

Motherson Sumi Systems Limited



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CIN - L34300MH1986PLC284510

October 27, 2018

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

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

Scrip Code : MOTHERSUMI

Scrip Code : 517334

Sub. : Scheme of Merger – Dissemination on the Exchange's website

Dear Sir(s),

Pursuant to Regulation 37(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed a Scheme of Merger (by Absorption) for the merger of Motherson Polymers Compounding Solutions Limited, a wholly-owned subsidiary of the Company with Motherson Sumi Systems Limited ("**the Company**") along with copy of resolution passed the Board of Directors of the Company at their meeting held on August 7, 2018 approving the said Scheme.

Kindly note, the Company shall now proceed with submission of necessary application(s) for Merger (by Absorption) with the respective Hon'ble NCLT.

The above is for your information and dissemination on the website of the Stock Exchanges.

Thanking you,

Yours faithfully,
For Motherson Sumi Systems Limited

Alok Goel
Company Secretary

Encl. to BSE Limited:- Processing fee Rs. 27,000/- (inclusive of GST Rs. 4,500/- and after deduction of TDS Rs. 2,500/-) cheque number 444975 dated September 22, 2018 drawn on State Bank of India.

SCHEME OF MERGER
OF
MOTHERSON POLYMERS COMPOUNDING SOLUTIONS LIMITED
(TRANSFEROR COMPANY)
WITH
MOTHERSON SUMI SYSTEMS LIMITED
(TRANSFeree COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER
SECTIONS 230-232 AND ANY OTHER APPLICABLE PROVISIONS, IF
ANY, OF THE COMPANIES ACT, 2013



PREAMBLE

(A) BACKGROUND AND DESCRIPTION OF COMPANIES

1. **MOTHERSON POLYMERS COMPOUNDING SOLUTIONS LIMITED** (hereinafter referred to as “**the Transferor Company**”) presently having CIN – U24297DL2013PLC249021, is a Company incorporated under the provisions of the Companies Act, 1956 on 04th day of March, 2013 under the name and style of “Samvardhana Motherson Nippisun Technology Limited” with Registrar of Companies, NCT of Delhi and Haryana. Subsequently, name of the Company was changed to “Motherson Polymers Compounding Solutions Limited” and in this regard, the Certificate of Incorporation pursuant to change of name was issued by Registrar of Companies, NCT of Delhi and Haryana on 17th day of May, 2017. At present, the Transferor Company is having its registered office at 2nd Floor, F-7, Block B-1, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi-110044 within the jurisdiction of the Hon’ble NCLT at New Delhi. As per Memorandum of Association of Transferor Company, one of the main objects of the Transferor Company is to carry on the business in the development, manufacturing and sales of General Purpose and Engineering Plastic Product.

2. **MOTHERSON SUMI SYSTEMS LIMITED** (hereinafter referred to as “**the Transferee Company**”) presently having CIN - L34300MH1986PLC284510, is a Company incorporated under the provisions of the Companies Act, 1956 on 19th day of December, 1986 under the name and style of “Motherson Sumi Systems Private Limited” with Registrar of Companies, NCT of Delhi and Haryana. Subsequently the word “Private” was deleted under section 43A(1) of erstwhile Companies Act, 1956 by the Registrar of Companies, NCT of Delhi and Haryana effective 29th day of April, 1987. Further, the registered office of the Company was shifted from NCT of Delhi and Haryana to the State of Maharashtra in Mumbai and in this regard, the Registrar of Companies, Mumbai had issued CIN i.e. L34300MH1986PLC284510 vide letter dated 5th August, 2016. At present, the Transferee Company is having its registered office at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra-400051 within the jurisdiction of the Hon’ble NCLT at Mumbai. As per Memorandum of Association of the Transferee Company, one of the main objects of the Transferee Company is to carry on the business of manufacturing, fabrication, assembling and dealing in Wiring Harness and other part of all kinds and description, automotive and other parts, mining equipment, tools, springs, fittings, head lamps, sealed beam component parts, spare parts, accessories and fitting of all kinds for the said articles of P.V.C., Polypropylene, P.F. Resin or other man made chemicals, electrical wires, switch control and other engineering items for automobiles or any other application as required.



3. The Transferor Company is wholly owned subsidiary of the Transferee Company and the equity shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited.

