

Independent Auditor's Certificate to confirm that the Accounting Treatment is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013

To,
The Board of Directors,
Motherson Sumi Systems Limited
Plot No.1, Sector 127, Noida, Greater Noida Expressway,
Uttar Pradesh - 201301

We, the statutory auditors of Motherson Sumi Systems Limited, (hereinafter referred to as "the Company" or "MSSL" or "Transferor Company" or "Amalgamated Company"), have examined the proposed accounting treatment specified in Clause 15.1 of Section I and Clause 17 of Section II of the Composite Scheme of Amalgamation and Arrangement amongst Motherson Sumi Systems Limited, Samvardhana Motherson International Limited ("Amalgamating Company"), a new Company under Incorporation ("Resulting Company"), and their respective shareholders and creditors for demerger of Domestic Wiring Harness undertaking of the Company to the new Company under Incorporation; amalgamation of the Samvardhana Motherson International Limited into and with the Company by absorption, subsequent to the completion of the demerger referred above; (hereinafter referred to as the "Scheme"), which we have annexed with this certificate for identification purposes, in terms of the provisions of Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") with reference to its compliance with the applicable Accounting Standards notified under the Act and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

This Certificate is issued at the request of the Company pursuant to the requirements of Regulation 11 of Securities and Exchange Board of India Listing Obligations and Disclosure Requirements and SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 for onward submission to regulatory authorities including the National Stock Exchange of India Limited, BSE Limited, Securities and Exchange Board of India and the National Company Law Tribunal. This Certificate should not be used for any other purpose without our prior written consent.

This Certificate should be read with the Annexure 1 and scheme annexed herewith which forms an integral part of this certificate.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Pankaj Chadha
Partner
Membership Number: 091813
UDIN: 20091813AAAACY9019

Place: Gurugram
Date: July 02, 2020

Annexure 1 to the Certificate

Certificate to confirm that the Accounting Treatment is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013

To,
The Board of Directors,
Motherson Sumi Systems Limited
Plot No.1, Sector 127, Noida, Greater Noida Expressway,
Uttar Pradesh – 201301

1. This report is issued in accordance with the terms of the service scope letter dated July 01, 2020 and Master Engagement Agreement dated June 02, 2020, between S.R. Batliboi & Co LLP (“we” or “us” or “SRBC”) with Motherson Sumi Systems Limited (hereinafter the “Company”).
2. At the request of the Company, we have examined the proposed accounting treatment specified in Clause 15.1 of Section I and Clause 17 of Section II of the Composite Scheme of Amalgamation and Arrangement amongst Motherson Sumi Systems Limited, Samvardhana Motherson International Limited (“Amalgamating Company”), a new Company under Incorporation (“Resulting Company”), and their respective shareholders and creditors for demerger of Domestic Wiring Harness undertaking of the Company to the new Company under Incorporation; amalgamation of the Samvardhana Motherson International Limited into and with the Company by absorption, subsequent to the completion of the demerger referred above; (hereinafter referred to as the “Scheme”), which we have annexed with this certificate for identification purposes, in terms of the provisions of Section 133 of the Companies Act, 2013 (hereinafter referred to as “the Act”) with reference to its compliance with the applicable Accounting Standards notified under the Act and Other Generally Accepted Accounting Principles.

This certificate is required by the Company in accordance with requirements of Regulation 11 of Securities and Exchange Board of India (“SEBI”) Listing Obligations and Disclosure Requirements (hereinafter referred to as ‘SEBI LODR regulations’) and SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“SEBI Circular”) for onward submission to regulatory authorities including The National Stock Exchange of India Limited, BSE Limited, Securities and Exchange Board of India and the National Company Law Tribunal to confirm that the Accounting Treatment prescribed in the Scheme is in compliance with the applicable accounting standards prescribed under Section 133 of the Companies Act 2013 (the “Act”) and other Generally Accepted Accounting Principles.

Management’s Responsibility

3. The Board of Directors of the Company are responsible for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable accounting standards read with the rules made thereunder. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Scheme.

Auditor’s Responsibility

4. Our responsibility is to provide reasonable assurance whether the Accounting Treatment prescribed in the Scheme is in conformity with the applicable accounting standards prescribed under section 133 of the Act and other Generally Accepted Accounting Principles.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mention in paragraph 4 above. The procedures selected depend on the auditor’s judgement, including the assessment of the risks associated with the Reporting Criteria. Accordingly, we have performed the following procedures:
 - a. Read the draft Scheme and the proposed accounting treatment as specified in Clause 15.1 of Section I and Clause 17 of Section II, which is attached as Annexure 2 to this certificate and initialed by us only for the purpose of identification.
 - b. Examined the Accounting Treatment prescribed in the Scheme and assessed whether the same is in compliance with the applicable accounting standard prescribed under Section 133 of the Act and other Generally Accepted Accounting Principles.

S.R. BATLIBOI & Co. LLP

Chartered Accountants

8. Further, our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.

Restriction on Use

9. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose mentioned in paragraph 2 above and for onward submission to regulatory authorities including in paragraph 2 above and to be submitted to the government regulatory authorities including The National Stock Exchange of India Limited, BSE Limited, Securities and Exchange Board of India and the National Company Law Tribunal, and should not be used for any other person or purpose or distributed to anyone or referred to in any document without our prior written consent. Our examination relates to the matters specified in this report and does not extend to the Company as a whole. We make no representations regarding compliance with company law or any other statutory requirements. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Pankaj Chadha

Partner

Membership Number: 091813

UDIN: 20091813AAAACY9019

Place: Gurugram

Date: July 02, 2020

COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT

**(UNDER SECTIONS 230 TO 232 AND OTHER RELEVANT PROVISIONS OF THE
COMPANIES ACT, 2013)**

AMONGST

MOTHERSON SUMI SYSTEMS LIMITED

MSSL / Transferor Company /
Amalgamated Company

SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED

Amalgamating Company

[A NEW COMPANY UNDER INCORPORATION]

Resulting Company

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**Alok
Goel** Digitally signed
by Alok Goel
Date: 2020.07.02
20:55:50 +05'30'

INTRODUCTION

1. PREAMBLE

This composite scheme of arrangement is presented under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, including the rules and regulations issued thereunder, as may be applicable, read with Sections 2(19AA) or 2(1B) of the Income-tax Act, 1961, as may be applicable, for the

- (a) demerger of the DWH Undertaking (*as defined in Section I of the Scheme*) of the Transferor Company (*as defined in Section I of the Scheme*) and vesting of the same with the Resulting Company (*as defined in Section I of the Scheme*); and
- (b) amalgamation of the Amalgamating Company (*as defined in Section II of the Scheme*) into and with MSSL, by absorption, subsequent to the completion of the demerger referred to in (a) above.

In addition, this composite scheme of arrangement also provides for various other matters consequential or otherwise integrally connected herewith.

2. DESCRIPTION OF THE COMPANIES

2.1 Transferor Company

Motherson Sumi Systems Limited (“**MSSL**” or “**Transferor Company**”) is a public limited company incorporated on December 19, 1986, under the Laws of India, having its registered office at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Mumbai 400 051, Maharashtra. The CIN of MSSL is L34300MH1986PLC284510. The Equity Shares of MSSL are listed on BSE Limited and National Stock Exchange of India Limited. The non-convertible debentures (“**NCDs**”) issued by MSSL are listed on BSE Limited. MSSL is engaged in the business of manufacturing of automotive components, *inter-alia*, wiring harness, manufacturing of vision system, manufacturing of moulded and polymer products etc., directly and/or through subsidiaries.

2.2 Resulting Company

The Resulting Company is a new company currently in the process of being incorporated under the Companies Act, 2013, as a wholly owned subsidiary of MSSL. On incorporation, the registered office of the Resulting Company will be situated at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Mumbai – 400051, Maharashtra. The Resulting Company, on incorporation, will be a wholly owned subsidiary of MSSL.

2.3 Amalgamating Company

Samvardhana Motherson International Limited is a public limited company incorporated on December 9, 2004, under the Laws of India, having its registered office at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Mumbai 400 051, Maharashtra. The NCDs issued by the Amalgamating Company are listed on BSE Limited. The CIN of the Amalgamating Company is U74900MH2004PLC287011. The Amalgamating Company is a non-deposit taking systemically important core investment company (CIC-ND-SI) registered with the Reserve Bank of India. Amalgamating Company is engaged in the business of holding and nurturing its investments in various subsidiaries and joint-venture companies in India and across the world and also provides strategic, operational and management support to its group companies. The Amalgamating Company, directly or indirectly through its subsidiaries, is contemplating the commencement of new businesses, including civil aviation. Amalgamating Company is one of the promoters of MSSL and holds 33.43% of the share capital of MSSL, as on July 2, 2020.

3. RATIONALE FOR THE SCHEME

3.1 Rationale for demerger of the DWH Undertaking

- 3.1.1. The Transferor Company is a multi-business corporate that is a specialised full-system solutions provider and caters to a diverse range of customers in the automotive and other industries across Asia, Europe, North America, South America, Australia and Africa. The Transferor Company is, directly and through its subsidiaries and joint venture companies, engaged in the business of manufacturing of automotive components, *inter-alia*, wiring harness, manufacturing of vision system, manufacturing of moulded and polymer products etc. The Transferor Company has created value for its customers, its investors, its employees and other stakeholders through organic growth, by way of greenfield operations and inorganic growth, by way of continuing strategic acquisitions and as a result has expanded its business operations in various countries across Asia, Europe, North America, South America, Australia and Africa.
- 3.1.2. The aforesaid businesses of the Transferor Company have been nurtured over a period of time and are currently at different stages of growth. The DWH Undertaking (*as defined in Section I of the Scheme*), being focused on the Domestic Wiring Harness Business, and the Remaining Business (*as defined in Section I of the Scheme*) each have distinct market dynamics, like competition, distinct geographic focus, distinct strategy and distinct capital requirements. As a result, there are differences in the way in which the activities of the Domestic Wiring Harness Business and the Remaining Business are required to be organised and managed. The segregation and transfer of the DWH Undertaking into the Resulting Company, as envisaged in the Scheme, will enable sharper focus towards the Indian customers of the Domestic Wiring Harness Business, better alignment of the businesses to its customers and the respective businesses to improve competitiveness, operational efficiencies and strengthen its position in the relevant marketplace resulting in a more sustainable long term growth and competitive edge. The segregation and transfer of the DWH Undertaking into the Resulting Company will also align the interests of key stakeholders which will benefit the strategic direction of the Resulting Company in the long term.
- 3.1.3. Separation of the Domestic Wiring Harness Business into the Resulting Company will result in the creation of two listed entities engaged in the auto-component business, enabling them to be used for future inorganic growth opportunities. The transfer and vesting of the DWH Undertaking into the Resulting Company, pursuant to the Scheme, will also enable the Resulting Company to have a strong presence among original equipment manufacturers - catering to passenger vehicle, commercial vehicle, 2-wheeler and off-highway vehicle segments.

