MSIL: COS: NSE&BSE: 2023/10_13

17th October, 2023

To,

Vice President **National Stock Exchange of India Limited** "Exchange Plaza", Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	General Manager Department of Corporate Services **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

Sub: Postal Ballot Notice

Dear Sir(s),

In furtherance to our letter dated 12th October, 2023, please find enclosed the Notice of Postal Ballot dated 17th October, 2023 (the "**Notice**") together with the Explanatory Statement for seeking approval of Members of the Company to: (i) approve Related Party Transaction and (ii) create, offer, issue and allot equity shares on preferential basis for consideration other than cash.

In accordance with the requirements, the said Notice is being sent electronically to those Members whose names appear in the Register of Members/ List of Beneficial Owners as on **Friday, the 13th October, 2023** ("**Cut-off date**") and whose e-mail IDs are registered with Kfin Technologies Limited ("**KFin**"), the Registrar & Share Transfer Agent of the Company or the Depository Participant(s).

The remote e-Voting period shall commence on **Wednesday, the 18th October, 2023 at 09:00 A.M. (IST) and ends on Thursday, the 16th November, 2023 at 05:00 P.M. (IST)**. The results of the remote e-Voting shall be declared within two working days of the conclusion of the remote e-Voting i.e. **Monday, the 20th November, 2023**.

The copy of the said Notice is also being uploaded on the website of the Company at www.marutisuzuki.com and of Kfin at https://evoting.kfintech.com.

MARUTI SUZUKI INDIA LIMITED

Head Office:
Maruti Suzuki India Limited,
1, Nelson Mandela Road, Vasant Kunj,
New Delhi - 110070, India.
Tel: 011- 46781000, Fax: 011-46150275/46150276
E-mail id: contact@maruti.co.in, www.marutisuzuki.com

Gurgaon Plant:
Maruti Suzuki India Limited,
Old Palam Gurgaon Road,
Gurgaon - 122015, Haryana, India.
Tel: 0124-2346721, Fax: 0124-2341304

Manesar Plant:
Maruti Suzuki India Limited,
Plot No.1, Phase - 3A, IMT Manesar,
Gurgaon - 122051, Haryana, India.
Tel: 0124-4884000, Fax: 0124-4884199

CIN: L34103DL1981PLC011375

The Certificate from RMG & Associates, Company Secretaries in Whole-time Practice certifying that the proposed preferential issue is being made in accordance with the requirements contained in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2015 ("ICDR Regulations") along with Valuation Report issued by RBSA Valuation Advisors LLP, the Independent Registered Valuers pursuant to ICDR Regulations are also enclosed herewith as **Annexure-"A"** and **Annexure-"B"** respectively.

Kindly take the same on record.

Thanking you,

Yours sincerely,

For **Maruti Suzuki India Limited**

SANJEEV GROVER

Digitally signed by SANJEEV GROVER
Date: 2023.10.17 17:10:25 +05'30'

Sanjeev Grover
Executive Vice President
& Company Secretary

MARUTI SUZUKI

MARUTI SUZUKI INDIA LIMITED

CIN: L34103DL1981PLC011375
Registered Office: 1, Nelson Mandela Road, Vasant Kunj, New Delhi -110070, India
Tel: +91-11-46781000/ 011-46150275
Web: www.marutisuzuki.com **Email Id:** investor@maruti.co.in

POSTAL BALLOT NOTICE

VOTING STARTS ON	VOTING ENDS ON
18th October, 2023 at 9.00 a.m. (IST)	**16th November, 2023 at 5.00 p.m. (IST)**

Dear Members,

NOTICE is hereby given that pursuant to the provisions of Section 108, Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "**Act**") read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (the "**Rules**"), including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force and in accordance with the guidelines issued by the Ministry of Corporate Affairs ("**MCA**") for holding general meetings/ conducting the process of postal ballot through remote e-Voting vide General Circulars issued by MCA from time to time, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), Secretarial Standard – 2 on General Meetings (the "**SS-2**") issued by the Institute of Company Secretaries of India and other applicable laws and regulations, if any, the resolutions appended below are proposed to be passed by the Members of the Company, by way of postal ballot only through voting by electronic means ("**remote e-Voting**"):

SPECIAL BUSINESS

1. **To approve Related Party Transaction and in this regard pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 (the "**Act**") read with rules made thereunder (as applicable), Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), and other applicable laws/statutory provisions, if any, including any amendment(s), modification(s), variation(s) or re-enactment(s) to any of the foregoing for the time being in force, the Company's Policy on Related Party Transactions and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from time to time and basis the approval/recommendation of the Audit Committee and Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "**the Board**" which term shall be deemed to include the Audit Committee of the Company and any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution), to terminate the Contract Manufacturing Agreement ("**CMA**") dated 17th December, 2015 entered into between the Company and Suzuki Motor Gujarat Private Limited ("**SMG**") and purchase 12,84,11,07,500 equity shares being 100% of the SMG's equity shares owned by Suzuki Motor Corporation ("**SMC**") at a total consideration of INR 12,841.1 Crores equal to the net book value of SMG as calculated according to the CMA and discharge the consideration for such purchase of 100% of the SMG's equity shares by way of issue of the Company's 1,23,22,514 fully paid up equity shares of INR 5/- each at a price of INR 10,420.85/- (including a premium of INR 10,415.85/-) per equity share, aggregating to INR 12,841.1 Crores to SMC, on a preferential basis for consideration other than cash ("**Transaction**"), subject to relevant valuation reports and in compliance with the applicable regulatory and statutory framework including Foreign Exchange Management Act, 1999, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the guidelines issued by the Securities and Exchange Board of India.

   RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required for implementing the aforementioned Transaction, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions and powers herein conferred to, without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

   RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any director(s), committee(s), executive(s), officer(s) or representatives(s) of the Company or to any other person to do all such acts, deeds, matters and things as may be considered necessary or expedient and also to execute such documents, writings etc. as may be necessary to give effect to this resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

2. **To create, offer, issue and allot equity shares on preferential basis for consideration other than cash and in this regard pass the following resolution as Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, (the "**Act**"), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, amended from time to time ("**ICDR Regulations**") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time ("**Listing Regulations**"), and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder by the Ministry of Corporate Affairs ("**MCA**"), the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), Stock Exchanges where the equity shares of the Company are listed ("**Stock Exchanges**") and/ or any other competent authorities (hereinafter collectively referred to as "**Regulatory Authorities**") to the extent applicable and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to such approvals, consents, permissions and sanctions as may be necessary or required and such conditions as may be imposed or prescribed while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "**the Board**" which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent and approval of the members of the Company ("**Members**") be and is hereby accorded to the Board to create, offer, issue and allot on a preferential basis, 1,23,22,514 equity shares of the Company having face value of INR 5/- each, at a price of INR 10,420.85/- per equity share, which is not less than the floor price determined in accordance with Chapter V of the ICDR Regulations ("**Subscription Shares**") for consideration other than cash towards payment of the total purchase consideration of INR 12,841.1 Crores, payable by the Company to Suzuki Motor Corporation ("**SMC**") ("**Proposed Allottee**"), for acquisition of 12,84,11,07,500 equity shares of INR 10/- each, representing 100% paid-up equity capital of Suzuki Motor Gujarat Private Limited ("**SMG**") owned by Proposed Allottee ("**Purchase Shares**"), on such terms and conditions as agreed by the parties or as may be determined by the Board in accordance with the ICDR Regulations and other applicable laws.

The details of the Proposed Allottee and the maximum number of equity shares of the Company proposed to be allotted is set forth in the below table:

Name and address of the proposed allottee(s)	No. of shares to be allotted
Suzuki Motor Corporation 300 Takatsuka-Cho, Minami-ku, Hamamatsu-shi, Shizuoka, Japan	1,23,22,514 equity shares

RESOLVED FURTHER THAT the "Relevant Date" for the purpose of determination of the floor price of the Subscription Shares to be issued and allotted as above as per ICDR Regulations and other applicable laws is **17th October, 2023**, being the date 30 (thirty) days prior to the last date for remote e-Voting for postal ballot (date on which this resolution, if approved by the members through Postal Ballot, will be deemed to have been passed) i.e. 16th November, 2023.

RESOLVED FURTHER THAT without prejudice to the generality of the above resolution, the issue of the Subscription Shares to Proposed Allottee on preferential basis shall be subject to the following terms and conditions, apart from others, as prescribed under applicable laws:

1) The Subscription Shares to be issued and allotted shall be fully paid-up and rank *pari-passu* with the existing equity shares of the Company in all respects (including with respect to dividend and voting powers) from the date of allotment thereof, and be subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company.

2) The price determined above shall be subject to appropriate adjustments as permitted under the rules, regulations and laws, as applicable from time to time.

3) The Subscription Shares shall be allotted by the Company to the Proposed Allottee in dematerialized form within a period of 15 (fifteen) days from the date of receipt of Members' approval, provided that, where the issue and allotment of the said Subscription Shares is pending on account of pendency of approval of any Regulatory Authority (including, but not limited to National Stock Exchange of India Limited, BSE Limited and/or SEBI or the Government of India), the issue and allotment shall be completed within a period of

15 (fifteen) days from the date of receipt of last of such approvals.

4) The Subscription Shares to be allotted shall be subject to lock-in for such period as specified in the provisions of Chapter V of the ICDR Regulations and any other applicable law for the time being in force.

5) The Subscription Shares to be allotted to the Proposed Allottee shall be listed on the stock exchanges where the existing equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals, as the case may be.

6) The Subscription Shares so offered, issued and allotted to the Proposed Allottee, are being issued for consideration other than cash, towards discharge of total purchase consideration payable by the Company for acquisition of Purchase Shares held by the Proposed Allottee and will constitute the full consideration for the Subscription Shares to be issued by the Company to the Proposed Allottee pursuant to this resolution.

7) The Subscription Shares shall be allotted to the Proposed Allottee subject to receipt of the Purchase Shares from the Proposed Allottee i.e., for consideration other than cash.

8) The Subscription Shares so offered, issued and allotted shall not exceed the number of equity shares as approved herein above.

9) No partly paid-up Subscription Shares shall be issued and allotted.

RESOLVED FURTHER THAT if Proposed Allottee fails to transfer entire equity capital held by it in SMG to the Company (i.e., the Purchase Shares) or is found not eligible for the Preferential Allotment or approval of any Regulatory Authority, as may be required, is not received, the Company shall not allot any shares (i.e., the Subscription Shares) to Proposed Allottee.

