

Motherson Sumi Systems Limited

Regd. Off. : 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi - 110044

NOTICE

Notice is hereby given that an Extra-ordinary General Meeting of the members of Motherson Sumi Systems Limited will be held on Monday, the 18th day of March, 2013 at 10:30 A.M. at Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi -110 001 for transacting the following Special Business:

1. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT subject to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, including any amendment thereto or statutory modification(s) or re-enactment(s) thereof for the time being in force, the regulations/guidelines, if any, issued/prescribed by the Government of India, the Securities and Exchange Board of India (“SEBI”) (including the provisions of Chapter VII and other applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“SEBI Regulations”) and the provisions of the Foreign Exchange Management Act, 2000, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time and such other statutes, notifications, clarifications, circulars, rules and regulations as may be applicable and relevant, as amended from time to time issued by the Government of India (“GOI”) and/or the Reserve Bank of India (“FEMA Regulations”) and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the respective stock exchanges where the equity shares of the Company (“Equity Shares”) are listed (“Stock Exchanges”), and all other concerned and relevant authorities from time to time, to the extent applicable and subject to such approvals of relevant statutory/governmental authorities as may be required and further subject to such terms and conditions or modifications thereto as may be prescribed by any of the above while granting such approvals, the consent, authority and approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which shall be deemed to include any committee thereof, constituted or to be constituted by the Board to exercise its powers) to issue and allot on a preferential basis, up to 14,698,656 Equity Shares of Rs. 1/- of the Company to Sumitomo Wiring Systems Ltd., Japan (“SWS”), one of the promoter of the Company, in one or more tranches, at price to be determined by the Board at the time of issue in accordance with the SEBI Regulations and the FEMA Regulations.

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted as aforesaid shall rank *pari passu* with the existing Equity Shares of the Company in all respects including dividend.

RESOLVED FURTHER THAT the relevant date for determining the price of the Equity Shares, if any, to be allotted as abovementioned shall mean the date thirty days prior to the date of this resolution as provided under Chapter VII of the SEBI Regulations and the FEMA Regulations, or such other time as may be prescribed by the applicable laws from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, for giving effect to this resolution with power on behalf of the Company to settle any question, remove any difficulty or doubt that may arise from time to time in relation to the offer, issue and allotment of the Equity Shares as abovementioned.”

2. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, including any amendment thereto or statutory modification(s) or re-enactment(s) thereof for the time being in force, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (“SEBI Regulations”) and the provisions of the Foreign Exchange Management Act, 2000, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time and such other statutes, notifications, clarifications, circulars,

rules and regulations as may be applicable and relevant, as amended from time to time issued by the Government of India (“GOI”), the Reserve Bank of India (“RBI”), the Foreign Investment Promotion Board (“FIPB”), the Securities and Exchange Board of India (“SEBI”), the stock exchanges where the Equity Shares of the Company are listed (“Stock Exchanges”) and any other appropriate authorities, institutions or bodies, as may be applicable and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with each of the Stock Exchanges, and subject to such approvals, consents, permissions and sanctions, if any, of the GOI, RBI, FIPB, SEBI, Stock Exchanges and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction, which may be agreed/ accepted to by the Board of Directors (hereinafter referred to as the “Board” which shall be deemed to include any committee thereof, constituted or to be constituted to exercise its powers) consent of the shareholders be and is hereby accorded to the Board in its absolute discretion, to create, offer, issue and allot up to 44,095,968 Equity Shares face value of Rs. 1/- in one or more tranches, in the course of domestic and/or international offerings and/or qualified institutions placement (“QIP”) in one or more foreign markets or domestic markets to one or more persons whether or not they are members of the Company, including but not limited to qualified institutional buyers (“QIBs”) as defined under the SEBI Regulations, whether domestic investors or foreign investors, through a private placement basis and/or QIP within the meaning of Chapter VIII of the SEBI Regulations at price to be determined by the Board / Committee at the time of issue, but not less than price as calculated in accordance of SEBI Regulations.

RESOLVED FURTHER THAT the Board may, at its sole discretion, offer a discount of not more than five percent on the price so calculated for the qualified institutions placement, as permitted under SEBI regulations.