(B) OBJECTS/ RATIONALE FOR THE PROPOSED SCHEME:

It is proposed to consolidate the operations/ business of the Transferor Company and the Transferee Company into a single company by merger of the Transferor Company with the Transferee Company pursuant to a Scheme of Merger (by Absorption) under Sections 230-232 and other applicable provisions, if any, of the Companies Act, 2013. The merger of the Transferor Company with the Transferee Company would result, *inter-alia*, in the following benefits:-

- a. Achieving business and Administrative synergies.
- b. Consolidation and simplification of the group structure, cost savings resulting from rationalization, standardization and simplification of business processes.
- c. Improved organizational capability arising from pooling of financial resources.
- d. Avoiding un-necessary duplication of costs of administration, distribution, selling and marketing and reduction in legal and regulatory compliances.
- e. Maximize the overall shareholders value by strengthening its core competencies.

(C) PARTS OF THE SCHEME:

This Scheme is divided into the following parts:

1. **PART I** – This part deals with the Definitions and Share Capital;
2. **PART II** – This part provides for merger of Motherson Polymers Compounding Solutions Limited (hereinafter referred to as “**the Transferor Company**”) with Motherson Sumi Systems Limited (hereinafter referred to as “**the Transferee Company**”).
3. **PART III** – This part deals with General Terms and Conditions applicable to this Scheme.

- (D)** The merger of the Transferor Company with the Transferee Company pursuant to and in accordance with the Scheme shall be operational with effect from the Appointed Date and shall be in compliance with the relevant provisions of the Income Tax Act, 1961.



PART I

DEFINITIONS & SHARE CAPITAL

1.1 DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as under:

- a) **“The Act”** means the Companies Act, 2013 or any statutory amendment and/or re-enactment thereof, from time to time and for the time being in force.
- b) **“The Appointed Date”** means April 01, 2018.
- c) **“Board of Directors” or “Board”** in relation to the Transferor Company and the Transferee Company, as the case may be, shall unless it is repugnant to the context or otherwise, include the Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors.
- d) **“SEBI”** means Securities and Exchange Board of India established under the Securities Exchange Board of India Act, 1992.
- e) **“This Scheme” or “the Scheme” or “Scheme of Merger (by Absorption)”** means the present Scheme of Merger (by Absorption), framed under the provisions of Sections 230-232 and other applicable provisions, if any, of the Act as approved by the respective Board of Directors of the Transferor Company and the Transferee Company as submitted in the present form or with any modification(s) imposed or directed by Shareholders / Creditors of the respective Transferor Company and Transferee Company and/or by the Hon’ble NCLT or by any competent authority(ies).
- f) **“Stock Exchanges”** means BSE Limited and National Stock Exchange of India Limited.
- g) **“The Transferor Company”** means Motherson Polymers Compounding Solutions Limited, is as defined in Preamble Clause (A) 1 above.
- h) **“The Transferee Company”** means Motherson Sumi Systems Limited, is as defined in Preamble Clause (A) 2 above.
- i) **“Law” or “Applicable Law”** includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations,



notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, Tribunal, Court of India or any other country or jurisdiction as applicable.

- j) **"National Company Law Tribunal" or "NCLT" or "Hon'ble Tribunal"** means the Hon'ble National Company Law Tribunal at Mumbai having jurisdiction in relation to the Transferee Company and Hon'ble National Company Law Tribunal at New Delhi having jurisdiction in relation to the Transferor Company.
- k) **"National Company Law Appellate Tribunal" or "NCLAT" or "Hon'ble NCLAT"** means the Hon'ble National Company Law Appellate Tribunal at New Delhi.
- l) **"ROC" or "Registrar of Companies"** means the Registrar of Companies, Mumbai having jurisdiction over the Transferee Company and Registrar of Companies, NCT of Delhi and Haryana having jurisdiction over the Transferor Company.
- m) **"The Effective Date"** in relation to the scheme, means last of the dates on which the copy of the order of Hon'ble National Company Law Tribunal sanctioning the Scheme are filed by the Transferor Company and the Transferee Company with their respective Registrar of Companies.
- Any references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date.
- n) **"Undertaking"** in relation to the Transferor Company, shall mean the entire business of Transferor Company on a going concern basis as on appointed date.
- o) **"IT Act"** means the Income Tax Act, 1961, as amended.

All terms and words which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning prescribed to them under the Act and other applicable law (as defined above), rules, regulations, bye-laws, as the case may be including any statutory modification or re-enactment thereof from time to time.



1.2 INTERPRETATION

References to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation.

In this Scheme, where the context so requires, words denoting the singular shall include the plural and words denoting any gender shall include all genders.

