significant accounting policies 2

The above standalone balance sheet should be read in conjunction with the accompanying notes

This is the balance sheet referred to in our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number : 301003E/ E300005

**PANKAJ  
CHADHA**

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per Pankaj Chadha

Partner

Membership No. 091813

For and on behalf of the Board of Directors

**VIVEK CHAAND  
SEHGAL**

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Vivek Chaand Sehgal

Director

DIN 00291126

**SANJAY  
MEHTA**

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Sanjay Mehta

Director

DIN 03215388

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Pooja Mehra

Company Secretary

Membership No. FCS 5088

**Rajinder  
Kumar Bansal**

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Rajinder Kumar Bansal

Deputy Chief Financial Officer

PAN - AJVPB1886F

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KUMAR GOYAL**

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Manish Kumar Goyal

Chief Financial Officer

PAN - AESPG3496A

Place : Gurugram  
 Date : June 17, 2020

Place : Noida  
 Date : June 17, 2020

*Amn.*



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**Samvardhana Motherson International Limited**  
**Standalone statement of profit and loss for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Revenue from operations</b>			
Interest income	21(a)	300	226
Dividend income	21(b)	3,395	1,685
Fee and commission income	21(c)	53	32
Revenue from contract with customers	21(d)	86	150
Net gain on fair value changes	22	43	27
<b>Total revenue from operations</b>		<b>3,877</b>	<b>2,120</b>
Other income	23	153	361
<b>Total income</b>		<b>4,030</b>	<b>2,481</b>
<b>Expenses</b>			
Finance costs	24	769	607
Employee benefits expenses	25	203	222
Depreciation expenses	26	59	17
Others expenses	27	235	249
<b>Total expenses</b>		<b>1,266</b>	<b>1,095</b>
<b>Profit before exceptional items and tax</b>		<b>2,764</b>	<b>1,386</b>
Exceptional items	28	(1,089)	(783)
<b>Profit before tax</b>		<b>1,675</b>	<b>603</b>
<b>Tax expenses</b>	29		
-Current tax expense (provision reversal for earlier years)		(19)	-
-Deferred tax expense		-	-
<b>Total tax expense</b>		<b>(19)</b>	<b>-</b>
<b>Profit for the year</b>		<b>1,694</b>	<b>603</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit obligations	17	7	(8)
Income tax relating to the above items		-	-
<b>Other comprehensive income for the year</b>		<b>7</b>	<b>(8)</b>
<b>Total comprehensive income for the year</b>		<b>1,701</b>	<b>595</b>
<b>Earnings per share:</b>			
Nominal value per share: INR 10/- (March 31, 2019 : INR 10/-)	30		
Basic (INR per share)		3.58	1.27
Diluted (INR per share)		3.58	1.27
Summary of significant accounting policies	2		

The above standalone statement of profit and loss should be read in conjunction with the accompanying notes

This is the statement of profit and loss referred to in our report of even date

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number : 301003E/ E300005

**PANKAJ  
CHADHA**

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per Pankaj Chadha

Partner

Membership No. 091813

For and on behalf of the Board of Directors

**VIVEK  
CHAAND  
SEHGAL**

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**Vivek Chaand Sehgal**

Director

DIN 00291126

**SANJAY  
MEHTA**

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**Sanjay Mehta**

Director

DIN 03215388

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**Pooja Mehra**

Company Secretary

Membership No. FCS 5088

**Rajinder  
Kumar Bansal**

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**Rajinder Kumar Bansal**  
 Deputy Chief Financial Officer  
 PAN - AJVPB1886F

**MANISH  
KUMAR GOYAL**

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**Manish Kumar Goyal**  
 Chief Financial Officer  
 PAN - AESPG3496A

Place : Gurugram

Date : June 17, 2020

Place : Noida

Date : June 17, 2020



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**Samvardhana Motherson International Limited**  
**Standalone statement of changes in equity as at March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

**A. Equity share capital**

	Notes	Amount
As at March 31, 2018		4,736
Changes in equity share capital	19	-
As at March 31, 2019		4,736
Changes in equity share capital	19	-
As at March 31, 2020		4,736

**B. Other equity**

	Note	Reserves and surplus				Items of OCI	Total
		Securities premium	Capital reserve on amalgamation	Reserve fund	Retained Earning	Equity instruments through other comprehensive Income (OCI)	
Balance as at March 31, 2018	20	3,263	2,402	1,635	2,845	68	10,213
Profit for the year		-	-	-	603	-	603
Other comprehensive income		-	-	-	(8)	-	(8)
<b>Total comprehensive income for the year</b>		-	-	-	595	-	595
Interim dividend paid		-	-	-	(947)	-	(947)
Dividend distribution tax		-	-	-	(193)	-	(193)
Transfer to/(from) retained earnings		-	-	121	(53)	(68)	-
Balance as at March 31, 2019		3,263	2,402	1,756	2,247	-	9,668
Profit for the year		-	-	-	1,694	-	1,694
Other comprehensive income		-	-	-	7	-	7
<b>Total comprehensive income for the year</b>		-	-	-	1,701	-	1,701
Additions during the year		-	-	-	-	-	-
Transfer to/(from) retained earnings		-	-	339	(339)	-	-
Interim dividend paid		-	-	-	(213)	-	(213)
Dividend distribution tax		-	-	-	(41)	-	(41)
Balance as at March 31, 2020		3,263	2,402	2,095	3,355	-	11,115

Summary of significant accounting policies 2

The above standalone statement of changes in equity should be read in conjunction with the accompanying notes

This is the statement of changes in equity referred to in our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number : 301003E/ E300005

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 per Pankaj Chadha  
 Partner  
 Membership No. 091813

**VIVEK CHAAND SEHGAL**

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Vivek Chaand Sehgal  
 Director  
 DIN 00291126

For and on behalf of the Board of Directors

**SANJAY MEHTA**

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Sanjay Mehta  
 Director  
 DIN 03215388

**POOJA MEHRA AUTH**

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Pooja Mehra  
 Company Secretary  
 Membership No. FCS 5088

**Rajinder Kumar Bansal**

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Rajinder Kumar Bansal  
 Deputy Chief Financial Officer  
 PAN - AJVPB1886F

**MANISH KUMAR GOYAL**

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Manish Kumar Goyal  
 Chief Financial Officer  
 PAN - AESPG3496A

Place : Gurugram  
 Date : June 17, 2020

Place : Noida  
 Date : June 17, 2020

*Amr*



**Samvardhana Motherson International Limited**  
**Standalone cash flow statement for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash flow from operating activities:</b>		
Profit before tax	1,694	603
Adjustments for:		
Depreciation expense	59	17
Reversal of impairment loss on investments and loans	(836)	(20)
Impairment allowance in investments and loans	-	803
Gain on sale of investment in subsidiaries and joint ventures	-	(347)
Gain on sale of mutual fund investments	(43)	(27)
Interest income	(263)	(197)
Unwinding of discount on financial assets	(37)	(29)
Fee and commission income	(23)	(32)
Expected credit loss for corporate guarantee	1,925	-
Dividend income	(3,395)	(1,685)
Finance Cost	769	607
Unrealised foreign exchange loss (net)	(1)	(6)
<b>Operating profit before working capital changes</b>	<b>(151)</b>	<b>(313)</b>
<b>Change in working Capital:</b>		
Increase/(decrease) in trade payables	(4)	(5)
Increase/(decrease) in other financial liabilities	(2)	2
Increase/(decrease) in provisions	8	(8)
Increase/(decrease) in other non financial liabilities	17	-
(Increase)/decrease in trade receivables	(29)	(24)
(Increase)/decrease in other financial assets	2	2
(Increase)/decrease in loans	1,202	(622)
(Increase)/decrease in other non financial assets	1	39
(Increase)/decrease in other bank balances	-	(6)
<b>Cash generated from operations</b>	<b>1,044</b>	<b>(935)</b>
- Dividend received	3,379	1,685
- Interest received on loans	288	219
- Taxes paid (net of refund)	2	(30)
<b>Net cash generated from operations</b>	<b>4,713</b>	<b>939</b>
<b>B. Cash flow from investing activities:</b>		
Payments for property, plant & equipment	(1)	(3)
Proceeds from sale of investments in subsidiary, Joint Venture and associate (net of direct cost)	-	530
(Purchase)/ sale of current investments (mutual funds) (net)	493	(423)
Proceeds from sale of other investment	-	381
Purchase of investments in subsidiary, joint venture and associates	(469)	(54)
<b>Net cash generated from investing activities</b>	<b>23</b>	<b>431</b>
<b>C. Cash flow from financing activities:</b>		
Interim dividend paid	(213)	(947)
Dividend distribution tax	(41)	(193)
Lease liability paid	(31)	-
Interest paid on borrowings other than debt securities	(147)	(130)
Interest and finance charges paid on debt securities	(419)	(1,345)
Proceeds from debt securities	7,000	3,500
Proceeds from borrowings other than debt securities	5,974	6,839
Repayment of debt securities	(3,500)	(4,000)
Repayment of borrowings other than debt securities	(6,700)	(5,350)
<b>Net cash generated/(used in) financing activities</b>	<b>1,923</b>	<b>(1,626)</b>

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**Somvardhana Motherson International Limited**  
**Standalone cash flow statement for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net increase/(decrease) in cash and cash equivalents (A+B+C)	6,659	(256)
Cash and cash equivalents at the beginning of the year	154	410
Cash and cash equivalents at the end of the year	6,813	154
Cash and cash equivalents comprise of the following (refer note 3)		
Cash on hand	-	0
Balances with banks:		
- in current accounts	495	154
- Deposits with original maturity of less than three months	3,000	-
- margin money deposit	3,317	-
<b>Total</b>	<b>6,813</b>	<b>154</b>

**Notes:**

- i) The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows"  
 ii) Figures in brackets indicate Cash Outflow.

**Summary of significant accounting policies**

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The above standalone cash flow statement should be read in conjunction with the accompanying notes

This is the Cash flow referred to in our report of even date

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number : 301003E/ E300005

**PANKAJ CHADHA**  
 Digitally signed by PANKAJ CHADHA  
 DN: cn=PANKAJ CHADHA, o=IN,  
 email=pankaj.chadha@srbl.in  
 Reason: I am approving this document  
 Date: 2020.06.17 23:53:36 +05'30'  
 per Pankaj Chadha  
 Partner  
 Membership No. 091813

**For and on behalf of the Board of Directors**

**VIVEK CHAAND SEHGAL**  
 Digitally signed by VIVEK CHAAND SEHGAL  
 Date: 2020.06.17 22:43:07 +05'30'

**Vivek Chaand Sehgal**  
 Director  
 DIN 00291126

**SANJAY MEHTA**

**Sanjay Mehta**  
 Director  
 DIN 03215388

Digitally signed by SANJAY MEHTA  
 Date: 2020.06.17 22:31:14 +05'30'

**POOJA MEHRA**  
 Digitally signed by POOJA MEHRA  
 Date: 2020.06.17 22:49:30 +05'30'

**Pooja Mehra**  
 Company Secretary  
 Membership No. FCS 5088

**Rajinder Kumar Bansal**  
 Digitally signed by Rajinder Kumar Bansal  
 Date: 2020.06.17 23:08:26 +05'30'

**Rajinder Kumar Bansal**  
 Deputy Chief Financial Officer  
 PAN - AJVPB1886F

**MANISH KUMAR GOYAL**  
 Digitally signed by MANISH KUMAR GOYAL  
 Date: 2020.06.17 22:34:37 +05'30'

**Manish Kumar Goyal**  
 Chief Financial Officer  
 PAN - AESPG3496A

Place : Gurugram  
 Date : June 17, 2020

Place : Noida  
 Date : June 17, 2020

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## 1 Corporate Information

Samvardhana Motherhood International Limited ("SAMIL" or "the Company"), is incorporated in India on December 9, 2004 to act as a holding company to hold/ make investments in Group companies which are primarily engaged in business in the automotive sector. The address of its registered office is Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra. The Company was promoted by Mr. V.C. Sehgal, promoter of the Samvardhana Motherhood Group. The Company is a public limited company domiciled in India.

The Company holds the Certificate of Registration as a Non-Deposit Taking Systemically Important Core Investment Company ("CIC-ND-SI") vide Certificate No. N-13 02168 dated March 07, 2017 (earlier Certificate No. N-14.03309 dated September 1, 2014) issued by the Reserve Bank of India ("RBI") under Core Investment Companies (Reserve Bank) Directions, 2016 ("CIC Directions"). By virtue of the above registration, the provisions of section 45-IA (1)(b) of the Reserve Bank of India Act, 1934 ("RBI Act") shall not apply to the Company being a Systemically Important Core Investment Company subject to the condition that it meets the capital requirements and leverage ratio as specified in CIC Directions.

RBI Disclaimer: (a) Reserve Bank of India does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for discharge of liability by the Company, (b) Neither is there any provision in law to keep, nor does the Company keep any part of the deposits with the Reserve Bank and by issuing the Certificate of Registration to the Company, the Reserve Bank neither accepts nor guarantee for the payment of the public funds to any person/body corporate.

The financial statements were authorised for issue in accordance with a resolution of the Board of directors on June 17, 2020.

## 2 Significant accounting policies

### (a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and
- Defined benefit pension plans – plan assets measured at fair value

The financial statements are presented in INR and all values are rounded to the nearest millions (INR 000,000), except when otherwise stated. Amount appearing as zero "0" in the financial statements are below the rounding off norm adopted by the Company.

### (b) Presentation of financial statements

The financial statements have been presented in accordance with Division III of Schedule III of Companies Act, 2013. The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 40.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- i) The normal course of business,
- ii) The event of default
- iii) The event of insolvency or bankruptcy of the Company and/or its counterparties

### (c) Foreign currencies

#### (i) Functional and presentation currency

The Company's functional currency is Indian Rupee (INR) and the financial statements are presented in Indian Rupee (INR)

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing cost are presented in the Statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments (other than investment in subsidiaries, joint ventures and associates) classified as FVTOCI are recognised in other comprehensive income.

### (d) Revenue recognition and Other income

#### (i) Revenue from contract with customers

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

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The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the company satisfies a performance obligation.

#### Consultancy Income

Fees earned for the provision of services are recognised over time or point in time as per contract with the customer. In case of contracts where the customer receives and consumes the benefits simultaneously, as the services are rendered the revenue is recognised over the term of the contract.

In cases where the customer receives and consumes the services at single point in time, revenue is recognised as and when the performance obligation is satisfied.

#### Fee and commission income

Fees earned for the provision of guarantees are recognised over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. The revenue for such contracts is recognised over the term of the guarantee contract.

However, Service tax/Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

#### Trade Receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Trade receivables are disclosed in Note 5.

#### (ii) Interest income

Interest is recognised using the effective interest rate (EIR) method, as income for the period in which it occurs. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of financial instrument (for example, prepayment, extension, charges, call and similar options) but does not consider expected credit losses.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

#### (iii) Dividend income:

Dividend income is recognised when the right to receive payment is established, which is generally when shareholders approve the dividend.

#### (e) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### (f) Leases

Pursuant to the notification by the Ministry of Corporate Affairs, The Company adopted IND AS 116 effective from April 1, 2019, prospectively using the modified retrospective method as mandated by Para C5(b) and Para C8(c)(ii) of IND AS 116. Accordingly, the Company has not restated comparative information and there is no cumulative effect of initially applying this Standard to be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

##### As a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (g) Impairment of non-financial assets.

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#### Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Lease liabilities, which separately shown in the financial statement are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing (while affecting other comprehensive income) the carrying amount to reflect the lease payments made.

#### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### Key assumptions that the Company is applying for implementing the standard are as follows:

**Terms:** For each contract, the Company reviewed the renewal and the early termination options within the term of the arrangement and determined, after taking into account all the relevant facts and circumstances, what would be the date at which the Company reasonably expects the contract to be terminated. For certain categories of leased assets, (mainly vehicles), the Company assesses that there is no reasonably certain extension option, consequently the duration selected coincides with the first term of the lease contract. For real estate lease arrangements, the Company defines the reasonable end date of the contracts, while taking into account the renewal and early termination options stated in the agreements, in line with the asset's expected period of use.

**Discount rates:** The Company determined discount rates reflecting each subsidiary's specific credit risk, the currency of the contract and the weighted average maturity of the reimbursement of the lease liability. For the transition the incremental borrowing rate used is the rate applicable to the residual terms of the contracts. For contracts previously classified as finance leases the Company has recognised the carrying amount of the right of use assets and lease liability at the date of initial application.

#### As a Lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate the lessor for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their respective nature.

#### (g) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used. Impairment losses are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

#### (h) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand short term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### (i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

#### Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

#### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- c) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL (12mECL) is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL (LTECL) is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2, Stage 3, as described below:

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Stage 1: When loans are first recognised, the Company recognises an allowance based on 12m ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Company records an allowance for the LTECLs.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

#### ECL on Financial guarantee contracts

The Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The ECLs related to financial guarantee contracts are recognised as a liability.

#### Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

##### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated Ind AS as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

##### Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings and other payables.

##### Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

##### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

##### Off setting of financial instruments

Financial assets and financial liabilities are off set and the net amount is reported in the balance sheet if there is a currently enforceable legal right to off set the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### (j) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

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The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 2.2, 31 and 32)
- Quantitative disclosures of fair value measurement hierarchy (note 31)
- Financial instruments (including those carried at amortised cost) (note 3, 4, 5, 6, 7, 8, 13, 14, 15, 16, 31, 32 and 39)

**(k) Property, Plant and equipment**

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

The cost of self-generated assets comprises of raw material, components, direct labour, other direct cost and related production overheads.