RESOLVED FURTHER THAT the relevant date for determining the price of the Equity Shares to be allotted pursuant to the QIP, if any, shall mean, the date of the meeting in which the Board or a committee thereof decides to open the proposed issue, as provided under Chapter VIII of the SEBI Regulations.

RESOLVED FURTHER THAT in terms of Chapter VIII of the SEBI Regulations, in accordance with Regulation 86(1)(a) of the SEBI Regulations, a minimum of 10% of such Equity Shares shall be allotted to mutual funds and if the mutual funds do not subscribe to the said minimum percentage or part thereof, such minimum portion or part thereof, may be allotted to other QIBs.

RESOLVED FURTHER THAT the issue of Equity Shares be subject to the following terms and conditions:

- (i) The Equity Shares proposed to be issued through the QIP in accordance with the SEBI Regulations shall rank *pari passu* with the existing Equity Shares of the Company in all respects including dividend;
- (ii) The allotment of the Equity Shares shall be completed within twelve months or such other period as may be prescribed from the date of passing of the resolution under Section 81 (1A) of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do such acts, deeds and matters as may be necessary and also to delegate all or any of the powers conferred on its by or under this Resolution to any committee of the Board or to any Director of the Company, any other officer(s) or employee(s) of the Company or any professional as it may consider appropriate in order to give effect to this Resolution.”

3. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to applicable provisions of the Foreign Exchange Management Act, 2000 (FEMA), the Companies Act, 1956 and all other applicable rules, regulations, guidelines and laws (including any statutory modification or re-enactment thereof for the time being in force) and subject to all requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions, which may be agreed to by the Board of Directors of the Company and/or a duly authorised Committee thereof for the time being exercising the powers conferred by the Board of Directors (hereinafter referred to as “the Board”), the consent of the Company be and is hereby accorded for investments by Foreign Institutional Investors including their sub-accounts (hereinafter referred to as “the FIIs”), in the Equity Shares of the Company, by purchase or acquisition from the market under the Portfolio Investment Scheme under FEMA, subject to the condition that the total holding of all FIIs put together shall not exceed 30% (thirty percent) of the paid-up share capital of the Company or such other maximum limit as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956 (“Act”), a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Sections 349 and 350 of the Act, be paid to and distributed amongst the Directors who are neither in the whole-time employment nor a Managing Director of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year for the period of five years effective from the financial year 2012-2013 commencing from 01.04.2012 provided that the maximum amount of commission payable shall not exceed Rs. 10 (Ten) Million per annum in any Financial Year.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof be and is hereby authorized to decide on the manner of distribution of the aforesaid commission in such manner as it may deem fit and to do all such acts, deeds and things as may be required from time to time in this regard.”

By order of the Board
For Motherson Sumi Systems Limited

Place : NOIDA
Date : 12th February, 2013

(G.N. GAUBA)
Vice President (Finance) &
Company Secretary

Regd. Office:
2nd Floor, F-7, Block B-1,
Mohan Cooperative Industrial Estate,
Mathura Road, New Delhi - 110044

NOTES:

1. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
3. Corporate Members intending to send their authorized representative(s) are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote at the Extra-ordinary General Meeting.
4. Members holding shares in physical form are requested to notify change of address, if any, to the Company's **Registrar and Share Transfer Agents (RTA), Karvy Computershare Pvt. Ltd., 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500081** quoting correct Folio Number(s) and in case of shares held in dematerialized form to the concerned Depository Participant.
5. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting. No extra attendance slip will be provided at the venue of the Extra-ordinary General Meeting.
6. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

7. All the material documents, resolutions passed by the Board of Directors with regard to the proposed Resolutions and Memorandum & Articles of Association of the Company etc. are open for inspection to the Members till the conclusion of the Extra-ordinary General Meeting at the Registered Office of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO. 1 and 2

Your company is considering for issuance of Equity Shares to meet the additional requirements of funds through the preferential issue and the qualified institutions placement.

As the promoters are committed to the growth of your Company and also are desirous of maintaining their shareholding in your Company, it is proposed to raise capital through issuance of shares in one or more tranches to Sumitomo Wiring Systems Limited, Japan (“SWS”) through a preferential issue as permitted under Chapter VII of the SEBI Regulations (“**Preferential Issue**”).

