

MOTHERSON SUMI SYSTEMS LIMITED

2nd Floor, F-7, Block B-1, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi – 110044

NOTICE OF POSTAL BALLOT

Dear Shareholder(s),

Notice is hereby given that following Resolutions are circulated for approval of members of the Company to be accorded by Postal Ballot in accordance with the provisions of Section 192A of the Companies Act, 1956 read along with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011:

To consider and, if thought fit, to give assent/dissent to the following Special Business:

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

"RESOLVED THAT pursuant to the recommendation of the Board of Directors and relevant provisions of the Articles of Association of the Company, and subject to the guidelines/regulations issued by the Securities and Exchange Board of India and such approvals as may be required in this regard, consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which expression shall be deemed to include a Committee of Directors duly authorised in this behalf) for capitalization of such of the share premium account, general reserves and capital redemption reserves as may be considered necessary by the Board for the purpose of issue of bonus shares of Re. 1/- each, credited as fully paid up shares to the holders of the existing equity shares of the Company whose names appear in the Register of Members on such date as may be fixed by the Board of Directors in this regard, in the proportion of one equity share for every two equity shares held by them.

RESOLVED FURTHER THAT the allotment and issue of fully paid-up new Equity Shares as Bonus Shares to the extent that they relate to non-resident members of the Company shall be subject to the approval of the Reserve Bank of India as may be necessary.

RESOLVED FURTHER THAT the Bonus Shares to be issued as fully paid up Equity Shares are subject to the Memorandum and the Articles of Association of the Company and shall rank in all respects pari passu with the existing Equity Shares but shall not be entitled to participate in any dividend declared or to be declared for any year prior to the allotment of the Bonus Shares.

RESOLVED FURTHER THAT if as a result of implementation of this resolution, any member becomes entitled to a fraction of new Equity Shares to be allotted as Bonus Shares, the Company shall not issue any certificate or coupon in respect of such fractional shares but the total number of such new Equity Shares representing such fractions shall be allotted by the Board to a nominee or nominees to be selected by the Board who would hold them as trustee for the Equity Shareholders who would have been entitled to such fractions in case the same were issued and such nominee(s) will as soon as possible sell such Equity Shares allotted at the prevailing market rate and the net sale proceeds of such shares after adjusting the cost and the expenses in respect thereof be distributed among such members who are entitled to such fractions in the proportion of their respective holdings and fraction thereof.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to take all steps as may be necessary with regard to the issue, allotment and distribution of the new Equity Shares as they may in their absolute discretion deem fit."

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

"RESOLVED THAT pursuant to provisions of Section 372A 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 rules, regulations/guidelines, if any, issued/prescribed by the Ministry of Corporate Affairs, Government of India and subject to the approval of such appropriate authorities as may be necessary, consent of the members be and is hereby accorded to the Board of Directors of the Company to make investments in the form of capital and/or provide loan/ guarantee up to Rs. 350 Crores (Rupees Three Hundred and Fifty Crores only) in one or more tranches in Samvardhana Motherson Polymers Limited (SMPL), a Subsidiary/Joint Venture Company where the Company holds 51% stake notwithstanding that the aggregate of loans and investments so far made or to be made and guarantees or securities so far given or to be given to all bodies corporate may exceed the limits prescribed under Section 372A of the Companies Act, 1956 provided further that the proposed investment /loan/guarantee may be either directly / indirectly into SMPL and/or to its one or more subsidiaries within the above limits.

RESOLVED FURTHER THAT the proposed transactions with the aforesaid Company shall be in addition to the investments, loans or advances made and guarantees provided from time to time by the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, and to execute all deeds, applications, agreements, documents and writings that may be required, on behalf of the Company and to do all such acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution."