3.2 Rationale for amalgamation of Amalgamating Company with MSSL

- 3.2.1. The Amalgamating Company (*as defined hereinafter*), through its subsidiaries and joint venture companies, is *inter alia* engaged in the business of product manufacturing of certain automotive components, including automotive rear-view mirrors, moulded plastic parts and assemblies, extruded and injection moulding tools and components, moulded and extruded rubber components, interior and exterior polymer modules, automotive modules, air intake manifolds, pedal box assemblies, heating ventilating and air conditioning (HVAC) systems for vehicles, cabins for off-highway vehicles, machined metal products, cutting tools, aluminium die casted products, sheet metal parts, sintered metal parts, thin film coating metals and IT services. The Amalgamating Company holds 33.43% of MSSL, the flagship company of the Motherson Group, as on July 2, 2020. The Motherson Group, through Amalgamating Company, has incubated several high growth businesses with market leadership positions, in addition to having partnered with global industry leaders.
- 3.2.2. Consolidation of the Amalgamating Company with MSSL, pursuant to the Scheme, will result in the simplification of the group structure and in the alignment of the interests of various stakeholders. Further, amalgamation of Amalgamating Company, along with its respective subsidiaries and joint venture companies with MSSL will expand MSSL's product portfolio

thereby leading to robust growth opportunities for the resultant MSSL, in India and overseas. It will also result in the resultant MSSL foraying into non-auto component business which will help in diversifying the revenue streams for the company. The amalgamation of the Amalgamating Company with MSSL would bring about synergy of operations and benefit of scale since duplication of administrative efforts and legal and regulatory compliances will be unified.

- 3.2.3. The amalgamation of the Amalgamating Company with MSSL will also result in the consolidation of the entire shareholding of Samvardhana Moterson Automotive Systems Group B.V. ("**SMRP BV**"), a company engaged in the supply of rear-view vision systems and manufacturing of moulded and polymer products, currently jointly held by the Amalgamating Company and MSSL, with MSSL. Consequently, SMRP BV would become a wholly owned subsidiary of MSSL, leading to the consolidation of SMRP BV and its joint ventures and subsidiaries under the resultant MSSL, resulting in a larger market capitalisation of resultant MSSL.
- 3.4. Therefore, in view of the above, the implementation of this Scheme will result in the following benefits:
- (a) creation of separate and distinct entities housing the DWH Undertaking and the Remaining Business with well-defined strategic priorities;
 - (b) dedicated and specialised management focus on the specific needs of the respective businesses;
 - (c) expanding the business of MSSL from a diversified auto component product portfolio and foray into non-auto component business, thereby creating greater value for the shareholders/ stakeholders of MSSL and will help and aid maintain supplier of choice status among Original Equipment Manufacturers;
 - (d) availability of increased resources, expertise and assets in the resultant MSSL, which can be utilized for strengthening the customer base and servicing existing as well as prospective customers;
 - (e) cost reduction, retaining talent, optimization of support functions, efficiencies and productivity gains by pooling the resources of MSSL and Amalgamating Company, thereby significantly contributing to future growth and maximizing shareholders value and being favourably positioned for mega trends in the auto component sector;
 - (f) benefit to all stakeholders of the Transferor Company, Resulting Company, and Amalgamating Company, leading to growth and value creation in the long run and maximising the value and returns to the shareholders, unlocking intrinsic value of the assets, achieving cost efficiencies and operational efficiencies;
 - (g) consolidation of 100% of the shareholding in SMRP BV in MSSL along with consolidation of all joint ventures and subsidiaries of SMRP BV under MSSL;
 - (h) consolidation of Amalgamating Company with MSSL resulting in consolidation of the group's shareholdings in various entities and simplification of the group structure resulting in higher stakeholder accountability; and
 - (i) to ensure standalone focus on the Domestic Wiring Harness Business of the Transferor Company.
- 3.5. For the reasons above, the composite scheme of arrangement would be in the best interests of the shareholders, creditors, employees and other stakeholders of MSSL, Resulting Company and the Amalgamating Company. In view of the abovementioned reasons and in order to avoid multiplicity of schemes and the consequent increase in cost and effort that may have to be expended by the Companies (*as defined in Section I of the Scheme*), the NCLT

and the governmental authorities, it is considered desirable and expedient to implement the proposed composite scheme of arrangement.

4. PARTS OF THE SCHEME

This Scheme (*as defined in Section I of the Scheme*) is divided into the following sections:

4.1 SECTION I

DEMERGER OF THE DWH UNDERTAKING (AS DEFINED HEREINAFTER) AND VESTING OF THE SAME IN THE RESULTING COMPANY

Part A deals with the Definitions and Share Capital.

Part B deals with demerger of the DWH Undertaking of the Transferor Company (*as defined hereinafter*) and vesting of the same in the Resulting Company (*as defined hereinafter*), in accordance with Section 2 (19AA) of the Income-tax Act, 1961 and Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as may be applicable.

Part C deals with various matters consequential or otherwise integrally connected with Section I of this Scheme, including the payment of consideration, cancellation of the paid-up share capital of the Resulting Company held by the Transferor Company, the accounting treatment in the books of the Transferor Company and the Resulting Company.

4.2 SECTION II

AMALGAMATION, BY ABSORPTION, OF AMALGAMATING COMPANY WITH MSSL

Part A deals with the Definitions and Share Capital.

Part B deals with the amalgamation of the Amalgamating Company with MSSL, by absorption, in accordance with Section 2 (1B) of the Income-tax Act, 1961 and Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as may be applicable.

Part C deals with various matters consequential or otherwise integrally connected with Section II of this Scheme including the payment of consideration, cancellation of the paid-up share capital of the Amalgamated Company held by the Amalgamating Company immediately prior to Effective Date 2, the accounting treatment in the books of Amalgamated Company.

4.3 SECTION III

GENERAL TERMS AND CONDITIONS

Section III deals with the general terms and conditions applicable to the Scheme.

4.4 SCHEDULES TO THE SCHEME

Schedule I - Details of Manufacturing Units and Offices used for the DWH Undertaking as on July 2, 2020.

Schedule II – The revised Memorandum of Association to be adopted by the Amalgamated Company.

SECTION I

DEMERGER OF THE DWH UNDERTAKING AND VESTING OF THE SAME IN THE RESULTING COMPANY

PART A

1. DEFINITIONS

- (a) “**Accounting Standards**” means the applicable accounting standards in force in India from time to time, consistently applied during the relevant period, including the generally accepted accounting principles and standards, Indian Accounting Standard (Ind AS), and all pronouncements including the guidance notes and other authoritative statements of the Institute of Chartered Accountants of India;
- (b) “**Applicable Laws**” or “**Laws**” means and includes all applicable statutes, enactments, acts of legislature or parliament, laws, regulations, ordinances, rules, by-laws, approvals from the concerned authority (including a governmental authority), government resolutions, directives, guidelines, policies, requirements, or other governmental restrictions or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any concerned authority having jurisdiction over the matter in question;
- (c) “**Appointed Date 1**” means April 1, 2021 or such subsequent date (if any) as may be decided by the Board of Directors of the Transferor Company and Resulting Company or such other date as the NCLT may direct;
- (d) “**Board of Directors**” or “**Board**”, in relation to any company, means the board of directors of such company and, unless contrary to the provisions of Applicable Laws, includes any committee of directors or any person authorised by the board of directors or by such committee of directors;
- (e) “**Companies**” means collectively, the Transferor Company, Resulting Company and Amalgamating Company;
- (f) “**Companies Act**” means the Companies Act, 2013, together with the rules and regulations, circulars, notifications and clarifications issued thereunder, and as amended from time to time;
- (g) “**Domestic Wiring Harness Undertaking**” or “**DWH Undertaking**” means and includes all the activities, businesses, operations and undertakings of, and relating to the DWH Business (*as defined hereinafter*), on a going concern basis, inclusive of but not limited to the following:
- (i) all the property of the DWH Business, in the manner more specifically provided under Section I of this Scheme, wherever situated, including all computers and accessories, software and related data, lease/ leave and license rights with respect to use of offices, manufacturing units and other properties, including the premises listed under **Schedule I** of this Scheme, plant and machinery, capital work in progress, vehicles, furniture, fixtures, office equipment, electricals, appliances, accessories, pertaining to or relating to the DWH Business, including all assets at the manufacturing units, offices, etc. situated at the premises listed under **Schedule I** of this Scheme.
- (ii) all rights and licenses, all assignments and grants thereof, all permits, clearances and registrations whether under central, state or other laws, rights (including rights/ obligations under agreement(s) entered into with various persons including independent consultants, subsidiaries/ associate

companies and other shareholders of such subsidiary/ associate/ joint venture companies, contracts, applications, letters of intent, memorandum of understandings or any other contracts), non-disposal undertakings, certifications and approvals, regulatory approvals, entitlements, other licenses, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), taxes, share of advance tax, tax deducted at source and minimum alternate tax credits (including but not limited to credits in respect of sales tax, value added tax, service tax, goods and services tax (GST), and other indirect taxes), deferred tax benefits and other benefits in respect of the DWH Business, tax losses, if any, cash balances, bank accounts and bank balances, deposits, advances, recoverables, receivables, easements, advantages, financial assets, treasury investments, hire purchase and lease arrangements, funds belonging to or proposed to be utilised for the DWH Business, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the DWH Business;

- (iii) all books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the DWH Business;
- (iv) all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, leases/ licenses, operation and maintenance contracts, memorandum of understanding, memorandum of agreements, memorandum of agreed points, letters of intent, hire and purchase agreements, tenancy rights, equipment purchase agreement and other agreement and/or arrangement, as amended and restated from time to time, whether executed with customers, suppliers, contractors, lessors, licensors, consultants, advisors or otherwise, which pertain to the DWH Business;
- (v) any and all earnest monies and/ or security deposits, or other entitlements in connection with or relating to the DWH Business;
- (vi) all employees of the Transferor Company that are determined by the Board of the Transferor Company to be substantially engaged in, or in relation to, the DWH Business, on the date immediately preceding the Effective Date 1;
- (vii) all liabilities (including liabilities, allocable as per this Scheme, if any) present and future, corporate guarantees issued and the contingent liabilities pertaining to or relating to the DWH Business, namely:
 - (A) the debts of the Transferor Company which arises out of the activities or operations of the DWH Business,
 - (B) specific loans and borrowings raised, incurred and utilised by the Transferor Company for the activities or operations of or pertaining to the DWH Business,
 - (C) general or multipurpose borrowings, if any, of the Transferor Company will be apportioned basis the proportion of the value of the assets transferred in this demerger of DWH Business to the total value of the assets of the Transferor Company immediately before the said demerger.

- (viii) all legal or other proceedings of whatsoever nature, including tax proceedings, by or against the Transferor Company pending as on the Effective Date 1 and relating to the DWH Business.

Any issue as to whether any asset or liability and/or employee pertains to or is relatable to the DWH Undertaking or not shall be decided by the Board of Directors of the Transferor Company.

