



## Motherson Sumi Systems Limited

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

November 2, 2021

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

BSE Limited  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Building  
P.J. Towers, Dalal Street  
Fort  
MUMBAI – 400001, India

**Scrip Code : MOTHERSUMI**

**Scrip Code : 517334**

**Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/ Madam,

Pursuant to Regulation 30 read with Schedule III (Part A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Postal Ballot Notice dispatched to all the members for seeking approval for following matter:

Item No.	Description of the Resolution
1.	Special Resolution-  To make investment and / or provide loan / guarantee in excess of the limits prescribed under Section 186 of the Companies Act, 2013 as mentioned in resolution in the Postal Ballot Notice.

Kindly note the schedule of events for Postal Ballot and e-voting is as under:

Sl. No.	Activity	Date
1.	Cut-off date for sending notice to the shareholders	October 29, 2021
2.	Voting start date and time	Wednesday, November 3, 2021 from 0900 Hours (IST)
3.	Voting end date and time	Thursday, December 2, 2021 till 1700 Hours (IST)
4.	Scrutinizer's Report and Declaration of results	On or before December 4, 2021

The said Postal Ballot Notice and further details may also be accessed on the Company's website, viz., [www.motherson.com](http://www.motherson.com).

The above is for your information and records.

Thanking you,

Yours truly,  
For Motherson Sumi Systems Limited

Alok Goel  
Company Secretary

Encl: A/a.

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



## MOTHERSON SUMI SYSTEMS LIMITED

(CIN-L34300MH1986PLC284510)

Regd. Office: Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East,  
Mumbai - 400051, Maharashtra

Phone: +91 022 40555940; Fax: +91 022 40555940

Corporate Office: 11<sup>th</sup> Floor, Plot No. 1, Sector-127, Noida-201301 (Uttar Pradesh)

Phone: +91 120 6679500; Fax: +91 120 2521866;

E-mail: [investorrelations@motherson.com](mailto:investorrelations@motherson.com) | Website: [www.motherson.com](http://www.motherson.com)

Investor relation phone no.: 0120 6679500

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### POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies  
(Management and Administration) Rules, 2014]

To,  
The Member(s),

NOTICE is hereby given, pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”), read with Rule 20 (as applicable) and Rule 22 of the Companies (Management and Administration) Rules, 2014 (“**the Rules**”), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and other applicable laws and regulations, if any, including any statutory modification or re-enactment(s) thereof for the time being in force that the resolution appended below is proposed as a special business to be passed by the members of Motherson Sumi Systems Limited (**the “Company”**) by postal ballot by way of remote voting by electronic means (“**E-voting**”/ “**Remote e-voting**”). The explanatory statement pertaining to the proposed resolution setting out the material facts concerning the resolution and the reasons thereof, is annexed hereto with this Postal Ballot Notice for your consideration.

The Ministry of Corporate Affairs, Government of India (“**MCA**”) in terms of the General Circular No. 14/2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020, the General Circular No. 33/2020 dated September 28, 2020, the General Circular No. 39/2020 dated December 31, 2020 and the General Circular No. 10/2021 dated June 23, 2021 issued by the MCA (“**MCA Circulars**”), in view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing, has advised the companies to take all decisions requiring members’ approval, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of postal ballot / e-voting in accordance with the provisions of the Act and rules made thereunder, without holding a general meeting that requires physical presence of members at a common venue.

MCA has clarified that for companies that are required to provide e-voting facility under the Act, while transacting any business(es) only by e-voting upto December 31, 2021, (as extended by General Circular No. 10/2021 dated June 23, 2021) the requirements provided in Rule 20 of the Rules as well as the framework provided in the MCA Circulars will be applicable *mutatis mutandis*. Further, the Company will send Postal Ballot Notice by email to all its members who have registered their email addresses with the Company / Registrar and Share Transfer Agent or Depository / Depository Participants and the communication of assent / dissent of the members will only take place through the remote e-voting system. This Postal Ballot is accordingly being initiated in compliance with the MCA Circulars.

Hence, in compliance with the requirements of the MCA Circulars, hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business reply envelope will not be sent to the members for this Postal Ballot and members are required to communicate their assent or dissent through the remote e-voting system only.

Further, in accordance with the relevant MCA Circulars, members whose e-mail ID is not registered with the Registrar & Share Transfer Agent (“**RTA**”) or Depository Participant, are requested to kindly follow procedure mentioned at serial no. 6 of the Notes for the registration of their respective e-mail ID

to get soft copy of the notice and procedure for e-voting which will enable the members for e-voting for this Postal Ballot.