RESOLVED FURTHER THAT subject to the receipt of such approvals as may be required under applicable laws, consent of the Members of the Company be and is hereby accorded to record the name and details of the Proposed Allottee in Form PAS-5 and the Board be and is hereby authorized to make an offer to the Proposed Allottee through Letter of Offer/ Private Placement Offer Letter cum application letter in Form PAS-4 or such other form as prescribed under the Act and ICDR Regulations containing the terms and conditions ("**Offer Document**") after passing of this resolution and receiving any applicable regulatory approvals with a stipulation that the allotment would be made only upon receipt of in-principle approval from the Stock Exchange(s) i.e., BSE Limited and National Stock Exchange of India Limited, and within the timelines prescribed under the applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any modification(s) in the terms of issue of Subscription Shares, subject to the provisions of the Act and the ICDR Regulations, without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose and for the purpose of giving effect to this resolution, including without limitation (i) to vary, modify or alter any of the relevant terms and conditions, attached to the Subscription Shares to be allotted to the Proposed Allottee for effecting any modifications, changes, variations, alterations, additions and/or deletions to the preferential issue as may be required by any Regulatory Authorities or other authorities or agencies involved in or concerned with the issue of the equity shares, (ii) making applications/representations to the stock exchanges for obtaining in-principle approvals, (iii) listing of shares, (iv) filing requisite documents with the Ministry of Corporate Affairs and other regulatory authorities, (v) filing of requisite documents with the Depositories, (vi) to resolve and settle any questions and difficulties that may arise in the preferential offer, (vii) issue and allotment of the Subscription Shares, and (viii) to take all other steps which may be incidental, consequential, relevant or ancillary in relation to the foregoing without being required to seek any further consent or approval of the Members of the Company, and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and the decision of the Board in relation to the foregoing shall be final and conclusive.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers conferred upon it by these resolutions, as it may deem fit in its absolute discretion, to any Committee of the Board or to any one or more directors, officer(s) or authorized signatory(ies) including execution of any documents on behalf of the Company and to represent the Company before any governmental or regulatory authorities, and to appoint any professional advisors, bankers, consultants and advocates to give effect to this resolution and further to take all others steps which may be incidental, consequential, relevant or ancillary in this regard."

By Order of the Board
For **Maruti Suzuki India Limited**

Sanjeev Grover
Executive Vice President
& Company Secretary
FCS No: 3788

New Delhi
17th October, 2023

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (THE "ACT")

ITEM NO. 1

In 2014, Maruti Suzuki India Limited ("**MSIL**" or "**the Company**") made a proposal to the shareholders that Suzuki Motor Corporation ("**SMC**"), instead of MSIL, would finance and implement the creation of new production capacity in Gujarat. The main reason was to enable MSIL to use its managerial and financial resources for strengthening its infrastructure for marketing, sales and service, instead of diverting it to create production capacity in Gujarat. This was necessary as at that time, MSIL had lost market share and needed to expand sales. The proposed arrangement would also result in an increase in the profits of MSIL since it would not be using its own cash to establish the production facilities and could earn interest on this money. SMC would execute the Gujarat project by creating a wholly owned subsidiary, Suzuki Motor Gujarat Private Limited (SMG) and finance the project by bringing the required capital in the form of equity from Japan. This was done by SMC. SMG entered into a Contract Manufacturing Agreement ("**CMA**") with MSIL to supply the entire production for sale to MSIL. SMG was required by CMA to work on a 'no profit-no loss' basis and not accumulate any surplus of any kind. This being a related party transaction, was approved by the majority of minority shareholders and the CMA was signed in 2015. The CMA was initially for a period of 15 years. In the event of termination, MSIL would have the first option to acquire 100% of SMC's equity in SMG at net book value. A production capacity of 750,000 units a year has been installed in Gujarat, within budget and is operating at full capacity. MSIL expanded its sales and service infrastructure, especially in the rural areas and smaller towns, and recovered its market share, which reached 51.2% in 2018-19. The market share is currently at about 43% due to MSIL being late in moving to SUVs and the small car market is suddenly declining. Presently, MSIL has 3,719 sales outlets, 4,726 service touch-points and an all-India spare parts distribution network. Currently, about 44% of MSIL sales come from rural areas. MSIL earned interest income of ~ INR 5,600 crore from the saved investment. MSIL strengthened its managerial capabilities, including R&D, and is now capable of executing its further production plans and also can develop 2 new models each year. MSIL created a new marketing channel called NEXA. MSIL sold nearly 2 million cars in 2022-23 and made record profits of over INR 8,000 crores. Despite the CMA having achieved all the projected objectives and working smoothly, it is proposed to terminate it so as to facilitate the reorganization and restructuring of MSIL, required in the context of the changed environment and perceived challenges of the future. With the challenges of last 4 years behind us, MSIL is projecting a requirement of 4 million production capacity by 2030-31. This requires adding 2 million additional capacity in the next 7 years. Work has already started at Kharkhoda in Haryana where the first line of 250,000 units is expected to go into production in early 2025 and 1 million capacity to reach in 2028. A second site for 1 million units is under selection and work will start in 2024. It should be noted that it took ~40 years for MSIL to reach a scale of ~2 million units and now it is looking to add another 2 million units in just 7-8 years. There will, thus, be 5 production sites (Gurugram, Manesar, Kharkhoda, Gujarat & new location). Out of this volume of 4 million units, over 3 million units are planned to be sold in domestic market including sale to other OEM and 750,000-800,000 units are expected to be exported. The domestic market is expected to grow at ~6% CAGR and is expected to be around 6 million units by FY 2030-31. The Company is expected to grow faster than the Industry. The domestic infrastructure for sales, service and spare parts would have to be further strengthened and restructured to handle the larger volume of sale and more models. The number of models is likely to increase from 17 to 27-28. Of these, 6 are expected to be EVs. The product mix going forward will have besides petrol car, electric vehicles, hybrid cars, cars using CNG, cars equipped for 20% or more ethanol and possibly cars operating on Compressed Biogas (CBG). This mixture of technologies is necessary in the context of meeting the carbon footprint targets and taking into account the buying power of customers, infrastructure situation, and the raw materials available in the country for generating clean power. The Company is going to launch 6 electric vehicle models till 2030-31 for reduction of carbon emissions. These will be produced in the Gujarat plant and the first EV will be launched in FY24-25. Carbon reduction targets cannot be achieved only by EVs, at least in the short to medium term. About 75% of electricity is still generated by burning coal and demand for electricity is rising due to economic growth. In this decade, a mix of technologies is necessary to lower the carbon footprint. MSIL expects that 15-20% of cars sold by it in 2030-31 would be EVs. Another 25% could be hybrids and the rest would use ethanol, CNG and possibly CBG. Technological breakthroughs, or customer choices, could require these estimates of demand to be modified. Thus, production lines and support systems need to have flexibility to do so as otherwise there would be a mismatch between supply and demand. It may be necessary to modify production plans quickly at different sites. Manpower adjustments between sites may even be required. The large increase in export volumes that is projected could require adjustments of production between different units. The reorganization and restructuring of MSIL is intended to create a system that is nimble and has the ability to take and implement decisions quickly. Such reorganization requires that all facilities should be under one ownership. Having SMG as a major production site and being a wholly owned subsidiary of MSIL would ease compliance requirements. SMC has agreed with MSIL that in the best interests of future efficiency of management, and enhanced competitive abilities, the CMA should be terminated. As a consequence, MSIL would be acquiring SMC's equity in SMG. Except for the change of ownership, and gradual replacement of some SMG managers by MSIL managers in the SMG plant there would be no other change of any kind in the production, costs of operation or systems in the Gujarat plant. The sales, and profitability of MSIL would not undergo any noticeable change. The accounts of SMG have been audited as on 31st August, 2023.

There are following 2 options to buy SMC's equity in SMG:

- Paying in cash (hereinafter it will be referred to as cash option)
- Paying by issuing equity shares of MSIL to SMC on preferential basis (hereinafter it will be referred to as swap option)

Some simulations were done to determine which would be the best option in the interests of both the Company and its shareholders. The following simulations under different profit growth assumptions were made:

- Simulation under the assumption that the PAT of MSIL grows by 150% in next 8 years
- Simulation under the assumption that the PAT of MSIL grows by 200% in next 8 years
- These are only assumptions made for demonstrating impact on shareholders and MSIL of the 2 options to buy SMG.

Under both these simulations, the profit, EPS as well as dividend payout will all be higher in the swap option.

The comparison is given as below:

(A) Simulation under the assumption that the PAT of MSIL grows by 150% in next 8 years

Parameter	Method	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31
PAT	Cash	8,049	8,134	9,167	10,329	11,635	13,104	14,755	16,611	18,696
(INR Crores)	Swap	8,049	9,026	10,122	11,351	12,729	14,274	16,007	17,951	20,130
EPS	Cash	266	269	303	342	385	434	488	550	619
(INR)	Swap	266	286	321	360	404	453	508	570	639
DPS	Cash	90	108	121	137	154	174	195	220	248
(INR)	Swap	90	115	128	144	162	181	203	228	256

(B) Simulation under the assumption that the PAT of MSIL grows by 200% in next 8 years

Parameter	Method	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31
PAT	Cash	8,049	8,340	9,634	11,124	12,838	14,809	17,076	19,683	22,680
(INR Crores)	Swap	8,049	9,232	10,590	12,146	13,932	15,980	18,329	21,023	24,113
EPS	Cash	266	276	319	368	425	490	565	652	751
(INR)	Swap	266	293	336	385	442	507	582	667	765
DPS	Cash	90	110	128	147	170	196	226	261	300
(INR)	Swap	90	117	134	154	177	203	233	267	306

Other assumptions used in the above calculations:

- Interest earned on cash reserves of MSIL will be at 7% per annum.
- The total number of shares of MSIL after swap, are based on net book value of SMG at the end of 2022-23 and MSIL share price of 30th June, 2023.
- Dividend payout ratio of 40% is assumed in the next 8 years.

  The data in the table above clearly shows that the swap option would be financially of greater benefit to shareholders, and also be financially beneficial to MSIL. MSIL will need about INR 45,000 crores to create a capacity of 2 million units. This is based on current costs and a small amount for cost escalation.