- (h) **“Domestic Wiring Harness Business”** or **“DWH Business”** means and includes all the activities, business, operations and undertakings of the Transferor Company in relation to designing, development, prototyping, validation, manufacturing, sale and supply of wiring harnesses within India;
- (i) **“Effective Date 1”** means the date on which the last of the conditions and matters referred to in Clause 3.1 of Section III of this Scheme have been fulfilled, obtained or waived, as applicable. Any references in Section I of this Scheme to “upon Section I of this Scheme becoming effective” or “effectiveness of Section I of this Scheme” shall refer to the Effective Date 1;
- (j) **“Equity Shares”**, in regard to a company, means the fully paid-up equity shares of such a company;
- (k) **“IT Act”** means the Income-tax Act, 1961;
- (l) **“NCLT”** means the National Company Law Tribunal, Mumbai bench;
- (m) **“Record Date 1”** means the date to be fixed by the Board of Directors of the Transferor Company, for the purpose of determining the shareholders of the Transferor Company to whom the new Equity Shares of the Resulting Company will be issued and allotted, pursuant to Section I of the Scheme;
- (n) **“Remaining Business”** means all the undertakings, businesses, activities, operations, assets and liabilities of the Transferor Company, other than those forming part of the DWH Undertaking;
- (o) **“RoC”** means the Registrar of Companies, Mumbai;
- (p) **“Scheme”** means this composite scheme of arrangement among the Transferor Company, Resulting Company and the Amalgamating Company and their respective shareholders and creditors, in accordance with the provisions hereof and pursuant to the provisions of Sections 230-232 and other relevant provisions of the Companies Act;
- (q) **“SEBI”** means the Securities and Exchange Board of India;
- (r) **“SEBI Circular”** means SEBI Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017, issued by the SEBI regarding Schemes of Arrangement by Listed Entities and Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, as amended from time to time;
- (s) **“Stock Exchanges”** means collectively BSE Limited and the National Stock Exchange of India Limited; and
- (t) **“Tax”, “Taxes”** or **“Taxation”** means all forms of taxation, duties, cess, levies, imposts and social security (or similar) charges of any kind whatsoever in any jurisdiction, including without limitation corporate income tax, any other form of withholding tax, provident fund, employee state insurance and gratuity contributions, service tax, value added tax, customs and excise duties, capital tax and other legal transaction taxes, stamp duty, dividend distribution tax, securities transaction tax, real estate

taxes, gross receipts taxes, windfall profit taxes, employment taxes, severance taxes, franchise taxes, transfer taxes, profit taxes, registration taxes, unclaimed property or escheatment taxes, alternative or add-on minimum taxes, estimated taxes, other municipal, provincial, state or local taxes and duties, environmental taxes and duties, goods and service taxes and any other type of taxes or duties in any relevant jurisdiction, whether disputed or not, together with any interest, penalties, surcharges or fines relating thereto, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction, and including any obligations to indemnify or otherwise assume or succeed to the tax liability of any other Person.

The expressions, which are used in this Section I of the Scheme and not defined in Section I shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Sections II of the Scheme, the Companies Act, the IT Act and other Applicable Laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

2. SHARE CAPITAL

2.1 The capital structure of the Transferor Company, as on July 2, 2020, is as under:

Share Capital	Amount in Rs.
Authorised Capital	
6,050,000,000 Equity Shares of Rs. 1 each	605,00,00,000
2,50,00,000 preference shares of Rs. 10 each	25,00,00,000
Total	630,00,00,000
Issued, Subscribed and Paid-up Share Capital	
315,79,34,237 Equity Shares of Rs. 1 each	315,79,34,237
Total	315,79,34,237

2.2 Upon incorporation, the capital structure of the Resulting Company will be as under:

Share Capital	Amount in Rs.
Authorised Capital	
5,00,000 Equity Shares of Rs. 1 each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid-up Share Capital	
5,00,000 Equity Shares of Rs. 1 each	5,00,000
Total	5,00,000

PART B

3. DEMERGER OF THE DWH UNDERTAKING AND VESTING OF THE SAME IN THE RESULTING COMPANY

3.1 Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the DWH Undertaking, together with all its properties, assets, investments, liabilities, rights, benefits, interests and obligations therein, shall demerge from the Transferor Company and be transferred to, and stand vested in, the Resulting Company, and shall become the property of and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement of any third party. Without prejudice to the generality of the above, in particular, the DWH Undertaking shall stand transferred and vested in the Resulting Company, in the manner described in sub-clause (a) – (m) below:

- (a) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all assets of the DWH Undertaking that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/ or by endorsement and delivery, or by vesting and recordal, including equipment, furniture and fixtures, shall stand vested in and be deemed to be vested in the Resulting Company, wherever located, and shall become the property and an integral part of the Resulting Company in terms of Section I of this Scheme. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- (b) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all assets of the DWH Undertaking that are movable properties other than those described under sub-clause (a) above, including investments in shares and any other securities, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with governmental authorities, shall, without any further act or deed, become the property of the Resulting Company and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard.
- (c) The Transferor Company and the Resulting Company shall, as provided for under Clause 4 of Section I of the Scheme, enter into appropriate lease agreements / leave and license agreements, to allow the Resulting Company to continue using all immovable property used by the DWH Business immediately prior to Effective Date 1, (including as listed in **Schedule I** of this Scheme), and such lease / leave and license shall be effective upon Section I of the Scheme coming into effect, on the Effective Date 1. The freehold and/or leasehold rights, as the case may be, of the Transferor Company over such immovable properties leased and/or licensed and/or sub-leased to the Resulting Company, shall continue to remain with the Transferor Company.
- (d) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all debts, liabilities, contingent liabilities, present or future, duties and obligations, secured or unsecured, whether known or unknown, including contingent / potential tax liabilities of the DWH Undertaking shall, pursuant to the applicable provisions of the Companies Act and the provisions of Section I of this Scheme and, without any further act or deed, become the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and the Resulting Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of

this Clause. The amounts of general or multipurpose borrowings, if any, of the Transferor Company will be apportioned basis the proportion of the value of the assets transferred in this demerger of DWH Undertaking to the total value of the assets of the Transferor Company immediately before the said demerger or in such other manner as maybe determined by the Boards of the Transferor Company and Resulting Company.

- (e) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, leases and licenses of the Transferor Company in relation to the DWH Undertaking, including the shall be and remain in full force and effect on, against or in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligor thereto. Without prejudice to the generality of the foregoing, agreement executed with custodian, software contracts, derivative contracts, bonds, schemes, instruments, bank guarantees, performance guarantees and letters of credit, agreements with any governmental authority, hire purchase agreements, lending agreements, agreements with service providers or contractors for the supply of manpower or contract labour, and such other agreements, deeds, documents and arrangements pertaining to the DWH Undertaking or to the benefit of which the Transferor Company may be eligible in connection with the DWH Undertaking and which are subsisting or having effect immediately before the Effective Date 1, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date 1 and upon Section I of this Scheme becoming effective, in terms of Section I of this Scheme or by operation of law pursuant to the vesting orders of the NCLT, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Resulting Company. All contracts / agreements of the DWH Undertaking subsisting or having effect immediately before the Effective Date 1 shall stand vested in favour of the Resulting Company on the same terms and conditions. The Resulting Company and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder. Notwithstanding the generality of the foregoing, any technical services agreement executed by the Transferor Company with any technical partners, in relation to the DWH Undertaking, shall stand assigned to the Resulting Company on the same terms of conditions as the existing technical services agreement. The Resulting Company shall execute all necessary deeds/ documents/ agreements with the relevant technology partners to give effect to such assignment.
- (f) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all Taxes paid or payable by the Transferor Company, in respect of the operations and/or profits of the DWH Undertaking before the Appointed Date 1, shall be on account of the Transferor Company and, insofar as it relates to the Taxes, whether by way of deduction at source, advance tax or otherwise, by the Transferor Company in respect of profits from activates of the DWH Undertaking after the Appointed Date 1, the same shall be deemed to be the corresponding item paid by the Resulting Company, and shall, in all proceedings be dealt with accordingly;
- (g) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, any notices, disputes, pending suits / appeals, legal, Taxation, or any complaint or claim to any ombudsman, or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature relating to DWH Undertaking, whether by or against the Transferor Company, whether pending on the Appointed Date 1 or which may be instituted any time in the future shall not abate, be discontinued or in any way prejudicially affected by reason of demerger and vesting of the DWH Undertaking in the Resulting Company or anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Resulting

Company in the same manner and to the same extent as would or might have been continued, prosecuted and, or, enforced by or against the Transferor Company, as if this Scheme had not been implemented.

- (h) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all employees of the DWH Undertaking, as determined by the Board of the Transferor Company, shall be deemed to have become employees of the Resulting Company, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Transferor Company, on the Effective Date 1. The services of such employees with the Transferor Company up to the Effective Date 1 shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, severance pay, gratuity and other terminal benefits.
- (i) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, the Resulting Company shall stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, or to such other relevant employee benefit funds maintained in accordance with the provisions of Applicable Laws. For the avoidance of doubt, it is clarified that upon Section I of this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred individuals and the services of all the transferred employees of the DWH Undertaking for such purpose shall be treated as having been continuous.
- (j) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, employment information, including personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to the employees of the DWH Undertaking and all forms, notifications, orders and contribution / identity cards issued by the concerned authorities relating to benefits shall be deemed to have been transferred to the Resulting Company, which shall continue to abide by any agreement(s) / settlement(s) entered into / by the Transferor Company with any of the employees of the DWH Undertaking prior to the Appointed Date 1 and from the Appointed Date 1 till Effective Date 1.
- (k) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all licenses of the DWH Undertaking shall be in full force and effect in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligee thereto. For the avoidance of doubt, it is clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution / endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the NCLT and upon the Scheme coming into effect on the Effective Date 1. For this purpose, the Resulting Company shall file appropriate applications / documents with relevant authorities concerned for information and record purposes.
- (l) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Transferor Company in regard to the DWH Undertaking shall be deemed to have been accrued to and, or, acquired for and on behalf of the Resulting Company and shall, upon Section I of this Scheme becoming effective, pursuant to the provisions of the Companies Act, without any further act or deed, be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Resulting Company to that extent and shall

become the estates, assets, right, title, interests and authorities of the Resulting Company.