1.3 SHARE CAPITAL

a) MOTHERSON POLYMERS COMPOUNDING SOLUTIONS LIMITED- THE TRANSFEROR COMPANY

As per Annual Accounts as on 31 st March, 2018	
Particulars	Amount (in Rs.)
Authorised Share Capital 15,00,00,00 Equity Shares of Rs. 10/- each.	15,00,00,000
Issued, Subscribed and Paid-up Share Capital 11,846,250 Equity Shares of Rs. 10/- each.	11,84,62,500

The Authorised Share Capital and the Issued, Subscribed and Paid-up Share Capital of the Transferor Company is same as above on the date of Board meeting i.e. 6th August, 2018, sanctioning the Scheme.

The entire issued, subscribed and paid-up equity share capital of the Transferor Company is held by the Transferee Company, the holding Company of the Transferor Company, along with its 6 (six) individual nominee shareholders.

b) MOTHERSON SUMI SYSTEMS LIMITED:-THE TRANSFEEE COMPANY

As per Audited Annual Accounts as on 31 st March, 2018	
Particulars	Amount (in Rs.)
Authorised Share Capital	312,30,00,000
Issued, Subscribed and Paid-up Share Capital	210,52,89,491



The Authorised Share Capital and Issued, Subscribed and Paid-up Share Capital of the Transferee Company is same as above on the date of Board meeting i.e. 7th August, 2018, sanctioning the Scheme.

PART II

2.1 TRANSFER AND VESTING OF UNDERTAKINGS

- a) Upon this Scheme becoming effective and with effect from the Appointed Date i.e. April 01, 2018, all properties, assets, liabilities, reserve & surplus including Securities Premium Account and Undertaking(s) of the Transferor Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company pursuant to the sanction of this Scheme by the Hon'ble NCLT and pursuant to the applicable provisions of the Act and also in accordance with Section 2(1B) of the Income-Tax Act, 1961, as a going concern, without any further act, instrument, deed, matter or thing to be made, done or executed.
- b) With effect from the commencement of business on the Appointed Date and subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, entire undertaking, business and all properties whether moveable or immovable or tangible or intangible wherever situated and also all other assets, capital, work-in-progress, current assets, movable assets, all investments in India or out of India, if any, powers, authorities, allotments, approvals and consents, licenses, registrations, contracts, engagements, arrangement, rights, intellectual property rights, titles, interests, benefits and advantages of whatsoever nature belonging to or in the ownership, power, possession, control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to, all licenses, liberties, easements, advantages, benefits, privileges, leases, tenancy rights, ownership, intellectual property rights including trademarks, brands, copy rights, patents, quota rights, subsidies, capital subsidies, concessions, exemptions, sales tax exemptions, approvals, clearances, environmental clearances, occupancy certificate, approval from fire department, approval for water, electricity and sewerage, clearance by airport authority, approval from irrigation department, approval from forest department, approval from underground water authority, approval from national highway authority, authorizations, certification, quality certification, utilities, electricity connections, electronics and computer link ups, services of all types, reserves, provisions, funds, benefit of all agreements and all other interests arising to the Transferor Company (hereinafter collectively referred to as "the said assets") shall, without any further act, instrument or deed and without payment of any duty or other charges, be transferred to and vested in the Transferee Company as a going concern pursuant to the applicable provisions of the Act, for all the estate, right, title



and interest of the Transferor Company therein so as to become the property of the Transferee Company.

- c) Notwithstanding what is provided herein above, it is expressly provided that in respect to such of the said assets as are movable in nature or are otherwise capable of being transferred by physical delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company to the Transferee Company after the Scheme is duly sanctioned and given effect to without requiring any further order of the Hon'ble NCLT or any deed or instrument of conveyance for the same or without the payment of any duty or other charges and shall become the property of the Transferee Company accordingly.
- d) With effect from the Appointed Date, all liabilities, provisions, duties and obligations including Income Tax and other statutory liabilities, if any, of every kind, nature and description of the Transferor Company whether provided for or not in the books of accounts of the Transferor Company shall devolve and shall stand transferred or be deemed to be transferred without any further act or deed, to the Transferee Company with effect from the Appointed Date and shall be the liabilities, provisions, duties and obligations of the Transferee Company.
- e) The assets / undertaking of the Transferor Company, if any, acquired by the Transferor Company after the Appointed Date but prior to the Effective Date, shall also without any further act, instrument or deed stand transferred to or be deemed to have been transferred to the Transferee Company upon the Scheme coming into effect.
- f) For avoidance of doubt, upon the Scheme coming into effect, all the rights, title, interest and claims of the Transferor Company in any leasehold properties, if any, including all the leases, of the Transferor Company shall without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and it shall be presumed that the same were executed by the Transferee Company.
- g) For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the Scheme coming into effect, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favor of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favor of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Transferee Company.