The Equity Shares shall be issued to SWS at a price not less than the price as calculated in accordance with Chapter VII of the SEBI Regulations and the FEMA Regulations. The relevant date for determining the price of the Equity Shares to be allotted as abovementioned, if any, shall mean the date thirty days prior to the date of this resolution, as provided under Chapter VII of the SEBI Regulations. The issuance of Equity Shares to SWS pursuant to the Preferential Issue shall be completed within 15 days from the date of passing special resolution as prescribed under Chapter VII of the SEBI Regulations.

Where the allotment on preferential basis requires approval(s) of any regulatory authority including the Stock Exchanges, Government of India and other regulatory authorities, the allotment of Equity Shares will be completed within the stipulated time, conditions in terms of such approval(s) as may be required and applicable regulations.

A certificate as required under the SEBI Regulations certifying that the proposed Preferential Issue is in accordance with the SEBI Regulations is being obtained from the Statutory Auditors of the Company and will be available for inspection at the venue of Extra-ordinary General Meeting to be held on 18th March, 2013.

Your Company undertakes to re-compute the price of the Equity Shares in terms of the provisions of the SEBI Regulations, where it is required to do so. Further, in the event the amount payable on account of such re-computation of price is not paid within the time stipulated in the SEBI Regulations, the Equity Shares will be locked in till such time the amount is paid by SWS.

Your Company also proposes to consider issue of Equity Shares to qualified institutional buyers (“**QIBs**” and such issuance, “**QIP**”), in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as may be amended from time to time (“**SEBI Regulations**”).

The Equity Shares shall be issued at a price, being not less than the price calculated in accordance with Chapter VIII of SEBI Regulations, and the ‘Relevant Date’ in this regard shall be the date of the meeting in which the Board or a committee thereof, decides to open the proposed issue, as provided under Chapter VIII of the SEBI Regulations or such other time as may be prescribed by the SEBI Regulations from time to time.

The detailed terms and conditions for the abovementioned issue will be determined by the Board or a committee thereof, in consultation with the advisers, lead managers and such other authority(ies) as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The Company intends to use the funds for making investment in an overseas joint venture/ wholly owned subsidiary capital expenditure including expansion, modernisation, general corporate purposes (if permitted) or any other use as may be permitted under applicable law or regulations from time to time.

The shareholding pattern of the Company before and after the Preferential Issue and finally after the allotment of Equity Shares pursuant to the QIP for which approval from the shareholders is sought would be as under:

Category	Before the issue		After the preferential issue		After the issue of QIP & Equity Shares to SWS	
	No. of Shares	%age	No. of Shares	%age	No. of Shares	%age
<u>Promoter</u>						
Indian	234,775,120	39.92	234,775,120	38.96	234,775,120	36.30
Foreign (SWS)	148,675,903	25.29	163,374,559	27.11	163,374,559	25.26
Other Promoter Group	2,193,181	0.38	2,193,181	0.36	2,193,181	0.34
Sub total	385,644,204	65.59	400,342,860	66.43	400,342,860	61.90
Others proposed Allottees	--	--	--	--	44,095,968	6.82
Others	202,302,036	34.41	202,302,036	33.57	202,302,036	31.28
TOTAL	587,946,240	100.00	602,644,896	100.00	646,740,864	100.00

The issue of Equity Shares as aforesaid will not result in any change in the management control of the Company.

Accordingly, shareholders approval is sought for aforesaid issued as mentioned above and the Board of Directors recommends the resolution for the consideration and approval by the shareholders.

The Board of Directors strongly believes that the proposed offer will be in the best interest of the Company and recommends the resolution for the consideration and approval by the shareholders.

None of the Directors of the Company is, in any way, concerned or interested in this resolution.

ITEM NO. 3

The Foreign Institutional Investors (FIIs) have assumed a crucial role in the Indian capital market. It is proposed to facilitate greater FIIs investment in the Company, which would not only provide depth and liquidity to the Company's shares but will also reflect the Company's commitment to the highest standards of disclosures, transparency and corporate governance, its operational efficiencies, global competitiveness and proven management track record, which are the preferred investment qualifications for FIIs.

In terms of the provisions of Portfolio Investment Scheme under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the Foreign Institutional Investors (FIIs) may invest in the Equity Shares of the Company up to the sectoral cap/statutory limit as applicable to the Indian companies, subject to the approval of the Board of Directors and approval of Members of the Company by way of a special resolution.

