

July 2, 2020

National Stock Exchange of India Limited

Listing Department
Exchange Plaza, C-1 Block G
Bandra Kurla Complex, Bandra (E)
Mumbai 400 051

BSE Limited

Listing Department
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400 001

Scrip Symbol: MOTHERSONSUMI

Scrip Code: 517334

Dear Sir / Madam,

Subject: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Regarding approval of Composite Scheme of Amalgamation and Arrangement

In compliance with the provisions of Regulation 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) read with Paragraphs 1.3 and 1.4 of Annexure I of the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, we wish to inform that the Board of Directors of MotherSON Sumi Systems Limited (“**Company**”), at its meeting held today, i.e., July 2, 2020, has considered and approved a draft composite scheme of amalgamation and arrangement amongst the Company, a new company which is in the process of being incorporated as a wholly owned subsidiary of the Company (“**Resulting Company**”), and Samvardhana MotherSON International Limited (“**SAMIL**”) and their respective shareholders and creditors, as may be modified from time to time (“**Scheme**”), under Sections 230 to 232 of the Companies Act, 2013, *inter alia* providing for:

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

The Scheme is subject to *inter alia* receipt of approvals from the shareholders and creditors of the Company, as may be directed by the National Company Law Tribunal, Mumbai Bench (“**NCLT**”), BSE Limited, National Stock Exchange of India Limited and approval of other regulatory or statutory authorities as may be required

The Audit Committee of the Company has furnished its report to the Board of Directors of the Company recommending the Scheme.

A joint valuation report, dated July 2, 2020, issued by Price Waterhouse & Co. LLP Chartered Accountants and BSR & Associates LLP, Chartered Accountants, and the valuation report, dated July 2, 2020, issued by Incwert Advisory Private Limited, a registered valuer (together, the “**Valuation Reports**”), have been obtained for the Scheme.

The Company has received fairness opinions, both dated July 2, 2020, from Axis Capital Limited, a SEBI Registered (Category-I) Merchant Banker and DSP Merrill Lynch Limited, a SEBI Registered (Category-I) Merchant Banker, on the share entitlement ratio and share exchange ratio, recommended by Price Waterhouse & Co. LLP Chartered Accountants and BSR & Associates LLP, Chartered Accountants in their joint valuation report dated July 2, 2020.

Head Office:

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+91-120-6752100, 6752278
Fax: +91-120-2521866, 2521966
Website: www.motherSON.com
Email: investorrelations@motherSON.com

Regd Office:

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

Pursuant to Regulation 30 of the Listing Regulations as amended, read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, details of the Scheme are enclosed herewith as **Annexure I**.

This is for your information and records.

Thanking you,

Yours truly,

For Motherson Sumi Systems Limited

Alok Goel
Company Secretary

Encl: As stated above

Details of the Scheme under Regulation 30 of the Listing Regulations read with the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015

Part – A: Demerger

Disclosures relating to the Demerger of DWH Undertaking of Motherson Sumi Systems Limited (“**Company**”) into a new company which is in the process of being incorporated as a wholly owned subsidiary of the Company (“**Resulting Company**”), as per Para. 1.3 of Annexure I of the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015.

Sr. No.	Particulars	Details	
1.	Brief details of the divisions to be demerged	<p>The division to be demerged from the Company is the Domestic Wiring Harness Undertaking or the DWH Undertaking.</p> <p>The ‘DWH Undertaking’ of the Company includes all assets, investments, liabilities, rights, benefits, interests and obligations of, and relating to the DWH Business (<i>as specifically set out in the Scheme</i>).</p>	
2.	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year	<p>Total Revenue from Operations of the DWH Undertaking (as on March 31, 2020) (INR MN.)</p> <p>39,439</p>	<p>% of the total turnover of Motherson Sumi Systems Limited (as on March 31, 2020)</p> <p>57.4% - Standalone</p> <p>6.2% - Consolidated</p>
3.	Rationale for demerger	<p>The demerger of the DWH Undertaking from the Company into the Resulting Company, pursuant to the Scheme, will result in the following benefits:</p> <p>(a) creation of separate and distinct entities housing the DWH Undertaking and the Remaining Business (<i>as specifically set out defined under the Scheme</i>);</p> <p>(b) dedicated and specialised management focus on the specific needs of the respective businesses;</p> <p>(c) benefit to all stakeholders of the Company and the Resulting Company leading to growth and value creation in the long run and maximizing the value and returns to the shareholders, unlocking intrinsic value of the assets, achieving cost efficiencies and operational efficiencies; and</p> <p>(d) ensuring standalone focus on the Domestic Wiring Harness Business of the Company.</p>	
4.	Brief details of change in shareholding pattern (if any) of all entities	<p>There will be no change in the shareholding pattern of the Company as a result of the demerger pursuant to the Scheme.</p> <p>The Resulting Company’s shareholding pattern will mirror the shareholding pattern of the Company as a consequence of the effectiveness of the Scheme.</p>	