- (m) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Company, insofar as the same pertains to the DWH Undertaking, shall be accepted by the relevant bankers and credited to the accounts of the Resulting Company.
- 3.2 Further, upon Section I of the Scheme coming into effect on the Effective Date 1, the Resulting Company shall, in the ordinary course of its business, enter into necessary deeds/ documents/ agreements with the legal owners of the trademark 'Motherson', in relation to the use of such the trademark by the Resulting Company, on such terms and conditions as may be mutually agreed between the Resulting Company and the legal owners of such trademark.
- 3.3 Notwithstanding anything to the contrary contained in Section I of the Scheme, it is clarified that all assets, liabilities, deposits and balances, investments, contracts, intellectual property rights, licenses, employees and books and records not specifically forming a part of the of the DWH Undertaking, as identified in Clause 3.1 above, shall not be transferred to the Resulting Company and shall continue to be a part of the Transferor Company.
- 3.4 Upon Section I of the Scheme coming into effect on the Effective Date 1, the secured creditors of the Transferor Company shall not be entitled to security over properties, assets, rights, benefits and interest of the DWH Undertaking, as existing immediately prior to the Effective Date 1.
- 3.5 Similarly, upon Section I of the Scheme coming into effect on the Effective Date 1, the secured creditors of the Resulting Company shall not be entitled to security over properties, assets, rights, benefits and interest over the Remaining Business, as existing immediately prior to the Effective Date 1. Notwithstanding the foregoing, it is clarified that, upon Section I of the Scheme coming into effect on the Effective Date 1, the secured creditors of the Resulting Company who have been granted security over the immovable property of the Transferor Company immediately prior to the Effective Date 1, shall continue to be entitled to security over such immovable properties of the Transferor Company, as existing immediately prior to the Effective Date 1, till such time that the Board of the Resulting Company and the secured creditors have mutually agreed to alternate security to be provided by the Resulting Company and have executed appropriate documents, as may be required, in respect of such alternate security. The consent of the shareholders of the Transferor Company and the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this, and no further resolution(s) under Section 185, 188 or other applicable provisions of the Companies Act, if any, would be required to be separately passed in this regard.
- 3.6 Notwithstanding anything contained under Clause 3.5 above, upon Section I of the Scheme coming into effect on the Effective Date 1 and subject to compliance with Section 185, Section 188 or other applicable provisions of the Companies Act and the provisions of Articles of Association of the Transferor Company, the Board of Directors of the Transferor Company may, based on mutual agreement and on such terms and conditions as the Board of Directors of the Transferor Company and the Resulting Company may mutually determine, permit creation of security by way of any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other agreement or arrangement, the effect of which is the creation of security over the assets of the Transferor Company, for borrowings to be availed by the Resulting Company, and may authorise the execution of appropriate arrangements between the Transferor Company, the Resulting Company and the lenders, as may be required, in respect of the same.
- 3.7 The Resulting Company shall, at any time after Section I of this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Transferor Company, in relation to the DWH Undertaking, if so required under any Law or otherwise,

execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the DWH Undertaking, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Resulting Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of the Transferor Company in relation to the DWH Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company *inter alia* in its capacity as the successor-in-interest of the Transferor Company in relation to the DWH Undertaking.

3.8 The Resulting Company shall, at any time after Section I of this Scheme becoming effective in accordance with the provisions hereof, if so required under any Law or otherwise, do all such acts or things as may be necessary to transfer / obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company in connection with the DWH Undertaking. For the avoidance of doubt, it is clarified that if the consent of any third party or governmental authority, if any, is required to give effect to the provisions of this Clause, the said third party or governmental authority shall make and duly record the necessary substitution / endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the NCLT, and upon Section I of this Scheme becoming effective. The Resulting Company shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and the Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company insofar as the same are in connection with the DWH Undertaking and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

3.9 Upon Section I of the Scheme coming into effect on the Effective Date 1, all policies as may be required by Applicable Law to be adopted by the Resulting Company, and which may have already been adopted by the Transferor Company in accordance with Applicable Laws shall *mutatis mutandis* be deemed to have been adopted by the Resulting Company, without any further act or deed required by the Resulting Company.

3.10 Upon Section I of the Scheme coming into effect on the Effective Date 1 with effect from the Appointed Date 1, the Resulting Company shall be entitled to the benefit of the past experience and/or performance of the Transferor Company in relation to DWH Undertaking for all purposes without any further act, instrument or deed required by either of the Transferor Company or the Resulting Company and without any approval or acknowledgement being required from any third party. If any instrument or deed or document is required or deemed necessary or expedient to give effect to the provisions of this Clause by the Resulting Company, the Transferor Company shall duly execute the same and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to Section I of the Scheme becoming effective in accordance with the terms hereof. The Resulting Company shall, under the provisions of Section I of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on behalf of the Transferor Company.

4. Arrangements between the Resulting Company and the Transferor Company, etc.

4.1 As on date, the DWH Undertaking is being carried on as a part of the business of the Transferor Company and will be continued to be carried on by the Transferor Company during the pendency of the Scheme. The DWH Undertaking has various inter-dependencies with the Remaining Business of the Transferor Company and its subsidiaries and joint ventures and therefore, the Transferor Company, its subsidiaries and joint ventures propose to undertake various business relationships with the Resulting Company, on an arms' length basis, for which appropriate contracts will be entered into between the Transferor Company, its subsidiaries and joint ventures and the Resulting Company prior to the Effective Date 1. Some of the key business relationships proposed between the Transferor Company, its subsidiaries and joint ventures and the Resulting Company, which will continue beyond Effective Date 1, pertain to, **(a)** purchase of components by the Resulting Company, such as

wires, rubber parts, tools, jig, fixtures, and other components as required for the DWH Business and which are manufactured and/or procured by the Transferor Company / its subsidiaries and joint ventures, **(b)** various functional support services to be provided by the Transferor Company to the Resulting Company, such as, design and development services, finance, logistics, human resource, marketing, etc.; **(c)** management services to be provided by the Transferor Company to the Resulting Company; and **(d)** leasing and/or licensing and/or sub-leasing of various immovable property owned / leased by the Transferor Company on which the manufacturing units and other office premises of the DWH Undertaking are located to the Resulting Company.

- 4.2 Upon the demerger of the DWH Undertaking into Resulting Company becoming effective on Effective Date 1, the Transferor Company, its subsidiaries and joint ventures also propose to purchase wiring harness manufactured by the Resulting Company.
- 4.3 The Transferor Company also has certain existing agreements with certain group companies, which are important for the efficient functioning of the Transferor Company as on date. The arrangements will be continued with the Resulting Company as well and the Resulting Company will be required to enter into appropriate agreements with the Transferor Company and other related parties, for procuring various goods and services from such related parties.
- 4.4 The agreements executed prior to Effective Date 1 between **(a)** the Resulting Company and the Transferor Company and **(b)** the Resulting Company and other group companies, shall be subject to the approval of the Board and shareholders of the Transferor Company and the Resulting Company (as applicable), which shall be obtained prior to Effective Date 1 and once executed and approved by the respective Board and shareholders of the Transferor Company and the Resulting Company (as applicable), such agreements shall be binding on the parties thereto.
- 4.5 Accordingly, the Board of the Resulting Company and the Transferor Company may, prior to the Effective Date 1, authorise the execution of necessary deeds/ documents/ agreements between the companies, as may be required, on such terms and conditions as may be mutually and, unless waived by the Board of the Transferor Company at its sole discretion, the effectiveness of Section I of this Scheme will be conditional upon all such arrangements as deemed necessary by the Resulting Company and the Transferor Company being put in place between the Resulting Company, on the one hand, and the Transferor Company and other group companies, on the other hand. All such arrangements shall be entered into on an arms' length basis.

PART C

5. The Resulting Company shall have taken all necessary steps, including by way of passing all enabling corporate resolutions to increase or alter, to the extent required, its authorised share capital suitably so as to enable it to issue and allot the Equity Shares under this Section I of the Scheme.

6. **RECORD DATE 1**

Upon Section I of the Scheme coming into effect on the Effective Date 1 and upon the transfer of the DWH Undertaking and vesting of the same in the Resulting Company, the Board of the Transferor Company shall, after consulting with the Board of the Resulting Company, determine a Record Date 1, being a date subsequent to the filing of the order of the NCLT sanctioning the Scheme with the RoC, for issue and allotment of Equity Shares of the Resulting Company to the shareholders of the Transferor Company in terms of Clause 8 of Section I below. On determination of Record Date 1, the Transferor Company shall provide to the Resulting Company the list of its shareholders as on such Record Date 1, who are entitled to receive the Equity Shares in the Resulting Company in terms of Section I of this Scheme in order to enable the Resulting Company to issue and allot such Equity Shares to such shareholders of the Transferor Company.

7. **RECLASSIFICATION OF THE AUTHORISED SHARE CAPITAL OF THE TRANSFEROR COMPANY AND TRANSFER OF AUTHORISED SHARE CAPITAL OF THE TRANSFEROR COMPANY TO THE RESULTING COMPANY**

- 7.1. Upon Section I of the Scheme coming into effect on the Effective Date 1, 2,50,00,000 preference shares, of face value of Rs. 10 (Indian Rupees Ten) each, of the Transferor Company shall stand reclassified as 25,00,00,000 (Twenty Five Crore) Equity Shares of Re. 1 (Indian Rupee One) each. Accordingly, the authorised share capital of the Transferor Company shall stand reclassified to Rs. 650,00,00,000 (Indian Rupees Six Hundred and Fifty Crores), divided into 650,00,00,000 (Six Hundred and Fifty Crores) Equity Shares of Re. 1 (Indian Rupee One) each. The consent of the shareholders of the Transferor Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this reclassification of share capital as well, and no further resolution(s) under Sections 61 or 13 or other applicable provisions of the Companies Act, if any, would be required to be separately passed in this regard. Accordingly, consequent to the reclassification of the authorised share capital of the Transferor Company as per this Paragraph 7.1, Clause V of the Memorandum of Association of the Transferor Company shall stand modified and be substituted by the following:

"The Authorised Share Capital of the Company is Rs. 650,00,00,000 (Indian Rupees Six Hundred and Fifty Crores) consisting of 650,00,00,000 (Six Hundred and Fifty Crores) Equity Shares of Re. 1/- (Rupee One) each"

- 7.2. Upon Section I of the Scheme coming into effect on the Effective Date 1, and subsequent to the reclassification of the preference share capital of the Transferor Company into equity share capital, as per Paragraph 7.1 of Section I of this Scheme above, a portion of the authorised share capital of the Transferor Company, amounting to Rs. 300,00,00,000 (Indian Rupees Three Hundred Crores), comprising of 300,00,00,000 Equity Shares of Re. 1 (Indian Rupee One) each, shall stand transferred/ added to and be merged with the authorised share capital of the Resulting Company, without any liability for payment of any additional fees or stamp duty.
- 7.3. Upon Section I of the Scheme coming into effect on the Effective Date 1, and consequent to the transfer of the existing authorised Share Capital of Transferor Company, the authorised share capital of the Resulting Company of Rs. 5,00,000 (Indian Rupees Five Lakhs only), divided into 5,00,000 (Five Lakh) Equity Shares of Rs. 1 (Indian Rupee One) each, shall stand increased by an aggregate amount of Rs. 300,00,00,000 (Indian Rupees Three Hundred Crores), and the resultant authorised share capital of the Resulting Company shall

be Rs. 300,05,00,000 (Indian Rupees Three Hundred Crores and Five Lakhs), divided into 300,05,00,000 (Three Hundred Crores and Five Lakhs) Equity Shares of Re. 1 (Indian Rupee One) each. Accordingly, Clause V of the Memorandum of Association of the Resulting Company shall stand modified and be substituted by the following:

“The Share Capital of the Company is Rs. 300,05,00,000 (Indian Rupees Three Hundred and Five Lakhs) divided into 300,05,00,000 (Three Hundred and Five Lakhs) of Re. 1/- (Rupee One) each.”