  Funds would be needed for creating the sales, service and spare parts infrastructure to almost double domestic sale volumes. The infrastructure for exporting the much larger volume of cars will also have to be strengthened. The conversion of production lines to have greater flexibility will need additional capex. R&D will need additional outlays to enable most of development work relating to Internal Combustion Engine (ICE) cars being done by MSIL. Capex will be needed to develop 10-11 new models, with different fuel options in this period. Production of EVs and SUVs will also need larger capex. MSIL could consider investing in the production of CBG both for its own needs and also for sale as a fuel. The regular capex in the existing plants at Gurugram, Manesar and Gujarat will continue. The amount in 2022-23 was around INR 7,500 crores. Total capex till 2030-31 could be as much as INR 1.25 lakh crore. Additional cash flows from the new capacities being added would come but there would be a lag between investments and income. Management believes that cash should be first available and not spent in anticipation of incomes. If excess cash accumulates at any time, and there are no available investment needs, it can then be used appropriately, including increasing the dividend payout band and payment of higher dividends. Pay out of over INR 12,500 crores for SMC shares in SMG would, besides reducing profits, EPS and dividend payments, could also create a shortage of cash. MSIL has from its inception followed a policy of accumulating cash reserves by being frugal in all its expenditures. The emphasis on increasing productivity and reducing waste, as well as making improvements by employee suggestions have all contributed to building cash reserves. The Company now plans to grow to 4 million units with no debt and a very small paid-up capital of INR 150 crores that would increase marginally after the share swap. The high valuation of MSIL equity, with a PE ratio far higher than of all large global manufacturers of cars other than an electric car manufacturer, shows that the market appreciates our management policies including attitude towards cash reserves. Cash has enabled MSIL to make all required capital expenditures whenever required. It has enabled the Company to deal with unexpected crisis situations. Cash has not been accumulated by avoiding investments that would benefit the Company. It is hard to see why earning interest is not favoured in such circumstances, since it gives the Company greater resilience and sustainability. It enables future opportunities to be seized easily. The period from 2014 till now shows that MSIL not spending cash on the Gujarat plant enabled the Company to become much stronger and its PE ratio increased from 21 (as on 31st March, 2014, based on EPS of FY 2013-14) to 33 (as on 29th September, 2023, based on EPS of last 12 months from July 2022 to June 2023). Having cash reserves, and maximizing profits, has benefitted everyone, including shareholders. There is no evidence to show that reducing cash would be of greater benefit to the Company or shareholders, when a better option is available, which is proven by the projections of EPS and dividends.

In the aforesaid backdrop, given that the execution of the CMA was a material related party transaction as per Regulation 23(1) of the Listing Regulations, and the termination of the CMA, purchase of 100% of the equity shares of SMG owned by SMC and discharge of consideration for such purchase of 100% of the SMG's equity shares by way of issue of the Company's equity shares to SMC on a preferential basis for consideration other than cash would be a 'material modification' as per the MSIL's Policy on Related Party Transactions, the same has been placed before the minority shareholders for their approval.

Details of the transactions and other particulars thereof as per the applicable provisions of the Companies Act, 2013 and the Rules made thereunder (as applicable), as amended till date, and SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November, 2021:

S.NO.	PARTICULARS	DETAILS
1.	Name of the Related Parties to the Company (MSIL)	Suzuki Motor Corporation ("**SMC**") and Suzuki Motor Gujarat Private Limited ("**SMG**")
2.	Nature of relationship/interest	SMC is holding entity of MSIL and SMG is wholly owned subsidiary of SMC.
3.	Name of Director(s) or Key Managerial Personnel who is related, if any	Mr. Toshihiro Suzuki and Mr. Kinji Saito are common Directors in MSIL and SMC. Their interest is limited only to the extent of their directorship.
4.	Nature, duration/tenure, material terms, monetary value and particulars of the contract or arrangement	It is proposed to terminate the Contract Manufacturing Agreement ("**CMA**") dated 17th December, 2015 executed with SMG and purchase 100% of SMG's equity shares owned by SMC, and discharge the consideration for such purchase of 100% of the SMG's equity shares by way of issue of MSIL's equity shares to SMC on a preferential basis for consideration other than cash, equal to the net book value of SMG as calculated according to the CMA and subject to relevant valuation reports and in compliance with the applicable regulatory and statutory framework including Foreign Exchange Management Act, 1999, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and the guidelines issued by the Securities and Exchange Board of India. For the aforesaid purpose, MSIL has entered into a Share Purchase and Subscription Agreement dated 17th October, 2023 with SMC and SMG ("**SPSA**") to set out the terms and conditions for the termination of the CMA, the purchase of 100% equity shares of SMG owned by SMC, and discharge the consideration for such purchase of 100% of the SMG's equity shares by way of issuance of MSIL's equity shares to SMC on a preferential basis for consideration other than cash, and other transactions in connection with or incidental with the foregoing. The material terms of the SPSA are as follows – (i) Upon consummation of the transaction, the Company will buy 100% equity shares of SMG from SMC making SMG a wholly owned subsidiary of the Company; (ii) SMG and SMC have provided certain customary representations and warranties in respect of various aspects such as the validity of SMG equity shares being transferred to the Company, SMC's title over the equity shares, business operations and affairs of SMG, material contracts entered into by it, taxation, compliance with law, etc. In the event of any inaccuracy, misrepresentation or breach of such representations and warranties, SMC will be obligated to indemnify the Company for losses (actual and direct), damages, costs, fines, penalties, liabilities incurred (including cost of litigation) by it, or any Government and third-party claims, actions or proceedings that may be asserted against the Company resulting from such inaccuracy, misrepresentation or breach, subject to relevant disclosures and, customary *de minimis* (minimum) and aggregate thresholds.

		(iii) The Company has also provided certain customary representations and warranties to SMG and SMC, in relation to its authority and ability to execute the SPSA, and validity of the Company's equity shares to be issued to SMC pursuant to the SPSA. In the event of any breach or misrepresentation of these warranties, the Company will be obligated to indemnify SMC on the same terms as provided above; (iv) The CMA between the Company and SMG shall be terminated on and from the closing date; (v) Upon becoming a wholly owned subsidiary of the Company, SMG shall continue to manufacture vehicles and parts and supply them to the Company on a 'no-profit no-loss' basis till 31st March, 2024 (or any other date agreed between the Company and SMG); (vi) Various operational agreements between the Company and SMG, which were supposed to be co-terminus with the CMA (and would have ordinarily stood terminated with the termination of CMA), will continue to operate despite the termination of the CMA to ensure business continuity.
5.	Transactions related to providing loan(s) / advance(s) / guarantee(s) or security(ies), if any	N.A.
6.	Any advance paid or received for the contract or arrangement, if any	N.A.
7.	Percentage of the Company's annual consolidated turnover, for the financial year 2022-23, that is represented by the value of the transaction	The total consideration of INR 12,841.1 Crores payable by the Company to SMC for acquisition of 12,84,11,07,500 equity shares of INR 10/- each, representing 100% paid-up equity capital of SMG owned by SMC, would amount to 10.92% of the annual consolidated turnover of the Company for the financial year 2022-23.
8.	Details about valuation / arm's length and ordinary course of business	The issue price has been determined based on consideration of (i) fair equity share swap ratio for the proposed transaction, as per Valuation Report dated 17th October, 2023 issued by RBSA Valuation Advisors LLP, the Independent Registered Valuer; and (ii) pricing certificate dated 17th October, 2023 issued by RMG & Associates, Company Secretaries in Whole-time Practice certifying compliance with the floor price for the proposed preferential issue of the Company, based on the pricing formula prescribed under Regulation 164 of Chapter V of ICDR Regulations. If requested, the Valuation Report shall be made available to the Members through their registered email address.
9.	Rationale / justification/ benefits of the transaction and why it is in the interests of the Company	Please refer to the Explanatory Statement given above
10.	Any other information that is relevant or important for the members to take a decision on the proposed resolution / Any other information that may berelevant	All relevant/ important information forms part of the Explanatory Statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013.

The Board believes that the proposed transaction is in the best interest of the Company and its Members and, therefore, recommends the resolution for approval of the Members of the Company.

None of the Directors/Key Managerial Personnel (KMP) of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolutions except to the extent of their shareholding in the Company. The Directors/KMPs and their relatives and all other Related Parties are not eligible to vote to approve this item being related party transaction.

ITEM NO. 2

In accordance with the applicable provisions of the Companies Act, 2013 (the "**Act**") read with rules made thereunder along with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**ICDR Regulations**") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), as amended from time to time, the approval of Members of the Company by way of special resolution is required to issue equity shares on a preferential basis.

The Board, in its meeting held on 17th October, 2023, approved the acquisition of the 100% paid-up equity share capital of Suzuki Motor Gujarat Private Limited (SMG) owned by Suzuki Motor Corporation (SMC) for a purchase consideration of INR 12,841.1 Crores, to be discharged by way of issuance of 1,23,22,514 equity shares of the Company of face value INR 5/- each, on preferential basis to SMC at a price of

INR 10,420.85/- per equity share. The issuance of equity shares by the Company and purchase of 100% paid-up equity share capital of SMG owned by SMC by the Company shall be completed in accordance with the provisions of the Act and the rules thereunder, the ICDR Regulations, Listing Regulations and the terms agreed between the parties.