The Board of Directors of the Company at its meeting held on 12th February, 2013 inter-alia, proposed, subject to the approval of Members by way of a special resolution, to enhance the said FIIs investment limit up to 30 (thirty) percent of the paid-up equity capital of the Company.

The resolution set out at Item No.3 of the accompanying Notice will enable the FIIs, who are considered to be prudent investors, to acquire shares of the Company through authorised dealers within the revised ceiling under the Portfolio Investment Scheme of the Reserve bank of India.

The Board of Directors accordingly recommend the resolution set out at Item No.3 of the accompanying Notice for the approval of the Members.

None of the Directors of the Company is, in any way, concerned or interested in this resolution.

ITEM NO. 4

Presently the Directors of the Company are authorised / paid sitting fees for each meeting of the Board and Committee thereof. As per Section 309(4) of the Companies Act, 1956, a Director who is neither in whole time employment of the Company nor a Managing Director may be paid remuneration by way of commission subject to the passing special resolution in the general meeting.

Keeping in view of the fact that directors are devoting and are required to devote considerable time for the Company and taking into account the increasing responsibilities of the Directors, it is proposed to remunerate non whole-time Directors of the Company by way of payment of commission in terms of Section 309(4) of the Act. Accordingly, the Directors who are neither in the whole-time employment nor Managing Director be paid from the profit of the company effective from financial year 2012-2013 for a period of five years, remuneration not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Act subject to such amount in aggregate not exceeding Rs. 10 (Ten) Million per annum in any Financial Year. The Board of Directors or any committee as may be authorised to decide the quantum of commission payable to Directors and/or the manner of distribution amongst the Directors and/or shall be in accordance with the directions given by the Board from time to time.

Accordingly, shareholders approval is sought for the payment of commission as mentioned above and the Board of Directors recommends the resolution for the consideration and approval by the shareholders.

All the Directors of the Company except Mr. Pankaj Mital, Whole-time Director and Chief Operating Officer may deemed to be concerned or interested in the Resolution at Item No. 4 of the Notice to the extent of the remuneration that may be payable to them.

By order of the Board
For Motherson Sumi Systems Limited

Place : NOIDA
Date : 12th February, 2013

(G.N. GAUBA)
Vice President (Finance) &
Company Secretary

Regd. Office:
2nd Floor, F-7, Block B-1,
Mohan Cooperative Industrial Estate,
Mathura Road, New Delhi - 110044

MOTHERSON SUMI SYSTEMS LIMITED

Regd. Office: 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi – 110 044.

ATTENDANCE CARD

Extra-ordinary General Meeting, Monday, 18th March, 2013 at 10:30 A.M.

Folio No. /DP Client ID _____ No. of shares _____

Name _____

Address _____

I/ We hereby record my/ our presence at the Extra-ordinary General Meeting of the Company being held at 10:30 A.M. on Monday, 18th March, 2013 at FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi -110001.

Proxy's name _____

Members Signature _____

Proxy's signatures _____

Note: 1. Please note that no gifts or coupons will be given to the Shareholders for attending the Extra-ordinary General Meeting.

2. Members holding shares in physical form are requested to advise the change in their address, if any, to Karvy Computershare Pvt. Ltd., 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081, and members holding shares in demat are requested to advise the change to their respective Depository Participants.

MOTHERSON SUMI SYSTEMS LIMITED

Regd. Office: 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi – 110 044.

FORM OF PROXY

I/We _____ of _____ being a Member/Member(s) of Motherson Sumi Systems Limited hereby appoint _____ of _____ or failing him/her _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at Extra-ordinary General Meeting of the Company to be held at 10:30 A.M. on Monday, 18th March, 2013 at FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi -110001 and at any adjournment thereof.

Dated: this _____ day of _____ 2013

For office use only

Proxy No. _____

Folio No. /DP Client ID _____

Members Signature

No. of shares _____

Affix Rs. 1
Revenue
Stamp

- Notes:
1. The proxy form should be signed across the stamp as per specimen signature registered with the Company.
 2. The Proxy must be deposited at the Registered Office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi-110 044 not later than 48 hours before the time for holding the meeting.
 3. The proxy need not be a Member of the Company.