**Depreciation methods and useful lives**

Depreciation is calculated using the straight-line method over estimated useful lives of the assets:

Assets	Useful life
Leasehold improvements	Over the period of lease or useful life, whichever is lower
Office equipment	5 years
Computers	3 years
Furniture & fixtures	6 years *

\*Useful life of these assets are lower than the life prescribed under Schedule II to the Companies Act, 2013 and those has been determined based on an assessment performed by the management of expected usage of these assets. The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(l) Provisions and contingent liabilities**

**Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**(m) Financial guarantees**

Financial guarantees are initially recognised in the financial statements (within 'other liabilities') at fair value, being the premium received. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss as credit loss expense. The premium received is recognised in the statement of profit and loss in net fees and commission income on a straight line basis over the life of the guarantee.

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(n) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Provident Fund

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. The company recognizes contribution payable to the provident fund scheme as expenditure in the statement of profit and loss, when an employee renders the related service.

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity plan in Company is funded through annual contributions to Life Insurance Corporation of India (LIC) under its Company's Gratuity Scheme whereas others are not funded.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in statement of profit and loss.

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss in the period in which they arise. Past-service costs are recognised immediately in statement of profit and loss.

(o) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(p) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(q) Exceptional items

Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior years. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with Ind AS.

(r) Changes in Accounting policies

Ind AS 116 Lease

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 01, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The Company as lessee uses the following practical expedients of IND AS 116 at the date of initial application:

- With leases previously classified as operating leases according to IND AS 17, the lease liability is measured at the present value of the outstanding lease payments, discounted by incremental borrowing rate at April 1, 2019. The respective right-of-use asset is generally recognized at an amount equal to the lease liability.
- An impairment review is not performed. Instead, a right-of-use asset is adjusted by the amount of any provision for onerous leases recognized in the Statement of Financial Position at March 31, 2019.
- Regardless of their original lease term, leases for which the lease term ends at the latest on March 31, 2020 were recognized as short-term leases.

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**Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment**

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex multinational environment, it assessed whether the Appendix had an impact on its financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Company determined, based on its tax compliance and transfer pricing study that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

**2.1 Significant accounting judgements, estimates and assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements**

In the process of applying the Company's accounting policies, there are no significant judgements established by the management.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**(i) Useful life of property, plant and equipment**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

**(ii) Defined benefit plans**

The cost of the defined benefit gratuity plan and other post-employment defined benefits are determined using actuarial valuations. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about gratuity obligations are given in Note 17.

**(iii) Fair valuation of unlisted securities**

When the fair value of unlisted securities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 31 of the financials.

**(iv) Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

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**Samvardhana Motherhood International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

**3 Cash and cash equivalents \***

	As at March 31, 2020	As at March 31, 2019
Cash on hand	1	0
Balances with banks:		
- in current accounts	495	154
- Deposits with original maturity of less than three months	3,000	-
- margin money deposit	3,317	-
<b>Total</b>	<b>6,813</b>	<b>154</b>

\* There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior periods except margin money deposit amounting INR 3,317 million (March 31, 2019: INR Nil)

Ind AS 7 requires company to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

Particulars	As at April 01, 2018	Cash flows	Non-cash changes	As at March 31, 2019
Debt Securities (refer note 14)	4,000	(500)	-	3,500
Borrowings (other than debt securities) (refer note 15)	1,350	1,536	-	2,886

Particulars	As at April 01, 2019	Cash flows	Non-cash changes	As at March 31, 2020
Debt Securities (refer note 14)	3,500	3,500	-	7,000
Borrowings (other than debt securities) (refer note 15)	2,886	(636)	-	2,250

**4 Bank balances other than cash and cash equivalents**

	As at March 31, 2020	As at March 31, 2019
Unpaid dividend account	6	6
<b>Total</b>	<b>6</b>	<b>6</b>

**5 Trade receivables**

	As at March 31, 2020	As at March 31, 2019
Considered good - Unsecured from related parties (refer note 34)	82	52
	82	52

Debts due from private companies in which any director is a director or a member

0                      3

Trade receivables are non-interest bearing and are generally on terms of 30 days.

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**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

**6 Loans**

**At Amortised cost**

**Unsecured, considered good**

Loan to related parties (as per NBFC guidelines [refer note (i) below]- standard)

Subsidiaries (refer note 34)

Joint ventures and associates (refer note 34)

Loans to employees

**Credit Impaired**

Loan to related parties (as per NBFC guidelines [refer note (ii) below]- sub-standard/loss assets)

Subsidiaries (refer note 34)

**Less: Impairment allowance [refer note (iii) below]**

Loans in India

Loans outside India

Less: Impairment allowance

**i) As per NBFC guidelines- standard**

**Unsecured, considered good**

Standard Assets

**Total**

**Name of parties**

**Subsidiaries:**

Samvardhana Motherson Adsys Tech Limited

Samvardhana Motherson Auto Component Private Limited

MS Global India Automotive Private Limited

Samvardhana Motherson Holding (M) Private Limited

Samvardhana Motherson Auto System Private Limited

MothersonSumi Infotech & Designs Limited

Samvardhana Motherson Maadhyam International Limited

Samvardhana Motherson Global Carriers Limited

**Joint ventures:**

Motherson Invenzen Xlab Private Limited

Samvardhana Motherson Polymers Limited

Motherson Auto Solutions.Limited

**Total**

**ii) As per NBFC guidelines- sub-standard / loss assets**

**Particulars**

**Unsecured, considered doubtful**

Loss assets

**Total**

**Name of parties**

**Subsidiaries: loss assets**

Samvardhana Motherson Refrigeration Product Limited

Samvardhana Motherson Innovative Solutions Limited

**Total**

	As at March 31, 2020	As at March 31, 2019
	1,365	2,192
	-	222
	0	0
	-	76
	(6)	(87)
	<u>1,359</u>	<u>2,403</u>
	1,365	2,331
	-	159
	(6)	(87)
	<u>1,359</u>	<u>2,403</u>

	1,365	2,414
	<u>1,365</u>	<u>2,414</u>

	-	61
	-	226
	1,200	1,500
	-	159
	-	16
	165	210
	-	5
	-	15
	-	171
	-	1
	-	50
	<u>1,365</u>	<u>2,414</u>

	-	76
	<u>-</u>	<u>76</u>

	-	2
	-	74
	<u>-</u>	<u>76</u>

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**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

**iii) Impairment allowance**

Allowance for loss assets [refer note (a) below]  
 Contingent provision on standard assets [refer (b) below]  
**Total**

As at March 31, 2020	As at March 31, 2019
-	76
6	11
<b>6</b>	<b>87</b>

**(a) Allowance for loss assets**

Samvardhana Motherson Refrigeration Product Limited  
 Samvardhana Motherson Innovative Solutions Limited  
**Total**

As at March 31, 2020	As at March 31, 2019
-	2
-	74
<b>-</b>	<b>76</b>

**Movement of allowance for sub-standard assets/loss assets**

Balance at the beginning of the year  
 Add: Created during the year  
 Less: Written back in respect of loans received back during the year  
**Balance at the end of the year**

March 31, 2020	March 31, 2019
76	25
-	76
76	25
<b>-</b>	<b>76</b>

**(b) Contingency provision on standard assets**

**Movement of allowance for standard assets**

Balance at the beginning of the year  
 Add: Created during the year  
 Less: Written back during the year  
**Balance at the end of the year**

March 31, 2020	March 31, 2019
11	9
-	2
5	-
<b>6</b>	<b>11</b>

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Sanyardhna Motherson International Limited  
 Notes to standalone financial statements for the year ended March 31, 2020  
 (All amounts are in INR million, unless otherwise stated)

(iv) Disclosure in respect of Expected credit loss

(a) Credit quality of assets

	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Internal rating grade</b>								
Performing								
Standard grade	1,365	-	-	1,365	2,414	-	-	2,414
Non-performing								
Sub-standard grade	-	-	-	-	-	-	-	-
Individually impaired	-	-	-	-	-	-	76	76
<b>Total</b>	<b>1,365</b>	<b>-</b>	<b>-</b>	<b>1,365</b>	<b>2,414</b>	<b>-</b>	<b>76</b>	<b>2,490</b>

(b) Analysis of changes in gross carrying amount

	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	2,414	-	76	2,490	1,865	-	25	1,890
New assets originated or purchased	3,706	-	-	3,706	1,337	-	36	1,373
Assets derecognised or repaid (excluding write offs)	(4,755)	-	(76)	(4,831)	(748)	-	(25)	(773)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	(40)	-	40	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,365</b>	<b>-</b>	<b>-</b>	<b>1,365</b>	<b>2,414</b>	<b>-</b>	<b>76</b>	<b>2,490</b>

(c) Reconciliation of ECL balance is given below

	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	11	-	76	87	9	-	25	34
New assets originated or purchased	13	-	-	13	6	-	36	42
Assets derecognised or repaid (excluding write offs)	(18)	-	(76)	(94)	(4)	-	(25)	(29)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	40	40
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>11</b>	<b>-</b>	<b>76</b>	<b>87</b>

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(v) Comparison between provisions required under Income Recognition, Asset Classification and Provisioning (IRACP) norms and impairment allowances made under Ind AS 109 as at March 31, 2020

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
<b>Performing Assets</b>						
Standard	Stage 1	1,365	-	1,365	6	(6)
	Stage 2	-	-	-	-	-
<b>Subtotal</b>		<b>1,365</b>	<b>-</b>	<b>1,365</b>	<b>6</b>	<b>(6)</b>
<b>Non-performing assets (NPA)</b>						
Sub-standard	Stage 3	-	-	-	-	-
Doubtful						
up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms (refer note 16, 28 and 49)	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	1,925	(1,925)	-	1,925
<b>Subtotal</b>		<b>-</b>	<b>1,925</b>	<b>(1,925)</b>	<b>-</b>	<b>1,925</b>
<b>TOTAL</b>	Stage 1	<b>1,365</b>	<b>-</b>	<b>1,365</b>	<b>6</b>	<b>(6)</b>
	Stage 2	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Stage 3	<b>-</b>	<b>1,925</b>	<b>(1,925)</b>	<b>-</b>	<b>1,925</b>
<b>TOTAL</b>		<b>1,365</b>	<b>1,925</b>	<b>(560)</b>	<b>6</b>	<b>1,919</b>

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**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>7(a) Investments</b>		
<b>Unquoted</b>		
<b>Equity investments at FVTOCI*</b>		
<b>Systematic Conscom Limited</b>	1	1
2,500 (March 31, 2019: 2,500) Equity shares of INR 10/- each fully paid up		
<b>Total (i)</b>	<u>1</u>	<u>1</u>
<b>Preference shares at FVTPL</b>		
<b>Samvardhana Motherson Innovative Solutions Limited</b>	25	25
2,500,000 (March 31, 2019: 2,500,000) 7% Optionally Convertible Cumulative Redeemable Preference shares of INR 10/- each fully paid up		
<b>Total (ii)</b>	<u>25</u>	<u>25</u>
<b>Mutual Funds at FVTPL</b>		
HSBC Mutual Fund (Nil (March 31, 2019: 53,757 units)	-	100
Reliance Liquid Fund (Nil (March 31, 2019: 43,887 units)	-	200
ICICI Prudential Liquid Regular Plan (Nil (March 31, 2019: 543,227 units)	-	150
<b>Total (iii)</b>	<u>-</u>	<u>450</u>
<b>Total (a)</b>	<u>26</u>	<u>476</u>
<b>(b) Investment in subsidiaries, joint ventures and associate</b> (Valued at cost unless stated otherwise)		
<b>Quoted : Equity shares</b>		
<b>Investment in joint ventures :</b>		
<b>Motherson Sumi Systems Limited [refer note (i) below and note 14 and 15]</b>	11,107	11,107
1,055,750,653 (March 31, 2019: 1,055,750,653) Equity shares of INR 1/- each fully paid up		
<b>Total (i)</b>	<u>11,107</u>	<u>11,107</u>
<b>Unquoted : Equity shares</b>		
<b>Investment in subsidiary companies:</b>		
<b>Samvardhana Motherson Finance Services Cyprus Limited</b>	997	997
46,168 (March 31, 2019: 46,168) Equity shares of USD 1/- fully paid up		
<b>Samvardhana Motherson Holding (M) Private Limited</b>	66	66
1,325,714 (March 31, 2019: 1,325,714) fully paid up Ordinary shares of no par value		
<b>Motherson Molds and Diecasting Limited</b>	35	35
3,468,000 (March 31, 2019: 3,468,000) Equity shares of INR 10/- each fully paid up		
<b>Samvardhana Motherson Innovative Solutions Limited</b>	3,610	3,610
280,286,269 (March 31, 2019: 280,286,269) Equity shares of INR 10/- each fully paid up		
<b>MothersonSumi Infotech &amp; Designs Limited</b>	102	102
6,962,446 (March 31, 2019: 6,962,446) Equity shares of INR 10/- each fully paid up		
<b>Motherson Consultancies Service Limited</b>	26	26
2,600,000 (March 31, 2019: 2,600,000) Equity shares of INR 10/- each fully paid up		
<b>CTM India Limited</b>	71	71
1,181,040 (March 31, 2019: 1,181,040) Equity shares of INR 10/- each fully paid up		
<b>Samvardhana Motherson Auto Component Private Limited</b>	90	90
8,999,990 (March 31, 2019: 8,999,990) Equity shares of INR 10/- each fully paid up		
<b>Samvardhana Motherson Adays Tech Limited</b>	46	46
4,550,000 (March 31, 2019: 4,550,000) Equity shares of INR 10/- each fully paid up		
<b>MS Global India Automotive Private Limited</b>	100	100
70,000,000 (March 31, 2019: 70,000,000) Equity shares of INR 10/- each fully paid up		
<b>Samvardhana Motherson Maadhyam International Limited [refer note (ii) below]</b>	1	1
50,000 (March 31, 2019: 50,000) Equity shares of INR 10/- each fully paid up		
<b>Samvardhana Motherson Global Carriers Limited [refer note (iii) below]</b>	460	2
46,000,000 (March 31, 2019: 200,000) Equity shares of INR 10/- each fully paid up		
<b>Motherson Invenzen Xlab Private Limited (refer note 51)</b>	0	-
10,410 (March 31, 2019: Nil) Equity shares of INR 10/- each fully paid up		

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**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>Investment in joint venture companies:</b>		
<b>Valeo Motherson Thermal Commercial Vehicles India Limited (Formerly known as Spheros Motherson Thermal System Limited)</b> 2,989,000 (March 31, 2019: 2,989,000) Equity shares of INR 10/- each fully paid up	30	30
<b>Matsui Technologies India Limited</b> 1,999,999 (March 31, 2019: 1,999,999) Equity shares of INR 10/- each fully paid up	20	20
<b>Motherson Bergstrom HVAC Solutions Private Limited</b> 6,500,000 (March 31, 2019: 6,500,000) Equity shares of INR 10/- each fully paid up	65	65
<b>Fritzmoier Motherson Cabin Engineering Private Limited</b> 25,000,000 (March 31, 2019: 25,000,000) Equity shares of INR 10/- each fully paid up	275	275
<b>Magneti Marelli Motherson Auto System Private Limited [refer note 41 (i)]</b> 1,900,000 (March 31, 2019: Nil) Equity shares of INR 10/- each fully paid up	20	-
<b>Magneti Marelli Motherson Shock Absorbers India Private Limited</b> 113,450,000 (March 31, 2019: 113,450,000) Equity shares of INR 10/- each fully paid up	567	567
<b>Magneti Marelli Motherson India Holding B.V. [refer note 41 (i)]</b> Nil (March 31, 2019: 1,057,037) Equity B shares of Euro 1/- each fully paid up	-	201
<b>Youngshin Motherson Auto Tech Limited [refer note (v) below]</b> 11,776,100 (March 31, 2019: 10,626,100) Equity shares of INR 10/- each fully paid up	118	106
<b>Motherson Invenzen Xlab Private Limited (refer note 51)</b> Nil (March 31, 2019: 10,410) Equity shares of INR 10/- each fully paid up	-	0
<b>Investment in Associates:</b>		
<b>Samvardhana Motherson Polymers Limited [refer note (iv) below]</b> 1,846,320 (March 31, 2019: 1,845,830) Equity shares of INR 10/- each fully paid up	371	369
<b>Additional equity contribution in subsidiaries**</b>		
Samvardhana Motherson Holding (M) Private Limited	78	83
Samvardhana Motherson Innovative Solutions Limited	68	69
Samvardhana Motherson Auto Component Private Limited	66	76
Samvardhana Motherson Adsys Tech Limited	10	19
Samvardhana Motherson Maadhyam International Limited	1	2
Samvardhana Motherson Global Carriers Limited	4	5
<b>Total (ii)</b>	<b>7,297</b>	<b>7,033</b>
<b>Unquoted: Preference shares</b>		
<b>Investment in subsidiary companies:</b>		
<b>Samvardhana Motherson Holding (M) Private Limited</b> 3,555,175 (March 31, 2019: 3,555,175) Fully paid up Redeemable Preference shares of no par value	243	243
<b>Samvardhana Motherson Innovative Solutions Limited</b> 2,000,000 (March 31, 2019: 2,000,000) 7% Optionally Convertible Redeemable Preference shares of INR 10/- each fully paid up	20	20
<b>Motherson Invenzen Xlab Private Limited (refer note 51)</b> 4,990,000 (March 31, 2019: Nil) 3% Optionally Convertible Redeemable Preference shares of INR 10/- each fully paid up	50	-
<b>Investment in joint venture companies:</b>		
<b>Valeo Motherson Thermal Commercial Vehicles India Limited (Formerly known as Spheros Motherson Thermal System Limited)</b> 931,000 (March 31, 2019: 931,000) 5% Optionally Convertible Non-Cumulative Redeemable Preference shares of INR 10/- each fully paid up	9	9
<b>Motherson Invenzen Xlab Private Limited (refer note 51)</b> Nil (March 31, 2019: 4,990,000) 3% Optionally Convertible Redeemable Preference shares of INR 10/- each fully paid up	-	50
<b>Magneti Marelli Motherson Auto System Private Limited [refer note 41 (i)]</b> 73,100,000 (March 31, 2019: 56,000,000) 0% Compulsorily Convertible Non-Cumulative Preference shares of INR 10/- each fully paid up	738	560
<b>Total (iii)</b>	<b>1,060</b>	<b>882</b>

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**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>Total Investment in subsidiaries, joint ventures and associate- Gross amount (b)</b>	<b>19,464</b>	<b>19,022</b>
<b>Less: Impairment allowance [refer note (vi) below]</b>	<b>512</b>	<b>1,267</b>
<b>Total Investment in subsidiaries, joint ventures and associate - Net amount</b>	<b>18,952</b>	<b>17,755</b>
<b>Total (a) + (b)</b>	<b>19,490</b>	<b>19,498</b>
Investments outside India	1,384	1,590
Investments in India	18,106	17,908
<b>Total</b>	<b>19,490</b>	<b>19,498</b>
Aggregate amount of quoted investments	11,107	11,107
Market value of quoted investments	64,454	158,046
Aggregate amount of unquoted investments	8,383	8,391
Aggregate amount of impairment in the value of investments	512	1,267

- i) During the year, the Company received Nil (March 31, 2019 : 351,916,884 equity shares) of INR 1/- each as bonus shares in proportion of one equity share for every two equity shares of Motherson Sumi Systems Limited.
- ii) During the year, the Samvardhana Motherson Maadhyam International Limited allotted Nil (March 31, 2019 : 50,000 equity shares) of INR 10/- each fully paid up to the Company.
- iii) During the year, the Samvardhana Motherson Global Carriers Limited allotted 45,800,000 equity shares (March 31, 2019 : 200,000 equity shares) of INR 10/- each fully paid up to the Company.
- iv) During the year, the Samvardhana Motherson Polymers Limited allotted 490 equity shares (March 31, 2019 : Nil) of INR 10/- each fully paid up to the Company.
- v) During the year, the Youngshin Motherson Auto Tech Limited allotted 1,150,000 equity shares (March 31, 2019 : 5,126,100 equity shares) of INR 10/- each fully paid up to the Company.