The disclosures in accordance with the Act and ICDR Regulations and other applicable provisions of law, are as follows:

a) Particulars of the offer including date of passing of Board resolution and material terms of issue of securities

Currently, SMC holds 17,06,28,962 equity shares of INR 5 each, representing 56.48% of the paid-up equity share capital of MSIL. With an objective to acquire 100% equity of SMG, the Board at its meeting held on 31st July, 2023, 8th August, 2023 and 17th October, 2023 has approved the purchase of 12,84,11,07,500 equity shares of INR 10/- each ("**Purchase Shares**"), representing 100% paid-up equity capital of SMG for a non-cash consideration to be discharged by issuance and allotment of 1,23,22,514 equity shares of INR 5/- each of MSIL ("**Subscription Shares**") at a price of INR 10,420.85/- (including premium of INR 10,415.85/-) per equity share being a price not less than the floor price as determined in accordance with Chapter V of ICDR Regulations. The floor price for the issue of the equity shares on a preferential basis under the applicable provisions of the ICDR Regulations is INR 10,420.85/- per equity share.

b) Purpose or Objects of the preferential issue:

With the growth of the Indian car market and export potential, MSIL would need to increase its production capacity to about 4 million cars per annum by 2030-31, almost double from current levels. This would happen over several locations. On the other hand, given the carbon neutrality requirements, several powertrain technologies like EVs, Hybrids, CNG, Ethanol etc. will co-exist for a reasonably long period of time. Managing this scale and complexity of production with multiple powertrains, under different managements, would pose several challenges. The Board considered this and decided that for the purpose of efficiency in production and supply chain, it is best to bring all production related activities under MSIL. Accordingly, the Board approved termination of the Contract Manufacturing Agreement ("**CMA**") executed with Suzuki Motor Gujarat Private Limited ("**SMG**") dated 17th December, 2015 and purchase of 100% of the equity shares of SMG owned by Suzuki Motor Corporation ("**SMC**"), and discharge the consideration for such purchase of 100% of the SMG's equity shares by way of issue of MSIL's equity shares to SMC on a preferential basis for consideration other than cash, subject to all legal and regulatory compliances. The object of the proposed preferential issue is to issue and allot Subscription Shares to SMC to discharge the total consideration of INR 12,841.1 Crores payable by the Company for the acquisition of Purchase Shares, owned by SMC in SMG. Please also refer to the explanatory statement under item no. 1.

c) Kinds of securities offered, maximum number of shares to be issued and the price at which the allotment is proposed:

The Company proposes to issue and allot 1,23,22,514 fully paid up equity shares of INR 5/- each of the Company at a price of INR 10,420.85/- (including a premium of INR 10,415.85/-) per equity share, aggregating to INR 12,841.1 Crores, such share price being not less than the minimum price as on Relevant Date, as determined in accordance with Chapter V of ICDR Regulations ("**Floor Price**").

d) Basis or justification on which the price (including premium, if any) has been arrived at along with report of the registered valuer:

The issue price has been determined basis the (i) fair equity share swap ratio for the proposed transaction, as per Valuation report dated 17th October, 2023 issued by RBSA Valuation Advisors LLP, the Independent Registered Valuer; and (ii) pricing certificate dated 17th October, 2023 issued by RMG & Associates, Company Secretaries in Whole-time Practice certifying compliance with the floor price for the proposed preferential issue of the Company, based on the pricing formula prescribed under Regulation 164 of Chapter V of ICDR Regulations.

The equity shares of the Company are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") (together referred to as the "**Stock Exchanges**"). The equity shares are frequently traded on NSE & BSE in terms of the ICDR Regulations. NSE, being the stock exchange with higher trading volumes during the 90 trading days preceding the Relevant Date, has been considered for determining the floor price in accordance with the ICDR Regulations.

In terms of the applicable provisions of the ICDR Regulations, the Floor Price at which the Subscription Shares shall be issued and allotted is INR 10,420.85/- per equity share, being higher of the following:

- Volume weighted average price of the equity shares of the Company quoted on NSE, during the 90 trading days preceding the Relevant Date, i.e., INR 9,927.97/- per equity share; or
- Volume weighted average price of the equity shares of the Company quoted on NSE, during the 10 trading days preceding the Relevant Date, i.e., INR 10,420.85/- per equity share.

Further, the Articles of Association of the Company do not provide for a method of determination of the floor price for equity shares.

The pricing of the Subscription Shares to be allotted on preferential basis is INR 10,420.85/- per equity share which is not less than the Floor Price determined in the manner set out above.

e) Relevant date with reference to which the price has been arrived at:

In terms of the provisions of Chapter V of the ICDR Regulations, Relevant Date for determining the floor price for the preferential issue is 17th October, 2023, being the date 30 days prior to the date of passing of resolution through Postal Ballot i.e., last date for voting through remote e-Voting, which is 16th November, 2023.

f) Amount which the Company intends to raise by way of such securities/ size of the issue: Not applicable. The issue of Subscription Shares is for non-cash consideration. Please refer to point c) above.

g) Principal terms of assets charged as securities: Not applicable.

h) Class or classes of persons to whom the allotment is proposed to be made and current and post allotment status:

The preferential issue, if approved, is proposed to be made to SMC, which is a foreign body corporate incorporated under the laws of Japan. SMC is a promoter and a related party of the Company, as per the Act and the Listing Regulations and such status shall remain same post preferential allotment of Subscription Shares.

i) Intention of promoters, directors or key managerial personnel of the Company to subscribe to the offer:

None of the Directors or Key Managerial Personnel of the Company intends to subscribe to any of the Subscription Shares proposed to be issued under the preferential issue. The Subscription Shares are proposed to be issued to SMC, Promoter of the Company.

j) Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects: Nil

k) Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer and name and address of valuer who performed valuation:

The Company intends to acquire 100% equity shares of SMG owned by SMC and proposes to discharge the purchase consideration payable to SMC for acquisition of 100% of the paid-up equity capital of SMG, by issue of Subscription Shares of the Company in accordance with applicable laws. As per Regulation 163(3) of the SEBI ICDR Regulations, a valuation is required to be undertaken by an Independent Registered Valuer where securities are issued on a preferential basis for consideration other than cash.

The value of the Purchase Shares and price of the Subscription Shares has been determined taking into account Valuation Report dated 17th October, 2023 issued by RBSA Valuation Advisors LLP, Independent Registered Valuer (RVE No.: IBBI/RV-E/05/2019/110) having address 912, Venus Atlantis Corporate Park, Prahaladnagar, Ahmedabad – 380015, India.

l) Timeframe/ proposed time schedule, within which the preferential issue/allotment shall be completed:

As required under the ICDR Regulations, the Subscription Shares shall be allotted by the Company within a period of 15 (fifteen) days from the date of passing of this Resolution, provided that where the allotment of the proposed Subscription Shares is pending on account of receipt of any approval or permission from any regulatory or statutory authority or the Central Government (including but not limited to the in-principle approval of the Stock Exchanges for issuance of the Subscription Shares to SMC), the allotment shall be completed within a period of 15 (fifteen) days from the date of receipt of last of such approvals or permissions.

m) Name of the proposed allottees and identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees:

The preferential issue, if approved, is proposed to be made to SMC. SMC is a listed entity on Tokyo Stock Exchange. Based on the confirmation received from SMC and considering its ownership structure, there is no identifiable natural person who can be considered as a 'beneficial owner'.

n) Percentage of post preferential offer capital that may be held by the proposed allottee and change in control, if any, in the company that would occur consequent to the preferential offer:

Details of shareholding of SMC in the Company, prior to and after the proposed preferential issue, are as under:

Pre-Preferential Issue		**Post-Allotment of Subscription Shares pursuant to the Preferential Issue**	
No. of equity shares held	**Percentage**	**No. of equity shares to be held**	**Percentage**
17,06,28,962	56.48	18,29,51,476	58.19

There shall be no change in the Management or control over the Company pursuant to the aforesaid preferential issue and the same shall continue to remain with SMC.

o) Lock-in Period:

The Subscription Shares to be issued to SMC shall be locked-in for a period of 18 months from the date of trading approval from the stock exchanges as specified under the Regulation 167 of Chapter V of ICDR Regulations. The entire pre-preferential allotment shareholding of SMC shall be locked-in from the Relevant Date up to a period of 90 trading days from the date of trading approval from the Stock Exchanges, as per the ICDR Regulations.

p) Undertakings:

As the equity shares of the Company have been listed for a period of more than 90 trading days as on the Relevant Date, the provisions of Regulation 164(3) of ICDR Regulations governing re-computation of the price of Subscription Shares shall not be applicable. However, the Company shall re-compute the price of the Subscription Shares to be allotted under the preferential allotment in terms of the provisions of ICDR Regulations if it is required to do so. If the amount payable on account of the re-computation of price is not paid within the time stipulated in ICDR Regulations, the Subscription Shares to be allotted under the preferential issue shall continue to be locked-in till the time such amount is paid.

q) Other disclosures:

- The Company is eligible to make the preferential issue under Chapter V of the ICDR Regulations.
- The proposed preferential issue is not being made to any body corporate incorporated in, or a national of a country which shares a land border with India.
- Neither the Company, nor its Directors or Promoter have been declared as wilful defaulter or fraudulent borrower as defined under the ICDR Regulations. None of the Company's Directors or promoters is a fugitive economic offender as defined under the ICDR Regulations.
- Save and except the preferential issue as proposed in the resolution as set in the accompanying Notice, the Company has not made any other issue or allotment of securities on preferential basis during the financial year 2022-23 and 2023-24.

r) Shareholding pattern of the Company before and after the Preferential Issue:

Please refer Annexure- A to this Notice for details.

s) Certificate of a Practicing Company Secretary

The certificate from RMG & Associates, Company Secretaries in Whole-time Practice certifying that the proposed preferential issue is being made in accordance with the requirements contained in the ICDR Regulations shall be made available for inspection by the Members during the voting period and is also hosted on website of the Company at www.marutisuzuki.com.

In accordance with the provisions of Sections 23, 42 and 62 of the Act, read with applicable rules thereto and relevant provisions of the ICDR Regulations, approval of the Members for issue and allotment of the said Subscription Shares to SMC is being sought by way of a Special Resolution as set out in the said item of the Notice.

Issue of the Subscription Shares pursuant to the preferential issue would be within the authorised share capital of the Company.

The Board believes that the proposed preferential issue is in the best interest of the Company and its Members and, therefore, recommends the Special Resolution, as set out in the accompanying Notice for approval by the Members of the Company.

None of the Directors, Key Managerial Personnel (KMP) or their respective relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their shareholding in the Company, in the said resolution.