- h) To the extent there are inter-corporate loans, liabilities, duties, debts and claims (including receivables), if any, due or which may hereafter become due, between the Transferor Company and the Transferee Company or vice versa, the obligations in respect thereof shall come to an end on the Scheme coming into effect and a corresponding suitable effect shall be given in the books of accounts and records of the Transferee Company and if required, the reduction/cancellation of such loans, debts and claims (including receivables) shall be reflected in the books of accounts and records of the Transferee Company. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of such loans, liabilities, duties, debts and claims (including receivables), due or which may hereafter become due, between the Transferee Company on the one hand and the Transferor Company on the other hand.
- i) With effect from the Appointed Date and subject to the provisions of this Scheme, all debts, liabilities, guarantees, indemnities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the financial statements of the Transferor Company shall also stand transferred or deemed to have been transferred without any further act, instrument or deed to the Transferee Company, pursuant to the applicable provisions of the Act, so as to become as and from the Appointed Date, the debts, liabilities, guarantees, indemnities, contingent liabilities, duties and obligations of the Transferee Company without any consent of any third party or other person who is a party to the contract or arrangements by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.
- j) The transfer and vesting of the Undertaking shall be subject to the existing securities, mortgages, charges, hypothecation, encumbrances or liens, if any, subsisting over or in respect of the property and assets or any part thereof of the Transferor Company.
- k) Any loans, advances and other facilities sanctioned to the Transferor Company by their bankers and financial institutions from the Appointed Date till the Effective Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to the Transferee Company and the said loans and advances shall be drawn and utilized either partly or fully by the Transferor Company and all the loans, advances and other facilities so drawn by the Transferor Company (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to the Transferee Company and all the obligations of the Transferor Company under any loan agreement shall be construed and shall become the obligation of the Transferee Company without any further act or deed on the part of the Transferee Company.



- l) Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise their respective financial statements and returns along with prescribed forms, filings and annexure under the relevant labour laws, Income tax, Sales tax including Value Added tax, Service tax, Goods and Services tax and other applicable tax laws, and to claim refunds and/ or credits for dues and/ or taxes paid and/ or depreciation benefits, if any, as may be required consequent to implementation of this Scheme.
- m) All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, such tax proceedings/ appeals shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company, as the case may be. These proceedings/appeals shall not abate or be discontinued nor be in any way prejudicially affected by reason of the merger of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- n) Any tax liabilities under the IT Act or other applicable laws or regulations dealing with taxes (whether in the form of duties, cesses, fees, levies or by whatever name called) allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company. Any surplus in the provision for such taxes (including advance tax and tax deducted at source) as on the date immediately preceding the Appointed Date shall also be transferred to the account of the Transferee Company.
- o) Any refunds, input credits, benefits, incentives, grants, subsidies etc. under the IT Act, the Goods and Services Tax Act or other applicable laws or regulations dealing with taxes allocable or related to the business of the Transferor Company and due to the Transferor Company consequent to the assessment made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- p) All taxes including Income tax, Minimum Alternate tax, Service tax, Sales tax, the Goods and Services tax and all other statutory taxes, if any, paid or payable by the Transferor Company on or before the Appointed Date shall be on account of the Transferor Company, and in so far as it relates to the payment of taxes after the Appointed Date, such taxes shall be deemed to be the corresponding tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.



- q) All taxes, benefits of any nature, duties, cesses or any other like payments or deductions available to Transferor Company under Income tax, Sales tax, Service tax, Goods and Services tax etc. or any tax deduction/ collection at source, tax credits, benefits of CENVAT credits, benefits of input credits relating to the period after the Appointed Date up to the Effective date shall be deemed to have been on account of or paid by the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Transferee Company upon the passing of the orders on this Scheme by the Hon'ble NCLT upon relevant proof and documents being provided to Hon'ble NCLT. The benefit of all taxes paid including minimum alternate tax under IT Act, unabsorbed depreciation, carry forward of losses as well as set-off of losses thereof shall be available to the Transferee Company as would have been available to the Transferor Company upon the sanction of the scheme by the Hon'ble NCLT.