**vi) Impairment allowance for investments**

	As at March 31, 2020	As at March 31, 2019
a) Samvardhana Motherson Finance Services Cyprus Limited	512	512
b) Samvardhana Motherson Innovative Solutions Limited	-	729
c) Motherson Consultancies Service Limited	-	26
	<b>512</b>	<b>1,267</b>

\*The Company has designated its equity investments as FVTOCI on the basis that these are not held for trading and held for strategic purposes.

\*The Company has received dividends of INR 0.3 million (March 31, 2019: INR Nil) from its FVTOCI securities, recorded as dividend income.

\*\*Represents additional contribution in form of investment in subsidiaries upon recognition of guarantee obligations issued in favour of banks on behalf of its subsidiaries and interest free loans advanced by the Company to the subsidiary companies.

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**Samvardhana Motherson International Limited**

Notes to standalone financial statements for the year ended March 31, 2020

(All amounts are in INR million, unless otherwise stated)

**8 Other financial assets**

(Unsecured, considered good)

Security Deposits to related party (refer note 34)  
Interest receivable from related parties (refer note 34)  
Interest accrued on fixed deposits  
Other receivable from related party (refer note 34)

	As at March 31, 2020	As at March 31, 2019
	30	32
	21	53
	7	-
	17	1
<b>Total</b>	<b>75</b>	<b>86</b>

**9 Income tax assets (net)**

Income tax assets (net)

**Total**

	As at March 31, 2020	As at March 31, 2019
	76	78
<b>Total</b>	<b>76</b>	<b>78</b>

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Samvardhana Matherson International Limited  
Notes to standalone financial statements for the year ended March 31, 2020  
(All amounts are in INR million, unless otherwise stated)

10 Deferred tax assets (Net)

Year ended March 31, 2020

	As at April 01, 2019	Credit/ (charge) to Statement of Profit and Loss	Credit/ (charge) to other comprehensive income	As at March 31, 2020
<b>Deferred tax assets</b>				
Property, plant and equipment	4	2	-	6
Brought forward losses and unabsorbed depreciation	867	81	-	948
Security deposits	4	-	-	4
Employee benefit provisions	19	-	-	19
Lease liability Ind AS 116	-	26	-	26
Loans	26	(24)	-	2
Corporate guarantees	21	(2)	-	19
Investments	369	(220)	-	149
Expected credit loss on corporate guarantee	-	560	-	560
<b>Total deferred tax assets</b>	<b>1,310</b>	<b>423</b>	<b>-</b>	<b>1,733</b>
<b>Set-off of deferred tax liabilities pursuant to set-off provisions</b>				
Prepaid expenses	(4)	1	-	(3)
Right of use asset	-	(26)	-	(26)
<b>Total deferred tax liabilities</b>	<b>(4)</b>	<b>(25)</b>	<b>-</b>	<b>(29)</b>
<b>Net deferred tax assets</b>	<b>1,306</b>	<b>398</b>	<b>-</b>	<b>1,704</b>
Less: Unrecognised deferred tax assets	(1,306)	(398)	-	(1,704)
<b>Recognised deferred tax assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Year ended March 31, 2019

	As at April 01, 2018	Credit/ (charge) to Statement of Profit and Loss	Credit/ (charge) to other comprehensive income	As at March 31, 2019
<b>Deferred tax assets</b>				
Property, plant and equipment	2	2	-	4
Brought forward losses and unabsorbed depreciation	603	264	-	867
Security deposits	5	(1)	-	4
Employee benefit provisions	19	-	-	19
Loans	24	2	-	26
Corporate guarantees	17	4	-	21
Investments	99	270	-	369
<b>Total deferred tax assets</b>	<b>769</b>	<b>541</b>	<b>-</b>	<b>1,310</b>
<b>Set-off of deferred tax liabilities pursuant to set-off provisions</b>				
Debt securities	(11)	11	-	-
Prepaid expenses	(4)	-	-	(4)
<b>Total deferred tax liabilities</b>	<b>(15)</b>	<b>11</b>	<b>-</b>	<b>(4)</b>
<b>Net deferred tax assets</b>	<b>754</b>	<b>552</b>	<b>-</b>	<b>1,306</b>
Less: Unrecognised deferred tax assets	(754)	(552)	-	(1,306)
<b>Recognised deferred tax assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note:

1 Deferred tax assets and deferred tax liabilities have been offset to the extent they relate to the same governing taxation laws

2 In view of the Company's past financial performance and future profit projections, the Company does not expect that it shall generate sufficient future taxable income to fully recover the brought forward losses and unabsorbed depreciation, hence deferred tax assets have been created only to the extent of deferred tax liabilities

Unused tax losses/unused tax credit on which no deferred tax asset has been recognised:

	Within 1 year	1-5 years	More than 5 years	No Expiry	Total
<b>Year ended March 31, 2020</b>					
Business losses	-	1,029	2,070	-	3,099
Capital losses	-	134	-	-	134
Depreciation	-	-	-	22	22
<b>Total</b>	<b>-</b>	<b>1,163</b>	<b>2,070</b>	<b>22</b>	<b>3,255</b>
<b>Year ended March 31, 2019</b>					
Business losses	-	610	2,219	-	2,829
Capital losses	-	134	-	-	134
Depreciation	-	-	-	13	13
<b>Total</b>	<b>-</b>	<b>744</b>	<b>2,219</b>	<b>13</b>	<b>2,976</b>

Unrecognised unused tax credit

Company has unrecognised unused tax credit of INR 1,102 millions (March 31, 2019: 1,152 millions) which can be carried forward upto March 31, 2028

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Samvardhana Motherhood International Limited  
 Notes to standalone financial statements for the year ended March 31, 2020  
 (All amounts are in INR million, unless otherwise stated)

11(a) Property, plant and equipment

Particulars	Leasehold Improvements	Office equipments	Computers	Furniture & fixtures	Vehicles	Total
<b>Year ended March 31, 2019</b>						
Gross carrying amount	40	28	4	3	-	75
Opening gross carrying amount as at April 01, 2018	-	3	-	-	0	3
Addition	40	31	4	3	0	78
Closing gross carrying amount as at March 31, 2019						
<b>Accumulated depreciation</b>						
Opening accumulated depreciation as at April 01, 2018	4	3	1	0	-	8
Depreciation charge during the year	9	6	2	0	0	17
Closing accumulated depreciation as at March 31, 2019	13	9	3	0	0	25
Net carrying amount as at March 31, 2019	27	22	1	3	0	53
<b>Year ended March 31, 2020</b>						
Gross carrying amount	40	31	4	3	0	78
Opening gross carrying amount as at April 01, 2019	-	-	1	0	-	1
Addition	-	-	(0)	-	-	(0)
Disposal	40	31	5	3	0	79
Closing gross carrying amount as at March 31, 2020						
<b>Accumulated depreciation</b>						
Opening accumulated depreciation as at April 01, 2019	13	9	3	0	0	25
Depreciation charge during the year	8	6	1	0	0	15
Disposals	-	-	(0)	-	-	(0)
Closing accumulated depreciation as at March 31, 2020	21	15	4	0	0	40
Net carrying amount as at March 31, 2020	19	16	1	3	0	39

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**Samvardhana Motherhood International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

**11(b) Right-of-use assets**

Particulars	Building	Vehicles and Equipments	Total
<b>Year ended March 31, 2019</b>			
Gross carrying amount	-	-	-
Opening gross carrying amount as at April 01, 2018	-	-	-
Addition	-	-	-
Disposals	-	-	-
Closing gross carrying amount as at March 31, 2019	-	-	-
<b>Accumulated depreciation</b>			
Opening accumulated depreciation as at April 01, 2018	-	-	-
Depreciation charge during the year	-	-	-
Disposals	-	-	-
Closing accumulated depreciation as at March 31, 2019	-	-	-
Net carrying amount as at March 31, 2019	-	-	-
<b>Gross carrying amount</b>			
Opening gross carrying amount as at April 01, 2019	100	34	134
Addition	-	-	-
Disposal	-	-	-
Closing gross carrying amount as at March 31, 2020	100	34	134
<b>Accumulated depreciation</b>			
Opening accumulated depreciation as at April 01, 2019	-	-	-
Depreciation charge during the year	34	10	44
Disposals	-	-	-
Closing accumulated depreciation as at March 31, 2020	34	10	44
Net carrying amount as at March 31, 2020	66	24	90

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**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>12 Other non financial assets</b>		
<b>(Unsecured, considered good, unless otherwise stated)</b>		
Prepaid expenses	17	43
Balances with government authorities	3	3
Advances recoverable	6	6
<b>Total</b>	<b>26</b>	<b>52</b>

Advances to a private limited company in which Director of the Company is also a Director

	As at March 31, 2020	As at March 31, 2019
<b>13 Trade payables</b>		
Total outstanding dues of micro, small and medium enterprises	-	-
Total outstanding dues of creditors other than micro, small and medium enterprises	31	35
<b>Total</b>	<b>31</b>	<b>35</b>

Note: The information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 ("MSME Act") has been determined to the extent such parties have been identified on the basis of information available with the Company. As at March 31, 2020, no amounts have fallen due for payment to suppliers who have been registered under the MSME Act.

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**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>14 Debt securities</b>		
<b>At amortised cost</b>		
<b>Secured</b>		
Debtures:		
0% Redeemable non-convertible debentures	-	3,500
9.75% Redeemable non-convertible debentures [refer note (i) below]	7,000	-
<b>Total</b>	<b>7,000</b>	<b>3,500</b>
Debt securities in India	7,000	3,500
Debt securities outside India	-	-
<b>Total</b>	<b>7,000</b>	<b>3,500</b>

**Nature of security and terms of repayment for Debt securities :**

Nature of security	Terms of repayment
<b>Debenture</b>	
700 (March 31, 2019: Nil), 9.75% redeemable non convertible debentures (NCDs) having face value of INR 10 million each amounting to INR 7,000 million (March 31, 2019: Nil) were allotted on December 04, 2019. These have been secured by pledge of 168,926,512 (March 31, 2019: Nil) equity shares held in Motherson Sumi Systems Limited. Security cover margin of 2 times to be maintained.	Carrying coupon rate @ 9.75% p.a which is payable annually. NCDs are due for redemption in December 2022.
Nil (March 31, 2019: 1,500), 0% redeemable non convertible debentures (NCDs) having face value of INR 1 million each amounting to INR Nil (March 31, 2019: INR 1,500 million) were allotted on December 07, 2018. These have been secured by pledge of Nil (March 31, 2019: 21,000,000) equity shares held in Motherson Sumi Systems Limited. Security cover margin of 1.68 times to be maintained.	1,500 NCDs were redeemed in single instalment in December 2019 with 10.10% premium over face value calculated on the basis of 10.10% yield to maturity compounded annually.
Nil (March 31, 2019: 2,000), 0% redeemable non convertible debentures (NCDs) having face value of INR 1 million each amounting to INR Nil (March 31, 2019: INR 2,000 million) were allotted on December 07, 2018. These have been secured by pledge of Nil (March 31, 2019: 28,000,000) equity shares held in Motherson Sumi Systems Limited. Security cover margin of 1.68 times to be maintained.	2,000 NCDs were redeemed in single instalment in March 2020 with 10.15% premium over face value calculated on the basis of 10.15% yield to maturity compounded annually.

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**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>15 Borrowings (other than debt securities)</b>		
<b>At amortised cost</b>		
<b>Secured</b>		
Term loans from other than bank [refer note (i) below]		
Indian rupee loan from other than banks	2,250	1,500
<b>Unsecured</b>		
Commercial papers [refer (ii) below]	-	1,386
<b>Total</b>	<b>2,250</b>	<b>2,886</b>
Borrowings other than debt securities in India	2,250	2,886
Borrowings other than debt securities outside India	-	-
<b>Total</b>	<b>2,250</b>	<b>2,886</b>

i) **Nature of security and terms of repayment for secured borrowings :**

Nature of security	Terms of repayment
<b>Term loan from other than bank</b>	
Loan from a finance company amounting to INR 1,500 million (March 31, 2019: INR 1,500 million) has been secured by pledge of 40,647,102 (March 31, 2019: 23,500,000) equity shares held in Motherson Sumi Systems Limited. Security cover margin of 2 times to be maintained.	Repayable in February 2021, carrying interest rate @ 10.10% p.a which is payable annually.
Loan from a finance company amounting to INR 750 million (March 31, 2019: INR Nil) has been secured by pledge of 20,323,551 (March 31, 2019: Nil) equity shares held in Motherson Sumi Systems Limited. Security cover margin of 2 times to be maintained.	Repayable in February 2021, carrying interest rate @ 8.30% p.a which is payable annually.

ii) **Terms of repayment for unsecured borrowings :**

Borrowings	Terms of repayment
Commercial paper amounting to INR Nil (March 31, 2019: INR 1,386 million)	Repaid on maturity during the year. Applicable discount rate was in range from 7.50 % to 8.94% p.a.

	As at March 31, 2020	As at March 31, 2019
<b>16 Other financial liabilities</b>		
Premium on redemption of debentures [refer note 44 (ii)]	-	112
Interest accrued on debentures [refer note 44 (ii)]	202	-
Provision for expected credit loss for corporate guarantee (refer note 6(v) and 49)	1,925	-
Interest accrued on borrowings	21	10
Employee benefits payable	10	12
Unpaid dividends *	6	6
Other payables	3	3
<b>Total</b>	<b>2,167</b>	<b>143</b>

\* Unpaid dividend does not include amount due and outstanding, to be credited to Investor Education and Protection Fund.

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**Samvardhana Motherhood International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

**A. Disclosure in respect of Expected credit loss**

**(a) Credit quality of exposure**

	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Internal rating grade</b>								
Performing	-	-	-	-	-	-	-	-
Standard grade	-	-	-	-	-	-	-	-
Non-performing	-	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-	-
Individually impaired	-	-	1,925	1,925	-	-	-	-
<b>Total</b>	-	-	1,925	1,925	-	-	-	-

**(b) Analysis of changes in gross exposure**

	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	-	-	-	-	-	-	-	-
New exposure	-	-	1,925	1,925	-	-	-	-
Exposures derecognised or matured (excluding write-offs)	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	1,925	1,925	-	-	-	-

**(c) Reconciliation of ECL balance is given below**

	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	-	-	-	-	-	-	-	-
New assets originated or purchased	-	-	1,925	1,925	-	-	-	-
Exposures derecognised or matured (excluding write-offs)	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	1,925	1,925	-	-	-	-

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17 Provisions

Provision for employee benefits  
Gratuity  
Compensated absences

	As at March 31, 2020	As at March 31, 2019
Gratuity	43	37
Compensated absences	23	28
<b>Total</b>	<b>66</b>	<b>65</b>

Total

Provision for employee benefits

A. Defined benefit schemes

Gratuity

The Company operates a gratuity plan which is a defined benefit plan and is managed by trust maintained with Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme. Every employee is entitled to a benefit equivalent to fifteen days' salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefit vest after five years of continuous service. The Company pays contribution to Life Insurance Corporation of India to fund its plan.