By Order of the Board
For **Maruti Suzuki India Limited**

Sanjeev Grover
Executive Vice President
& Company Secretary
FCS No: 3788

New Delhi
17th October, 2023

Annexure A

Shareholding pattern of the Company before and after the Preferential Issue

Sr No	Category	Pre-issue (as on 13th October, 2023)		Post-issue	
		No of shares held	% of share holding	No of shares held	% of share holding
A.	**Promoters/Promoters Group's holding**				
1	**Indian**				
	Individual	-	-	-	-
	Bodies Corporate	-	-	-	-
	Sub-total (1)	-	-	-	-
2	**Foreign promoters**	170628962	56.48	182951476	58.19
	Sub-total (1)	**170628962**	**56.48**	**182951476**	**58.19**
	Total Shareholding of Promoter and Promoter Group (A)= (1) + (2)	**170628962**	**56.48**	**182951476**	**58.19**
B.	**Public Shareholding**				
1	**Institution (Domestic)**				
	Mutual Funds	36799265	12.19	36799265	11.71
	Alternate Investment Funds	625995	0.21	625995	0.20
	Banks	32452	0.01	32452	0.01
	Insurance Companies	13521888	4.48	13521888	4.30
	Provident funds/ Pension funds	3820468	1.26	3820468	1.22
	Sovereign Wealth Funds	188455	0.06	188455	0.06
	NBFC registered with RBI	235616	0.08	235616	0.07
	Other Financial Institutions	2700	0.00	2700	0.00
	Sub-total (1)	**55226839**	**18.29**	**55226839**	**17.57**
2	**Institution (Foreign)**				
	Foreign Portfolio Investors Category - I	63282587	20.95	63282587	20.13
	Foreign Portfolio Investors Category - II	2778822	0.92	2778822	0.88
	Sub-total (2)	**66061409**	**21.87**	**66061409**	**21.01**
3	**Central Government/ State Government(s)/ President of India**				
	Central Government/ President of India	-	-	-	-
	State Government/ Governor	-	-	-	-
	Shareholding by Companies or Bodies Corporate where Central/ State Government is a promoter.	8692	0.00	8692	0.00
	Sub-total (3)	**8692**	**0.00**	**8692**	**0.00**
4	**Non-institutions**				
	Directors and their relatives	181	0.00	181	0.00
	Investor Education and Protection Fund (IEPF)	22758	0.01	22758	0.01
	Individuals				
	i. Individual shareholders holding nominal share capital up to INR 2 Lakh	8477826	2.81	8477826	2.70
	ii. Individual shareholders holding nominal share capital in excess of INR 2 Lakh	99710	0.03	99710	0.03
	Non-Resident Indians (NRIs)	473716	0.16	473716	0.15
	Foreign Nationals	8	0.00	8	0.00
	Foreign Companies	-	-	-	-
	Bodies Corporate	788220	0.26	788220	0.25
	Any Other:				
	i) Clearing Members	9749	0.00	9749	0.00
	ii) HUF	220084	0.07	220084	0.07
	iii) Trusts	61906	0.02	61906	0.02
	Sub-total (4)	**10154158**	**3.36**	**10154158**	**3.23**
	Sub-total (B)= (1)+(2)+(3)+(4)	**131451098**	**43.52**	**131451098**	**41.81**
C.	**Non-Promoter- Non-Public shareholder**				
1	Custodian/DR Holder	-	-	-	-
	Sub-total (C)	-	-	-	-
	GRAND TOTAL	**302080060**	**100.00**	**314402574**	**100.00**

Notes:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts and reasons for the proposed Resolutions of the Postal Ballot Notice is annexed herein above.

2. In compliance with the provisions of Section 108 and Section 110 of the Act read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations, SS-2 and the MCA Circulars, the Company is pleased to provide remote e-Voting facility to its Members, to enable them to cast their votes electronically.

3. In compliance with the MCA Circulars, the Postal Ballot Notice along with the instructions regarding remote e-Voting is being sent by electronic mode only to those Members whose names appear in the Register of Members/ list of Beneficial Owners, maintained by the Company/ Depositories as at close of business hours on **13th October, 2023 (i.e. Cut-off date)**, and whose e-mail IDs are registered with the Depository Participants (DPs) or with the Company or its Registrar and Transfer Agent as on the Cut-off date.

4. Members holding shares either in physical form or dematerialized form, as on the cut-off date i.e. Friday, 13th October, 2023, (including those Members who may not receive this Postal Ballot Notice due to non-registration of their email address with KFIN or the DPs, as aforesaid) can cast their votes electronically, in respect of the Resolution(s) as set out in the Postal Ballot Notice only through the remote e-Voting.

5. As per the MCA Circulars, physical copies of the postal ballot notice, postal ballot forms and pre-paid business reply envelopes are not being sent to Members for this postal ballot. Members are requested to provide their assent or dissent through remote e-Voting only. The Company has engaged the services of KFin Technologies Limited ("**KFin**") to provide remote e-Voting facility to its members.

6. A copy of the Postal Ballot Notice is available on the website of the Company at www.marutisuzuki.com, website of the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of KFin at https://evoting.kfintech.com.

7. All documents referred to in the Postal Ballot Notice will also be available electronically for inspection, without any fee, to Members from the date of circulation of the Postal Ballot Notice up to the closure of the voting period. Members desirous of inspecting the documents referred to in the Notice or Statement may send their requests to investor@maruti.co.in from their registered e-mail addresses mentioning their names, folio numbers/DP ID and Client ID, between the period 18th October 2023 to 16th November 2023.

8. After sending the notice of Postal Ballot through email, an advertisement shall be published in English newspaper and Hindi newspaper, each with wide circulation in the district, where the Registered Office of the Company is situated, and also on the Company's website www.marutisuzuki.com.

9. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut-Off Date i.e. 13th October, 2023. Members whose names appear in the Register of Members/ List of Beneficial Owners as on the Cut-off Date shall only be considered eligible for the purpose of remote e-Voting and those members would be able to cast their votes and convey their assent or dissent to the proposed resolutions only through the remote e-Voting process. Any person who is not a Member as on the Cut-off date should treat this Postal Ballot Notice for information purpose only.

10. Members of the Company as on the Cut-Off Date (including those Members who may not have received this Notice due to non-registration of their e-mail addresses with the Company/RTA/Depositories) shall be entitled to vote in relation to the resolutions in accordance with the process specified in this Postal Ballot Notice. A Member cannot exercise his/her vote by proxy on Postal Ballot.

11. The remote e-Voting will commence on **Wednesday, the 18th October, 2023 at 9 a.m. (IST)** and will end on **Thursday, the 16th November, 2023 at 5 p.m. (IST)**. During this period, members of the Company holding shares in physical or electronic form as on the Cut-Off Date may cast their vote electronically. The remote e-Voting will be disabled by KFin immediately thereafter and will not be allowed beyond the said date and time. Once the vote on the Resolutions is cast by the Member, he/she shall not be allowed to change it subsequently.

12. **Voting instructions:**

I. **Instructions for voting through remote e-Voting:**

   a. In pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / Depository Participant (s) ('DPs') in order to increase the efficiency of the voting process.

   b. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. The members are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

Login method for remote e-Voting for Individual Shareholders holding securities in demat mode.

Type of members	Login Method
Individual members holding securities in demat mode with NSDL	1. User already registered for Internet-based Demat Account Statement (IDeAS) facility: I. Visit URL: https://eservices.nsdl.com II. Click on the 'Beneficial Owner' icon under 'Login'under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on 'Access to e-Voting'. IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. 2. User not registered for IDeAS e-Services: I. To register click on link: https://eservices.nsdl.com II. Select 'Register Online for IDeAS' or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields and follow steps given in point 1 above. 3. Accessing the e-Voting website of NSDL: I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon 'Login' which is available under 'Shareholder/Member' section. III. A new screen will open. Enter User ID (i.e. sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. On successful authentication, member will be requested to select the name of the company and the e-Voting service Provider name, i.d. KFintech. V. On successful selection, member will be re-directed to the e-Voting page of KFintech for casting their vote during the e-Voting period.
Individual members holding securities in demat mode with CDSL	1. Existing user who have opted for Easi / Easiest: I. Visit URL: https://web.cdslindia.com/myeasinew/home/login or www.cdslindia.com and click on 'Login to - My Easi' (under Quick Links) II. Login with your registered user id and password. III. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFin e-Voting portal. IV. Click on e-Voting service provider name to case your vote. 2. Users not registered for Easi/Easiest: I. Option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration II. Proceed with completing the required fields and follow the steps given in point 1 above. 3. Accessing the e-Voting website of CDSL: I. Visit URL: www.cdslindia.com II. Provide your Demat Account Number and PAN. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account. IV. On successful authentication, member will be provided links for the respective e-Voting Service Provider i.e. KFintech and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication.
Individual members login through their demat accounts / Website of Depository Participant	I. Members can also login using the login credentials of their de-mat accounts their DP registered with NSDL/CDSL for e-Voting facility. II. Once logged-in, members will be able to see the e-Voting option. Click on e-voting option, members will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against company name or e-Voting service provider - KFintech and members will be redirected to e-Voting website of KFintech for casting vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

For technical Assistance: Members facing any technical issue in logging can contact the respective helpdesk by sending a request on the e-mail id’s or contact on the phone nos. provided below:

Login Type	Helpdesk Details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no. 1800-1020-990 and 1800-22-44-30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022 - 23058738 or 022-23058542/43

II. **Login method for e-Voting for members other than Individuals holding securities in demat mode and members holding securities in physical mode.**

A. Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFIN which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

a. Launch internet browser by typing the URL: https://evoting.kfintech.com

b. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin for e-Voting, you can use your existing User ID and password for casting the vote.

c. After entering these details appropriately, click on "LOGIN"

d. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

e. You need to login again with the new credentials.

f. On successful login, the system will prompt you to select the "EVEN" of "Maruti Suzuki India Limited" and click on "Submit".

g. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

h. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

i. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

j. You may then cast your vote by selecting an appropriate option and click on "Submit".

k. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

l. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to cast vote on its behalf through remote e-Voting together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id info@rmgcs.com with a copy marked to evoting@kfintech.com on or before Monday, 20th November, 2023. The scan PDF of the abovementioned documents should be in the naming format "Corporate Name_Even".

III. **Members whose email IDs are not registered with the Company/ Depository Participants(s), and consequently Notice of Postal Ballot and e-Voting instructions cannot be serviced, are requested to register/update the same by submitting the requisite ISR 1 form (which is available on the link https://ris.kfintech.com/clientservices/isc/default.aspx) along with the supporting documents to the RTA, KFin Technologies Limited.**

Members holding shares in dematerialized form, who have not registered/updated their email IDs and Mobile details, are requested to register/update the same with their respective Depository Participants with whom they maintain their demat accounts.

After following the process as given above, please follow all steps above to cast your vote by electronic means.

IV. **Other Instructions:**

a. Any member who has not received/forgotten the User ID and Password, may obtain/generate/ retrieve the same from KFin in the manner as mentioned below:

i. If the mobile number of the Member is registered against Folio No./ DP ID Client ID, the Member may send SMS: MYEPWD e-voting Event Number + Folio No. or DP ID Client ID to 9212993399.