- 7.4. The consent of the shareholders of the Transferor Company and the Resulting Company to this Scheme shall be sufficient for the purposes of effecting the amendments contemplated in Clauses 7.1 and 7.2 of Section I of this Scheme to the Memorandum of Association of the Transferor Company and the Resulting Company, and no further resolutions, whether under Sections 61 or 13 of the Companies Act or any other applicable provisions of the Companies Act or under the Articles of Association of the Transferor Company or the Resulting Company, shall be required to be separately passed, nor shall the Transferor Company or the Resulting Company be required to pay any additional registration fees, stamp duty, etc.

8. ISSUANCE OF EQUITY SHARES

- 8.1. Upon the coming into effect of this Scheme and in consideration of the demerger of the DWH Undertaking into the Resulting Company pursuant to Section I of this Scheme, the Resulting Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of the Transferor Company as on the Record Date 1, 1 (one) Equity Share of Re. 1 (Indian Rupee One) each of the Resulting Company, fully paid up, for every 1 (one) Equity Share of Re. 1 (Indian Rupee One) each of the Transferor Company (“**Demerger Share Entitlement Ratio**”).
- 8.2. In the event of any restructuring of the equity share capital by the Transferor Company or the Resulting Company, including by way of share split/ consolidation/ issue of bonus shares or other similar action in relation to share capital of the Transferor Company or the Resulting Company, at any time before the Record Date 1, the Demerger Exchange Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate action.

9. ISSUANCE MECHANICS AND OTHER RELEVANT PROVISIONS

- 9.1 Subject to Applicable Laws, the Equity Shares of the Resulting Company that are to be issued in terms of Clause 8 of Section I shall be issued in dematerialised form. The register of members maintained by the Resulting Company and, or, other relevant records, whether in physical or electronic form, maintained by the Resulting Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Resulting Company) be updated to reflect the issue of Equity Shares in terms of Clause 8 of Section I. The shareholders of the Transferor Company shall provide such confirmation, information and details as may be required by the Resulting Company to enable it to issue the aforementioned Equity Shares.
- 9.2 For the purpose of allotment of Equity Shares of the Resulting Company pursuant to Clause 8 of Section I of the Scheme, in case any member holds Equity Shares in the Transferor Company in physical form, the Resulting Company shall not issue its Equity Shares to such member but shall, subject to Applicable Laws, issue the corresponding Equity Shares in dematerialised form, to a demat account held by a trustee nominated by the Board of the Resulting Company or into a suspense account opened in the name of the Resulting Company with a depository or into an escrow account opened by the Resulting Company with a depository, as determined by the Board of the Resulting Company, where such Equity Shares shall be held on behalf of such member. The Equity Shares of the Resulting Company so held in a trustee's account or suspense account or escrow account, as the case may be, shall be transferred to the respective member once such member provides details of his / her / its demat account to the Resulting Company, along with such documents as maybe required. The respective member shall have all the rights of the shareholders of Resulting Company, including the right to receive dividend, voting rights and other corporate benefits,

pending the transfer of Equity Shares from the trustee. All costs and expenses incurred in this respect shall be borne by Resulting Company.

- 9.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferor Company shall be empowered, in appropriate cases, prior to or even subsequent to the Record Date 1, to effectuate such a transfer in the Transferor Company as if such changes in registered holder were operative as on the Record Date 1, in order to remove any difficulties arising to the transferor / transferee of the Equity Shares in the Transferor Company and in relation to the Equity Shares issued by the Resulting Company upon the effectiveness of section I of this Scheme. The Board of the Resulting Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Resulting Company on account of difficulties faced in the transition period.
- 9.4 The Equity Shares to be issued by the Resulting Company pursuant to Clause 8 of Section I above in respect of Equity Shares of the Transferor Company which are held in abeyance under the provisions of Section 126 of the Companies Act (erstwhile Section 206A of the Companies Act, 1956) or are otherwise shall, pending allotment or settlement of the dispute by order of a court or otherwise, also be kept in abeyance by the Resulting Company. Further, for the avoidance of doubt, it is clarified that Equity Shares to be issued by the Resulting Company pursuant to Clause 8 of Section I above in respect of Equity Shares of the Transferor Company which are **(a)** held in the suspense account of the Transferor Company in accordance with the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, shall also be held in a suspense account opened by the Resulting Company, and **(b)** transferred by the Transferor Company in the name of Investor Education and Protection Fund in accordance with Section 126(6) of the Companies Act shall also be transferred by the Resulting Company to the Investor Education and Protection Fund, in accordance with Applicable Law.
- 9.5 The Equity Shares to be issued and allotted by the Resulting Company in terms of Clause 8 of Section I shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Resulting Company and shall rank *pari passu* in all respects with the existing Equity Shares of the Resulting Company.

10. **CANCELLATION OF EQUITY SHARES HELD BY THE TRANSFEROR COMPANY IN THE RESULTING COMPANY**

- 10.1 The Resulting Company is proposed to be incorporated as a wholly owned subsidiary of the Transferor Company. Simultaneous with the issuance of the Equity Shares in accordance with Clause 9 of Section I of this Scheme, the existing issued and paid up Equity Share capital of the Resulting Company, as held by the Transferor Company and its nominees, shall, without any further application, act, instrument or deed, be automatically cancelled.
- 10.2 The cancellation of the Equity Share capital held by the Transferor Company and its nominees in Resulting Company, in accordance with Clause 10.1 of Section I of this Scheme, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Companies Act, and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Companies Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of Resulting Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Companies Act as well and no further compliances would be separately required.
- 10.3 The Resulting Company shall not be required to add the words “and reduced” as suffix to its name consequent upon the reduction of capital under Clause 10.1 of Section I of this Scheme above.
- 10.4 The reduction of capital of Resulting Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up

share capital or payment in any other form.

11. LISTING OF EQUITY SHARES ISSUED AS CONSIDERATION

11.1 Subsequent to the effectiveness of Section I of the Scheme from Effective Date 1, the Equity Shares of the Resulting Company shall be listed and shall be admitted for trading on the Stock Exchanges by virtue of this Scheme and in accordance with the provisions of the SEBI Circular. Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of the aforesaid SEBI Circular and Applicable Laws and take all steps to get its Equity Shares listed on the Stock Exchanges.

11.2 The Equity Shares of Resulting Company issued and allotted pursuant to this Scheme shall remain frozen in the depositories system until listing and trading permission is granted by the relevant designated stock exchange for their listing and trading. Subsequent to the issuance of Equity Shares by Resulting Company in terms of Clause 8 of Section I of the Scheme, there shall be no change in the shareholding pattern or 'control' in the Resulting Company between Record Date 1 and the date of listing of such Equity Shares, which may affect the status of the approval granted by the Stock Exchanges, and any other governmental authority in this regard. Further, during such period, the Resulting Company will not issue/ reissue any Equity Shares which are not covered under the Scheme.

12. SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Resulting Company as envisaged in this Section I of the Scheme shall not affect any transaction or proceedings already concluded by the Transferor Company or the Resulting Company on or before Appointed Date 1 and after Appointed Date 1 till the Effective Date 1, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

13. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE 1

13.1 It is clarified that the Board of the Transferor Company shall have the absolute right to acquire any asset for, or sell, transfer, create, encumbrance or otherwise deal with any asset of, the DWH Undertaking or the Remaining Business and to raise debt for the DWH Undertaking and/or the Remaining Business, as per its business requirements and otherwise conduct its business in their sole discretion, up to Effective Date 1.

13.2 With effect from Appointed Date 1 and up to and including the Effective Date 1:

(a) the business pertaining to the DWH Undertaking shall be deemed to have been carried on account of, and the properties and assets of DWH Undertaking shall be deemed to have been held for and in trust for, the Resulting Company; and

(b) all profits or income arising or accruing to or received in regard to the DWH Undertaking and all taxes paid thereon (including advance tax, tax deducted at source, minimum alternate tax, securities transaction tax, taxes withheld / paid in a foreign country, value added tax, sales tax, service tax, goods and services tax (GST), etc.) or losses arising in or incurred in regard to the DWH Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Resulting Company.

14. TAXES

14.1 The provisions of Section I of this Scheme have been drawn up and intended to be in compliance with the conditions specified under the tax laws, specifically Section 2(19AA) of IT Act, and other relevant sections of IT Act. If any terms or provisions of Section I of this Scheme are found or interpreted to be inconsistent with the provisions of the aforesaid Sections of the IT Act at a later date (not being a date after the Effective Date 1), including

resulting from an amendment of Law or for any other reason whatsoever, such provisions of the tax laws shall prevail and Section I of this Scheme shall, subject to the approval of the Board of the Transferor company and Resulting Company, stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect the other Sections of this Scheme.

- 14.2 With effect from the Appointed Date 1 and upon Section I of this Scheme becoming effective from Effective Date 1, all taxes and duties payable by the Transferor Company, accruing and relating to the operations of the DWH Undertaking from the Appointed Date 1 onwards, including all advance tax payments, tax deducted at source, any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds and claims, as the case may be, of the Resulting Company.
- 14.3 Upon Section I of this Scheme becoming effective from Effective Date 1, all un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including MAT credit), CENVAT, customs, VAT, sales tax, service tax, goods and services tax (GST), etc. relating to the DWH Undertaking to which the Transferor Company is entitled shall be available to and vest in the Resulting Company, without any further act or deed.
- 14.4 All tax assessment proceedings / appeals, except for such assessment proceedings / appeals under the provisions of the IT Act, of whatsoever nature pertaining to the DWH Undertaking shall be continued and / or enforced as and from the Effective Date 1, by or against the Resulting Company. All assessment proceedings/ appeals under the provisions of the IT Act, of whatsoever nature pertaining to the DWH Undertaking shall continue and/ or, be enforced by or against, and shall continue to be enforced by or against, the Transferor Company. The aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of demerger of the DWH Undertaking into the Resulting Company assessment proceedings/ appeals under the provisions of the IT Act, of whatsoever nature pertaining to the DWH Undertaking.
- 14.5 Upon Section I of this Scheme becoming effective from Effective Date 1, the accounts of both the Transferor Company and the Resulting Company as on Appointed Date 1 shall be reconstructed in accordance with the terms of Section I of this Scheme. Both the Transferor Company and the Resulting Company shall be entitled to revise their income tax returns, TDS returns, and other statutory returns as may be required under respective statutes pertaining to direct taxes or indirect taxes, such as sales-tax, value added tax, goods and services tax, excise duties, service tax, etc. and the Resulting Company shall also have the right to claim refunds, advance tax credits, MAT credit, credit of tax deducted at source, credit of foreign taxes paid / withheld, carry forward of tax losses, credits in respect of sales tax, value added tax, service tax, goods and services tax (GST), and other indirect taxes etc., if any, as may be required consequent to implementation of Part C and other relevant provisions of this Scheme, as result of demerger and vesting of the DWH Undertaking in the Resulting Company.