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

(i) Present value of defined benefit obligation

Obligations at year beginning

Service cost - current

Interest expense

(Gains) and losses on curtailment and settlement

Amount recognised in profit or loss

	For the year ended	
	March 31, 2020	March 31, 2019
Obligations at year beginning	57	55
Service cost - current	5	5
Interest expense	3	3
(Gains) and losses on curtailment and settlement	-	-
<b>Amount recognised in profit or loss</b>	<b>8</b>	<b>8</b>

Remeasurements

Actuarial (gain) / loss from change in demographic assumption

Actuarial (gain) / loss from change in financial assumption

Experience (gains)/losses

Amount recognised in other comprehensive income

Benefit paid during the year

Addition / (deletion) due to transfer of employee

Obligations at year end

	For the year ended	
	March 31, 2020	March 31, 2019
Actuarial (gain) / loss from change in demographic assumption	-	-
Actuarial (gain) / loss from change in financial assumption	3	4
Experience (gains)/losses	(10)	8
<b>Amount recognised in other comprehensive income</b>	<b>(7)</b>	<b>8</b>
Benefit paid during the year	(22)	(9)
Addition / (deletion) due to transfer of employee	12	(5)
<b>Obligations at year end</b>	<b>48</b>	<b>57</b>

(ii) Fair value of plan assets

Plan assets at year beginning, at fair value

Interest income

(Gains) and losses on curtailment and settlement

Amount recognised in profit or loss

	For the year ended	
	March 31, 2020	March 31, 2019
Plan assets at year beginning, at fair value	20	16
Interest income	1	1
(Gains) and losses on curtailment and settlement	0	-
<b>Amount recognised in profit or loss</b>	<b>1</b>	<b>1</b>

Remeasurements

Returns on plan assets, excluding amount included in interest income

Amount recognised in other comprehensive income

Employer's contribution

Amount paid to employees out of plan assets

Plan assets at year end, at fair value

	For the year ended	
	March 31, 2020	March 31, 2019
Returns on plan assets, excluding amount included in interest income	0	0
<b>Amount recognised in other comprehensive income</b>	<b>0</b>	<b>0</b>
Employer's contribution	0	3
Amount paid to employees out of plan assets	(16)	-
<b>Plan assets at year end, at fair value</b>	<b>5</b>	<b>20</b>

(iii) Assets and liabilities recognized in the balance sheet

Present value of the defined benefit obligations

Fair value of the plan assets

Amount recognised as liability

	As at March 31, 2020	As at March 31, 2019
Present value of the defined benefit obligations	48	57
Fair value of the plan assets	5	20
<b>Amount recognised as liability</b>	<b>43</b>	<b>37</b>

(iv) Defined benefit obligations cost for the year:

Service cost - current

Interest cost (net)

Actuarial (gain) / loss

Net defined benefit obligations cost

	For the year ended	
	March 31, 2020	March 31, 2019
Service cost - current	5	5
Interest cost (net)	2	2
Actuarial (gain) / loss	(7)	8
<b>Net defined benefit obligations cost</b>	<b>0</b>	<b>15</b>

(v) Investment details of plan assets

The details of investments of plan assets are as follows:

LIC

Total

	As at March 31, 2020	As at March 31, 2019
LIC	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Note: In respect of Employees Gratuity Fund, composition of plan assets is not readily available from LIC of India. The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

(vi) Actuarial assumptions:

Discount Rate per annum

Future salary increases

	March 31, 2020	March 31, 2019
Discount Rate per annum	6.5%	7.5%
Future salary increases	8.0%	8.0%

Note: Estimate of future increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(vii) Expected contribution to the fund in the next year

Gratuity

	For the year ended	
	March 31, 2020	March 31, 2019
Gratuity	6	5

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viii) Sensitivity analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is :-

	Change in Assumption		Impact	Increase in Assumption		Impact	Decrease in Assumption	
	March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019
Discount Rate per annum	0.50%	0.50%	Decrease by	(2)	(2)	Increase by	2	2
Future salary increases	1.0%	1.0%	Increase by	3	3	Decrease by	(3)	(3)

The above sensitivity analysis is based on a change in significant assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in balance sheet. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

ix) Risk exposure

The gratuity scheme is a final salary Defined Benefit Plan that provides for lump sum payment made on exit either by way of retirement, death, disability, voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

- (a) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds, if bond yield fall, the defined benefit obligation will tend to increase.
- (b) Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.

(c) Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to long career employee.

x) Defined benefit liability and employer contributions

Weighted average duration of the defined benefit obligation is 7 years (March 31, 2019: 9 years)

Expected benefit payments are as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2020					
Defined benefit obligation (gratuity)	7	1	21	14	43
March 31, 2019					
Defined benefit obligation (gratuity)	23	1	21	14	59

B. Defined contribution schemes

The Company deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident Fund and National Pension Scheme for the benefit of the employees.

Amount recognised in the statement of profit & loss is as follows (refer note 25):

	For the year ended	
	March 31, 2020	March 31, 2019
Provident fund	13	14
National pension scheme	5	4
	18	18

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**Samvardhana Motherson International Limited**

Notes to standalone financial statements for the year ended March 31, 2020

(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>18 Other non financial liabilities</b>		
Statutory dues payable	26	9
Unearned income on financial guarantee obligation	65	73
	<u>91</u>	<u>82</u>

**19 Equity Share Capital**

**Authorised shares**

900,000,000 (March 31, 2019: 900,000,000) Equity shares of INR 10/- each

	As at March 31, 2020	As at March 31, 2019
	9,000	9,000

**Issued, subscribed and fully paid-up shares**

473,613,855 (March 31, 2019: 473,613,855) Equity shares of INR 10/- each

	4,736	4,736
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**Total issued, subscribed and fully paid-up share capital**

	<u>4,736</u>	<u>4,736</u>
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**a. Movement in equity share capital**

**As at March 31, 2018**

Share issued during the year

	Numbers	Amount
	473,613,855	4,736

**As at March 31, 2019**

Share issued during the year

	473,613,855	4,736
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**As at March 31, 2020**

	<u>473,613,855</u>	<u>4,736</u>
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**b. Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of INR10/- per share. Each holder of equity share is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Details of shareholders holding more than 5% shares in the Company**

Name of equity shareholders	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
Shri Sehgal Trustee Company Private Limited	121,590,869	25.67%	121,590,869	25.67%
Vivek Chand Sehgal	100,527,391	21.23%	100,527,391	21.23%
Renu Alka Sehgal (as trustee of Renu Sehgal Trust)	109,825,286	23.19%	109,825,286	23.19%
Radha Rani Holdings Pte Limited	66,780,000	14.10%	66,780,000	14.10%
Sojitz Corporation	30,612,843	6.46%	30,612,843	6.46%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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**Samvardhana Motherson International Limited**

Notes to standalone financial statements for the year ended March 31, 2020

(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>20 Other equity</b>		
Capital reserve on amalgamation	2,402	2,402
Securities premium	3,263	3,263
Retained earnings	3,355	2,247
Reserve fund	2,095	1,756
Other reserves	-	-
<b>Total reserves and surplus</b>	<b>11,115</b>	<b>9,668</b>
	As at March 31, 2020	As at March 31, 2019
<b>(i) Capital reserve on amalgamation</b>		
Balance as at the beginning of the year	2,402	2,402
<b>Balance as at the end of the year</b>	<b>2,402</b>	<b>2,402</b>
	As at March 31, 2020	As at March 31, 2019
<b>(ii) Securities premium</b>		
Balance as at the beginning of the year	3,263	3,263
<b>Balance as at the end of the year</b>	<b>3,263</b>	<b>3,263</b>
	As at March 31, 2020	As at March 31, 2019
<b>(iii) Retained earnings</b>		
Balance as at the beginning of the year	2,247	2,845
Additions during the year	1,694	603
Remeasurements of post-employment benefit obligation, net of tax	7	(8)
Interim dividend paid (refer note 33 (c))	(213)	(947)
Dividend distribution tax	(41)	(193)
Transfer from FVTOCI reserves [refer note 41 (ii)]	-	68
Transfer to Reserve fund (refer note 48)	(339)	(121)
<b>Balance as at the end of the year</b>	<b>3,355</b>	<b>2,247</b>
	As at March 31, 2020	As at March 31, 2019
<b>(iv) Reserve fund</b>		
Balance as at the beginning of the year	1,756	1,635
Add: amount transferred from retained earnings (refer note 48)	339	121
<b>Balance as at the end of the year</b>	<b>2,095</b>	<b>1,756</b>
	As at March 31, 2020	As at March 31, 2019
<b>(v) Other reserves</b>		
<b>FVTOCI equity investments</b>		
Balance as at the beginning of the year	-	68
Add: Change in fair value of FVTOCI equity instruments	-	-
Transfer to retained earnings [refer note 41 (ii)]	-	(68)
<b>Balance as at the end of the year</b>	<b>-</b>	<b>-</b>

**Nature and purpose of reserves**

**Capital reserve on amalgamation**

This reserve was created at the time of amalgamation and mergers carried out in earlier years. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**Reserve fund**

This reserve was created in accordance with Reserve Bank of India Act, 1934 out of the profits of the company. The reserve is utilised in accordance with the provisions of the Reserve Bank of India Act.

**FVTOCI equity investments**

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

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**Samvardhana Motherhood International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

	For the year ended	
	March 31, 2020	March 31, 2019
<b>21 Revenue from operations</b>		
(a) <b>Interest Income</b>		
Interest on financial assets measured at Amortised cost		
Loans		
- from subsidiaries and joint venture companies (refer note 34)	291	223
Deposits with banks	8	2
Others	1	1
<b>Total (a)</b>	<b>300</b>	<b>226</b>
(b) <b>Dividend Income</b>		
From subsidiary companies (refer note 34)	44	34
From joint venture companies and others (refer note 34)	3,351	1,651
<b>Total (b)</b>	<b>3,395</b>	<b>1,685</b>
(c) <b>Fee and commission income</b>		
From subsidiary companies (refer note 34)	53	32
<b>Total (c)</b>	<b>53</b>	<b>32</b>
(d) <b>Revenue from contracts with customers</b>		
Consultancy income	86	150
<b>Total (d)</b>	<b>86</b>	<b>150</b>
<b>Total revenue from contracts with customers</b>		
<b>Geographical markets</b>		
India	68	91
Outside India	18	59
<b>Total revenue from contracts with customers</b>	<b>86</b>	<b>150</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	-	42
Services transferred over time	86	108
<b>Total revenue from contracts with customers</b>	<b>86</b>	<b>150</b>

Contract balance only comprise Trade receivables, refer note 5 for closing balance of trade receivables.

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	For the year ended	
	March 31, 2020	March 31, 2019
Revenue as per contract	86	150
Adjustments to contract price	-	-
Revenue from contract with customers	86	150

	For the year ended	
	March 31, 2020	March 31, 2019
<b>22 Net gain on fair value changes</b>		
(A) <b>Net gain on financial instruments at fair value through profit or loss</b>		
On financial instruments designated at fair value through profit or loss		
Preference shares	-	-
Mutual funds	43	27
<b>Total net gain on fair value changes</b>	<b>43</b>	<b>27</b>
<b>Fair value changes:</b>		
Realised	43	27
Unrealised	-	0
<b>Total net gain on fair value changes</b>	<b>43</b>	<b>27</b>

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**Samvardhana Motherhood International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

**23 Other Income**

Gain on sale of investment in subsidiaries and joint ventures (refer note 42)		347
Foreign exchange fluctuations gain (net)	144	8
Liabilities no longer required written back	-	5
Miscellaneous income	9	1
<b>Total</b>	<b>153</b>	<b>361</b>

For the year ended	
March 31, 2020	March 31, 2019
-	347
144	8
-	5
9	1
<b>153</b>	<b>361</b>

**24 Finance cost**

Interest and finance charges on financial liabilities measured at amortised cost		
Debt securities [refer note 44(ii)]	509	455
Borrowings other than debt securities	249	152
Interest on lease liabilities (refer note 38)	9	-
Others	2	0
<b>Total</b>	<b>769</b>	<b>607</b>

For the year ended	
March 31, 2020	March 31, 2019
509	455
249	152
9	-
2	0
<b>769</b>	<b>607</b>

**25 Employee benefit expenses**

Salary, wages and bonus [net of recoveries of INR Nil (March 31, 2019: INR 16 million)]	175	192
Contribution to provident and other Fund (refer note 17) [net of recoveries of INR Nil (March 31, 2019: INR 1 million)]	18	18
Gratuity (refer note 17)	7	7
Staff welfare expenses	3	5
<b>Total</b>	<b>203</b>	<b>222</b>

For the year ended	
March 31, 2020	March 31, 2019
175	192
18	18
7	7
3	5
<b>203</b>	<b>222</b>

**26 Depreciation expense**

Depreciation on property, plant and equipment [refer note 11(A)]	15	17
Depreciation charges on right-of-use asset [refer note 11(B)]	44	-
<b>Total</b>	<b>59</b>	<b>17</b>

For the year ended	
March 31, 2020	March 31, 2019
15	17
44	-
<b>59</b>	<b>17</b>

**27 Other expenses**

Repair and maintenance		
Building	17	16
Vehicles	4	6
Rates & taxes	10	1
Legal and professional fees	87	61
Payment to auditors [refer note (a) below]	13	7
Director's sitting fees	0	0
Lease rent	19	67
Business promotion	8	14
Travelling expenses [refer note (c) below]	37	27
Communication expenses	1	1
Insurance expenses	3	3
Donation expenses [refer note (b) below]	3	8
IT support services	17	25
Miscellaneous expenses [refer note (c) below]	16	13
<b>Total</b>	<b>235</b>	<b>249</b>

For the year ended	
March 31, 2020	March 31, 2019
17	16
4	6
10	1
87	61
13	7
0	0
19	67
8	14
37	27
1	1
3	3
3	8
17	25
16	13
<b>235</b>	<b>249</b>

**(a) Payment to auditors:**

As Auditor:		
Audit fees (including limited review)*	10	6
Other audit and certification work to be done by statutory auditor	2	1
Reimbursement of expenses	1	0
<b>Total</b>	<b>13</b>	<b>7</b>

For the year ended	
March 31, 2020	March 31, 2019
10	6
2	1
1	0
<b>13</b>	<b>7</b>

\* Includes fees pertaining to previous year amounting to INR 2 million (March 31, 2019: INR Nil)

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**Samvardhana Motherhood International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

**(b) Corporate social responsibility expenditure**

	For the year ended	
	March 31, 2020	March 31, 2019
Contribution to Swam Lata Motherhood Trust (refer note 34)	-	5
	-	5
Amount required to be spent as per Section 135 of the Act	1	47
Amount spent during the year on:		
(i) Construction/acquisition of asset	-	-
(ii) Purpose other than (i) above	-	5
	-	5
<b>(c) Administrative and other expenses are net of the following recoveries:</b>		
<b>Expense head</b>		
Travelling expenses	-	13
<b>Total</b>	-	13

**28 Exceptional items**

	For the year ended	
	March 31, 2020	March 31, 2019
Expected credit loss for corporate guarantee (refer note 49)	1,925	-
Impairment allowance in investments and loans (refer note 49)	-	803
Less: reversal of impairment loss on investments and loans (refer note 49)	(836)	(20)
	1,089	783

**29 Tax expenses**

	For the year ended	
	March 31, 2020	March 31, 2019
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profit for the year	-	-
Adjustments for current tax of prior periods on completion of assessment	(19)	-
<b>Total current tax expense</b>	(19)	-
<b>Deferred tax expenses</b>		
Decrease / (increase) in deferred tax assets	-	-
(Decrease) / increase in deferred tax liabilities	-	-
<b>Total deferred tax expense / (benefit)</b>	-	-
<b>Income tax expense</b>	(19)	-

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**

	For the year ended	
	March 31, 2020	March 31, 2019
Profit before income tax expense	1,675	603
Tax at India's tax rate of 29.12% (March 31, 2019: 29.12%)	488	176
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax effect of amounts which are not chargeable in calculating taxable income (net off non deductible expenses)	(937)	(434)
Adjustments for current tax of prior periods	(19)	-
Unrecognised tax losses and credits	449	258
<b>Income tax expense</b>	(19)	-

**30 Earnings per share**

	For the year ended	
	March 31, 2020	March 31, 2019
Net profit after tax available for equity Shareholders	1,694	603
Weighted average number of equity shares used to compute basic earnings per share	473,613,855	473,613,855
Basic earnings (INR per share)	3.58	1.27
Diluted earnings* (INR per share)	3.58	1.27

\*The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic & dilutive EPS of the Company remains same.