1. Example, for NSDL: MYEPWD<SPACE>IN12345612345678

2. Example, for CDSL: MYEPWD<SPACE>1402345612345678

3. Example for Physical: MYEPWD<SPACE>1234567890

b. If email address or mobile number of the Member is registered against Folio No./ DP ID Client ID, then on the home page of https://evoting.kfintech.com/ the Member may click "Forgot Password" and you will be redirected to the webpage https://evoting.kfintech.com/common/passwordoptions.aspx and enter Folio No. or DP ID Client ID and PAN to generate a new password.

c. Members who may require any technical assistance or support during the e-Voting period are requested to contact KFIN's toll-free numbers 1800-309-4001 or write them to them at evoting@kfintech.com.

d. In case of any query, clarification(s) and/or grievance(s), in respect of remote e-Voting, please refer the Help & Frequently Asked Questions (FAQs) section and e-Voting user manual available at the download Section of KFIN's website https://evoting.kfintech.com/public/Downloads.aspx or contact Mr. Raj Kumar Kale at evoting@kfintech.com or call KFIN's toll free No. 1800-309-4001 for any further clarification.

13. The Board of Directors of the Company has appointed Mr. Manish Gupta, Partner of RMG & Associates, Company Secretaries in Whole-time Practice, New Delhi with Membership No. FCS 5123 and Certificate of Practice No. 4095 and failing him Mr. Sachin Khurana, Partner of RMG & Associates, with Membership No. FCS 10098 and Certificate of Practice No. 13212 as the Scrutinizer, for conducting the e-Voting process in a fair and transparent manner.

14. The Scrutinizer will submit his report to the Chairman or any other person authorised by the Chairman after the completion of scrutiny and the result of the voting by postal ballot through the remote e-Voting process will be announced by the Chairman, or such person as authorised, on or before **Monday, the 20th November, 2023**. The Scrutinizer's decision on the validity of the e-Voting shall be final and binding.

15. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.marutisuzuki.com and on the website of KFin at https://evoting.kfintech.com immediately after the result is declared by the Chairman or any other person authorized by him, and the same shall be communicated to the Stock Exchanges, where the equity shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

16. The Resolution, if approved by the requisite majority through Postal Ballot, shall be deemed to have been passed on **16th November, 2023**, i.e. the last date specified for receipt of votes through the remote e-Voting process.

RMG & ASSOCIATES

Company Secretaries

COMPLIANCE CERTIFICATE

(Pursuant to Regulation 163(2), Part III of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2018 including any amendment/ modification thereof)

To,
Maruti Suzuki India Limited
Plot No.1, Nelson Mandela Road
Vasant Kunj, New Delhi-110070

We RMG & Associates Practicing Company Secretaries bearing Peer Review No.734/2020 have been engaged vide Letter dated October 03, 2023 by **Maruti Suzuki India Limited (hereinafter referred to as 'Company')**, having CIN: L34103DL1981PLC011375 and Registered Office at Plot No.1, Nelson Mandela Road Vasant Kunj, New Delhi - 110070 to issue this Compliance Certificate in accordance with Regulation 163(2) of Chapter V of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018 as amended from time to time (hereinafter referred to as **"Regulations")**.

In accordance with the Regulations, the Company has proposed issue of 1,23,22,514 Equity Shares with facevalue of Rs. 5/- each, fully paid up on a preferential basis with an issue price of Rs. 10420.85/- (Rupees Ten Thousand Four Hundred Twenty and Eighty Five Paise only) each (**'Proposed Preferential Issue'**). The Proposed Preferential Issue is for consideration other than cash. The Proposed Preferential Issue is approved at the meeting of the Board of Directors of the Company held on October 17, 2023.

On the basis of the relevant management inquiries, necessary representations and information received from/furnished by the management of the Company and its officers, as required under the aforesaid Regulations, we have verified that the issue is being made in accordance with the requirements of these Regulations as applicable to the preferential issue, and more specifically, the following documents have been reviewed:

i. Memorandum of Association and Articles of Association of the Company;

ii. The Present capital structure including the details of the Authorised, Subscribed, Issued and Paid-up Share Capital of the Company along with the shareholding pattern;

iii. Resolutions passed at the meeting of the Board of Directors;

iv. List of Proposed Allottees;

RMG & ASSOCIATES NEW DELHI COMPANY SECRETARIES

207 & 201, Suchet Chambers, 1224/5, Bank Street, Karol Bagh, New Delhi-110005
Phone: 9212221110, 011-45042509; www.rmgcs.com; E-Mail: info@rmgcs.com

v. Noted the relevant date in accordance with Regulation 161 of the Regulations. The relevant date for the purpose of said minimum issue price is October 17, 2023;

vi. The statutory registers of the Company & List of shareholders of the Company issued by Registrar and Transfer Agent (RTA):

a. to note that the equity shares are fully paid up;
b. all equity shares held by the proposed allottee in the Company are in dematerialised form;

vii. Disclosures under the SEBI (Prohibition of Insider Trading) Regulations, 2015 & the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, if any, made by proposed allottees during the 90 trading days preceding the relevant date;

viii. Details of buying, selling and dealing in the Equity Shares of the Company by the proposed allottees, Promoter or Promoter Group during the 90 trading days preceding the relevant date;

ix. Verified that the Company has obtained Permanent Account Number of the proposed allottee;

x. Draft Postal Ballot Notice along with Explanatory Statement and Share Purchase and Subscription Agreement i.e. ("SPSA")

a. to verify the disclosure in Explanatory Statement as required under CompaniesAct, 2013 & the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 163(1) of the Regulations.
   - the objects of the proposed preferential issue;
   - the maximum number of equity shares to be issued;
   - the intent of the promoters, directors or key managerial personnel of the issuer to subscribe to the offer;
   - the shareholding pattern of the issuer before and after the proposed preferential issue;
   - the time frame within which the proposed preferential issue shall be completed;
   - the identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees;
   - the percentage of post preferential issue capital that may be held by the allottee(s) and change in control, if any, in the issuer consequent to the preferential issue;
   - undertaking that the issuer shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so;

RMG & ASSOCIATES NEW DELHI COMPANY SECRETARIES

- undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees;
- Disclosures specified in Schedule VI, if the issuer or any of its promoters or directors is a wilful defaulter or a fraudulent borrower- **Not Applicable;**
- the current and proposed status of the allottee(s) post the preferential issues namely, **Promoter.**

b. to verify the tenure of the convertible securities of the Company that it shall not exceed eighteen months from the date of their allotment-**Not applicable**

c. to verify the lock-in period as required under Regulation 167 of the Regulations

d. to verify the terms for payment of consideration and allotment as required under Regulation 169 of the Regulations- **The consideration of the proposed preferential issue is other than cash.**

xi. Computation of Minimum Price of the shares to be allotted in preferential issue in accordance with Regulations. The minimum price for the proposed preferential issue of the Company based on the pricing formula prescribed under these Regulations has been worked out at Rs. 10420.85/- per equity share;

xii. With respect to compliance with minimum price for proposed preferential issue in accordance with Regulation 164(1) of the SEBI ICDR Regulations, we have issued our certificate dated October 17, 2023;

xiii. Board/Shareholder's Resolution and Statutory Registers to verify the Promoter(s) or Promoter Group has not yet failed to exercise the warrants of the Company which was previous subscribed by them- **Not applicable;**

xiv. Valuation Report of the Independent Registered Valuer for pricing of Infrequently traded shares- **Not applicable;**

xv. Valuation Report of the assets done by the Independent Registered Valuer for issuance of securities for consideration other than cash and its submission to the stock exchanges where the equity shares of the Company are listed;

xvi. Verified the relevant statutory records of the company to confirm that:

a. it has no outstanding dues to the SEBI, the stock exchanges or the Depositories, and

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b. it is in compliance with the conditions for continuous listing of equity shares as specified in the listing agreement with the stock exchange where the equity shares of the company are listed and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, as amended, and any circular or notification issued by the Board thereunder.

It is the responsibility of the Management to comply with the requirements of the Regulations, including the preparation and maintenance of all accounting and other relevant supporting records, designing, implementing and maintaining internal control relevant to preparation of Notice and explanatory statement, determination of relevant date & minimum price of shares and making estimates that are reasonable in the circumstances.

Conclusion

Based on the procedures performed as mentioned above and information, explanations and representation provided by the management of the Company, nothing has come to our attention that causes us to believe that the proposed preferential issue of equity shares being made would not be in accordance with Chapter V of the Regulations.

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the Company.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We are not expressing any opinion on the price computed / calculated and/or the price at which the shares are being issued by the Company.
4. This certificate is solely for the intended purpose of compliance in terms of aforesaid Regulations and for your information and it is not to be used, circulated, quoted or otherwise referred to for any other purpose other than compliance with the aforesaid Regulations.

For RMG & Associates
Company Secretaries
Peer Review No. 734/2020
Firm Registration No. P2001DE016100

RMG & Associates Company Secretaries NEW DELHI

17/10/2023

Date: 17.10.2023
Place: New Delhi
UDIN: F005123E001338763

CS Manish Gupta
Partner
FCS: 5123; C.P. No.: 4095

RBSA Valuation Advisors LLP
VALUATION | INVESTMENT BANKING | RESTRUCTURING |
TRANSACTION SERVICES | TRANSACTION TAX | ADVISORY SERVICES

Strictly Private and Confidential

Report Reference Number: RVA2324AMDREP046 Date: 17/10/2023

The Audit Committee and The Board of Directors,
Maruti Suzuki India Limited
1, Nelson Mandela Road, Vasant Kunj,
New Delhi – 110070

Subject: Valuation of Equity shares of Suzuki Motor Gujarat Private Limited ("SMG"), Valuation of Equity shares of Maruti Suzuki India Limited ("MSIL") and Determination of Share Exchange Ratio for acquisition of Equity Shares of SMG by MSIL

Dear Sir(s),

We refer to our engagement letter dated September 21, 2023 wherein the Board of Directors of Maruti Suzuki India Limited ("MSIL") have appointed RBSA Valuation Advisors LLP ("RBSA"/ "Valuer") to carry out the subject valuations, on a 'going concern value' premise, as of August 31, 2023 ("Valuation Date") for the purpose of determining the share exchange ratio for acquisition of equity shares of Suzuki Motor Gujarat Private Limited ("SMG") by MSIL ("Proposed Transaction").