2.2 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- a) Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature (including all tenancies, leases, licenses and other assurances in favour of any of the Transferor Company or powers or authorities granted by or to any of the Transferor Company), to which any of the Transferor Company is the party, subsisting or having effect immediately before or after the Effective date, shall remain in full force and effect against or in favor of the Transferee Company and may be enforced as fully and effectually, as if the Transferee Company had been a party thereto.
- b) The transfer of the said assets and liabilities of the Transferor Company to the Transferee Company and the continuance of all the contracts or legal proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the liabilities already concluded by any of the Transferor Company on or after the Appointed Date.
- c) The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favor of the secured creditors, if any, of the Transferor Company or in favor of any other party to any contract or arrangement to which any of the Transferor Company is the party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of this Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement and carry out all such formalities or compliance referred to above on the part/benefit of the Transferor Company to be carried out or performed.



- d) Any inter-se contracts between the Transferor Company and the Transferee Company shall stand adjusted and vest in the Transferee Company upon the sanction of the Scheme and upon the Scheme becoming effective. Transaction(s), if any, between the Transferor Company and Transferee Company after the appointed date and until the effective date will be squared off in the books of accounts of the Transferee Company upon the Scheme becoming effective.

2.3 LEGAL PROCEEDINGS AND OTHER RESOLUTIONS

- a) All legal proceedings of whatever nature by or against the Transferor Company pending on the Effective Date, shall not be abated or discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.
- b) The resolutions, including resolutions passed under Section 180(1)(c) and Section 186 of the Act, if any, of the Transferor Company, which are valid and subsisting on the effective date, shall, *mutatis mutandis*, continue to be valid and subsisting and be considered as the resolutions of the Transferee Company and where such resolutions have any upper monetary or other limit(s) being fixed under the provisions of the Act or any other applicable provisions, then all the said limits shall be added and shall constitute the aggregate of the said limits of the Transferee Company.

2.4 OPERATIVE/ EFFECTIVE DATE OF THE SCHEME

This Scheme, though operative from the Appointed Date, shall be effective from the last of the dates on which certified copy of order of Hon'ble NCLT under Section 230-232 of the Act are filed with the office of the respective Registrar of Companies.

2.5 DISSOLUTION OF TRANSFEROR COMPANY

On this Scheme, becoming effective as provided in Clause 2.4 above, the Transferor Company shall stand dissolved without winding up.

2.6 STAFF, WORKMEN AND EMPLOYEES OF TRANSFEROR COMPANIES

- a) All employees of the Transferor Company in service, if any, on the date immediately preceding the date on which the Scheme takes effect, i.e., the Effective Date, shall become employees of the Transferee Company on such date without any break or



interruption in service and upon terms and conditions not less favorable than those subsisting in the concerned Transferor Company on the said date.

- b) Provident Fund, Gratuity Fund, Superannuation Fund and any other special fund or trusts created or existing for the benefit of the employees of the Transferor Company, if any, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such funds. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company. It is clarified that the services of employees of the Transferor Company will be treated as having been continued for the purpose of the aforesaid funds or provisions.
- c) With effect from the date of filing of this Scheme with the Hon'ble NCLT and till the Effective Date, the Transferor Company shall not vary or modify the terms and conditions of employment of any of their respective employees, except with the written consent of the Transferee Company.

2.7 CONDUCT OF BUSINESS BY TRANSFEROR COMPANY AND TRANSFEE COMPANY

From the Appointed Date until the Effective Date, the Transferor Company-

- a) Shall possess of all its assets and properties referred to in Clause 2.1 above, in trust for the Transferee Company.
- b) Shall be deemed to have carried on business and activities for and on behalf of and for the benefit and on account of the Transferee Company. Any income or profit accruing to the Transferor Company and all costs, charges, expenses or loss arising or incurred or suffered by the Transferor Company on and from the Appointed Date shall, for all purposes and intents, be treated as the income, profits, costs, charges, expenses or loss, as the case may be, of the Transferee Company.
- c) Any corporate action by Transferor Company on or after the Appointed Date until the Effective Date shall, upon the Scheme became effective, be treated as having been taken by the Transferee Company without any further application, act or deed etc. and shall be dealt with accordingly.



- d) Till such times, the names of the Bank accounts of the Transferor Company would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the banks accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary.
- e) Notwithstanding anything contained in sub-clause (c) and (d) above, the Transferor Company as well as the Transferee Company shall be free to conduct their respective businesses till the effective date of merger.