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

"RESOLVED THAT pursuant to provisions of Section 372A 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 rules,

regulations/guidelines, if any, issued/prescribed by the Ministry of Corporate Affairs, Government of India and subject to the approval of such appropriate authorities as may be necessary, consent of the members be and is hereby accorded to the Board of Directors of the Company to provide Corporate Guarantee in favour of State Bank of India, Frankfurt Branch, Germany up to Euro 30.60 Million of its share of 51% of the term loan of Euro 60.00 Million (facility amount) provided to SMP Automotive Exterior GmbH, Germany, a step down subsidiary company notwithstanding that the aggregate of loans and investments so far made in or to be made in and guarantees or securities so far given or to be given to all bodies corporate may exceed the limits prescribed under the Section.

RESOLVED FURTHER THAT the proposed transactions with the aforesaid Company shall be in addition to the investments, loans or advances made and guarantees provided from time to time by the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, and to execute all deeds, applications, agreements, documents and writings that may be required, on behalf of the Company and to do all such acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution."

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

"RESOLVED THAT pursuant to provisions of Section 372A 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 rules, regulations/guidelines, if any, issued/prescribed by the Ministry of Corporate Affairs, Government of India and subject to the approval of such appropriate authorities as may be necessary, consent of the members be and is hereby accorded to the Board of Directors of the Company to make investments in the form of capital and/or provide loan/ guarantee up to Rs. 4.45 Crores (Rupees Four Crore Forty Five Lacs only) in one or more tranches in Samvardhana Motherson Nippisun Technology Ltd. (SMNTL), a Joint Venture Company where the Company holds 49.50% stake notwithstanding that the aggregate of loans and investments so far made or to be made and guarantees or securities so far given or to be given to all bodies corporate may exceed the limits prescribed under Section 372A of the Companies Act, 1956.

RESOLVED FURTHER THAT the proposed transactions with the aforesaid Company shall be in addition to the investments, loans or advances made and guarantees provided from time to time by the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, and to execute all deeds, applications, agreements, documents and writings that may be required, on behalf of the Company and to do all such acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution."

By Order of the Board

Place : NOIDA

Date : 1st November, 2013

Sd/-

(G. N. GAUBA)

Vice President (Finance) &
Company Secretary

Notes:

1. The Special Business as mentioned above requires the consent of the members through Postal Ballot.
2. Explanatory Statement and reasons for the proposed Special Business pursuant to Section 102 of the Companies Act, 2013 read with Section 192A of the Companies Act, 1956 are given hereunder.
3. The Company has appointed Mr. D.P. Gupta, Company Secretary in whole-time practice as Scrutinizer for the purpose of the Postal Ballot voting process.
4. The notice is being sent to all the Members whose name would appear in the Register of Members/ Record of Depositories as on 1st November, 2013.
5. A Member desiring to exercise vote by Postal Ballot may complete the Postal Ballot Form and send it to the Scrutinizer in the enclosed self-addressed Business Reply Envelop. Postage will be borne and paid by the Company. However, Envelop containing Postal Ballots, if sent by Courier or by Registered Post at the expense of the registered Member will also be accepted. The Envelop may also be deposited personally at the address given thereon. However the Envelop of the **Postal Ballot should reach the Company not later than the close of working hours on 10th December, 2013**. If the ballots are received thereafter they shall be deemed to be not received.
6. The Company is extending its offer of e-voting facility as an alternate, for its Members to enable them to cast their vote electronically instead of dispatching Postal Ballot. The procedure for the same is as under :
 - a. Open your web browser and log on to the e-voting website www.evotingindia.com.
 - b. Now click on 'Shareholders'.
 - c. Now, select the "Electronic Voting Sequence Number" (EVSN) alongwith "Motherson Sumi Systems Limited" from the drop down menu and click on "SUBMIT".

d. Now fill up the following details in the appropriate boxes:

Enter	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User-id	For NSDL - 8 character DP ID + 8 digits Client ID. For CDSL - 16 digits Beneficial Owner ID.	Registered Folio Number with the Company.
Password	Your unique Password has been printed on the Postal Ballot form/e-mail forwarding electronic notice. However, the members who have been allotted their Password earlier by CDSL, may use the same. In case they do not remember such Password, they may go to the option "Forget Password" and proceed.	Your unique Password has been printed on the Postal Ballot form/e-mail forwarding electronic notice.
PAN or Default Number	Enter your 10 digit alphanumeric Permanent Account Number issued by Income Tax Department.	Enter the Default Number in case the PAN is not updated with the Company/RTA or in the Demat Account "AAAAA2222A".