5.	Share exchange ratio / Share entitlement ratio	Upon coming into effect of the Scheme and in consideration for the demerger of the DWH Undertaking into the Resulting Company pursuant to the Scheme, the Resulting Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of the Company as on the record date, 1 equity share of Re. 1 each of the Resulting Company for every 1 equity share of Re. 1 each of the Company.
6.	Whether listing would be sought for the resulting entity	Yes. The equity shares issued by the Resulting Company to the shareholders of the Company will be listed on the National Stock Exchange of India Limited and BSE Limited.

Part – B

Disclosures relating to the amalgamation of Samvardhana Motherson International Limited (“**SAMIL**”) into Motherson Sumi Systems Limited (“**Company**”), as per Para. 1.2 of Annexure I of the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015.

Sr. No.	Particulars	Details																								
1.	<p>Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.</p>	<p>The composite Scheme <i>inter alia</i> involves amalgamation of SAMIL into the Company, as per the terms of the Scheme.</p> <p>Details of the entities:</p> <p>1. <u>Motherson Sumi Systems Limited</u> (CIN: L34300MH1986PLC284510) is a listed company incorporated on December 19, 1986. The Company is engaged in the business of manufacture of automotive components <i>inter alia</i> manufacture of wiring harness, manufacture of vision system and manufacture of moulded and polymer products etc. directly and/or through subsidiaries. The Company’s turnover and net-worth for FY 2019-20 was as under:</p> <p align="right">(INR MN.)</p> <table border="1" data-bbox="746 869 1377 1151"> <thead> <tr> <th>Particulars</th> <th>FY 2019-20</th> <th>FY 2019-20</th> </tr> <tr> <td></td> <th>Audited (Standalone)</th> <th>Audited (Consolidated)</th> </tr> </thead> <tbody> <tr> <td>Total Revenue from operations</td> <td>68,738</td> <td>6,35,368</td> </tr> <tr> <td>Net-worth</td> <td>62,444</td> <td>1,48,259</td> </tr> </tbody> </table> <p>2. <u>Samvardhana Motherson International Limited</u> (CIN: U74900MH2004PLC287011) is a public limited company incorporated on December 9, 2004. The non-convertible debentures (NCDs) issued by SAMIL are listed on BSE Limited. SAMIL is a non-deposit taking systemically important core investment company (CIC-ND-SI) registered with the Reserve Bank of India and is engaged in the business of holding and nurturing its investments in various subsidiaries and joint-venture companies in India and across the world and also provides strategic, operational and management support to its group companies. SAMIL’s turnover for FY 2019-20 was as under:</p> <p align="right">(INR MN.)</p> <table border="1" data-bbox="746 1641 1377 1895"> <thead> <tr> <th>Particulars</th> <th>FY 2019-20</th> <th>FY 2019-20</th> </tr> <tr> <td></td> <th>Audited (Standalone)</th> <th>Audited (Consolidated)</th> </tr> </thead> <tbody> <tr> <td>Total Revenue from operations</td> <td>3,877</td> <td>13,358</td> </tr> <tr> <td>Net-worth</td> <td>15,851</td> <td>70,271</td> </tr> </tbody> </table>	Particulars	FY 2019-20	FY 2019-20		Audited (Standalone)	Audited (Consolidated)	Total Revenue from operations	68,738	6,35,368	Net-worth	62,444	1,48,259	Particulars	FY 2019-20	FY 2019-20		Audited (Standalone)	Audited (Consolidated)	Total Revenue from operations	3,877	13,358	Net-worth	15,851	70,271
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2.	<p>Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”</p>	<p>Yes, the transaction would be a related party transaction.</p> <p>The consideration for the amalgamations will be discharged on “arm’s length” basis.</p> <p>The share exchange ratio for the shares to be allotted to the shareholders of SAMIL, as a consideration for the amalgamation, is based on the joint report, dated</p>																								