For the purpose of postal ballot / e-voting process, the Company has engaged the services of KFin Technologies Private Limited (“**KFintech**”).

Further, the Board of Directors in compliance with Rule 22(5) of aforesaid Rule has appointed Mr. D.P. Gupta, Practicing Company Secretary of SGS Associates (FCS-2411; C.P. No.-1509), as the Scrutinizer (“**Scrutinizer**”) for conducting the postal ballot / e-voting process in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman of the Company (the “**Chairman**”) or to any other person authorized by the Chairman after completion of scrutiny of the e-voting for declaration of results. The result of the postal ballot shall be declared on or before December 4, 2021 and communicated to the stock exchanges, RTA and shall also be displayed on the Company’s website, viz., [www.motherson.com](http://www.motherson.com) and the website of e-voting agency, viz., [evoting.kfintech.com](http://evoting.kfintech.com).

### **SPECIAL BUSINESS**

#### **1. Approval to make investment and / or provide loan / guarantee in excess of the limits prescribed under Section 186 of the Companies Act, 2013**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of section 186 of the Companies Act, 2013 (“**the Act**”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and rules made thereunder and subject to such approval(s), consent(s), sanction(s) and permission(s), if any, as may be necessary, 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, unless context otherwise requires, any Committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), for acquiring 55% stake in CIM Tools Pvt. Ltd. (CIN: U29199KA1997PTC021886), having registered office at Plot No. 467- 469, Site No. 1D, 12<sup>th</sup> Cross, IV Phase, Peenya Industrial Area, Bangalore, Karnataka- 560058, India (hereinafter referred to as “**CIM**”) both by way of primary and secondary acquisition of shares, and/or to provide loan to CIM in future and/or giving of guarantee in connection with a loan taken / to be taken by CIM, wherein the aggregate of the investments to be made, loan to be provided or guarantees to be given, as referred above, from time to time shall be for an amount up to INR 2,500 Million (Rupee Two Thousand Five Hundred Million Only), in one or more tranches, notwithstanding that above mentioned investment(s), loan(s) and / or guarantee(s) together with the Company’s existing investment(s), loan(s), security(ies) or guarantee(s) in all other body corporates shall be in excess of the limits prescribed under Section 186 of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to perform all acts, deeds, matters or things and take such decisions / steps as may be necessary, expedient or desirable to give effect to aforesaid resolution.”

By Order of the Board

Place : Noida  
Date : October 08, 2021

Alok Goel  
Company Secretary  
Membership No. – FCS 4383

**Regd Office:**  
Unit 705, C Wing, ONE BKC,  
G Block, Bandra Kurla Complex,  
Bandra East, Mumbai – 400051

**Notes:**

1. The Special Business as mentioned above requires the consent of the members through Postal Ballot by way of e-voting.
2. **Explanatory Statement and reasons for the proposed Special Businesses pursuant to Section 102 of the Companies Act, 2013 read with Section 110 of the Companies Act, 2013 are given hereunder.**
3. The Company has appointed Mr. D.P. Gupta, Company Secretary in practice of SGS Associates (FCS-2411; C.P. No.-1509) as Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.
4. The Postal Ballot Notice is being sent to /published/displayed for all the Members, whose names appear in the Register of Members/ List of Beneficial Owners as received from Depositories i.e. National Securities Depository Limited (“NSDL”) / Central Depository Services (India) Limited (“CDSL”) as on October 29, 2021 in accordance with the provisions of the Companies Act, 2013, read with Rules made thereunder and the Ministry of Corporate Affairs, Government of India’s General Circular No. 14/2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020, the General Circular No. 33/2020 dated September 28, 2020, the General Circular No. 39/2020 dated December 31, 2020 and the General Circular No. 10/2021 dated June 23, 2021.
5. In terms of Sections 108, 110 and other applicable provisions of the Companies Act, 2013, as amended, read together with the Companies (Management and Administration) Rules, 2014 and in compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the ‘**Listing Regulations**’) as amended from time to time, the Company is pleased to offer remote e-voting facility to all the members of the Company. The Company has appointed KFin Technologies Private Limited (“**KFintech**”) for facilitating e-voting to enable the members to cast their votes electronically (hereinafter referred to as the “**E-voting**”/ “**Remote e-voting**”).
6. In accordance with the MCA Circulars, to facilitate such shareholders to receive this Notice electronically and cast their vote electronically, the Company has made special arrangement with its Registrar & Share Transfer Agent i.e. KFintech for registration of email addresses in terms of the General Circular No. 17/2020 issued by the Ministry of Corporate Affairs dated April 13, 2020. The process for registration of email addresses is as under:
  - i. Pursuant to the aforesaid Circular issued by Ministry of Corporate Affairs, for remote e-voting for this Postal Ballot, shareholders who have not yet registered their email address and in consequence the e-voting notice cannot be serviced, may temporarily get their email address registered with the Company’s Registrar and Share Transfer Agent, KFin Technologies Private Limited, by clicking the link <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> with following details:
    - Name registered as per records of the Company;
    - DP ID- Client ID / Folio No.;
    - Email ID to be registered for receiving the Postal Ballot Notice.
  - ii. Post successful registration of the email, the shareholder will get soft copy of the notice and the procedure for e-voting along with the User ID and Password to enable e-voting for this Postal Ballot. In case of any queries, shareholder may write to [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com).
  - iii. It is clarified that for permanent registration of email address, shareholders are requested to register their email addresses, in respect of electronic holdings with their concerned Depository Participants and in respect of physical holdings, with the Company’s Registrar and Share Transfer Agent, KFin Technologies Private Limited, Selenium, Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032, India by following due procedure.
  - iv. Those shareholders who have already registered their email addresses are requested to keep their email addresses validated with their Depository Participants / the Company’s Registrar