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31 Financial instruments by category

	March 31, 2020			March 31, 2019		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial assets</b>						
Investments	25	-	-	475	-	-
Trade receivables	-	-	82	-	-	52
Loans	-	-	1,359	-	-	2,403
Cash and cash equivalents	-	-	6,813	-	-	154
Other bank balances	-	-	6	-	-	6
Other financial assets	-	-	75	-	-	86
<b>Total financial assets</b>	<b>25</b>	<b>-</b>	<b>8,335</b>	<b>475</b>	<b>-</b>	<b>2,701</b>
<b>Financial liabilities</b>						
Debt securities	-	-	7,000	-	-	3,500
Borrowings (other than debt securities)	-	-	2,250	-	-	2,886
Trade payable	-	-	31	-	-	35
Lease liabilities	-	-	88	-	-	-
Other financial liabilities	-	-	2,167	-	-	143
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>11,536</b>	<b>-</b>	<b>-</b>	<b>6,564</b>

1. Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurements

	March 31, 2020			March 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial asset</b>						
<b>Financial Investments at FVTOCI / FVTPL</b>						
Listed equity investments	-	-	-	450	-	-
Unquoted investments	-	-	26	-	-	26
<b>Total</b>	<b>-</b>	<b>-</b>	<b>26</b>	<b>450</b>	<b>-</b>	<b>26</b>
<b>Financial liabilities</b>						
Derivative liabilities (refer note 37(iv))	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	March 31, 2020			March 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Loans	-	-	1,359	-	-	2,403
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>1,359</b>	<b>-</b>	<b>-</b>	<b>2,403</b>
<b>Financial liabilities</b>						
Debt Securities	-	-	7,000	-	-	3,500
Borrowings other than debt securities	-	-	2,250	-	-	2,886
Other financial liabilities	-	-	2,167	-	-	143
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>11,417</b>	<b>-</b>	<b>-</b>	<b>6,529</b>

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities are considered to be the same as fair value due to their short term maturities.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

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**Samvardhana Motherhood International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

ii. Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the use of various valuation method (including NAV and price of recent investment method) investments in equity and preference shares
- the fair value of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, foreign exchange risk,
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

iii. Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended March 31, 2020 and March 31, 2019:

	Unquoted equity instruments	Unquoted Preference Shares
As at March 31, 2018	119	288
Additions during the year	-	-
Disposals during the year	(118)	(263)
Gains/(losses) recognised in other comprehensive income	-	-
As at March 31, 2019	1	25
Additions during the year	-	-
Disposals during the year	-	-
Gains/(losses) recognised in other comprehensive income	-	-
As at March 31, 2020	1	25

iv. Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (iii) above for the valuation techniques adopted:

	Fair Value as at	
	March 31, 2020	March 31, 2019
<b>Unquoted equity instruments</b>		
<b>Significant unobservable inputs</b>		
Recent transaction price (per share in INR)	-	-
<b>Sensitivity</b>		
Impact of change in transaction price*	-	-
Decrease in price by 0.50%	-	-
Increase in price by 0.50%	-	-
*Holding all the other variables constant		
<b>Unquoted preference shares</b>		
<b>Significant unobservable inputs</b>		
Recent transaction price	-	-
<b>Sensitivity</b>		
Impact of change in transaction price*	-	-
Decrease in price by 0.50%	-	-
Increase in price by 0.50%	-	-
*Holding all the other variables constant		

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**32 Financial risk management**

The Company act as holding company to its various group companies who are active suppliers for the automobile industry and exposes its business and products to various market risks, credit risk and liquidity risk. The Company's global presence and decentralised management structure with the main activities in the plants make necessary organised risk management system. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risks in which the Company is exposed to and how it manages the risks.

**Market risk:**

**A Foreign currency risk:**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The Company does not have any derivative instruments outstanding as at the reporting dates. The unhedged foreign currency exposure is as follows (refer note 37)

**(i) Particular of unhedged foreign exposure as at the reporting date (Not exposure to foreign currency risk)**

	As At March 31, 2020		As At March 31, 2019	
	Payable / (Receivable)		Payable / (Receivable)	
	Amount in Foreign currency	Amount in INR	Amount in Foreign currency	Amount in INR
EURO	(0)	(7)	(1)	(40)
USD	(0)	(1)	(2)	(162)
AUD	-	-	(0)	(0)
JPY	-	-	1	0

**B Interest rate risk:**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company had no long-term borrowings with variable rates during March 31, 2020 and March 31, 2019.

**(i) Interest rate risk exposure**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	As At March 31, 2020	As At March 31, 2019
Variable rate borrowings	-	-
Fixed rate borrowings	9,250	6,386
<b>Total borrowings</b>	<b>9,250</b>	<b>6,386</b>

An analysis by maturities is provided in Note (D (ii)) Maturities of financial liabilities below.

**(ii) Sensitivity analysis**

Since all the Company's borrowings are at fixed rate of interest, sensitivity analysis is not given.

**C Credit risk:**

The credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Loans and receivables from group companies, deposits with banking institutions and Investments. The maximum amount of the credit exposure is equal to the carrying amounts of these financial instruments.

**Loans**

Company's lending comprises mainly of unsecured inter corporate deposits given to group companies. The credit risk assessment is based on a model that takes into account various historical, current and forward-looking information such as:

- a) Historical financial information together with forecasts and budgets prepared by the concerned management of respective companies. This financial information includes realised and expected results, solvency ratios, liquidity ratios and any other relevant ratios to measure the investee company's financial performance.
- b) Any other objectively supportable information on the quality and abilities of the investee company's management relevant for the investee company's performance.

**Receivables and other financial assets**

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are group companies with good credit ratings thereby practically eliminating the risk of default. The Company has deposited liquid funds at various institutions. Primary institutions are major Indian banks and asset management institutions. In long term credit ratings these institutions are considered to be investment grade. Also, no impairment loss has been recorded in respect of fixed deposits and investments that are with these institutions and are not past due.

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**D Liquidity risk:**

The liquidity risk encompasses any risk that the Company cannot fully meet its financial obligations. To manage the liquidity risk, cash flow forecasting is performed in the operating divisions of the Company and aggregated by Company finance. The Company's finance monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities / overdraft facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

	As At March 31, 2020	As At March 31, 2019
Fixed rate		
- Expiring within one year (cash credit and other facilities)	-	750

**(ii) Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities:

As At March 31, 2020	Upto 1 year	1 to 5 years	More than 5 years	Total
Borrowings	2,250	7,000	-	9,250
Trade payables	31	-	-	31
Lease liabilities	36	52	-	88
Other financial liabilities	2,165	2	-	2,167
<b>Total</b>	<b>4,482</b>	<b>7,054</b>	<b>-</b>	<b>11,536</b>

As At March 31, 2019	Upto 1 year	1 to 5 years	More than 5 years	Total
Borrowings	4,886	1,500	-	6,386
Trade payables	35	-	-	35
Other financial liabilities	133	10	-	143
<b>Total</b>	<b>5,054</b>	<b>1,510</b>	<b>-</b>	<b>6,564</b>

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**Samvardhana Motherson International Limited**

Notes to standalone financial statements for the year ended March 31, 2020

(All amounts are in INR million, unless otherwise stated)

**(iii) Funding Concentration based on significant counterparty (both deposits and borrowings)**

S. No.	Number of Significant Counterparties	As At March 31, 2020			As At March 31, 2019		
		Amount (INR million)	% of Total deposits	% of Total Liabilities	Amount (INR million)	% of Total deposits	% of Total Liabilities
1	2 (March 31, 2019: 3)	9,250	0	79%	6,386	-	95%

(iv) Top 20 large deposits Nil

**(v) Top 10 borrowings**

S. No.	Particulars	As At March 31, 2020		As At March 31, 2019	
		Amount (INR million)	% of Total Borrowings	Amount (INR million)	% of Total Borrowings
1	Non-Convertible Debentures	7,000	76%	3,500	55%
2	Term Loan	2,250	24%	1,500	23%
3	Commercial Papers	-	0%	1,386	22%
		<b>9,250</b>	<b>100%</b>	<b>6,386</b>	<b>100%</b>

**(vi) Funding Concentration based on significant instrument/product**

S. No.	Name of the instrument / product	As At March 31, 2020		As At March 31, 2019	
		Amount (INR million)	% of Total Liabilities	Amount (INR million)	% of Total Liabilities
1	Non-Convertible Debentures	7,000	60%	3,500	52%
2	Term Loan	2,250	19%	1,500	22%
3	Commercial Papers	-	0%	1,386	21%
		<b>9,250</b>	<b>79%</b>	<b>6,386</b>	<b>95%</b>

**(vii) Stock Ratios**

S. No.	Particulars	As At March 31, 2020	As At March 31, 2019
(a)	Commercial papers		
	as a % of total public funds	0%	0%
	as a % of total liabilities	0%	21%
	as a % of total assets	0%	7%
(b)	Non-convertible debentures (original maturity of less than one year)		
	as a % of total public funds	0%	0%
	as a % of total liabilities	0%	52%
	as a % of total assets	0%	17%
(c)	Other short-term liabilities		
	as a % of total public funds	0%	0%
	as a % of total liabilities	19%	3%
	as a % of total assets	8%	1%

**(viii) Institutional set-up for liquidity risk management**

The Company is managing the liquidity and asset liability management through internal review mechanism and controls. However, now the Company is under process of forming Asset-Liability Management Committee (ALCO) and framing the policies for liquidity risk management to be adopted by the board of directors.

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**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

**33 Capital management**

**(a) Risk management**

For the purposes of company's capital management, capital includes issued equity capital and equity reserves attributable to the equity holders of the company. The primary objective of the company's management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and requirement of the financial covenants. To maintain or adjust the capital structure, the Company may capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings less cash and cash equivalents, other bank balances and current investments.

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Debt securities (refer note 14)	7,000	3,500
Borrowings other than debt securities (refer note 15)	2,250	2,886
Less: Cash and cash equivalents (refer note 3)	(6,813)	(154)
Less: Other bank balances (refer note 4)	(6)	(6)
Less: Current investments (refer note 7(a)(ii))	-	(450)
<b>Net Debt (A)</b>	<b>2,431</b>	<b>5,776</b>
Equity share capital (refer note 19)	4,736	4,736
Other equity (refer note 20)	11,115	9,668
<b>Total capital (B)</b>	<b>15,851</b>	<b>14,404</b>
<b>Capital and net debt (C=A+B)</b>	<b>18,282</b>	<b>20,180</b>
<b>Gearing ratio (A/C)</b>	<b>13%</b>	<b>29%</b>

No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the management.

**(b) Loan covenants**

Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants and the Company has complied with those covenants throughout the reporting period.

**(c) Dividends**

	March 31, 2020	March 31, 2019
<b>On Equity shares of INR 10 each</b>		
<b>Interim Dividend</b>		
Amount of dividend paid	213	947
Dividend per equity share (in INR)	0.45	2.00

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**34 Related Parties**

**1. Related party disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below:**

**A. Relationships where control exists:**

**Subsidiaries:**

Motherson Molds and Diecasting Limited  
Motherson Consultancies Service Limited  
Samvardhana Motherson Finance Service Cyprus Limited  
Samvardhana Motherson Holding (M) Private Limited  
Samvardhana Motherson Auto Component Private Limited  
Samvardhana Motherson Adsys Tech Limited  
MS Global India Automotive Private Limited  
Samvardhana Motherson Maadhyam International Limited  
Samvardhana Motherson Global Carriers Limited (SMGCL)  
Samvardhana Motherson Hamakyorex Engineered Logistics Limited (Subsidiary through SMGCL)  
CTM India Limited  
Samvardhana Motherson Virtual Ananlysis Limited (Subsidiary through MIND)  
MothersonSumi Infotech & Designs Limited (MIND)  
MSID US Inc (Subsidiary through MIND)  
MothersonSumi INFotekk and Designs GmbH (Subsidiary through MIND)  
MothersonSumi Infotech & Designs KK (Subsidiary through MIND)  
MothersonSumi Infotech and Designs S.G. Pte. Limited (Subsidiary through MIND)  
Motherson Auto Engineering Service Limited (Subsidiary through MIND)  
Samvardhana Motherson Health Solutions Limited (Subsidiary through MIND)  
SMI Technologies Inc. (Through MIND)  
Samvardhana Motherson Innovative Solutions Limited (SMISL)  
Samvardhana Motherson Refrigeration Product Limited (Subsidiary through SMISL)  
SAKS Ancillaries Limited (Subsidiary through SMISL)  
Motherson Machinery and Automations Limited (Subsidiary through SMISL)  
Samvardhana Motherson Auto System Private Limited (Subsidiary through SMISL)  
Motherson Sintermetal Technology B.V. (Subsidiary through SMISL)  
Motherson Sintermetal Products S.A. (Subsidiary through SMISL)  
Motherson Techno Tools Limited (Subsidiary through SMISL)  
Motherson Techno Tools Mideast FZE (Subsidiary through SMISL)  
Motherson Advanced Tooling Solutions Limited (till March 22, 2018)  
Motherson Sintermetal Technology Limited (till March 22, 2018)  
Motherson Invenzen XLab Private Limited (w.e.f. April 01, 2019)  
Samvardhana Employees Welfare Trust

**B. Other related parties**

**i) Joint Ventures:**

Motherson Sumi Systems Limited (MSSL) and its subsidiaries  
Anest Iwata Motherson Coating Equipment Private Limited (through SMISL)  
Anest Iwata Motherson Private Limited (through SMISL)  
Motherson Invenzen XLab Private Limited (till March 31, 2019)  
Valeo Motherson Thermal Commercial Vehicles India Limited (Formerly Spheros Motherson Thermal System Limited)  
Matsui Technologies India Limited  
Frigel Intelligent colling systems India Private Limited  
Fritzmeier Motherson Cabin Engineering Private Limited  
Nissin Advanced Coating Indo Co. Private Limited (through SMISL)  
Motherson Bergstrom HVAC Solutions Private Limited  
Magneti Marelli Motherson Auto System Private Limited  
Magneti Marelli Motherson Holding India B.V. (liquidated on June 14, 2019)  
Magneti Marelli Motherson Shock Absorbers India Private Limited  
Youngshin Motherson Auto Tech Limited  
Motherson Auto Solutions Limited (through SMISL)

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**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

**ii) Associates:**

AES (India) Engineering Limited  
Samvardhana Motherson Global Holdings Limited (SMGHL) and its subsidiaries  
Samvardhana Motherson Polymers Limited

**iii) Companies in which Key Managerial Personnel or their relatives have control/ significant influence:**

Radha Rani Holdings Pte Limited  
Motherson Auto Limited  
Motherson Lease Solution Limited  
Spirited Auto Cars (I) Limited  
Systematic Conscom Limited  
Shri Sehgal Trustee Company Private Limited  
Advance Technologies and Automotive Resources Pte. Limited  
Field Motors Private Limited  
Motherson Engineering Research and Integrated Technologies Limited  
Samvardhana Motherson Global FZE, Dubai  
Swam Lata Motherson Trust  
Motherson Air Travel Agencies Limited  
Motherson Air Travel Agency GmbH  
Calsonic Kansei Motherson Auto Products Private Limited  
Global Environment Management (FZE)

**iv) Joint Venturers**

Sejitz Corporation

**v) Private Company in which Director or his relative is a member/director**

Kyungshin Industrial Motherson Private Limited

**vi) Key Managerial Personnel**

**a) Board of Directors**

Mr. Vivek Chaand Sehgal  
Mr. Laksh Vaaman Sehgal  
Mr. Sanjay Mehta  
Mr. Bimal Dhar  
Mr. Ashok Tandon (till March 30, 2019)  
Mr. Ramesh Dhar (till March 30, 2019)  
Mr. Hiroshi Morimoto  
Mr. Vivek Avasthi  
Ms. Geeta Soni  
Ms. Nilu Mehra (till March 30, 2019)  
Mr. Dhruv Mehra  
Ms. Madhu Bhaskar  
Mr. Sanjay Kalla  
Mr. Hideo Hatada  
Mr. Masaki Yamaguchi (Alternate Director to Mr. Hideo Hatada)

**b) Other KMP**

Ms. Pooja Mehra, Company Secretary  
Mr. Manish Kumar Goyal, Chief Financial Officer  
Mr. Rajinder Kumar Bansal, Deputy Chief Financial Officer

**vii) Relatives of Key Managerial Personnel**

Ms. Vidhi Sehgal (Daughter of Mr. Vivek Chaand Sehgal)  
Ms. Renu Alka Sehgal (Wife of Mr. Vivek Chaand Sehgal)

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Sumadhara Mohiterson International Limited  
Notes to standalone financial statements for the year ended March 31, 2020  
(All amounts are in INR million, unless otherwise stated)

11. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 34 (f) above:

(a) Key management personnel compensation

	March 31, 2020	March 31, 2019
Short-term employee benefits	39	39
Directors commission/retiring fees	0	0
Post-employment benefits	-	8
Long-term employee benefits	1	5
<b>Total compensation</b>	<b>40</b>	<b>52</b>

(b) Details of significant transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned above:

S. No.	Particulars	Subsidiaries		Joint ventures		Key Managerial Persons		Other related parties		Total
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	
1	Dividend received	44	34	1,651	-	-	-	-	-	1,685
2	Consultancy income	9	15	76	-	-	-	1	-	86
3	Fee and Commission Income	30	-	-	-	-	-	-	-	30
4	Investments made	458	1	12	-	-	-	2	-	472
5	Investments sold* (refer note 4.1(iii) and 4.2)	-	350	-	-	-	-	-	381	911
6	Investment received on liquidation (refer note 4.1(i))	-	-	198	-	-	-	-	-	198
7	Investments purchased*	-	-	-	-	-	-	-	-	2
8	Loan given during the year*	3,746	1,352	40	158	-	-	21	-	5,807
9	Loan repaid or back during the year*	4,079	666	50	42	-	-	2	-	4,131
10	Loan transferred (refer note 4.2)	952	-	-	-	-	-	-	-	952
11	Reimbursement of expenses (recovery)	-	-	-	-	-	-	-	-	0
12	Reimbursement of expenses (expenses)	1	0	3	1	-	-	5	-	11
13	Interest income*	252	175	2	20	-	-	-	-	254
14	Provision for doubtful advances written back	76	25	-	-	-	-	-	-	76
15	Provision for impairment allowance written back	755	-	-	-	-	-	-	-	755
16	Other expenses:									
a	Professional charges	-	1	1	4	1	-	13	12	15
b	Travelling expenses	-	-	-	-	-	-	28	44	28
c	Computer expenses	16	22	1	-	-	-	-	-	16
d	Rent paid*	-	-	-	-	-	-	36	34	36
e	Repair and maintenance	-	-	-	-	-	-	15	15	15
f	Lease cost*	-	-	-	-	-	-	19	31	19
g	Impairment allowance on investments	-	729	-	-	-	-	-	-	729
h	Impairment allowance on loans	-	76	-	-	-	-	-	-	76
i	Staff Welfare	1	-	-	-	-	-	-	-	1
17	Impairment allowance on corporate guarantee**	1,925	-	-	-	-	-	-	-	1,925
18	Guarantee given during the year	9,425	-	-	-	-	-	-	-	9,425
19	Guarantee relinquished during the year	490	2,576	-	-	-	-	-	-	490
20	Purchase of fixed assets	-	-	-	-	-	-	-	-	-
21	Securities deposit given during the year	-	4	-	-	-	-	4	-	4
22	Donations	458	-	-	-	-	-	-	-	458
23	Securities deposit received back during the year	-	-	-	-	-	-	3	0	3
24	Dividend paid	-	-	-	-	98	435	109	486	247