		<p>July 2, 2020, prepared by Price Waterhouse & Co. LLP Chartered Accountants and BSR & Associates LLP, Chartered Accountants and the valuation report dated July 2, 2020, prepared by Incwert Advisory Private Limited, a registered valuer (together, the “Valuation Reports”). The Company has received fairness opinions (“Fairness Opinions”), both dated July 2, 2020, from Axis Capital Limited, a SEBI Registered (Category-I) Merchant Banker and DSP Merrill Lynch Limited, a SEBI Registered (Category-I) Merchant Banker, on the share entitlement ratio and share exchange ratio, recommended by Price Waterhouse & Co. LLP Chartered Accountants and BSR & Associates LLP, Chartered Accountants in their joint valuation report dated July 2, 2020.</p> <p>The aforesaid Valuation Reports and Fairness Opinions have been duly considered by the Audit Committee and Board of Directors of the Company.</p>
3.	Area of business of the entity(ies)	<p>The Company is engaged in the business of manufacture of automotive components <i>inter alia</i> manufacture of wiring harness, manufacture of vision system and manufacture of moulded and polymer products etc. directly and/or through subsidiaries.</p> <p>SAMIL is a non-deposit taking systemically important core investment company (CIC-ND-SI) registered with the Reserve Bank of India and is engaged in the business of holding and nurturing its investments in various subsidiaries and joint-venture companies in India and across the world and also provides strategic, operational and management support to its group companies.</p>
4.	Rationale for amalgamation/ merger	<p>The amalgamations would result in the following benefits:</p> <ul style="list-style-type: none"> - expanding the business of the Company from a diversified auto component product portfolio and foray into non-auto component business, thereby creating greater value for the shareholders/ stakeholders of the Company; - availability of increased resources, expertise and assets in the resultant Company, which can be utilized for strengthening the customer base and servicing existing as well as prospective customers; - cost reduction, retaining talent, optimization of support functions, efficiencies and productivity gains by pooling the resources of the Company and SAMIL, thereby significantly contributing to future growth and maximizing shareholders value; - consolidation of 100% of the shareholding in Samvardhana Motherson Automotive Systems Group BV in the Company; and - consolidation of SAMIL with MSSSL resulting in consolidation of the group's shareholdings in various entities and simplification of the group structure resulting in higher stakeholder accountability.
5.	In case of cash consideration – amount or otherwise share exchange ratio	<p>Except in the case of fractional entitlement of shares, if any, the Scheme does not involve payment of any cash consideration.</p> <p>The share exchange ratio for the amalgamation of</p>

		<p>SAMIL into and with the Company is as under:</p> <p>Upon coming into effect of the Scheme and in consideration for the amalgamation of SAMIL into and with the Company pursuant to the Scheme, the Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of SAMIL as on the record date, 51 equity shares of Re. 1 each of the Company for every 10 equity shares of Rs. 10 each of SAMIL.</p>									
6.	<p>Brief details of change in shareholding pattern (if any) of listed entity</p>	<p>There will be a change in the shareholding pattern of the Company pursuant to the Scheme, in accordance with the share exchange ratio.</p> <p>Indicative shareholding pattern of the Company, post the amalgamation of SAMIL into and with the Company in accordance with the Scheme, is set out below:</p> <table border="1" data-bbox="699 656 1374 904"> <thead> <tr> <th data-bbox="699 656 922 813">Category</th> <th data-bbox="922 656 1150 813">Shareholding of the Company as on June 26, 2020</th> <th data-bbox="1150 656 1374 813">Indicative post-Scheme shareholding of the Company</th> </tr> </thead> <tbody> <tr> <td data-bbox="699 813 922 875">Promoter and Promoter Group</td> <td data-bbox="922 813 1150 875">61.73%</td> <td data-bbox="1150 813 1374 875">68.15%</td> </tr> <tr> <td data-bbox="699 875 922 904">Public</td> <td data-bbox="922 875 1150 904">38.27%</td> <td data-bbox="1150 875 1374 904">31.85%*</td> </tr> </tbody> </table> <p><i>** including indicative post-Scheme shareholding of 5.10% of the Company to be held by the non-promoter shareholders of SAMIL.</i></p>	Category	Shareholding of the Company as on June 26, 2020	Indicative post-Scheme shareholding of the Company	Promoter and Promoter Group	61.73%	68.15%	Public	38.27%	31.85%*
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