2.8 CONSIDERATION

- a) There will be no issue and allotment of any shares by the Transferee Company in consideration of merger of the Transferor Company with the Transferee Company as the Transferor Company is wholly owned subsidiary company of the Transferee Company and the entire paid up share capital of the Transferor Company is held by Transferee Company and nominees of Transferee Company.
- b) Upon the scheme becoming effective, entire issued, subscribed and paid-up equity share capital of Transferor Company shall, *ipso facto*, without any further application, act, deed or instrument stand extinguished and cancelled and no new shares of the Transferee Company will be issued or allotted with respect to the equity shares held by the Transferee Company and its nominee in the Transferor Company.
- c) The Transferee Company undertakes not to transfer any of the shares held by it of the Transferor Company till the merger is completed.
- d) The Transferor Company undertakes not to increase its share capital by issuing shares to any entity other than Transferee Company till merger is completed.
- e) Upon the scheme becoming effective, share certificates and/ or the shares in electronic form representing the shares held by the Transferee Company (including its nominees) in the Transferor Company shall be cancelled without any further application, act, instrument or deed for cancellation thereof by the Transferee Company and shall cease to be in existence accordingly.

2.9 UPON THIS SCHEME BECOMING EFFECTIVE

- a) Entire issued, subscribed and paid-up equity share capital of the Transferor Company both in electronic form and in the physical form (as the case may be), shall automatically stand cancelled.



- b) The Transferee Company shall increase/ modify/ reclassify its Authorised Share Capital (if required) for implementing the terms of this Scheme, to the extent necessary.
- c) On this Scheme becoming effective, the shareholders and Creditors, if any, of the Transferee Company and the Transferor Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme and no separate resolution under the Act shall be required to pass.

2.10 ACCOUNTING TREATMENT FOR MERGER

- a) Upon the Scheme becoming effective, the merger shall be accounted in the books of accounts of the Transferee Company in accordance with applicable Indian Accounting Standard (IndAS) as notified under Section 133 of the Act read together with the Companies (Indian Accounting Standard) Rules, 2015 and the other accounting principles generally accepted in India.
- b) It is further clarified that the excess of the Assets and Liabilities transferred to the Transferee Company would be credited to the 'Capital Reserve Account' and the shortfall of the Assets and Liabilities transferred to the Transferee Company would be treated as Goodwill and it shall be adjusted/ cancelled against Securities Premium Account, if any, of the Transferee Company.
- c) Accounting policies of the Transferor Company will be harmonized with that of the Transferee Company following the merger.
- d) If there is any difference in accounting policies of the Transferor Company and that of the Transferee Company, the impact of the same till the appointed date will be quantified and same should be appropriately adjusted and reported in accordance with the applicable accounting rules and principles, so as to ensure that the financial statement of the Transferee Company reflects the financial position on the basis of consistent accounting policies.

2.11 VALIDITY OF EXISTING RESOLUTIONS ETC.

- a) Upon the coming into effect of the Scheme, the resolutions of the Transferor Company as are considered necessary by the Board of Directors of the Transferee Company which are validly subsisting be considered as resolutions of the Transferee Company.
- b) If any such resolutions have any monetary or other limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of the Transferee Company, shall be



added to the limits, if any, imposed under the like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

PART-III

3.1 CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- a) The scheme being approved by the requisite majorities in number and value of such classes of members (as may be applicable) and/or creditors (wherever applicable), of the Transferor Company and the Transferee Company as may directed by Hon'ble NCLT.
- b) The approval or sanction of the Hon'ble NCLT under Sections 230-232 of the Act in favor of the Transferor Company and the Transferee Company for sanctioning the Scheme being obtained.
- c) The certified/ authenticated copies of the orders of the Hon'ble NCLT sanctioning the Scheme being filed by each of the Transferor Company and the Transferee Company with the respective Registrar of Companies.
- d) All other approvals, sanctions or consents of any Governmental Authority or any statutory authorities as may be required by law for the implementation of Scheme being obtained.

3.2 APPROVAL OF SEBI AND STOCK EXCHANGES

In view of the SEBI Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated February 15, 2017 and in terms of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the Scheme of merger of wholly owned subsidiaries with their Parent Company shall be filed with the Stock Exchanges for the purpose of disclosures and stock exchange shall disseminate the scheme documents on their website. Further, the Transferee Company shall comply with requirement of aforesaid and all other applicable SEBI Notification/ Circular.