- e. After logging in the details of "User id, Password, PAN or Default Number", the Members holding shares in physical form & Members holding shares in demat form (who had changed their password in the past) will reach directly to the voting screen. However, Members holding shares in demat form, who had not changed their password earlier will now be required to mandatorily change their password in the new password field and may enter their demographic details i.e. date of birth, mobile number and email id. Kindly remember the changed Password as this can be used for voting on future Postal Ballot resolution(s) for Mother'son Sumi Systems Limited or any other Company.
 - f. On the voting Page, you will now see Resolution Description and option for voting YES/ NO against each Resolution Description. The option YES implies that you assent to the Resolution and NO implies that you dissent to the Resolution.
 - g. Click on the **Resolution File Link** if you wish to view the complete Postal Ballot Notice.
 - h. Enter the **number of shares** (which represents no. of votes) under each of the headings of the resolution, if you want to vote YES/ NO, but not exceeding your total holding.
 - i. After selecting the list of the resolutions you have decided to vote on, click on SUBMIT. A confirmation box will be displayed. If you wish to confirm your vote, click on OK, else to change your vote, click on CANCEL and accordingly modify your vote.
 - j. Once you have voted on a resolution, you will not be allowed to modify your vote.
 - k. You can log in any number of times till you have voted on all the resolutions or till the end of the voting period (i.e. till the last date of receipt of Postal Ballots), whichever is earlier.
 - l. **Kindly note that the members can opt only one mode for voting i.e. either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case member(s) cast their vote both via Physical Ballot and e-voting, then voting done through Physical Ballot shall prevail and voting done by e-voting will be ignored.**
 - m. In addition to the above, the non-individual members (like Corporates, FIs, Mutual Funds, Banks, Trusts etc.) who opt for e voting, are also required to submit Board Resolution/Power of Attorney authorising any person to exercise the Voting Power on their behalf alongwith their attested specimen signatures. Scanned copies of such documents are required to be sent to Scrutinizer through e-mail at sgsdel@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com. The file containing the said documents should be named as "Member's name_ 131106001", e.g., in case of shareholder company XYZ Ltd., the file containing the authorization documents should be named as "XYZ Ltd._131106001". The documents can be sent before/immediately after casting the vote. However, in case the same do not reach Scrutinizer/ CDSL before closure of voting, the vote so exercised will be rejected in the system.
 - n. In case you have any queries or issues regarding e-voting, please contact on helpdesk.evoting@cdslindia.com, or on investorrelations@motherson.com.
7. In line with the "Green initiative in the Corporate Governance" launched by the Ministry of Corporate Affairs allowing paperless compliances by recognising e-mails as one of the modes of service of notice/documents on the shareholders, the Company is sending this Notice electronically on the e-mail addresses as provided by the members/ as obtained from the Depositories/ other sources to the Members. Such Members may exercise their voting electronically as per the procedure given above.
 8. In case, the Members who have been sent this Notice electronically and who do not want to avail the e-voting facility organised through CDSL, such members may send a request to the Company on investorrelations@motherson.com for obtaining the Notice and Postal Ballot in physical form. On receipt of such requests, the Company will dispatch the same in physical form to enable the Members to send back the Postal Ballot by 10th December, 2013.
 9. The result of the Postal Ballot shall be declared by the Chairman, or in his absence by any other person, so authorized by the Chairman on **Wednesday 11th December, 2013**, at the Registered Office of the Company and the resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman, if the results of the Postal Ballots indicate that the requisite majority of the Shareholders had assented to the Resolutions. The result of the Postal Ballot shall also be announced through a newspaper advertisement and hosted on the website of the Company www.motherson.com.
 10. A copy each of the documents referred to in the accompanying Explanatory Statement is open for inspection at the Registered Office of the Company on all working days, except holidays, between 11.00 A.M. and 1.00 P.M. up to the date of declaration of the results of Postal Ballots.