Balances as at year end:

S. No.	Particulars	Subsidiaries		Joint ventures		Key Managerial Persons		Other related parties		Total
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	
1	Letter of comfort	-	-	810	-	-	-	-	-	810
2	Securities deposit	-	-	25	-	-	-	30	32	30
3	Trade receivables	56	13	46	0	-	-	1	3	82
4	Trade payables	1,365	2,568	1	4	-	-	6	7	2,000
5	Loans given	21	25	222	-	-	-	-	-	1,365
6	Loans received	9,622	12,206	-	-	-	-	-	-	2,490
7	Guarantee outstanding	-	-	-	-	-	-	-	-	21
8	Employee benefits payable	512	1,267	-	-	-	-	-	-	9,622
9	Impairment allowance on investments	-	-	-	-	-	-	-	-	1,267
10	Impairment allowance on loans	-	-	-	-	-	-	-	-	512
11	Prepaid rent	-	-	-	-	-	-	-	-	-
12	Other advances and receivable	-	-	17	-	-	-	1	-	17

Note: The Company has given letters of support and letters of comfort to its subsidiaries and joint venture companies, refer note 10.37 (i) & (ii)

\* Represents balance and transaction based on the contractual terms with the parties and without considering the related Ind AS adjustments

\*\* Provision for impairment created on account of bank guarantee issued on behalf of Mohiterson International Technology BV (subsidiary of Sumadhara Mohiterson Innovative Solutions Limited) to ING bank, refer note 4.9

(i) During the year, Company has recognised fee and commission income of INR 45 million (March 31, 2019: INR 32 million) on guarantee obligations issued to banks on behalf of group companies

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**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

**35 Segment Information:**

Company is an investment company and holds investment, extend loans and provides consulting services to number of subsidiaries, joint ventures and other group entities. Further, the Company's business activity falls within a single business segment as reviewed by The Chief Operating Decision Maker "CODM" and therefore, there are no reportable segments as per Ind AS 108 "Operating Segments."

**A. Information about geographical areas:**

The following information discloses revenue from external customers based on geographical areas:

	March 31, 2020	March 31, 2019
i) Revenue from operations		
India	3,769	2,051
Outside India	108	69
	<b>3,877</b>	<b>2,120</b>

ii) Segment Assets

Total of non-current assets other than financial instruments, investment in subsidiaries, joint ventures and associate and tax assets broken down by location of the assets, is shown below:

	March 31, 2020	March 31, 2019
India	139	70
Outside India	-	-
	<b>139</b>	<b>70</b>

iii) Revenue from transactions with a single counterparty amounting to 10 per cent or more of the Company's revenue is as follows:

	March 31, 2020	March 31, 2019
Counterparty I	3,167	1,584

**36 Assets pledged as security**

The carrying amount of assets pledged as security for borrowings and contingent liabilities are as follows (refer note 14, 15 and 37):

	As at March 31, 2020	As at March 31, 2019
<b>First charge</b>		
Non current investment	2,676	763
Margin Money	3,317	-
<b>Total assets pledged as security</b>	<b>5,993</b>	<b>763</b>

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**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

**37 Capital and Other Commitments**

**i) Letter of Support**

The Company has given letters of support to following group companies to enable the said companies to continue their operations:

Subsidiaries	Joint Ventures
<b>March 31, 2020</b>	
MS Global India Automotive Private Limited	Nil
<b>March 31, 2019</b>	
Samvardhana Motherson Auto Component Private Limited	Motherson Invenzen Xlab Private Limited

**ii) Letter of comforts issued on behalf of group companies:**

	As at March 31, 2020	As at March 31, 2019
<b>Joint Ventures</b>		
a) On behalf of Magneti Marelli Motherson Shock Absorbers India Private Limited	150	150
b) On behalf of Motherson Auto Solutions Limited	660	660

**iii) Guarantees issued on behalf of others :**

	As at March 31, 2020	As at March 31, 2019
a) Corporate Guarantee to Yes Bank, New Delhi on behalf of Motherson Advanced Tooling Solutions (A division of Samvardhana Motherson Innovative Solutions Limited, wholly owned subsidiary).	80	480
b) Corporate Guarantee to HDFC Bank on behalf of Motherson Sintermetal Technology (A division of Samvardhana Motherson Innovative Solutions Limited, wholly owned subsidiary).	700	700
c) Corporate Guarantee to Kotak Bank, New Delhi on behalf of Samvardhana Motherson Auto Component Private Limited, wholly owned subsidiary.	400	400
d) Corporate Guarantee of EURO 101 million (March 31, 2019: EURO 110 million) given to SBI Bank in respect of the loan facility availed by Samvardhana Motherson Holding (M) Private Limited, wholly owned subsidiary.	8,442	8,532
e) Corporate Guarantee of EURO 27 million (March 31, 2019: EURO 27 million) given to ING Bank NV, London in respect of the loan facility availed by Motherson Sintermetal Technology BV, wholly owned subsidiary of Samvardhana Motherson Innovative Solutions Limited (refer note 49)	-	2,094
<b>Total</b>	<b>9,622</b>	<b>12,206</b>

(iv) During the previous year, one of the subsidiaries of the Company, namely Samvardhana Motherson Innovative Solutions Limited (Issuer) entered into a Debentures subscription agreement with Kotak Mahindra Investments Limited (Debenture Holder) dated March 28, 2019 to issue 900 redeemable, optionally fully convertible debentures (debentures) having a face value of INR 900 million which are redeemable on the expiry of 36 months from the date of allotment along with the redemption premium at the rate of 11.7% p.a. compounded on a monthly basis. Further, the Debenture Holder has an option to convert these debentures into equity shares of the issuer (i.e. subsidiary company) at any time after the expiry of 24 months.

In respect to these debentures, the Company also entered into a Put and Call option agreement dated March 28, 2019. As per the terms of the agreement, the Company has an unconditional and irrevocable right to call and purchase the debentures at any time after the expiry of 12 months. Further, the Debenture holder is also entitled to have an unconditional irrevocable right to sell these debentures to the Company upon the occurrence of a Put option event defined as per the terms of the agreement or after the expiry of 24 months. Both call and put option are exercisable by the respective parties at a price equivalent to the Debentures outstanding amount including redemption premium accrued until the date of actual payment of such debentures, hence, these derivative instruments do not have any fair value which must be recognised as derivative asset or liability in accordance with the provisions of Ind AS 109 as on March 31, 2020.

During the year, the company has entered into a pledge agreement with Debenture Holder dated March 20, 2020. These debentures now have been secured by pledge of 24,500,000 (March 31, 2019: Nil) equity shares held in Motherson Sumi Systems Limited. Security cover margin of 1.5 times to be maintained.

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**Samvardhana Motherson International Limited**

**Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

**38 Leases**

The Company elected to apply Indian Accounting Standard 116 ('Ind AS 116'), Leases, with effect from April 01, 2019, using the modified retrospective method. Accordingly, comparatives for the year ended March 31, 2019 have not been restated. The Company assesses each lease contract and if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the Company recognised right to use assets and lease liabilities for those lease contracts except for short-term lease and lease of low-value assets.

The Company has leases contracts for Premises, and vehicles. These lease arrangements for premises are for a period upto 9 years, and vehicles are for a period upto 5 years. The Company also has certain leases of computers, vehicles with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

As at March 31, 2019, the Company had minimum lease payment commitment under non-cancellable operating leases of INR Nil million. Pursuant to adoption of Ind AS 116, lease liabilities of INR 110 million were recognised on April 01, 2019, the transition date. The difference between the operating lease commitments under Ind AS 17 and lease liabilities recognised under Ind AS 116 is largely due to discounting of lease commitments and adoption of practical expedients on exclusion of short-term leases and leases of lowvalue and other adjustments due to reassessment of terms of the contracts.

As at the transition date April 01, 2019 following impacts were recognised in financial position on account of recognition of right-of-use assets, lease liabilities and reclassification of existing finance lease assets and liabilities.

Particulars	As at March 31, 2019	As at April 01, 2019	Change
Property, Plant and Equipment (refer note 11(A))	53	53	-
Right-of-use assets (refer note 11(B))	-	134	134
Other receivables and assets (Non financial and financial)	138	114	(24)
Borrowings (including current maturity of long term borrowing)	6,386	6,386	-
Lease Liabilities	-	110	110

The carrying amounts of lease liabilities and the movements during the period is given below:

	<b>As at March 31, 2020</b>
Recognised as at April 01, 2019 on account of adoption of Ind AS 116	110
	<b>110</b>
	<b>As at March 31, 2020</b>
Lease liabilities	88
	<b>88</b>

Amount recognised in statement of profit and loss during the year on account of Ind AS 116

	<b>March 31, 2020</b>
Interest expense on lease liabilities (included in finance cost)	9
Depreciation of Right-of-use assets	44
Lease expense derecognised	31
<b>Other items included in statement of profit and loss during the year:</b>	
Short term and low value lease payments	19

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**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

**39 Contingent liabilities:**

- i) Based on the observation of service tax audit performed by Central Excise Authority, Noida during the earlier years, the Company had received order from Assistant Commissioner, Service Tax for demand of service tax of INR 0.08 million along with interest and penalty which Company has disputed.

	<u>As at</u> <u>March 31, 2020</u>	<u>As at</u> <u>March 31, 2019</u>
ii) <b>Income tax matters</b>	234	300

The above income tax matters includes certain disallowances of expenses claimed by the Company and certain other additions made by the assessing officer in respective years. These matters are pending with various judicial/appellate authorities including CIT(A) and ITAT.

- (a) The Company has assessed that it is only possible but not probable that outflow of economic resources will be required.  
(b) The Company does not expect any reimbursements in respect of the above contingent liabilities.

**iii) Provident fund matters**

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The Company believes that the judgement will be applicable prospectively and accordingly has considered the applicability of the judgement prospectively. Further, the Company will update its provision for earlier years, on receiving further clarity on the subject.

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**Samvardhana Motherhood International Limited**

Notes to standalone financial statements for the year ended March 31, 2020

(All amounts are in INR million, unless otherwise stated)

**40 Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to receivables from customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR.

	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	6,813	-	6,813	154	-	154
Bank balances other than cash and cash equivalents	6	-	6	6	-	6
Trade Receivables	82	-	82	52	-	52
Loans	577	782	1,359	214	2,189	2,403
Investments	-	26	26	450	26	476
Other financial assets	34	41	75	40	46	86
<b>Total financial assets</b>	<b>7,512</b>	<b>849</b>	<b>8,361</b>	<b>916</b>	<b>2,261</b>	<b>3,177</b>
<b>Non-financial assets</b>						
Investments in subsidiaries, joint ventures and associates	-	18,952	18,952	-	17,755	17,755
Income tax assets (net)	-	76	76	-	78	78
Deferred tax assets (net)	-	-	-	-	-	-
Property, plant and equipment	-	39	39	-	53	53
Right-of-use assets	-	90	90	-	-	-
Other non-financial assets	16	10	26	35	17	52
<b>Total current assets</b>	<b>16</b>	<b>19,167</b>	<b>19,183</b>	<b>35</b>	<b>17,903</b>	<b>17,938</b>
<b>Total assets</b>	<b>7,528</b>	<b>20,016</b>	<b>27,544</b>	<b>951</b>	<b>20,164</b>	<b>21,115</b>
<b>Liabilities and equity</b>						
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Trade payables						
(i) total outstanding dues of micro, small and medium enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro, small and medium enterprises	31	-	31	35	-	35
Debt securities	-	7,000	7,000	3,500	-	3,500
Borrowings (other than Debt securities)	2,250	-	2,250	1,386	1,500	2,886
Lease liabilities	36	52	88	-	-	-
Other financial liabilities	2,165	2	2,167	133	10	143
<b>Total financial liabilities</b>	<b>4,482</b>	<b>7,054</b>	<b>11,536</b>	<b>5,054</b>	<b>1,510</b>	<b>6,564</b>
<b>Non-financial liabilities</b>						
Provisions	11	55	66	12	53	65
Other non-financial liabilities	67	24	91	47	35	82
<b>Total non-current liabilities</b>	<b>78</b>	<b>79</b>	<b>157</b>	<b>59</b>	<b>88</b>	<b>147</b>
<b>Total liabilities</b>	<b>4,560</b>	<b>7,133</b>	<b>11,693</b>	<b>5,113</b>	<b>1,598</b>	<b>6,711</b>

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**Samvardhana Motherson International Limited**

**Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

41 (i) During the year, Magneti Marelli Motherson India Holding BV (MMM BV), a joint venture of the Company has been liquidated. MMM BV had investment in equity shares and compulsorily convertible preference shares (CCPS) in Magneti Marelli Motherson Auto System Private Limited (MMM AS). Upon liquidation of MMM BV, the net assets of MMMBV is distributed to the Company in the form of investments in equity shares and CCPS of MMM AS and cash of Rs. 3 million. The Company has determined that since MMM BV's only investment was in equity shares and CCPS of MMM AS, there is no economic substance to the receipt of investment in MMMAS. Accordingly, the cost of existing investment in equity shares in MMM BV is allocated to cost of investment in equity shares and CCPS in MMM AS in the ratio of relative fair value of both the instruments. The cash received from MMM BV has been netted off with the cost of equity shares and CCPS received from MMM AS. Consequently, no gain/ loss has been recognised on this transaction.

(ii) During the previous year, the Company sold its investments in equity shares of ETECHACES Marketing & Advertising Private Limited and investments in preference shares of ETECHACES Marketing & Advertising Private Limited and GC Web Ventures Private Limited for, consideration of INR 118 million and INR 263 million respectively to Motherson Lease Solution Limited. These investments were carried in the financial statements at their respective fair values of INR 118 million and INR 263 million pursuant to fair value gain of INR 68 million recognised in Other comprehensive income and 129 million recognised as "Net gain on financial instruments at fair value through profit or loss under "Net gain on fair value changes" in the statement of profit and loss during the previous year ended March 31, 2018. Accordingly, sale of these investments has not resulted in any gain or loss in the previous year. Further fair value gain of INR 68 million recognised in FVTOCI reserves in earlier years has been transferred to retained earnings in the previous year.

42 During the year, the Company transferred its loans in 7 subsidiaries and 2 joint ventures to one of its wholly owned subsidiary namely Samvardhana Motherson Innovative Solutions Limited vide an agreement dated March 18, 2020. These loans and interest accrued thereon had a gross carrying value of INR 880 and INR 52 million respectively. These loans have been sold at a consideration of INR 932 million.

During the previous year, the Company sold its investments in 2 joint ventures identified as having non-OEM business to Samvardhana Motherson Innovative Solutions Limited vide an agreement dated November 20, 2018. These investments having gross carrying value of INR 183 million were sold at a consideration of INR 530 million. The resulting gain of INR 347 million has been disclosed as "Gain on sale of investment in subsidiaries and joint ventures" under the head "Other income" in the statement on profit and loss.

43 The Company has established a trust namely Samvardhana Employees Welfare Trust ('the Trust') (SEWT) for welfare of the employees of the Company and its affiliate companies and for the purpose of establishing, instituting, administering, managing, implementing and all other matters incidental to the employee stock option plans and/or any other Share Issue Scheme, by whatever name called, introduced or offered by the Company from time to time.

The Company had introduced an employee share purchase program in 2006-07, towards which equity shares were allotted to the Trust at par/premium in earlier years. The shares are in turn allotted by the Trust to the employees at the fair value determined by an independent valuer appointed by the Company. The shares are allotted to the employees immediately at the time of submitting their request at a consideration calculated based on the latest available fair value. Hence, there is no fair value/ intrinsic value of benefit provided to employees. Accordingly, no expense is required to be recognized in the Statement of Profit and Loss of the Company.

The Trust has transferred 500 (March 31, 2019: Nil) number of shares of INR 2 million (March 31, 2019: INR Nil) during the year ended March 31, 2020 at exercise price of Rs. 304 and 12 million (March 31, 2019: 12 million) numbers of shares as on March 31, 2020 to the employees of the Company.

During the year, the Company has recognised an expense of INR 0.7 million (31 March 2019: Nil) toward its proportionate share of losses incurred by SEWT in regard to participation in scheme by the employees of the Company.

44 (i) The Company has outstanding Redeemable Non-Convertible Debentures ("NCDs") amounting to INR 7,000 million (March 31, 2019: INR 3,500 million). During the year, the Company has redeemed debentures amounting to INR 3,500 million (March 31, 2019: INR 4,000 million) along with redemption premium. The Company is registered with the RBI under Section 45-IA of the RBI Act, 1934 as a Core-investment Company ("CIC"), a class of NBFCs, which are regulated by the RBI in terms of the CIC Directions. In accordance of the aforesaid provisions, the Company is not required to and has therefore not created Debenture Redemption Reserve.