MSIL is hereinafter referred to as the "Client". MSIL and SMG are hereinafter jointly referred to as the "Companies" and individually referred to as "Company", as the context may require.

The share exchange ratio for the purpose of this report refers to the number of equity shares which would be issued by MSIL to the equity shareholders of SMG as a consideration for acquisition of equity shares of SMG by MSIL (the "Share Exchange Ratio").

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.

SCOPE AND PURPOSE OF THIS REPORT

Maruti Suzuki India Limited

Maruti Suzuki India Limited, incorporated in February 1981, is a joint venture between the Government of India and Suzuki Motor Corporation ("SMC"). The principal activities of MSIL are manufacturing, purchase and sale of motor vehicles, components and spare parts. The other activities of MSIL comprise facilitation of pre-owned car sales, fleet management and car financing.

Head Office: 912, Venus Atlantis Corporate Park, Anandnagar Main Road, Prahaladnagar, Ahmedabad – 380015 Tel: +91 79 4050 6000
Corporate Office: 1121, Solitaire Corp. Park, Chakala, Andheri Kurla Road, Andheri (E), Mumbai 400 093 Tel: +91 22 6130 6000

The shareholding pattern of MSIL as of June 30, 2023, is as under:

Particulars	No. of Equity Shares	Shareholding %
Promoters and Promoter Group	17,06,28,962	56.48%
Public	13,14,51,098	43.52%
Total	30,20,80,060	**100.00%**

Source: BSE Fillings

Equity shares of MSIL are listed on the National Stock Exchange of India Limited and BSE Limited.

Suzuki Motor Gujarat Private Limited

SMG, incorporated in March 2014, is a wholly owned subsidiary of SMC. SMG was set up for manufacturing and sale of motor vehicles, components and spare parts. In terms of Contract Manufacturing Agreement ("CMA") between MSIL and SMG, the latter sells its production exclusively to MSIL.

The issued and subscribed equity share capital of SMG as of August 31, 2023, is INR 12,805 crore comprising of 12,80,50,00,000 equity shares of face value of INR 10 each. Post August 31, 2023, SMG has issued 3,61,07,500 equity shares by capitalization of its free reserves. Consequently, as of the report date, the outstanding number of equity shares of SMG are 12,84,11,07,500 of face value of INR 10 each.

Contract Manufacturing Agreement ("CMA")

MSIL and SMG entered into a CMA in the year 2015. The key terms of CMA include the following:

1. SMG shall manufacture Products and supply the same on an exclusive basis to MSIL based on the order(s) from MSIL.
2. SMG shall not directly supply or assign the Products to any other Third Party in any manner.
3. MSIL and SMG agree that all transactions, arrangements, and other agreements between the Parties pursuant to the Agreement shall be made, in accordance with then applicable laws, on the basis that SMG shall operate on a 'no-profit and no-loss' principle.
4. Upon termination of the CMA, for any reason whatsoever, MSIL shall have the option to purchase all, but not part of the outstanding shares of SMG as a 'going concern entity', subject to the applicable laws.
5. The purchase consideration for the sale shall be equal to the net book value of the shares of SMG computed based on the last available audited financial statements of SMG as on the date of termination of the CMA.

On July 31, 2023, the Board of Directors of SMG and the Board of Directors of MSIL have approved termination of the CMA. Further, pursuant to CMA, MSIL is exercising its option to acquire the equity shares of SMG from SMC.

In this context, the Management of MSIL (the "Management") have appointed RBSA, a Registered Valuer Entity, to carry out valuation of equity shares of MSIL and SMG and submit a report recommending the Share Exchange Ratio to Audit Committee / Board of Directors of MSIL for the Proposed Transaction (hereinafter referred to as "Report").

RBSA VALUATION ADVISORS LLP

The scope of our services is to carry out valuation exercise as at the Valuation Date to determine the equity value of equity shares of the Companies and arrive at the Share Exchange Ratio using internationally accepted valuation methodologies as may be applicable and report on the same in accordance with generally accepted professional standards including ICAI Valuation Standards 2018, issued by the Institute of Chartered Accountants of India.

Our scope of work includes recommending the Share Exchange Ratio from financial point of view and does not address the merits of the Proposed Transaction as compared to alternative transactions or strategies that might be available.

We have been provided with special purpose audited financial statements of SMG as of the Valuation Date. The Management has informed us that there are no other unusual/abnormal events in the Companies materially impacting their operating/ financial performance after August 31, 2023, until the Report Date. Further, we have been informed by the Management that to the best of their knowledge, material information regarding the business of each of the Companies has been disclosed to us.

We have relied on the above while arriving at the Share Exchange Ratio for the Proposed Transaction.

This Report is our deliverable for the above engagement.

SOURCES OF INFORMATION

In connection with this exercise, we have considered the following information received from the Management and/ or obtained from the public domain:

- Audited financial statements of MSIL and SMG for FY23;
- Special purpose audited financial statements of SMG for the five months period ended August 31, 2023;
- Details of equity shares issued post Valuation Date for SMG;
- Contract Manufacturing Agreement;
- Discussions and correspondence with the Management to obtain requisite explanation and clarification of data provided, to inter-alia understand the historical and expected future performance of MSIL and SMG;
- Other information, explanations, documents and representations, which we believed were reasonably necessary and relevant for our exercise from the Management.

Besides above information and documents, there may be other information provided by the Companies which may not have been perused by us in detail, if not considered relevant for the defined scope. The Client has been provided with the opportunity to review the draft Report (excluding the recommended Share Exchange Ratio) as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Report.

RBSA VALUATION ADVISORS LLP

PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to carry out the valuation. Procedures adopted for our analysis included such substantive steps as we considered necessary under the circumstance, including, but not limited to the following:

- Discussion with the Management to *inter-alia*:
  - Understand the business and fundamental factors that affect the business of the Companies;
  - Understand historical financial performance, current state of affairs and expected future financial performance of the Companies;
- Analysis of information shared by the Management including the financial statements of the Companies;
- Valuation of fixed assets of SMG to estimate their market value;
- Obtained and analysed market prices, volume data and other relevant information for MSIL;
- Selection of appropriate valuation approach and methodology/(ies);
- Arrived at the equity value of the Companies to determine Share Exchange Ratio for the Proposed Transaction.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

This Report is subject to the limitations detailed in our engagement letter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the Report Date and (iii) are based on the data detailed in the section - Sources of Information. We have been informed by the Management that business activities of the Companies have been carried out in the normal and ordinary course between August 31, 2023 and the Report date and that no material changes have occurred in their respective operations and financial position between August 31, 2023 and the Report date.

Valuation of a business or an entity 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.

Valuation analysis and results are specific to the purpose of valuation and as per the agreed terms of the engagement. It may not be valid for any other purpose or as of any other date.

A valuation 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. This Report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the Share Exchange Ratio. Events occurring after the Valuation 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.

RBSA VALUATION ADVISORS LLP

The recommendation rendered in this Report only represent our recommendation based upon information furnished by the Companies and gathered from public domain (and analysis thereon) and the said recommendation shall be considered to be in the nature of non-binding advice. Our recommendation should not be used for advising anybody to take buy or sell decisions, for which specific opinion needs to be taken from expert advisors.

During the course of the valuation, we were provided with both written and verbal information including market, financial and operating data. We have evaluated the information provided to us by/ on behalf of the Management through inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement.

Our valuation does not constitute as an audit or review in accordance with the auditing standards applicable in India, accounting / financial /commercial/legal/tax / environmental due diligence or forensic / investigation services and does not include verification or validation work.

In accordance with the terms of our engagement / appointment letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed, certified, carried out a due diligence, or otherwise investigated the historical financials / financial information or individual assets or liabilities, provided to us regarding the Companies. 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 such historical financials / financial statements. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the Companies. 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 conclusion is based on the assumptions and information given by / on behalf of the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies, or misstatements may materially affect our valuation analysis / results.

The valuation analysis is based on the exercise of judicious discretion by the Valuer taking into account the relevant factors. There will always be several factors, e.g., management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the financial statements but could strongly influence the value.

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. 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 disclosed in the audited / unaudited balance sheets of the Companies, if any. No investigation of Companies' claim to title of assets has been made for the purpose of this Report and 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. Our conclusion of value assumes that the assets and liabilities of the Companies reflected in their respective latest balance sheets remain intact as of the Report date.

RBSA VALUATION ADVISORS LLP

This Report and the information contained in it is confidential and intended only for the sole use and information of the Board of Directors of MSIL and SMG in connection with the Proposed Transaction including for the purpose of obtaining regulatory approvals, as required under applicable laws of India. Without limiting the foregoing, we understand that MSIL and SMG may be required to share this Report with their shareholders, regulatory or judicial authorities, in connection with the Proposed Transaction (together, "Permitted Recipients"). We hereby give consent to such disclosure of this Report, on the basis that the Valuer owes responsibility only to MSIL that has engaged us, under the terms of the engagement, and to no other person; and that, to the fullest extent permitted by law, the Valuer accepts no responsibility or liability to any other party, in connection with this Report. It is clarified that reference to this Report in any document and / or filing with Permitted Recipients, in connection with the Proposed Transaction, shall not be deemed to be an acceptance by the Valuer of any responsibility or liability to any person/ party other than the Client.

This Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. The Client is only authorized user of this Report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the Client from providing a copy of the Report to third party advisors whose review would be consistent with the intended use. We do not take any responsibility for the unauthorized use of this Report. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Client or Companies, their directors, employees or agents. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

We have not carried out any physical verification of the assets and liabilities of the Companies and take no responsibility for the identification of such assets and liabilities.

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

Our valuation analysis and results are governed by concept of materiality.

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

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. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Companies, their directors, employees or agents.

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.

The Management of MSIL and SMG has been provided with the opportunity to review the draft report (excluding the recommended Share Exchange Ratio) as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final Report.

RBSA VALUATION ADVISORS LLP

This Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any document without our prior written consent. In addition, this Report does not, in any manner address the price at which equity shares of MSIL will trade following the announcement of Proposed Transaction and we express no opinion or recommendation as to how the shareholders of MSIL should vote at any shareholders' meeting(s) to be held in connection with the Proposed Transaction.

DISCLOSURE OF RV INTEREST OR CONFLICT, IF ANY AND OTHER AFFIRMATIVE STATEMENTS

We do not have any financial interest in the Companies, nor do we have any conflict of interest in carrying out this valuation. Further, the information provided by the Management has been appropriately reviewed in carrying out the valuation.