15. **ACCOUNTING TREATMENT**

Upon Section I of this Scheme becoming effective from Effective Date 1, the Transferor Company and the Resulting Company shall account for the demerger of the DWH Undertaking in accordance with applicable Indian Accounting Standards ("**Ind AS**") prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. Further, the date of such accounting treatment shall be in consonance with the applicable Ind AS.

15.1 **Accounting treatment in the books of the Transferor Company:**

Upon Section I of the Scheme becoming effective on Effective Date 1:

- (a) The Transferor Company shall recognise a liability for transfer of DWH Undertaking, at the book value of its net assets, by adjusting the corresponding amount to the

retained earnings. The book value of net assets shall be computed as the carrying value of assets less the carrying value of liabilities appearing in the books of the Transferor Company, pertaining to the DWH Undertaking transferred to and vested in the Resulting Company;

- (b) The Transferor Company shall de-recognize from its books, the book value of assets and liabilities of the DWH Undertaking transferred to the Resulting Company under this Scheme, including rights, interest and obligation of the Transferor Company in such assets and liabilities. The corresponding amount shall be adjusted against the liability recognised at (a) above; and
- (c) The Transferor Company's investment in the Resulting Company, cancelled pursuant to Clause 10 of Section II of this Scheme will be adjusted in the retained earnings.

15.2 **Accounting treatment in the books of the Resulting Company:**

Upon Section I of the Scheme becoming effective on Effective Date 1, the Resulting Company shall account for the transfer and vesting of the DWH Undertaking in its books of account in the following manner:

- (a) All the assets and liabilities pertaining to the DWH Undertaking, appearing in the books of the Transferor Company, shall stand transferred to, and the same shall be recorded by, the Resulting Company at their respective carrying amount and in the same form and manner as appearing in the books of accounts of the Transferor Company;
- (b) The amount of inter-company balances, transactions or investments, if any, between the Transferor Company and the Resulting Company appearing in the books of accounts of the Transferor Company and the Resulting Company, shall stand cancelled without any further act or deed;
- (c) The Resulting Company shall credit to its share capital account, the aggregate face value of the Equity Shares of the Resulting Company, issued to the shareholders of the Transferor Company, in terms of Clause 8 of Section I of the Scheme;
- (d) The difference between the carrying amount of Net Assets transferred by the Transferor Company to the Resulting Company and the face value of the Equity Shares issued by the Resulting Company shall be credited/debited to the capital reserve, as applicable;
- (e) The Resulting Company shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resulting Company, whichever is later; and
- (f) The Resulting Company's capital, reduction pursuant to Clause 10 of Section II of this Scheme will be transferred to the capital reserve.

16. **MISCELLANEOUS**

- 16.1 Upon effectiveness of Section I of this Scheme from Effective Date 1, the provisions of Section I of this Scheme shall take effect in their entirety without the requirement of any further act, matter or deed or approvals from any person so as to give effect to Section I of this Scheme. Accordingly, upon effectiveness of Section I of this Scheme from Effective Date 1, all relevant records shall be updated / amended so as to give effect to Section I of this Scheme and to vest the DWH Undertaking together with all assets, liabilities, contracts, licences, intellectual property rights and employees of the DWH Undertaking in the Resulting Company, without any procedural requirements for such assets, liabilities, contracts, licences, intellectual property rights and employees to first be registered or recorded in the name of the Transferor Company in terms of Section I of this Scheme.

SECTION II

AMALGAMATION OF THE AMALGAMATING COMPANY INTO AND WITH MSSL

PART A

1. DEFINITIONS

- (a) **“Amalgamated Company”** means MSSL, being the resultant company after the amalgamation of Amalgamating Company into and with MSSL, in terms of Section II of this Scheme, subsequent to completion of the demerger of the DWH Undertaking and vesting of the same in the Resulting Company, in terms of this Section I of the Scheme;
- (b) **“Amalgamating Company”** means Samvardhana Motherson International Limited;
- (c) **“Appointed Date 2”** means Effective Date 2;
- (d) **“Effective Date 2”** means the date one day after the date on which the last of the conditions and matters referred to in Clause 3.2 in Section III of this Scheme have been fulfilled, obtained or waived, as applicable, including Section I of the Scheme having become effective in accordance with its terms. Any references in Section II of this Scheme to “upon Section II of this Scheme becoming effective” or “effectiveness of Section II of this Scheme” shall refer to the Effective Date 2;
- (e) **“Record Date 2”** means the date to be fixed by the Board of Directors of the Amalgamated Company, in consultation with the Board of Directors of the Amalgamating Company, for the purpose of determining the shareholders of the Amalgamating Company to whom the Equity Shares of the Amalgamated Company will be issued and allotted pursuant to Section II of the Scheme, provided that Record Date 2 shall be a date which is at least three working days after the date of issuance and allotment of Equity Shares by the Resulting Company, to the shareholders of the Transferor Company as on the Record Date 1, as per Section I of the Scheme; and
- (f) **“MSSL”** means Motherson Sumi Systems Limited.

The expressions, which are used in this Section II of the Scheme and not defined in Section II shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Sections I of the Scheme, the Companies Act, the IT Act and other Applicable Laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

2. **SHARE CAPITAL**

2.1 The capital structure of the Amalgamating Company, as on July 2, 2020, is as under:

Share Capital	Amount in Rs.
Authorised Capital	
90,00,00,000 Equity Shares of Rs. 10 each	900,00,00,000
Total	900,00,00,000
Issued, Subscribed and Paid-up Share Capital	
47,36,13,855 Equity Shares of Rs. 10 each	473,61,38,550
Total	473,61,38,550

2.2 The capital structure of MSSL, as on July 2, 2020, is as under:

Share Capital	Amount in Rs.
Authorised Capital	
6,050,000,000 Equity Shares of Rs. 1 each	605,00,00,000
2,50,00,000 preference shares of Rs. 10 each	25,00,00,000
Total	630,00,00,000
Issued, Subscribed and Paid-up Share Capital	
315,79,34,237 Equity Shares of Rs. 1 each	315,79,34,237
Total	315,79,34,237

PART B

3. **AMALGAMATION OF THE AMALGAMATING COMPANY INTO AND WITH MSSL**
- 3.1. Upon Section II of the Scheme coming into effect on Effective Date 2 and with effect from Appointed Date 2, the Amalgamating Company, together with all its properties, assets, investments, liabilities, rights, benefits, interests and obligations therein, shall stand transferred to and vested in MSSL (after completion of the demerger of the DWH Undertaking from the Transferor Company to the Resulting Company in accordance with Section I of this Scheme), as a going concern, and shall become the property of and an integral part of the Amalgamated Company, without any further act, instrument or deed required by either of the Amalgamating Company or the Amalgamated Company and without any approval or acknowledgement of any third party. Without prejudice to the generality of the above
- 3.2. Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein:
- (a) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all assets of the Amalgamating Company that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and, or, by endorsement and delivery, or by vesting and recordal, including equipment, furniture and fixtures, shall stand vested in and be deemed to be vested in the Amalgamating Company, wherever located, and shall become the property and an integral part of the Amalgamated Company in terms of Section II of this Scheme. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
 - (b) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all assets of the Amalgamating Company that are movable properties other than those described under sub-clause (a) above, including investments in shares and any other securities, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with governmental authorities, shall, without any further act or deed, become the property of the Amalgamated Company and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard.
 - (c) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all assets of the Amalgamating Company that are owned / leased / licensed immovable properties, including any right or interest in the buildings and structures standing thereon and all lease / license or rent agreements, together with security deposits and advance / prepaid lease / license fee, rights and easements in relation to such properties shall stand transferred to and be vested in, or, be deemed to have been transferred to and vested in the Amalgamated Company, without any further act or deed, pursuant to the provisions of Section II of this Scheme. The Amalgamated Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease / license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee to the Amalgamated Company.
 - (d) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all debts, liabilities, contingent liabilities, present or

future, duties and obligations, secured or unsecured, whether known or unknown, including contingent / potential tax liabilities of the Amalgamating Company shall, pursuant to the applicable provisions of the Companies Act and the provisions of Section II of this Scheme and, without any further act or deed, become the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company, and the Amalgamated Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

- (e) Without prejudice to the foregoing provisions of this Clause (d) above, Upon Section II of the Scheme coming into effect on the Effective Date 2, all the NCDs (to the extent any such NCDs are outstanding as on Effective Date 2) shall, without any further act, instrument or deed, become the NCDs issued by the Amalgamated Company on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in and shall be exercised by or against the Amalgamated Company as if it was the issuer of such NCDs, so transferred and vested. Subject to the requirements, if any, imposed or concessions, if any, by BSE Limited, and other terms and conditions agreed with BSE Limited, the non-convertible debentures which stand transferred to the Amalgamated Company pursuant to transfer of the NCDs, shall be listed and/ or admitted to trading on the BSE Limited, where the NCDs are currently listed. Upon Section II of this Scheme coming into effect on Effective Date 2, the transfer of the NCDs to the Amalgamated Company shall be binding on holders of the NCDs, BSE Limited, banker(s), debenture trustee(s), depository/(ies), custodian(s) and registrar and transfer agents. The Amalgamated Company may execute such further documents and take such further actions as may be deemed necessary or appropriate to give effect to the provisions of this Scheme.
- (f) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, leases and licenses of the Amalgamating Company shall be and remain in full force and effect on, against or in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligor thereto. Without prejudice to the generality of the foregoing, agreements executed with custodian, software contracts, derivative contracts, bonds, schemes, instruments, bank guarantees, performance guarantees and letters of credit, agreements with any governmental authority, hire purchase agreements, lending agreements, agreements with service providers or contractors for the supply of manpower or contract labour, and such other agreements, deeds, documents and arrangements to which the Amalgamating Company is a party or to the benefit of which the Amalgamating Company may be eligible and which are subsisting or having effect immediately before Effective Date 2, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date 2 and upon Section II of this Scheme becoming effective, in terms of Section II of this Scheme or by operation of law pursuant to the orders of the NCLT, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Amalgamated Company. All contracts / agreements of the Amalgamating Company subsisting or having effect immediately before Effective Date 2 shall stand vested in favour of the Amalgamated Company on the same terms and conditions. The Amalgamated Company and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder.
- (g) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with

effect from the Appointed Date 2, any notices, disputes, pending suits / appeals, legal, Taxation, or any complaint or claim to any ombudsman, or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature, whether by or against the Amalgamating Company, whether pending on the Appointed Date 2 or which may be instituted any time in the future shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of the Amalgamating Company or anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Amalgamated Company in the same manner and to the same extent as would or might have been continued, prosecuted and, or, enforced by or against the Amalgamating Company, as if this Scheme had not been implemented.