11. Members voting through Postal Ballot are requested to carefully read the instructions printed on the Postal Ballot Form before exercising their vote.

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

ITEM NO. 1

The Board of Directors in their meeting held on 1st November, 2013 have recommended issue of bonus shares to the shareholders of the Company in the ratio of one equity share for every two equity shares held. The bonus shares shall be issued by capitalizing the Share Premium Account, General Reserves and Capital Redemption Reserves of the Company.

Approval of shareholders is sought for the issue of bonus shares.

Your Directors recommend the passing of the resolution.

None of the Directors, Key Managerial Person of the Company and their relatives respectively, is interested in the resolution except to the extent of the bonus shares that may be allotted to them in proportion to their shareholding in the Company.

ITEM NO. 2

As the members are aware that, the Company had incorporated a Joint Venture Company (JVC) namely Samvardhana Motherson Polymers Limited (SMPL) where the Company holds 51% for acquisition of Peguform Group. The Company is required to further invest in the form of Capital and/or provide loan/guarantee, which will be utilized by SMPL for repayment of loan and interest as well as further investment of its subsidiaries and/or for capex. This investment and/or loan and/or guarantee may be made directly in SMPL or indirectly through any of subsidiaries.

Since the above investment/loan proposed together with the aggregate of loans made, guarantees given, securities provided and investments made from time to time by the Company may exceed the limits prescribed under Section 372A of the Companies Act, 1956, prior approval of the shareholders through postal ballot under Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules 2011 is required for the same and company, therefore decided to seek approval of the shareholders to confirm such resolution by way of Postal Ballot.

The Board recommends the above Special Resolution for your consideration and approval.

None of the Directors, Key Managerial Person of the Company and their relatives respectively is interested or concerned in any way in this Resolution.

ITEM NO. 3

SMP Automotive Exterior GmbH, a newly incorporated entity at Germany and a step down subsidiary through Samvardhana Motherson Polymers Limited, in which the company holds 51% of the shareholding.

Further, SMP Automotive Exterior GmbH proposed plan to take term loan amounting to Euro 60.00 Million (the facility) from State Bank of India, Frankfurt Branch, Germany for setting up a plant at Schierling, Germany. As security for this facility, the Bank asked for Corporate Guarantee from Motherson Sumi Systems Ltd. and Samvardhana Motherson International Ltd.

Accordingly, your company proposed to provide Corporate Guarantee in favour of State Bank of India, Frankfurt Branch, Germany up to Euro 30.60 Million of its share of 51% of the facility amount Euro 60.00 Million subject to the necessary approval as may be required.

Since the above Guarantee proposed together with the aggregate of loans made, guarantees given, securities provided and investments made from time to time by the Company may likely to exceed the limits prescribed under Section 372A of the Companies Act, 1956, approval of the shareholders through postal ballot under Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules 2011 is required for the same.

The Board recommends the above Special Resolution for your consideration and approval.

None of the Directors, Key Managerial Person of the Company and their relatives respectively is interested or concerned in any way in this Resolution.

ITEM NO. 4

Your Company has incorporated a new Joint Venture Company in the name of Samvardhana Motherson Nippisun Technology Ltd. (SMNTL) with Nippon Pigment(s) Pte Ltd., Singapore and Toyota Tsusho Corporation, Japan where your Company holds 49.50% stake. The Company is required to make investments in the form of Capital and/or provide loan/guarantee to the extent of its ratio for establishment production units.

Since the above investment/loan proposed together with the aggregate of loans made, guarantees given, securities provided and investments made from time to time by the Company may exceed the limits prescribed under Section 372A of the Companies Act, 1956, prior approval of the shareholders through postal ballot under Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules 2011 is required for the same and Company, therefore decided to seek approval of the shareholders to confirm such resolution by way of Postal Ballot.

The Board recommends the above Special Resolution for your consideration and approval.

None of the Directors, Key Managerial Person of the Company and their relatives respectively is interested or concerned in any way in this Resolution.

By Order of the Board

Sd/-

(G. N. GAUBA)

Vice President (Finance) &
Company Secretary

Place : NOIDA

Date : 1st November, 2013