and Share Transfer Agent, KFin Technologies Private Limited to enable servicing of notices / documents / Annual Reports electronically to their email address.

7. The procedure and instructions for E-voting are as follows:

- (a) Date and time of commencement of voting through electronic means: November 3, 2021 from 0900 Hours (IST).
- (b) Date and time of end of voting through electronic means beyond which voting will not be allowed: December 2, 2021 upto 1700 Hours (IST).
- (c) Details of Website: <https://evoting.kfintech.com>.
- (d) Details of persons to be contacted for issues relating to e-voting: Mr. Suresh Babu D, Manager, Corporate Registry, KFin Technologies Private Limited, Selenium Building, Tower B, Plot No. 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telengana, India - 500032. Tel. No.: +91 40 6716 2222; Toll Free No: 1800-309-4001; Fax No. : +91 40 2300 1153; E-mail: [evoting@kfintech.com](mailto:evoting@kfintech.com).
- (e) Details of Scrutinizer: Mr. D.P. Gupta, Company Secretary in practice of SGS Associates (FCS2411; C.P. No.1509).

8. The instructions for e-voting are as under:

**Step 1: Login method for Individual shareholders holding securities in demat mode is given below:**

NSDL	CDSL
<p><b>1. User already registered for IDeAS facility:</b></p> <ol style="list-style-type: none"> <li>I. URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>II. Click on the "Beneficial Owner" icon under 'IDeAS' section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"</li> <li>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.</li> </ol> <p><b>2. User not registered for IDeAS e-Services</b></p> <ol style="list-style-type: none"> <li>I. To register click on link : <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>II. Select "Register Online for IDeAS" <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>III. Follow steps given in point 1.</li> </ol> <p><b>3. Alternatively by directly accessing the e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>I. URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></li> <li>II. Click on the icon "Login" which is available under 'Shareholder/Member' section.</li> <li>III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a</li> </ol>	<p><b>1. Existing user who have opted for Easi / Easiest</b></p> <ol style="list-style-type: none"> <li>I. URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Click on New System Myeasi</li> <li>III. Login with user id and password.</li> <li>IV. Option will be made available to reach e-Voting page without any further authentication.</li> <li>V. Click on e-Voting service provider name to cast your vote.</li> </ol> <p><b>2. User not registered for Easi/Easiest</b></p> <ol style="list-style-type: none"> <li>I. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>II. Proceed with completing the required fields.</li> </ol> <p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <ol style="list-style-type: none"> <li>I. URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Provide demat Account Number and PAN No.</li> <li>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>IV. After successful authentication, user will be provided links for the respective e-Voting service provider where the e-Voting is in progress.</li> </ol>

<p>Verification Code as shown on the screen.</p> <p>IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</p> <p>V. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>	
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You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website. Members facing any technical issue are requested to contact:

<b>Members facing any technical issue - NSDL</b>	<b>Members facing any technical issue - CDSL</b>
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.