- (h) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all employees of the Amalgamating Company shall be deemed to have become employees of the Amalgamated Company, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Amalgamating Company, on Effective Date 2. The services of such employees with the Amalgamating Company up to the Effective Date 2 shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, severance pay, gratuity and other terminal benefits.
- (i) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, or to such other relevant employee benefit funds maintained in accordance with the provisions of Applicable Laws. For the avoidance of doubt, it is clarified that upon Section II of this Scheme becoming effective on the Effective Date 2, the aforesaid benefits or schemes shall continue to be provided to the transferred individuals and the services of all the transferred employees of the Amalgamating Company for such purpose shall be treated as having been continuous.
- (j) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, employment information, including personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to the employees of the Amalgamating Company and all forms, notifications, orders and contribution / identity cards issued by the concerned authorities relating to benefits shall be deemed to have been transferred to the Amalgamated Company, which shall continue to abide by any agreement(s) / settlement(s) entered into / by the Amalgamating Company with any of the transferred employees prior to Appointed Date 2.
- (k) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, trademarks held by the Amalgamating Company shall stand vested and transferred to the Amalgamated Company with effect from Effective Date 2.
- (l) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all licenses of the Amalgamating Company shall be in full force and effect in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto. For the avoidance of doubt, it is clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution /

endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme by the NCLT and upon the Scheme coming into effect on the Effective Date 2. For this purpose, the Amalgamated Company shall file appropriate applications / documents with relevant authorities concerned for information and record purposes.

- (m) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, benefits of any and all corporate approvals as may have already been taken by the Amalgamating Company shall stand transferred to the Amalgamated Company and the said corporate approvals and compliances shall be deemed to have been taken / complied with by the Amalgamated Company.
 - (n) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Amalgamating Company shall be deemed to have been accrued to and, or, acquired for and on behalf of the Amalgamated Company and shall, upon Section II of this Scheme becoming effective, pursuant to the provisions of the Companies Act, without any further act or deed, be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Amalgamated Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Amalgamated Company.
 - (o) Upon Section II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Amalgamating Company shall be accepted by the relevant bankers and credited to the accounts of the Amalgamated Company.
- 3.3. Upon Section II of this Scheme becoming effective on the Effective Date 2 and the consequent amalgamation of Amalgamating Company into and with MSSL, the secured creditors of MSSL, if any, shall continue to be entitled to security only over such properties and assets forming part of Amalgamated Company, as existing immediately prior to the amalgamation of Amalgamating Company into and with MSSL but after the demerger of the DWH Undertaking into the Resulting Company under Section I of the Scheme, and the secured creditors of Amalgamating Company, if any, shall continue to be entitled to security only over such properties, assets, rights, benefits and interest of the Amalgamating Company as existing immediately prior to the amalgamation of Amalgamating Company into and with MSSL (other than to the extent of any property which ceases to exist as on Effective Date 2, as a result of Section II of this Scheme becoming effective on Effective Date 2). For the avoidance of doubt, it is clarified that all the assets of Amalgamating Company and MSSL which are not currently encumbered shall, subject to Applicable Laws, remain free and available for creation of any security thereon in future in relation to any existing indebtedness or new indebtedness that may be incurred by Amalgamated Company, at the discretion of the Board of the Amalgamated Company. For this purpose, no further consent from the existing creditors shall be required and sanction of this Scheme shall be considered as a specific consent of such secured creditors.
- 3.4. The Amalgamated Company shall, at any time after Section II of this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Amalgamating Company, if so required under any Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company *inter alia* in its capacity as the successor-in-interest of the Amalgamating Company.
- 3.5. The Amalgamated Company shall, at any time after Section II of this Scheme becoming effective on the Effective Date 2, if so required under any Law or otherwise, do all such acts

or things as may be necessary to transfer / obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by Amalgamating Company. For the avoidance of doubt, it is clarified that if the consent of any third party or governmental authority, if any, is required to give effect to the provisions of this Clause, the said third party or governmental authority shall make and duly record the necessary substitution / endorsement in the name of Amalgamated Company pursuant to the sanction of this Scheme by the NCLT, and upon Section II of this Scheme becoming effective on Effective Date 2. The Amalgamated Company shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Amalgamating Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

3.6. Upon Section II of the Scheme coming into effect on the Effective Date 2 with effect from the Appointed Date 2, the Amalgamated Company shall be entitled to the benefit of the past experience and/or performance of the Amalgamating Company for all purposes without any further act, instrument or deed required by the Amalgamated Company and without any approval or acknowledgement being required from any third party.

3.7. ***Inter se Transactions***

With effect from the Effective Date 2, all *inter se* contracts solely between the Amalgamating Company and MSSSL shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in records of the Amalgamated Company.

PART C

4. MSSL shall have taken all necessary steps, including by way of passing all enabling corporate resolutions to increase or alter, to the extent required, its authorised share capital suitably so as to enable it to issue and allot the Equity Shares under this Section II of the Scheme.

5. COMBINATION OF AUTHORISED SHARE CAPITAL

- 5.1 Upon Section II of this Scheme becoming effective on Effective Date 2, the authorized share capital of Amalgamating Company shall stand combined with and be deemed to be added to the authorized share capital of the Amalgamated Company without any requirement of any further act or deed on the part of the Amalgamated Company, including payment of stamp duty and fees payable to the RoC, and the memorandum of association and articles of association of the Amalgamated Company (relating to the authorized share capital) shall, without any requirement of a further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 4, 13 and 61 and all other applicable provisions of the Companies Act, if any, would be required to be separately passed, as the case may be, and for this purpose, the stamp duties and fees paid on the authorized share capital of the Amalgamating Company in the past shall be deemed to have been utilized and applied to the increased authorized share capital of the Amalgamated Company and there would be no requirement of any further payment of stamp duty and/or fee by the Amalgamated Company for increase in and utilization of the authorized share capital to that extent. In relation to the foregoing, if applicable, the Amalgamated Company shall pay the requisite fees on its authorised share capital enhanced by the amalgamation after having made the applicable adjustments, as permitted in terms of Section 232(3)(i) read with Section 233(11) of the Companies Act.

6. RECORD DATE 2

The Board of MSSL shall, after consulting with the Board of Amalgamating Company, determine Record Date 2 (which shall be a date at least three working days after the date on which Equity Shares are issued and allotted by the Resulting Company in terms of Section I of this Scheme) for issue and allotment of Equity Shares of the Amalgamated Company to the relevant shareholders of the Amalgamating Company in terms of Clause 7 of Section II of this Scheme. On determination of Record Date 2, Amalgamating Company shall provide to MSSL, the list of its shareholders as on such Record Date 2 who are entitled to receive the Equity Shares in the Amalgamated Company in terms of Section II of this Scheme in order to enable the Amalgamated Company to issue and allot such Equity Shares to such shareholders of the Amalgamating Company.

7. ISSUANCE OF EQUITY SHARES

- 7.1. Upon the coming into effect of this Scheme and in consideration of the amalgamation of the Amalgamating Company into and with MSSL, pursuant to Section II of this Scheme, the Amalgamated Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of the Amalgamating Company as on Record Date 2, 51 (fifty one) Equity Shares of Re. 1 (Indian Rupee One) each of the Amalgamated Company, fully paid up, for every 10 (ten) Equity Shares of Rs. 10 (Indian Rupees Ten) each of the Amalgamating Company (“**Merger Share Exchange Ratio**”).
- 7.2. In the event of any restructuring of the equity share capital by the Amalgamating Company or MSSL, including by way of share split/ consolidation/ issue of bonus shares or other similar action in relation to share capital of the Amalgamating Company or MSSL, at any time before the Record Date 2, the Merger Share Exchange Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate action.

8. ISSUANCE MECHANICS AND OTHER RELEVANT PROVISIONS

- 8.1 Subject to Applicable Laws, the Equity Shares of the Amalgamated Company that are to be issued in terms of Clause 7 of Section II of this Scheme shall be issued in dematerialised form. The register of members maintained by Amalgamated Company and, or, other relevant records, whether in physical or electronic form, maintained by the Amalgamated Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Resulting Company) be updated to reflect the issue of Equity Shares in terms of Clause 7 of Section II of this Scheme. The shareholders of the Amalgamating Company shall provide such confirmation, information and details as may be required by the Amalgamated Company to enable it to issue the aforementioned Equity Shares.
- 8.2 For the purpose of allotment of Equity Shares of the Amalgamated Company pursuant to Clause 7 of Section II of the Scheme, in case any member's holding in the Amalgamating Company (including the fractional entitlement arising out of the allotment contemplated in Section II of this Scheme, if any) is such that the member becomes entitled to a fraction of an Equity Share of the Amalgamated Company, the Amalgamated Company shall not issue fractional shares to such members but shall consolidate all such fractions and issue consolidated Equity Shares to trustee(s) nominated by the Board of the Amalgamated Company in that behalf provided that if the aggregate of all such fractions is also a fraction, then Amalgamated Company shall issue the next lower whole number of shares to such trustee(s). In each case, the trustee(s) shall sell such Equity Shares and distribute the net sale proceeds (after deduction of tax and other expenses incurred) to the members respectively entitled to the same, in proportion as nearly as the Board of the Amalgamated Company deems possible to their respective fractional entitlements in the Amalgamated Company in terms of the Merger Share Exchange Ratio.
- 8.3 For the purpose of allotment of Equity Shares of the Amalgamated Company pursuant to Clause 7 of Section II of the Scheme, in case any member holds Equity Shares in the Amalgamating Company in physical form, the Amalgamated Company shall not issue its Equity Shares to such member but shall subject to Applicable Laws, issue the corresponding Equity Shares in dematerialised form, to a demat account held by a trustee nominated by the Board of the Amalgamated Company or into a suspense account opened in the name of the Amalgamated Company with a depository or into an escrow account opened by the Amalgamated Company with a depository, as determined by the Board of the Amalgamated Company, where such Equity Shares shall be held on behalf of such member. The Equity Shares of the Amalgamated Company so held in a trustee's account or suspense account or escrow account, as the case may be, shall be transferred to the respective member once such member provides details of his/ her /its demat account to the Amalgamated Company, along with such documents as maybe required. The respective member shall have all the rights of the shareholders of Amalgamated Company, including the right to receive dividend, voting rights and other corporate benefits, pending the transfer of Equity Shares from the trustee. All costs and expenses incurred in this respect shall be borne by Amalgamated Company.
- 8.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Amalgamating Company, the Board of the Amalgamating Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date 2, to effectuate such a transfer in the Amalgamating Company as if such changes in registered holder were operative as on the Record Date 2, in order to remove any difficulties arising to the transferor / transferee of the Equity Shares in the Amalgamating Company and in relation to the Equity Shares issued by the Amalgamated Company upon the effectiveness of Section II of this Scheme. The Board of the Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of Section II of this Scheme and registration of new members in the Amalgamated Company on account of difficulties faced in the transition period.

8.5 The Equity Shares to be issued by the Amalgamated Company pursuant to Clause 7 of Section II of this Scheme above in respect of Equity Shares of the Amalgamating Company which are held in abeyance under the provisions of Section 126 of the Companies Act (erstwhile Section 206A of the Companies Act, 1956) or otherwise shall, pending allotment or settlement of the dispute by order of a court or otherwise, also be kept in abeyance by the Amalgamated Company.