VALUATION APPROACH & METHODOLOGY

The basis of value for valuation exercise is participant specific value, which is defined by ICAI Valuation Standards as: "*Participant specific value is the estimated value of an asset or liability considering specific advantages or disadvantages of either of the owner or identified acquirer or identified participants*". The Participant specific value takes into consideration the synergies or specific advantages/disadvantages available to the acquirer which may not be available to the market participants at large.

Our valuation, and this Report, is based on the premise of 'going concern value'. Any change in the valuation base, or the premise could have significant impact on our valuation exercise, and therefore, this Report.

It may be noted that the Institute of Chartered Accountants of India (ICAI) on June 10, 2018, has issued the ICAI Valuation Standards ("ICAI VS") effective for all the valuation reports issued on or after July 1, 2018. ICAI VS are mandatory for a valuation done under the Companies Act, 2013. We have given due cognizance to the same in carrying out the valuation exercise.

Intended Users: This Report is intended for consumption of the Board of Directors of MSIL and SMG and may be submitted to their shareholders and relevant regulatory and judicial authorities as may be mandatorily required under the laws of India, in connection with the Proposed Transaction.

It should be understood that the valuation of any entity or business is inherently subjective and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we have relied on explanations provided by the Management and have made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Management/ Companies. This valuation could fluctuate with the passage of time, changes in prevailing market conditions and prospects, industry performance and general business and economic conditions financial and otherwise, of the Companies, and other factors which generally influence the valuation of Companies and their assets.

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ICAI VS 301 specifies that generally, the following three approaches can be used for valuation of business to determine the value of the equity shares of a company/ business,

- Income Approach
- Market Approach
- Asset Approach

There are several commonly used and accepted methods, within the market approach, income approach and asset approach, for determining the Share Exchange Ratio, which have been considered in the present case, to the extent relevant and applicable, and subject to the availability of detailed information.

<u>Income Approach - Discounted Cash Flow ("DCF")</u>

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalized) amount.

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. The terminal value represents total value of the available cash flow for all periods subsequent to the horizon period. The terminal value of business at the end of horizon period is estimated, discounted to its present value equivalent, and added to the present value of available cash flows to estimate the value of the business. Such DCF analysis involves determining the following:

a. *Estimating future free cash flows:* Free cash flows to firm are the cash flows expected to be generated by the company/ business that are available to the providers of the company's capital – both debt and equity.

b. *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 capital providers (namely shareholders and creditors), weighted by their 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.

<u>Market Approach</u>
Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

<u>Market Price Method</u>:
Under this method, the value of shares of a company is determined by taking the average of the market capitalization of equity shares of such companies as quoted on a recognized stock exchange over reasonable period of time where such quotations are arising from the shares being regularly and freely traded in an active market, subject to the element of speculative support that may be inbuilt in the market price.

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Comparable Companies Multiple (CCM) Method:
Under this method, value of a business / company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. The market price, as a ratio of the comparable company's attributes such as book net worth, profit after tax, embedded value, capital employed, earnings, etc. is used to derive an appropriate multiple. This multiple is then applied to the attribute of the asset being valued to indicate the value of subject asset. 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 Multiple (CTM) Method
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.

Asset Approach
The asset-based valuation technique is based on the value of underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is generally used in cases where the Company is to be liquidated i.e., it does not meet the 'going concern' criteria or in cases where the assets base dominates earnings capability and not in the ongoing operations of the business.

Method adopted for valuation of SMG

As per the terms of CMA,

i. SMG shall manufacture the Products and supply the same on an exclusive basis to MSIL in accordance with the terms and conditions as specified under the Agreement.
ii. MSIL and SMG agree that all transactions, arrangements and other agreements between them pursuant to the Agreement shall be made, on the basis that SMG shall operate on a no-profit and no-loss principle.
iii. The sales price of the Products for selling the Products from SMG to MSIL shall be determined by MSIL and SMG, by mutual consent, for each financial year of SMG, on the basis that SMG does not have any profits or losses at the end of any financial year.
iv. Any non-operating income accrued to SMG, arising out of any surplus funds shall not be taken into account for the purposes of the no-profit and no-loss principle.
v. Upon termination of the Agreement, for any reason whatsoever, MSIL shall have the option to purchase all, but not part of the outstanding shares of SMG as a 'going concern entity', subject to the applicable laws.
vi. The purchase consideration for the sale shall be equal to the net book value of the shares of SMG computed based on the last available audited financial statements of SMG as on the date of termination of the Agreement.

On July 31, 2023, the Board of Directors of SMG and the Board of Directors of MSIL approved the termination of the CMA. Further, pursuant to CMA, MSIL is exercising its option to acquire the equity shares of SMG from SMC.

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Equity shares of SMG are not listed on any stock exchanges. Accordingly, the market price method is not applicable. Considering the terms of CMA, SMG has not earned any operating profits in the past. The valuation of equity shares of SMG is carried out in the context of termination of CMA and the exercise of option by MSIL to acquire equity shares of SMG at net book value. The latest available audited financial statement of SMG is as of August 31, 2023, and its valuation has been carried out considering the said audited financials, basis, terms agreed in the CMA. We understand from Management, that MSIL and SMC have mutually agreed to consider the August 31, 2023, audited financials for determining the net book value of SMG shares. Considering the aforementioned and option available to MSIL pursuant to CMA, we have not adopted Market Approach or Income Approach for the valuation of equity shares of SMG.

We have carried out valuation of SMG under the Net Assets Value method. The estimated market value of the fixed assets of SMG based on depreciated replacement cost method is marginally higher than the book value and considering the terms of CMA (refer pt. vi above), we have considered it appropriate to take the book value of fixed assets as representative of its fair value. Rest of the assets and liabilities as of Valuation Date have been considered at their respective book values.

Method adopted for Valuation of MSIL

In the present case, since the shares of MSIL are listed on stock exchanges, information relating to its future financial performance is price sensitive. Additionally, having regard to the business in which MSIL operates, projecting financials on a reliable basis, is difficult and involves considerable subjectivity and hence projections of MSIL have not been made available for the present exercise. In absence of availability of projections and business plans, we have not applied income approach for valuation of MSIL.

MSIL is primarily engaged in the manufacture and marketing of the passenger car vehicles ("PSV") segment with ~41.4% market share in FY23. Hyundai Motors India Limited ("HMIL") and Tata Motors Limited ("TML") had ~14.6% and ~14.0% market share respectively in FY23. In terms of exports, MSIL was top exporter of cars from India, with ~38.5% share in the market in FY23, HMIL being second exporting 1.53 lakh units. Equity shares of HMIL are not listed. Further, TML also has significant presence in commercial vehicle segment and overseas market. Considering that there are no close comparable listed companies in terms of market share, exports, vehicle segment, car models in India, etc., we have not considered CCM method for valuation of MSIL.

CTM method has not been used due to lack of information in the public domain on comparable transactions of similar scale. Further, the transaction multiples may include acquirer specific considerations, synergy benefits, control premium and minority adjustments.

Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR"), as amended, provide that if the equity shares of the issuer company have been listed on a stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

a. the 90 trading days' volume weighted average price of the equity shares quoted on the stock exchange preceding the relevant date, or
b. the 10 trading days' volume weighted average prices of the equity shares quoted on the stock exchange preceding the relevant date.

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Accordingly, the higher of 90 trading days / 10 trading days volume weighted average price for valuation of MSIL has been adopted. We have been informed by the Management to consider the relevant date as October 17, 2023 and that the meeting of shareholders will be held as per the time limits laid under the Regulations. We have relied on Management representation in this regard.

For the present valuation analysis, the Proposed Transaction is proceeded on the assumption that the Companies would continue as going concern and actual realization of the operating assets is not contemplated. In such a going concern scenario, the earning power, as reflected under the Income and/or Market approach, is of greater importance, with the values arrived at on the net assets being of limited relevance. Hence, while we have calculated and presented for information purposes the value of MSIL under the Asset Approach (based on the book values of the net assets appearing in the balance sheet as of June 30, 2023) i.e., INR 2,131.7 per share, we have considered it appropriate not to give any weightage to the same in arriving at the Share Exchange Ratio.

BASIS OF SHARE EXCHANGE RATIO

Arriving at the Share Exchange Ratio for the Proposed Transaction would require determining the value per equity share of the Companies. Though different values have been arrived at under the methodologies explained above, for the purposes of recommending a share exchange ratio, it is necessary to arrive at a single value for the equity share of the Companies. For this purpose, it is necessary to give appropriate weights to the values arrived at under methodologies applied for the present valuation exercise.

The Share Exchange Ratio has been arrived at on the basis of equity valuation of the Companies based on the various approaches/ methods explained herein earlier and various qualitative factors relevant to each Company and the business dynamics and growth potential of the businesses, having regard to information base, key underlying assumptions and limitations. We have independently applied the methodologies, as considered appropriate, and arrived at the value per share of the Companies to determine the Share Exchange Ratio for the Proposed Transaction.

The computation of the Share Exchange Ratio is as under:

Valuation Approach	MSIL		SMG	
	INR per share	Weight	INR per share	Weight
Income Approach – DCF Method	NA	0%	NA	0%
Market Approach - Market Price Method	10,420.85	100%	NA	0%
Market Approach - CCM Method / CTM Method	NA	0%	NA	0%
Asset Approach - Adjusted Net asset value	2,131.70	0%	10.00	100%
Value per share	**10,420.85**	**100%**	**10.00**	**100%**
Share Exchange Ratio			**1,042.085**	

NA – Not Applicable

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On the basis of the foregoing and on consideration of the relevant factors and circumstances as discussed and outlined herein above, we recommend the following Share Exchange Ratio for the Proposed Transaction,

1,000 (One Thousand) fully paid-up equity shares of face Value of INR 5 each of Maruti Suzuki India Limited for every 10,42,085 (Ten Lakhs Forty-Two Thousand Eight Five) fully paid-up Equity Shares of face Value INR 10 each of Suzuki Motor Gujarat Private Limited.

Respectfully submitted.

For RBSA Valuation Advisors LLP
(RVE No.: IBBI/RV-E/05/2019/110)

RBSA VALUATION ADVISORS LLP

Rajeev Shah
Partner
Asset Class: Securities or Financial Assets
RV No.: IBBI/RV/06/2018/10186

Date: 17/10/2023
Place: Ahmedabad