(ii) During the year, the interest / premium on above mentioned NCDs amounting to INR 509 million (March 31, 2019: INR 455 million) has been booked using EIR method as "Interest and finance charges on debt securities" under the head "Finance costs" in the statement of profit and loss. The outstanding amount of interest accrued / premium payable on maturity of these NCDs has been disclosed as "Interest accrued on debentures" and "Premium on redemption of debentures" under the heads "Other financial liabilities" amounting to INR 202 million (March 31, 2019: INR Nil) and INR Nil (March 31, 2019: INR 112 million) respectively, net of applicable withholding taxes.

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**Samvardhana Motherhood International Limited**

**Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

45 The Company, being CIC company, is exempt from the provisions of section 45-1A(1)(b) of the RBI Act 1934, subject to the condition that it meets the capital requirements and leverage ratio as specified in CIC Directions.

S. No.	Particulars	As at	As at
		March 31, 2020	March 31, 2019
(i)	Investments and Loans to Group companies as a proportion of Net Assets (%)	98.59%	99.07%
(ii)	Investments in equity shares and compulsorily convertible instruments of Group companies as a proportion of Net Assets (%)	86.65%	82.61%
(iii)	Capital Adequacy Ratio (%) [Adjusted Net Worth/Risk Weighted Assets]	231.31%	292.41%
(iv)	Leverage Ratio(Times) [Outside Liabilities /Adjusted Net worth]	0.30	0.20

46 Schedule to the Balance Sheet of Systemically Important Core Investment Company as required in terms of paragraph 20(5) of CIC Direct

**I) Exposure to Real Estate Sector**

S. No.	Particulars	As at	As at
		March 31, 2020	March 31, 2019
(a)	<b>Direct Exposure</b>		
(i)	<b>Residential Mortgages -</b>	Nil	Nil
	Lending secured by mortgages on residential property that it is or will be occupied by the borrower or that is rented	Nil	Nil
	- Individual housing loans up to INR 1.5 million	Nil	Nil
	- Individual housing loans above INR 1.5 million		
(ii)	<b>Commercial Real Estate -</b>	Nil	Nil
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc. Exposure would also include Non-Fund Based (NFB) limits		
(iii)	<b>Investment in Mortgage Backed Securities (MBS) and other securitized exposure -</b>	Nil	Nil
	a. Residential	Nil	Nil
	b. Commercial Real Estate	Nil	Nil
(a)	<b>Indirect Exposure</b>		
	Fund based and Non-Fund Based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

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II) Asset Liability Management

Maturity Pattern of certain items of assets and liabilities outstanding as at the year end

Particular	As at March 31, 2020				As at March 31, 2019			
	Liabilities		Assets (net of provision)		Liabilities		Assets (net of provision)	
	Borrowing from Banks	Market Borrowing	Advances	Investments	Borrowing from Banks	Market Borrowing	Advances	Investments
1 day to 7 days	-	-	-	-	-	-	-	450
8 day to 14 days	-	-	-	-	-	-	-	-
15 days to 30/31 days (One month)	-	-	-	-	-	497	-	-
Over one month to 2 months	-	-	-	-	-	495	10	-
Over 2 month to 3 months	-	-	-	-	-	394	15	-
Over 3 month to 6 months	-	-	-	-	-	-	78	-
Over 6 month to 1 years	-	2,250	577	-	-	3,500	111	-
Over 1 years to 3 years	-	7,000	752	-	-	1,500	2,189	-
Over 3 years to 5 years	-	-	30	-	-	-	-	-
Over 5 years	-	-	-	18,978	-	-	-	17,781
<b>Total</b>	-	<b>9,250</b>	<b>1,359</b>	<b>18,978</b>	-	<b>6,386</b>	<b>2,403</b>	<b>18,231</b>

47 Schedule to the balance sheet of systemically important Core Investment Company as required in terms of paragraph 22 of CIC directions

Liabilities side:

I) Loans and advances availed by Core Investment Company inclusive of interest accrued thereon but not paid as at the year end:

Particulars	As at		As at	
	March 31, 2020		March 31, 2019	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
a) Debentures: (other than those falling within the meaning of Public Deposit)				
i) Secured	7,202	-	3,500	-
ii) Unsecured	-	-	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	-	-	-	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial Paper	-	-	1,386	-
f) Other Loans				
i) Loan from Finance Companies	2,271	-	1,510	-

Assets side:

II) Break-up of loans and advances including bills receivables (other than those included in (IV)) below as at the year end:

Particulars	Amount Outstanding (Net)	
	As at	As at
	March 31, 2020	March 31, 2019
a) Secured	-	-
b) Unsecured	1,359	2,403

III) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities

Particulars	Amount Outstanding (Net)	
	As at	As at
	March 31, 2020	March 31, 2019
(i) Lease assets including lease rentals under sundry debtors:		
a) Finance Lease	-	-
b) Operating Lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
a) Assets on hire	-	-
b) Repossessed Assets	-	-
(iii) Other loans counting towards APC activities:		
a) Loans where assets have been repossessed	-	-
b) Loans other than (a) above	-	-

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IV) Break up of investments

Particulars	Amount Outstanding (Net)	
	As at	As at
	March 31, 2020	March 31, 2019
<b>Current Investments:</b>		
1 Quoted:		
(i) Shares:		
a) Equity	-	-
b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2 Unquoted:		
(i) Shares:		
a) Equity	-	-
b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	450
(iv) Government Securities	-	-
(v) Others	-	-
<b>Non-Current Investments:</b>		
1 Quoted:		
(i) Shares:		
a) Equity	11,107	11,107
b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2 Unquoted:		
(i) Shares:		
a) Equity	6,786	5,767
b) Preference	1,085	907
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-

V) Borrower group-wise classification of assets financed as in (ii) and (iii) above:

Particular	As at March 31, 2020			As at March 31, 2019		
	Amount (net of provisions)			Amount (net of provisions)		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
a) Subsidiaries	-	1,359	1,359	-	2,192	2,192
b) Companies in the same group	-	-	-	-	211	211
c) Other related parties	-	-	-	-	-	0
2. Other than related parties	-	-	-	-	-	0
Total	-	1,359	1,359	-	2,403	2,403

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**Samvardhana Motherson International Limited**

Notes to standalone financial statements for the year ended March 31, 2020

(All amounts are in INR million, unless otherwise stated)

**VI) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

Particular	As at March 31, 2020		As at March 31, 2019	
	Market Value / Break up or fair value or NAV (refer note below)	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV (refer note below)	Book Value (Net of Provisions)
1. Related Parties				
a) Subsidiaries	6,118	5,657	5,882	4,421
b) Companies in the same group	126,745	13,320	160,594	13,359
c) Other related parties	4	1	4	1
2. Other than related parties	-	-	450	450
<b>Total</b>	<b>132,867</b>	<b>18,978</b>	<b>166,930</b>	<b>18,231</b>

Note: Preference shares have been considered at face value for the purpose of arriving at break-up value of investment. The break-up value of the unquoted investments is calculated on the basis of audited / management accounts of the group companies. Further the break-up value is restricted to zero for the companies having negative break-up value of equity.

**VII) Other information :**

Particular	As at March 31, 2020	As at March 31, 2019
1. Gross non-performing assets		
a) Related parties	-	76
b) Other than related parties	-	-
2. Net non-performing assets		
a) Related parties	-	-
b) Other than related parties	-	-
3. Assets acquired in satisfaction of debt	-	-

48 As per section 45-IC of Reserve Bank of India Act, 1934 every Non-Banking Financial Company (NBFC) is required to create a Reserve Fund and transfer therein a sum not less than twenty per cent of its net profit. During the current year, Company has earned profit and has transferred an amount of INR 339 million (March 31, 2019: INR 121 million) to Reserve Fund.

49 As at March 31, 2019, the Company had investments in equity shares and preference shares in Samvardhana Motherson Innovative Solutions Limited (SMISL) amounting to INR 3,724 million and loans amounting to INR 74 million. SMISL is a subsidiary of the Company and has investment in various step-down subsidiaries and joint ventures including investments in Motherson Sintermetal Products S.A (MSPSA). As at March 31, 2019, the Company, considering business losses incurred in MSPSA and overall performance of other businesses, had recorded the impairment/expected credit loss (ECL) allowance of INR 729 million and 74 million against its SMISL investment and loan respectively. During the current year, on account of continuing losses and based on business projections of MSPSA, the Company has recorded ECL provision of INR 1,925 million for financial guarantee given to bank in respect of the loan facility availed for MSPSA.

SMISL business performance (except for MSPSA) has improved in last 2 years. Considering the guidance enunciated in Ind AS 109, the Company has recorded reversal of impairment allowance in respect of investments of INR 729 million and ECL for loans amounting to INR 74 million respectively based on increase in fair value of investment in SMISL and collection of loans.

The aforesaid provision of ECL for financial guarantees and reversal of impairment/ECL allowance for investments and loans has been shown as 'Exceptional Items' in note 28 to the standalone Ind AS Financial Statements. Accordingly, the previous year impairment allowance/reversals have been reclassified to Exceptional items.

50 Subsequent to the year end, the board of directors of the Company in its meeting held on May 30, 2020 has approved to purchase 725,000 equity shares (96.67% shareholding) of Motherson Air Travel Agencies Limited (MATA) and 10,000 equity shares (49% shareholding) of Motherson Invenzen Xlab Private Limited (MIXLAB) for a consideration of INR 562 million and INR 0.1 million respectively.

51 Motherson Invenzen Xlab Private Limited (MIXLAB) is in the designing and/or manufacturing and/or sub-contracting of audio and infotainment system. The Company has reassessed its control taking into considerations the investments made by the Company including loans given to MIXLAB and the rights available with the company for conversion of the loans into equity. Accordingly, the Company through its subsidiaries gained majority control over MIXLAB with effect from April 01, 2019.

MIXLAB was treated as a joint venture in the standalone financial statements prior to April 01, 2019. As a result of above event, the Company through its subsidiaries is regarded parent of MIXLAB within the framework of Ind AS 110 and accordingly MIXLAB is treated as a subsidiary of the Company with effect from April 01, 2019. The acquisition of additional control did not involve payment of any further purchase consideration.

*Amr*

*Spent*

**VI) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

Particular	As at March 31, 2020		As at March 31, 2019	
	Market Value / Break up or fair value or NAV (refer note below)	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV (refer note below)	Book Value (Net of Provisions)
1. Related Parties				
a) Subsidiaries	6,118	5,657	5,882	4,421
b) Companies in the same group	126,745	13,320	160,594	13,359
c) Other related parties	4	1	4	1
2. Other than related parties	-	-	450	450
<b>Total</b>	<b>132,867</b>	<b>18,978</b>	<b>166,930</b>	<b>18,231</b>

Note: Preference shares have been considered at face value for the purpose of arriving at break-up value of investment. The break-up value of the unquoted investments is calculated on the basis of audited / management accounts of the group companies. Further the break-up value is restricted to zero for the companies having negative break-up value of equity.

**VII) Other information :**

Particular	As at March 31, 2020	As at March 31, 2019
1. Gross non-performing assets		
a) Related parties	-	76
b) Other than related parties	-	-
2. Net non-performing assets		
a) Related parties	-	-
b) Other than related parties	-	-
3. Assets acquired in satisfaction of debt	-	-

48 As per section 45-IC of Reserve Bank of India Act, 1934 every Non-Banking Financial Company (NBFC) is required to create a Reserve Fund and transfer therein a sum not less than twenty per cent of its net profit. During the current year, Company has earned profit and has transferred an amount of INR 339 million (March 31, 2019: INR 121 million) to Reserve Fund.

49 As at March 31, 2019, the Company had investments in equity shares and preference shares in Samvardhana Motherhood Innovative Solutions Limited (SMISL) amounting to INR 3,724 million and loans amounting to INR 74 million. SMISL is a subsidiary of the Company and has investment in various step-down subsidiaries and joint ventures including investments in Motherhood Sintermetal Products S.A (MSPSA). As at March 31, 2019, the Company, considering business losses incurred in MSPSA and overall performance of other businesses, had recorded the impairment/expected credit loss (ECL) allowance of INR 729 million and 74 million against its SMISL investment and loan respectively. During the current year, on account of continuing losses and based on business projections of MSPSA, the Company has recorded ECL provision of INR 1,925 million for financial guarantee given to bank in respect of the loan facility availed for MSPSA.

SMISL business performance (except for MSPSA) has improved in last 2 years. Considering the guidance enunciated in Ind AS 109, the Company has recorded reversal of impairment allowance in respect of investments of INR 729 million and ECL for loans amounting to INR 74 million respectively based on increase in fair value of investment in SMISL and collection of loans.

The aforesaid provision of ECL for financial guarantees and reversal of impairment/ECL allowance for investments and loans has been shown as 'Exceptional Items' in note 28 to the standalone Ind AS Financial Statements. Accordingly, the previous year impairment allowance/reversals have been reclassified to Exceptional items.

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*Arora*

*[Signature]*

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**Samvardhana Motherhood International Limited**

**Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

52 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC), CC.PD No.109/22, 10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards, Non Banking Financial Companies (NBFC's) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, asset classification and provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2020 and accordingly, no amount is required to be transferred to impairment reserve.

53 The board of directors of Motherhood Sumi Systems Limited (MSSL), a joint venture of the company, in its meeting held on January 30, 2020 had, in principle, approved demerger of its domestic wiring harness business of MSSL into a newly formed legal entity with mirror shareholding, which shall be listed and consolidating shareholding in Samvardhana Motherhood Automotive Systems Group B.V. ("SMRP BV"). In this respect, the management of the Company is exploring options / structure for consolidation of the shareholding of SMRP BV and/or other possible group re-organization options. Upon finalization of the proposal, the Board of company would be presented with the structure proposed or reorganization option(s) (as the case may), for further consideration, discussion and/or approval by the Board of the company.

**54 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**

The Company has evaluated the impact of COVID – 19 resulting from (i) impact in the business operations of subsidiaries, joint ventures, associates of the Company and consequential adjustment in the carrying value of these investments;(ii) cash flows from investing/financing activities. The Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of investments and loans etc. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information, economic forecasts and consensus estimates from market sources on the expected future demand of its subsidiaries, joint ventures and associates. The Company has performed analysis on the assumptions used and based on current estimates do not expects the adjustments in the carrying amount of loans and investments. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

55 Amount appearing as zero "0" in the financial statements are below the rounding off norm adopted by the Company.

For S.R. Batliboi & Co. LLP

ICAI Firm registration number: 301003E/ E300005

**PANKAJ  
CHADHA**

per Pankaj Chadha

Partner

Membership No. 091813

Digitally signed by PANKAJ CHADHA  
DN: cn=PANKAJ CHADHA, c=IN,  
o=Personal,  
email=Pankaj.chadha@srbl.in  
Reason: I am approving this document  
Date: 2020.06.17 22:55:16 +05'30'

**POOJA  
MEHRA  
AUTH**

Pooja Mehra  
Company Secretary  
Membership No. FCS 5088

Digitally signed  
by POOJA  
MEHRA AUTH  
Date:  
2020.06.17  
22:57:08 +05'30'

For and on behalf of the Board of Directors

**VIVEK  
CHAAND  
SEHGAL**

Vivek Chaand Sehgal  
Director  
DIN 00291126

Rajinder  
Kumar Bansal

Rajinder Kumar Bansal  
Deputy Chief Financial Officer  
PAN - AJVPB1886F

Digitally signed by  
VIVEK CHAAND  
SEHGAL  
Date: 2020.06.17  
22:45:11 +05'30'

Digitally signed by  
Rajinder Kumar Bansal  
Date: 2020.06.17 22:49:02  
+05'30'

**SANJAY  
MEHTA**

Sanjay Mehta  
Director  
DIN 03215388

**MANISH  
KUMAR  
GOYAL**

Manish Kumar Goyal  
Chief Financial Officer  
PAN - AESPG3496A

Digitally signed by  
SANJAY MEHTA  
Date: 2020.06.17  
22:32:19 +05'30'

Digitally signed by  
MANISH KUMAR GOYAL  
Date: 2020.06.17  
22:32:59 +05'30'

Place : Gurugram  
Date : June 17, 2020

Place : Noida  
Date : June 17, 2020



To,  
The General Manager,  
Department of Corporate Services,  
BSE Limited,  
P.J. Towers, Dalal Street,  
Mumbai – 400 001.

Dear Sir,

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed scheme of amalgamation and arrangement involving Motherson Sumi Systems Limited, Samvardhana Motherson International Limited and Motherson Sumi Wiring India Limited, a new company incorporated as the wholly owned subsidiary of Motherson Sumi Systems Limited.**

The proposed composite scheme of amalgamation and arrangement amongst Motherson Sumi Systems Limited (the "Transferor Company" or "Amalgamated Company"), Samvardhana Motherson International Limited and Motherson Sumi Wiring India Limited (the "Resulting Company") and their respective shareholders and creditors, under Sections 230-232 and other applicable provisions, if any, of the Companies Act, 2013 ("Scheme"), *inter alia* provides for the demerger of the Domestic Wiring Harness Undertaking (as defined in the Scheme) of the Company and vesting of the same with the Resulting Company.

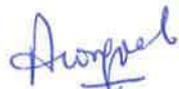
In consideration for the demerger, the Resulting Company will issue Equity Shares to the shareholders of the Company as of the record date, in the ratio of 1 Equity Share of Re. 1 each of the Resulting Company for every 1 Equity Share of Re. 1 each of MSSL, held by such shareholders.