**Step 2: Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

- (i) Launch internet browser by typing the URL: <https://evoting.kfintech.com>.
- (ii) Enter the login credentials (i.e. User ID and password mentioned in the email). Member(s) Folio No. /DP ID – Client ID will be the User ID. However, if member(s) are already registered with Kfintech for e-voting, such member(s) can use their existing User ID and password for casting your vote.
- (iii) After entering these details appropriately, click on "LOGIN".
- (iv) Member(s) will then reach password change Menu wherein member(s) are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt Member(s) to change password and update their contact details like mobile number, email ID, etc., on first login. Member(s) may also enter a secret question and answer of their choice to retrieve their password in case they forget. **It is strongly recommended that the member(s) do not share their password with any other person and to take utmost care to keep password confidentiality.**
- (v) Members(s) now need to login again with the new credentials.
- (vi) On successful login, the system will prompt to select the E-Voting Event Number for **Motherson Sumi Systems Limited**.
- (vii) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date i.e. October 29, 2021 under "FOR/AGAINST" or alternatively, a member may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed the member's total shareholding as

- on the cut-off date. A member may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- (viii) Member(s) holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
  - (ix) Member(s) may then cast their vote(s) by selecting an appropriate option and click on "Submit".
  - (x) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once confirmed, member(s) will not be allowed to modify their vote(s). During the voting period, member(s) can login any number of times till they have voted on the Resolution(s).
  - (xi) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: [support@dpgupta.com](mailto:support@dpgupta.com) with a copy to [evoting@kfintech.com](mailto:evoting@kfintech.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."
9. Once the vote on a resolution is cast by a member, member shall not be allowed to change it subsequently.
  10. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Kfintech's website <https://evoting.kfintech.com>.
  11. The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date, being October 29, 2021. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.
  12. The Scrutinizer shall within a period not exceeding two (2) days from the last date of receipt of conclusion of the e-voting period make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman or to any other person authorized by the Chairman of the Company.
  13. The result of the Postal Ballot will be announced on or before December 4, 2021 at the Registered / Corporate Office of the Company. The result of the Postal Ballot and Report of Scrutinizer will also be displayed at Company's website [www.motherson.com](http://www.motherson.com) and on Kfintech's website <https://evoting.kfintech.com> and shall also be communicated to BSE Limited and National Stock Exchange of India Limited.
  14. The date of declaration of the results of the Postal Ballot shall be the date on which the resolution(s) would be deemed to have been passed by the Members, if approved by requisite majority.
  15. Subject to applicable law and regulation of Government and / or local authority due to COVID-19, a copy each of the documents referred to in the accompanying Explanatory Statement including Articles of Association of the Company is open for inspection at the Registered Office of the Company on all working days, except holidays, between 1100 Hours to 1300 Hours up to December 2, 2021.
  16. Members are requested to carefully read the instructions mentioned in the notes before exercising their vote.

### **Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

#### **Item No. 1**

The Company has announced its Vision 2025 which, *inter-alia*, includes its vision to diversify into new industries and has set-up a target to achieve 25% revenue from new divisions, *namely*, Technology and Industry Solutions, Logistics, Aerospace and Health and Medical.

The Board of Directors at its board meeting held on October 8, 2021, approved to acquire 55% stake in CIM Tools Pvt. Ltd., Bengaluru ('CIM') and accordingly the definitive agreements were executed among the Company, CIM and its promoters, *namely*, Mr. Srikanth GS, Mr. VP Deshpande and Mr.



Umesh AS and their associates on October 8, 2021.

The members may access the disclosures made by the Company on October 8, 2021, to the Stock Exchanges, i.e., pursuant to the approval by the Board of Directors, using the below links:

- (a) Acquisition Press Release and Presentation:  
<https://www.motherson.com/storage/Corporate%20Announcements/FY%202021-22/Press%20release%20&%20Presentation.pdf>
- (b) Acquisition Disclosure:  
[https://www.motherson.com/storage/Corporate%20Announcements/FY%202021-22/Disclosure\\_Acqisition-of-CIM-Tools-Pvt-Ltd.pdf](https://www.motherson.com/storage/Corporate%20Announcements/FY%202021-22/Disclosure_Acqisition-of-CIM-Tools-Pvt-Ltd.pdf)

CIM was incorporated in the year 1997 and is engaged in the business of machining and sub-assembly of components for the aerospace industry and is a preferred supplier with more than 25 years of experience, producing detailed structural machined parts for aircraft doors, wings, tail and fuselage. It has state of the art facilities in and around Bengaluru engaged in specialized processes of machining, treatment, sub-assembly and testing to manufacture diversified products catering to various parts of the aircrafts.

The consolidated (proforma) revenues of CIM during the F.Y. 2019-20 and F.Y. 2020-21 were INR 2,031 Million and INR 1,296 Million respectively. CIM consolidated (proforma) includes Aero Treatment Pvt. Ltd ('**ATPL**') which is engaged in treatment of machined components. ATPL is a vertically integrated unit engaged in surface treatment of machined parts. Further, CIM has a joint venture, *namely*, Lauak CIM Aerospace ('**LCA**'), with Lauak International which is engaged in hard metal machining. Subject to customary closing conditions, the Company expects to complete transaction within 3-4 months from the date of signing.