3.3 APPLICATION TO HON'BLE NCLT

The Transferor Company and the Transferee Company shall make application under Sections 230-232 of the Act and other applicable provisions, if any, of the Act to the Hon'ble NCLT where the respective registered offices of the Transferor Company and



the Transferee Company are situated, for sanction of this Scheme and for the dissolution of the Transferor Company without winding-up and other concerned matters.

3.4 MODIFICATIONS/ AMENDMENTS TO THE SCHEME

- a) The Transferor Company and the Transferee Company through their respective Board of Directors may make or assent, from time to time, on behalf of all persons concerned, to any modifications or amendments to this Scheme or to any conditions or limitations which the Hon'ble NCLT and/or any authority(ies) under the law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for carrying the Scheme into effect.
- b) In order to give effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of the Transferee Company may give and is authorized to give all such directions as may be necessary including directions for settling any question, doubt or difficulty whatsoever that may arise.
- c) In the event that any conditions are imposed by any Hon'ble NCLT and/or any other competent authority which the Transferor Company and/or the Transferee Company find un-acceptable for any reason whatsoever, then the Transferor Company and/or the Transferee Company shall be entitled to withdraw the Scheme.

3.5 EFFECT OF NON – RECEIPT OF APPROVALS

In the event of this Scheme failing to take effect, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or employees or any other person. Each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

3.6 COST CHARGES AND EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of the Transferor Company and the Transferee Company incurred in relation to or in connection with this Scheme or incidental to the completion of the merger of the Transferor Company with the Transferee Company in pursuance of this Scheme, shall be borne and paid by the Transferee Company only.

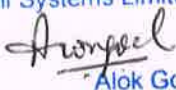


3.7 DIRECTORS OF THE TRANSFEROR COMPANIES

That the Directors of Transferor Company shall cease to hold office as Directors thereof with effect from the Effective date of this scheme and consequently, the Board of Transferor Company shall stand dissolved.

3.8 SEVERABILITY

If any part of the Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts/provisions of the scheme.

For Motherson Sumi Systems Limited

Alok Goel
Company Secretary

For Motherson Polymers Compounding Solutions Ltd.

Director



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF MOTHERSON SUMI SYSTEMS LIMITED AT THEIR MEETING HELD ON TUESDAY, THE 7TH DAY OF AUGUST, 2018 AT BOARD ROOM, CORPORATE TOWER, PLOT NO.-1, SECTOR-127, NOIDA

"RESOLVED THAT pursuant to the provisions of Sections 230 to 233 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and in accordance with the provisions of the Memorandum and Articles of Association of Motherson Sumi Systems Limited ("**the Company**") and subject to the requisite approval(s) of the Hon'ble National Company Law Tribunal, Mumbai Bench and/or Hon'ble National Company Law Tribunal, Delhi Bench ("**the Hon'ble NCLT(s)**"), the stock exchanges where equity shares of the Company are listed, the Securities Exchange Board of India, the shareholders and/ or the creditors of the Company, if required, and/or such other sanctions and approvals, including sanctions of any other competent or statutory or regulatory authority(ies), as may be applicable/ required by the law, consent of the Board of Directors of the Company ("**the Board**") be and hereby accorded to the Scheme of Amalgamation ("**the Amalgamation Scheme**") of Motherson Polymers Compounding Solutions Limited ("**Transferor Company**"), a wholly-owned subsidiary of the Company with Motherson Sumi Systems Limited ("**Transferee Company**") and their respective shareholders and creditors, as per the terms and conditions mentioned in the Scheme placed before the Board, with effect from, April 01, 2018, being the Appointed Date ("**the Appointed Date**").

RESOLVED FURTHER THAT Mr. Pankaj Mital, Whole-time Director & COO, Mr. G.N. Gauba, Chief Financial Officer and Mr. Alok Goel, Company Secretary of the Company be and are hereby severally authorized to perform all such acts, deeds and things as may be required to be performed for obtaining necessary approval(s), giving effect and/or implementing the Amalgamation Scheme, including but not limited to, make necessary application(s), undertaking(s), affidavit(s), declaration(s), petition(s), authorization / appointment of legal counsel(s) / advocate(s) / representative(s) etc., and/or to make such additions, alterations, rectifications and changes in the Amalgamation Scheme and/or documents related or incidental thereof, as may be expedient or necessary for satisfying the requirements or conditions imposed by the shareholders, the creditors, stock exchange(s), Securities and Exchange Board of India, the Hon'ble NCLT(s) and / or such other statutory or regulatory authority(ies) as may be required and to take all such steps as may be necessary and/or related and/or incidental thereto, which shall include:

1. to sign, finalize and file of the Amalgamation Scheme and all other information/ details with the concerned the stock exchanges or any other body or regulatory authority or agency in order to obtain approval, if any, for the Scheme of Amalgamation or for the purpose of giving effect thereto;
2. to sign, finalize and file all application(s) before the Hon'ble NCLT(s) for seeking directions as to convening / dispensing with the requirements of the meetings of the shareholders and/or the creditors of the Company as the Hon'ble NCLT(s) may direct and to file all other necessary documents, forms, applications, affidavits, vakalatnama, petitions, memorandum of appearance, undertaking and other documents and writings as may be necessary from time to time for the said purposes and to undertake the follow up action required thereafter;
3. to file any incidental application/ petition as is necessary for the implementation of the Amalgamation Scheme;





4. to convene the meeting of shareholders and/or creditors of the Company as directed by Hon'ble NCLT(s), finalize the draft of the Notice for convening the meeting of Shareholders and/or Creditors of Company and drafts of explanatory Statements under Section 230 of the Companies Act, 2013 as they may deem fit;
5. to make such alterations/changes, in the Amalgamation Scheme as may be required, suggested, instructed or directed by any of the statutory or regulatory authority(ies) including but not limited to stock exchanges, Hon'ble NCLT(s), shareholders, creditors and/ or any other statutory or regulatory authority(ies);
6. to file petition for sanction/confirmation of the Scheme by the Hon'ble NCLT(s) or any other Competent Authority along with requisite documents and to do all that may be necessary and incidental in this behalf;
7. to settle any question or difficulty that may arise with regards to the implementation of the Amalgamation Scheme and to give effect to the resolution;
8. to do all acts, deeds and things necessary, convenient and incidental and ancillary in relation thereto and for that purpose to engage advocate(s), solicitor(s), counsel(s), valuer(s), practicing company secretary(ies) or any other expert consultant(s), if considered necessary for the sanction of the Amalgamation Scheme;
9. to obtain approval(s) and to represent before stock exchanges, respective Registrar of Companies, Hon'ble NCLT(s) and other relevant authorities and entities including the shareholders and creditors etc., as may be necessary to give effect to the Amalgamation Scheme;
10. generally to the purposes set out hereinabove and in this behalf to sign, execute and certify all resolutions, declarations, affidavits, statements, notices, applications, petitions, reports, vakalatnama and memorandum of appearance and other papers or documents relating to the Scheme and to file, submit, furnish all or any of such documents as mentioned hereinbefore with the respective authorities including but not limited to Hon'ble NCLT, Stock Exchanges, the respective Registrar of Companies, the respective Regional Director, the respective superintendent of stamps etc.;
11. to co-ordinate with such other statutory or regulatory authorities as may be considered necessary for the Amalgamation Scheme;
12. to ratify the action (if any) already taken by the executives/ officers of the Company in this regard;
13. to delegate authority to another person(s) by a valid power of attorney or other appropriate authorizations;
14. to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority or as may be *suo-moto* decided by the Board of Directors of the Company;
15. to do all acts and things as may be considered necessary and expedient in relation to the implementation of the Amalgamation Scheme; and
16. to carry out and execute such additional and ancillary documents and formalities as may be deemed necessary.



Motherson Sumi Systems Limited



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Fax: +91-120-2521866, 2521966
Website: www.motherson.com
CIN - L34300MH1986PLC284510

RESOLVED FURTHER THAT it is hereby confirmed that the Company and/or its nominees (if any) as a member and/ or creditors of the Transferor Company approve the Amalgamation Scheme and does not have any objection in case Hon'ble NCLT(s) dispenses with the requirement of convening the meeting of shareholders and/ or creditors of the Transferor Company and approval hereby also accorded for providing their necessary consent letter/ consent affidavit, if required, to Hon'ble NCLT(s) for the approval of the Amalgamation Scheme.

RESOLVED FURTHER THAT in accordance with the provisions of Articles of Association of the Company, Common seal of the Company, if required, be affixed on any document(s) executed in connection with the above resolution and such Common Seal will be affixed in presence of any one director of the Company and counter signed by Mr. G.N. Gauba, Chief Financial Officer or Mr. Alok Goel, Company Secretary of the Company."

For Motherson Sumi Systems Limited



Alok Goel
Company Secretary