The appointed date for the demerger is defined in the Scheme to mean April 1, 2021 or such subsequent date (if any) as may be decided by the Board of Directors of the Company and Resulting Company or such other date as the jurisdictional National Company Law Tribunal may direct. Since the appointed date is a prospective date, the determination of the assets and liabilities of the demerged undertaking (i.e., the Domestic Wiring Harness Undertaking) as on the appointed date, will be determined by the management based on the financials of the Company as on March 31, 2021.

In connection with the proposed Scheme, we hereby confirm that:

1. The Equity Share issued by the Resulting Company pursuant to the Scheme will be listed on BSE Limited and National Stock Exchange of India Limited.
2. There will be no change in issued and paid up Share Capital of the Resulting Company till the listing of the Equity Shares of the Resulting Company on BSE Limited.
3. The shares allotted by the Resulting Company pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.

**For Motherson Sumi Systems Limited**



Alok Goel  
Company Secretary



To,  
The General Manager,  
Department of Corporate Services,  
BSE Limited,  
P.J. Towers, Dalal Street,  
Mumbai – 400 001.

Dear Sir,

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed scheme of amalgamation and arrangement involving Motherson Sumi Systems Limited, Samvardhana Motherson International Limited and Motherson Sumi Wiring India Limited, a new company incorporated as the wholly owned subsidiary of Motherson Sumi Systems Limited.**

In relation to the proposed composite scheme of amalgamation and arrangement amongst Motherson Sumi Systems Limited, Samvardhana Motherson International Limited and Motherson Sumi Wiring India Limited (the "Resulting Company") and their respective shareholders and creditors, under Sections 230-232 and other applicable provisions, if any, of the Companies Act, 2013 ("Scheme"), we hereby confirm that:

1. Equity shares issued by the Resulting Company pursuant to the Scheme shall be listed on the BSE Limited ("Exchange"), subject to SEBI granting relaxation from applicability under Rule 19(2) (b) of the Securities Contract (Regulation) Rules, 1957.
2. The Resulting Company shall comply with all the provisions contained in SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time.
3. The Resulting Company shall also fulfill the Exchange's criteria for listing and shall also comply with Rules, Byelaws, and Regulations of the Exchange and other applicable statutory requirements.

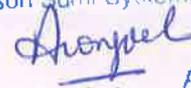
For Motherson Sumi Wiring India Limited



Name: Mr. Sanjay Mehta  
Designation: Director



For Motherson Sumi Systems Limited



Alok Goel  
Company Secretary

Regd. Office:

**Motherson Sumi Wiring India Limited**

Unit – 705, C Wing, ONE BKC, G Block Bandra Kurla Complex,

Bandra East Mumbai – 400051, Maharashtra (India)

Tel: 022-61354800, Fax: 022-61354801

CIN No.: U29306MH2020PLC341326

E-mail: investorrelations@motherson.com

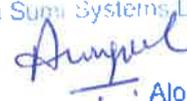
Proud to be part of samvardhana **motherson** 

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Indicative list of the assets and liabilities of the Domestic Wiring Harness Undertaking or DWH Undertaking of Motherson Sumi Systems Limited ("**Transferor Company**" or "**Amalgamated Company**") that are being proposed to be transferred to Motherson Sumi Wiring India Limited ("**Resulting Company**") pursuant to the proposed Composite Scheme of Amalgamation and Arrangement among Motherson Sumi Systems Limited, Samvardhana Motherson International Limited, Motherson Sumi Wiring India Limited and their respective shareholders and creditors.

Particulars	DWH Undertaking (as on March 31, 2020) (Amount in INR Crores)
Fixed assets	167
Right-of-use assets	17
Other non-current assets	42
Current assets	1,068
<b>Total assets (A)</b>	<b>1,294</b>
Borrowings	33
Lease liabilities	15
Current liabilities	785
Non-current liabilities	53
<b>Total liabilities (B)</b>	<b>886</b>
Capital reserve (C)	-
<b>Net worth (A-B-C)</b>	<b>408</b>

For Motherson Sumi Systems Limited



Alok Goel  
Company Secretary

Head Office:  
Motherson Sumi Systems Limited  
C-14 A & B, Sector 1, Noida – 201301  
Distt. Gautam Budh Nagar, U.P. India  
Tel: +91-120-6752100, 6752278  
Fax: +91-120-2521866, 2521966  
Website: www.motherson.com  
Email: investorrelations@motherson.com

Regd Office:  
Motherson Sumi Systems Limited Unit –  
705, C Wing, ONE BKC, G Block Bandra  
Kurla Complex, Bandra East  
Mumbai – 400051, Maharashtra (India)  
Tel: 022-61354800, Fax: 022-61354801  
CIN No.: L34300MH1986PLC284510

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**Independent Auditor's Report on the Statement of Net worth, Turnover, Profit after Tax of the Demerged Undertaking and as percentage to the total Net worth, total Turnover and total Profit after Tax of the Motherson Sumi Systems Limited as at and for the financial years ended March 31, 2019 and March 31, 2020**

The Board of Directors  
Motherson Sumi Systems Limited  
Plot No. 1, Sector 127, Greater Noida Expressway  
Noida, Uttar Pradesh-201301

1. This Report is issued in accordance with the terms of our service scope letter dated July 14, 2020 and master engagement agreement dated June 02, 2020 with Motherson Sumi Systems Limited (hereinafter the "Company").
2. At the request of the management, we have examined the accompanying "Statement of Net worth, Turnover, Profit after tax of the Demerged Undertaking and as percentage to the total Net worth, total Turnover and total Profit after Tax of the Motherson Sumi Systems Limited ("MSSL" or the "Company" or the "transferor Company" ) on a standalone basis as at and for the financial years ended March 31, 2019 and March 31, 2020 (the "Statement") prepared by the management, which we have annexed with this report for identification purposes. The Statement together with our report thereon is required by the Company pursuant to the requirements of The National Stock Exchange of India Limited, BSE Limited ("stock exchanges") for filing along with the Composite Scheme of Amalgamation and Arrangement proposed to be filed under Section 230 to 232 and other relevant provisions of Companies Act, 2013.
3. We have been informed that the board of directors of the Company, at their meeting held on July 02, 2020 approved the Composite Scheme of Amalgamation and Arrangement proposed to be undertaken amongst the Motherson Sumi Systems Limited, Samvardhana Motherson International Limited, and a new incorporated Company, (since incorporated on July 2, 2020 as Motherson Sumi Wiring India Limited) ("Resulting Company"), and their respective shareholders and creditors ("Scheme").
4. As part of the Scheme, the following steps are proposed to be undertaken:
  - a) Demerger of Domestic Wiring Harness undertaking of the Company ("Demerged Undertaking") to the Resulting Company;
  - b) Amalgamation of the Samvardhana Motherson International Limited ("Amalgamating Company") into and with the Company by absorption, subsequent to the completion of the demerger referred to in (a) above;

**Management's Responsibility**

5. The accompanying Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
6. The management is also responsible for ensuring that the company complies with the requirements of applicable Securities and Exchange Board of India (SEBI) circulars and the Companies Act, 2013, in relation to the proposed scheme and for providing all the information to the SEBI and the stock exchanges.

**Auditor's Responsibility**

7. Pursuant to the requirements of proposed Scheme, it is our responsibility to provide a limited assurance as to whether:
  - (i) the amounts of Demerged Undertaking in the Statement in respect to Net worth, Turnover and Profit after Tax as at and for financial years ended March 31, 2019 and March 31, 2020 have been accurately extracted from the audited Special Purpose Financial Information of Demerged Undertaking as prepared by the management on a carve-out basis using allocation basis considered appropriate by the management for the year ended March 31, 2019 and March 31, 2020 respectively;

- (ii) the amounts of the Company in the Statement in respect to Net worth, Turnover and Profit after Tax as at and for financial years ended March 31, 2019 and March 31, 2020; have been accurately extracted from the audited standalone financial statements for the year ended March 31, 2019 and March 31, 2020 respectively; and
  - (iii) the percentage of Net worth , Turnover and Profit after Tax of Demerged Undertaking to the total Net worth, total Turnover and total Profit after Tax of the Company for financial years ended March 31, 2019 and March 31, 2020 is arithmetically correct and is in accordance with the basis of computation set out in the Statement.
8. The Special Purpose Financial Information of the Demerged Undertaking for the financial years ended March 31, 2019 and March 31, 2020 referred to in paragraph 7 (i) above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated July 02, 2020. Our audit of these Special Purpose Financial Information was conducted in accordance with Standards on Auditing, as specified under section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial information has been prepared, in all material respects, in accordance with the basis of preparation as defined in the statement of Special Purpose Financial Information.

The audited standalone financial statements of the Company for the financial years ended March 31, 2019 and March 31, 2020 referred to in paragraph 7 (ii) above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated May 27, 2019 and June 2, 2020 respectively. Our audit of these financial statements was conducted in accordance with Standards on Auditing, as specified under section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

9. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
11. A limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria mentioned in paragraph 7 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement been performed. Accordingly, we have performed the following procedures in relation to the Statement:
- a) Obtained and read the certified copy of the proposed Scheme, as approved by Board of Directors of the Company, as their meeting held on July 02, 2020.
  - b) Traced and agreed the amounts of Demerged Undertaking in the attached Statement in relation to Net worth, Turnover and Profit after Tax to the audited Special Purpose Financial Information of the Demerged Undertaking of the Company as at and for the year ended March 31, 2019 and March 31, 2020.
  - c) Traced and agreed the amounts of the Company in the attached Statement in relation to Net worth, Turnover and Profit after Tax to the audited standalone financial statements of the Company as at and for the year ended March 31, 2019 and March 31, 2020.
  - d) Verified the percentage of Net worth, Turnover and Profit after Tax of Demerged Undertaking to the total Net worth, Turnover and Profit after Tax of the Company as at and for financial years ended March 31, 2019 and March 31, 2020.
  - e) Tested the arithmetical accuracy of the Statement and verified that computation is in accordance with the basis of computation set out in the Statement.

- f) Performed necessary inquiries with the management and obtained necessary representations.

The above-mentioned procedures include examining evidence supporting the particulars in this Statement. Further, our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### **Conclusion**

12. Based on the procedures performed by us as referred to in paragraph 11 above and according to the information, explanation and management representations received by us, nothing has come to our attention that causes us to believe that:
- (i) the amounts of Demerged Undertaking in the Statement in respect to Net worth, Turnover and Profit after Tax as at and for financial years ended March 31, 2019 and March 31, 2020 have not been accurately extracted from the audited Special Purpose Financial Information of Demerged Undertaking as prepared by the management on a carve-out basis using allocation basis considered appropriate by the management for the year ended March 31, 2019 and March 31, 2020 respectively;
  - (ii) the amounts of the Company in the Statement in respect to Net worth, Turnover and Profit after Tax as at and for financial years ended March 31, 2019 and March 31, 2020; have not been accurately extracted from the audited standalone financial statements for the year ended March 31, 2019 and March 31, 2020 respectively and
  - (iii) the percentage of Net worth, Turnover and Profit after Tax of Demerged Undertaking to the total Net worth, total Turnover and total Profit after Tax of the Company for financial years ended March 31, 2019 and March 31, 2020 are arithmetically incorrect and/ or are not in accordance with the basis of computation set out in the Statement.

### **Restriction on Use**

13. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose given in paragraph 2 above for onward submission to stock exchanges and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

**ICAI Firm Registration Number: 301003E/E300005**

**per Pankaj Chadha**

Partner

Membership Number: 091813

UDIN: 20091813AAAADJ5592

Place: Gurugram

Date: July 18, 2020

**Statement of Net worth, Turnover, Profit after Tax of the Demerged Undertaking and as percentage to the total Net worth, total Turnover and total Profit after Tax of the Motherson Sumi Systems Limited (MSSL) on standalone basis as at and for the financial years ended March 31, 2019 and March 31, 2020.**

(Amount in INR Crore)

As at and for the year ended March 31, 2019						
Particulars	Net worth	% to total of Company	Turnover	% to total of Company	Profit after Tax	% to total of Company
	(Note 1)		(Note 2 ,3)			
Domestic Wiring Harness Undertaking (Demerged Undertaking) (Note 4)	668	10.67%	4,484	59.15%	449	55.16%
Non Domestic Wiring Harness Undertaking (Other Undertaking) (Note 5)	5,591	89.33%	4,362	57.54%	365	44.84%
Motherson Sumi Systems Limited (MSSL or the Company) (Note 6)	6,259	100.00%	7,581	100.00%	814	100.00%

(Amount in INR Crore)

As at and for the year ended March 31, 2020						
Particulars	Net worth	% to total of Company	Turnover	% to total of Company	Profit after Tax	% to total of Company
	(Note 1)		(Note 2 ,3)			
Domestic Wiring Harness Undertaking (Demerged Undertaking) (Note 4)	408	6.73%	3,944	57.38%	360	40.04%
Non Domestic Wiring Harness Undertaking (Other Undertaking) (Note 5)	5,657	93.27%	3,985	57.97%	539	59.96%
Motherson Sumi Systems Limited (MSSL or the Company) (Note 6)	6,065	100.00%	6,874	100.00%	899	100.00%

**Basis of computation:**

**Note 1:** Net Worth is calculated as per definition of the said term under Section 2(57) of the Companies Act, 2013 (as amended). As per the section, "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

**Note 2:** Section 2(91) of the Companies Act, 2013 (as amended) defines Turnover as "the aggregate value of the realisation of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the company during a financial year. Accordingly, turnover represents total revenue from operations i.e. revenue from contract with customers and other operating revenue.

**Note 3:** The Non Domestic Wiring Harness Undertaking (Other Undertaking) has sold materials and components amounting to INR 1,265 crore in March 31, 2019 and INR 1,055 crore in March 31, 2020 to Domestic Wiring Harness Undertaking (Demerged Undertaking), which has been considered in 'Revenue from Operations' of Other Undertaking. This inter-division transfer is eliminated in the standalone financial statements of MSSL. Consequently, total of Demerged and Other Undertaking Turnover is higher than total Turnover of the MSSL.

**Note 4:** Net worth, Turnover and Profit after Tax of the 'Demerged Undertaking' has been extracted from the Special purpose financial information of Domestic Wiring Harness Undertaking as at and for the financial year ended March 31, 2019 and March 31, 2020. These Special Purpose Financial Information has been prepared in accordance with the Guidance Note on 'Combined and Carve-out Financial Information' ("Guidance Note") issued by the Institute of Chartered accounts of India ("ICAI") which sets out overall framework for preparation and presentation of carve-out Financial Information. Accordingly, in preparing the carve-out Financial Information, principles set out in the Guidance Note and certain accounting conventions commonly used for preparing carve-out Financial Information have been applied. The information presented in the Special Purpose Financial Information may not be representative of the financial position and financial performance which may prevail after the scheme becomes effective.

**Note 5:** Net worth, Turnover and Profit after Tax of the 'Other Undertaking' has been determined on the basis of total Net worth, Turnover and Profit after Tax of the Company excluding the Net worth, Turnover and Profit after Tax of the Demerged Undertaking, after making adjustment for matter stated in note 3 above.

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Fax: +91-120-2521866, 2521966  
Website: www.motherson.com  
Email: investorrelations@motherson.com

Regd Office:  
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Unit – 705, C Wing, ONE BKC, G Block  
Bandra Kurla Complex, Bandra East  
Mumbai – 400051, Maharashtra (India) Tel: 022-61354800,  
Fax: 022-61354801 CIN No.: L34300MH1986PLC284510

**Note 6:** Net-worth of MSSL as at March 31, 2019 and March 31, 2020 is computed as below:

Amount in INR Crore

S. No.	Particulars	March 31, 2019	March 31, 2020
<b>I</b>	Equity Share capital (Paid up capital)	<b>316</b>	<b>316</b>
	<b>Other Equity</b>		
	Reserves & Surplus	6,109	5,915
	Less: Reserve on amalgamation	(166)	(166)
<b>II</b>	<b>Total Reserves &amp; Surplus</b>	<b>5,943</b>	<b>5,749</b>
<b>III</b>	<b>Net worth (I+II)</b>	<b>6,259</b>	<b>6,065</b>
<b>IV</b>	<b>Net worth of Demerged Undertaking (as extracted from the Special purpose financial information as at and for the financial year ended March 31, 2019 and March 31, 2020)</b>	<b>668</b>	<b>408</b>
<b>V</b>	<b>Net worth of Other Undertaking (III – IV)</b>	<b>5,591</b>	<b>5,657</b>

**Note 7:** The net worth (as computed above), Turnover and Profit after Tax has been extracted from Standalone audited financial statements of the Company for the year ended March 31, 2019 and March 31, 2020.

**For and on behalf of the Motherson Sumi Systems Limited**

Gaya Nand  
Gauga

Digitally signed by  
Gaya Nand Gauba  
Date: 2020.07.18  
20:31:48 +05'30'

**G.N. Gauba**  
Chief Financial Officer

Place: Noida  
Date: July 18, 2020

Listing Center Payment Receipt for Company 3808 and Company Name MOTHERSON SUMI SYSTEMS LTD.

<b>Temporary Receipt</b>	
<b>Received From</b>	MOTHERSON SUMI SYSTEMS LTD.
<b>Process Type</b>	BSE Further Listing Fees
<b>Fee Type</b>	Scheme
<b>Receipt Amount</b>	221000.00
<b>Bank</b>	ICICI Bank - Corporate Banking
<b>Receipt Date</b>	17-07-2020 02:31:26 PM
<b>Invoice No</b>	2020071738086793
<b>Reference No</b>	T000010797410
<b>Status</b>	Request submitted successfully
<b>Email Registered</b>	<a href="mailto:alok.goel@mssl.motherson.com">alok.goel@mssl.motherson.com</a>
<b>Mobile Registered</b>	0000000000