The provisions of sub-section (2) of section 186 of the Companies Act, 2013 (hereinafter referred to as "**the Act**") read with the Companies (Meetings of Board and its Powers) Rules, 2014, *inter-alia*, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding:

- (i) sixty percent of its paid-up share capital, free reserves and securities premium account; or
- (ii) one hundred per cent of its free reserves and securities premium account, whichever is more.

The sub-section (3) of section 186 of the Act provides that where giving of any loan or guarantee or providing any security or the acquisition as provided under sub-section (2) of section 186 of the Act, exceeds the limits specified therein, a prior approval of members by means of a Special Resolution is required to be obtained.

Also, the first proviso to sub-section (3) of section 186 of the Act provides that where a loan or guarantee is given or where a security been provided by a company to its wholly owned subsidiary company or a joint venture company, or acquisition is made by a holding company, by way of subscription, purchase or otherwise of, the securities of its wholly owned subsidiary company, the requirement of sub-section (2) of section 186 of the Act shall not apply.

In this respect, the members may note that as per latest audited financial statement of the Company as on March 31, 2021:

- (a) the permissible limits under sub-section (2) of section 186 of the Act, for granting intercorporate loan, providing guarantee(s) or security(s), or investment(s) by the Company is INR 62,497 Million.
- (b) The Company has made loan, provided guarantee or security and subscribed to securities to the tune of INR 96,092 Million.
- (c) The said amount of INR 96,092 Million includes, loans, guarantee or security and/or investment made to wholly owned subsidiary companies (WOS) to the tune of INR 94,519 Million, which



are exempted under the first proviso to sub-section (3) of section 186 of the Act, for the requirement of obtaining prior shareholders' approval.

- (d) Accordingly, as on March 31, 2021 the aggregate of loans, guarantee, security investment etc. in legal entities or other person, i.e., other than Joint Venture and WOS which are exempted under sub-section (3) of section 186 of the Act, was INR 1,573 million.

The members may note that as the proposed investments in shares of CIM and/or grant loan / guarantee etc. as more specifically mentioned in the enabling resolution, together with the investments already made by the Company exceeds the limits prescribed in Section 186(2) of the Act. Accordingly, a prior approval of the members is being sought by way of Special Resolution.

The members may also note that shareholders of the Company in their 34<sup>th</sup> Annual General Meeting ("AGM") held on September 17, 2021, *inter-alia*, approved to make loan, guarantee or security by the Company and investments for an additional amount of INR 1,000 Million, as mentioned in the resolution approved the shareholders in the aforesaid AGM. The proposed resolution for acquisition of 55% stake in CIM and/or to provide loan to CIM in future and/or giving of guarantee in connection with a loan taken / to be taken by CIM, for an amount not exceeding INR 2,500 Million by the Company into CIM will be over and above, to limits approved by the shareholders in aforesaid AGM.

The members may note that for financial year ended March 31, 2021, the Company reported a consolidated revenue from operations of INR 601,954 Million and standalone revenue from operations of INR 65,661 Million. Also, the consolidated EBITDA for the said period was INR 50,152 Million and standalone EBITDA of INR 9,818 Million for financial year ended March 31, 2021. The market capitalization of the Company as on October 8, 2021 was INR 748,904 Million. Accordingly, the proposed investment, loan and/or guarantee etc. as mention in the enabling resolution up to an amount aggregating to INR 2,500 Million is relatively smaller in context of overall size of the Company and approximately constitutes 0.33% of the Company's market capitalization. The funds for this acquisition will be derived from the Company's internal accruals.

The members may note that this milestone acquisition of majority stake in CIM will mark the Company's entry into the aerospace industry. The Company's entry into the aerospace segment is aligned with its growth strategy to venture into the non-automotive sectors as outlined in its five-year plan, Vision 2025. The transaction will provide access for the Company to customer base across aerospace components supply chain along with machining, treatment and sub-assembly capabilities.

The aforesaid proposed acquisition by the Company is not a related party transaction for the Company and none of the promoter / promoter group / group companies have any interest in CIM, ATPL and LCA. Further, none of the Directors and Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board accordingly recommends the Resolution set out under Item No. 1 for approval by the members of the Company as a Special Resolution.

By Order of the Board

Place: Noida  
Date: October 08, 2021

Alok Goel  
Company Secretary  
Membership No. – FCS 4383

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