8.6 The Equity Shares to be issued and allotted by the Amalgamated Company in terms of Clause 7 of Section II of this Scheme shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Amalgamated Company and shall rank *pari passu* in all respects with the existing Equity Shares of the Amalgamated Company.

9. **CANCELLATION OF EQUITY SHARES HELD BY AMALGAMATING COMPANY IN MSSL**

9.1 Simultaneous with the issuance of the Equity Shares, in accordance with Clause 7 of Section II of this Scheme, the existing issued and paid up equity share capital of MSSL, as held by Amalgamating Company, shall, without any further application, act, instrument or deed, be automatically cancelled.

9.2 The cancellation of the equity share capital held by the Amalgamating Company in MSSL, in accordance with Clause 9.1 of Section II of this Scheme, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Companies Act and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Companies Act, or any other applicable provisions, confirming the reduction. The consent of the shareholders of MSSL to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Companies Act as well and no further compliances would be separately required.

9.3 The Amalgamated Company shall not be required to add the words “and reduced” as suffix to its name consequent upon the reduction of capital under Clause 9.1 of Section II of this Scheme above.

9.4 The reduction of capital of the Amalgamated Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

10. **LISTING OF EQUITY SHARES ISSUED AS CONSIDERATION**

10.1 Subsequent to the effectiveness of Section II of the Scheme from Effective Date 2, the Equity Shares of the Amalgamated Company issued to the shareholders of the Amalgamating Company as on Record Date 2 shall be listed and shall be admitted for trading on the Stock Exchanges by virtue of this Scheme and in accordance with Applicable Laws. The Amalgamated Company shall make all requisite applications and shall otherwise comply with the provisions of Applicable Laws and take all steps to get it's the Equity Shares issued pursuant to Section II of this Scheme listed on the Stock Exchanges.

11. **SAVING OF CONCLUDED TRANSACTIONS**

The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Amalgamated Company as envisaged in this Section II of the Scheme shall not affect any transaction or proceedings already concluded by the Amalgamating Company or MSSL on or before Appointed Date 2, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Company in respect thereto as done and executed on behalf of itself.

12. **CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE 2**

It is clarified that the Boards of the Amalgamating Company and MSSL shall have the

absolute right to acquire any asset for, or sell, transfer, create, encumbrance or otherwise deal with any asset or raise any debt required for the business and generally carry on the business of Amalgamating Company and MSSL, respectively, in their sole discretion, up to Effective Date 2.

13. **AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE AMALGAMATED COMPANY**

13.1 Upon coming into effect of Section II of the Scheme from Effective Date 2, the Memorandum of Association of the Amalgamated Company, immediately prior to Effective Date 2, shall, without the requirement to do any further act or thing, stand amended and replaced with the Memorandum of Association as set out in **Schedule II** to this Scheme.

13.2 The abovementioned change, being an integral part of the Scheme, it is hereby provided that the said revision to the Memorandum of Association of the Amalgamated Company shall be effective by virtue of the fact that the shareholders of the Amalgamated Company, while approving the Scheme as a whole, have also resolved and accorded the relevant consent as required respectively under the applicable provisions of the Companies Act and shall not be required to pass any separate resolution(s).

14. **CHANGE OF NAME OF THE AMALGAMATED COMPANY**

14.1 Upon coming into effect of Section II of the Scheme from Effective Date 2, without any further act or deed, the Amalgamated Company shall be re-named as "Samvardhana Motherson International Limited" or such other name as may be decided by the Board of the Amalgamated Company and approved by the NCLT and the jurisdictional Registrar of Companies. Further, the name of "Motherson Sumi Systems Limited", wherever it occurs in its Memorandum and Articles of the Amalgamated Company, will be substituted by such name.

14.2 The approval and consent of the Scheme by the shareholders of MSSL and the Amalgamating Company shall be deemed to be the approval of the shareholders by way of special resolution for change of name of the Amalgamated Company, as contemplated herein, under Section 13 of the Companies Act. The sanction of this Scheme by the NCLT shall be deemed to be in compliance with Section 13 and other applicable provisions of the Companies Act.

15. **DISSOLUTION OF AMALGAMATING COMPANY**

Upon Section II of this Scheme becoming effective on the Effective Date 2, the Amalgamating Company shall stand dissolved without being wound-up, without any further act or deed, and the Board and any committee thereof of the Amalgamating Company shall without further act, instrument or deed be and stand discharged. The name of the Amalgamating Company shall be struck off from the records of the RoC and the Amalgamated Company shall make necessary fillings in this regard.

16. **TAXES**

16.1 The provisions of Section II of this Scheme have been drawn up in compliance with the conditions specified under the tax laws, specifically Section 2(1B) of IT Act, and other relevant sections of IT Act. If any terms or provisions of Section II of this Scheme are found or interpreted to be inconsistent with the provisions of the aforesaid Section of the IT Act at a later date (not being a date after Effective Date 2), including resulting from an amendment of Law or for any other reason whatsoever, such provisions shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect the other parts of this Scheme.

16.2 All benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, wealth tax, service tax, excise

duty, central value added tax, central sales tax, applicable state value added tax, goods and services tax (GST), customs duty drawback, etc.) to which Amalgamating Company is entitled to in terms of Applicable Laws, shall be available to and vest in the Amalgamated Company, upon Section II of this Scheme coming into effect.

- 16.3 All tax assessment proceedings / appeals of whatsoever nature pertaining to the Amalgamating Company shall be continued and, or, enforced as and from the Effective Date 2, by or against Amalgamated Company. The aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of Amalgamating Company into and with Amalgamated Company.
- 16.4 Upon Section II of this Scheme becoming effective on the Effective Date 2, the accounts of the Amalgamated Company as on the Appointed Date 2 shall be reconstructed in accordance with the terms of Section II of this Scheme. The Amalgamated Company shall be entitled to revise its income tax returns, TDS returns, and other statutory returns as may be required under respective statutes pertaining to indirect taxes, such as sales-tax, value added tax, excise duties, service tax, etc., and shall also have the right to claim refunds, advance tax credits, MAT credit, credit of tax deducted at source, credit of foreign taxes paid / withheld, etc., if any, as may be required consequent to implementation of Section II and other relevant provisions of this Scheme, as result of the amalgamation of Amalgamating Company into and with Amalgamated Company.
- 16.5 Any tax deducted at source by the Amalgamating Company/ Amalgamated Company on payables to Amalgamated Company/ the Amalgamating Company respectively which has been deemed not to be accrued, shall be deemed to be payment of tax accruing or arising to the Amalgamated Company and shall, in all proceedings, be dealt with accordingly.

17. ACCOUNTING TREATMENT

- 17.1 Upon Section II of the Scheme becoming effective from the Effective Date 2, the Amalgamated Company shall account for the transfer and vesting of the assets and liabilities of the Amalgamating Company in its books of account as per the "Acquisition Method" prescribed under Indian Accounting Standard 103 (*Business Combination*) notified under Section 133 of the Companies Act read with relevant rules issued thereunder and other applicable Accounting Standards provided under the Companies Act, specifically:
- (a) All the assets, including intangible assets and shares of MSSSL held by the Amalgamating Company, and all liabilities, including contingent liabilities of the Amalgamating Company, shall stand transferred to, and the same shall be recorded by, the Amalgamated Company at their fair value, as per Ind AS 103 and/or other applicable Ind AS;
 - (b) The Amalgamated Company shall credit to its share capital account, the aggregate face value of the Equity Shares issued by it to the shareholders of the Amalgamating Company in terms of Clause 8 of Section II of the Scheme. The difference between the fair value and the face value of such Equity Shares issued will be credited to the securities premium account;
 - (c) The difference between the fair value of the Equity Shares issued and the fair value of the net assets acquired will be treated as goodwill or capital reserve as per Ind AS 103;
 - (d) The fair value of the Equity Shares of the Amalgamated Company recorded at (a) above shall stand cancelled against the share capital and the securities premium recorded at (b) above; and
 - (e) The Amalgamated Company shall ensure compliance with the requirements of the acquisition method under Ind AS 103 for all other aspects of accounting for the amalgamation.

17.2 The cancellation of the fair value of the Equity Shares of the Amalgamated Company against the share capital and the securities premium, as provided under Clause 17.1(a) of Section II of this Scheme, above, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Companies Act and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Companies Act, or any other applicable provisions of the Companies Act, confirming the reduction. The consent of the shareholders of the Transferor Company to this Scheme shall be deemed to be sufficient for the purposes of effecting such cancellation as well, and no further resolution(s) under Sections 66 or other applicable provisions of the Companies Act, if any, would be required to be separately passed in this regard.

18. **MISCELLANEOUS**

18.1 Upon effectiveness of Section II of this Scheme, from Effective Date 2, the provisions of Section II of this Scheme shall take effect in their entirety without the requirement of any further act, matter or deed or approvals from any person so as to give effect to Section II of this Scheme. Accordingly, upon effectiveness of Section II of this Scheme from Effective Date 2, all relevant records shall be updated / amended, so as to give effect to Section II of this Scheme and to vest all the assets, liabilities, contracts, licences, intellectual property rights and employees of the Amalgamating Company into and with the Amalgamated Company, without any procedural requirements for such assets, liabilities, contracts, licences, intellectual property rights and employees to first be registered or recorded in the name of the Amalgamated Company in terms of Section II of this Scheme.

SECTION III

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

1. APPLICATION TO THE NCLT

- 1.1 Each of the Transferor Company, Resulting Company and Amalgamating Company shall, as may be required, dispatch, make and file all applications and petitions under Section 230 to 232 of the Companies Act before the NCLT, for sanction of the Scheme under the provisions of Applicable Laws.
- 1.2 The Transferor Company, Resulting Company and Amalgamating Company, as the case may be, shall be entitled, pending the sanction of the Scheme, to apply to appropriate governmental authorities, as required, under any Applicable Law for such consents and approvals which the Companies may require to own / transfer the assets and/or liabilities of the DWH Undertaking or to merge / carry on the business of the Amalgamating Company, as the case may be.

2. SEQUENCE OF EVENTS

- 2.1 Upon the sanction of the Scheme by the NCLT and after the Scheme has become effective upon completion of the conditions listed in Clause 3 of this Section III, the following shall be deemed to have occurred and become effective and operative, only in the sequence and in the order mentioned hereunder, in the following sequence:
- (a) with effect from Appointed Date 1, demerger of the DWH Undertaking from the Transferor Company and the vesting of the same in the Resulting Company, in accordance with Section I of the Scheme;
 - (b) reclassification of the preference share capital of the Transferor Company into equity share capital, transfer of a portion of the authorised share capital of the Transferor Company to the Resulting Company and consequential increase in the authorised share capital of the Resulting Company, as provided in Section I of this Scheme;
 - (c) issue and allotment of Equity Shares of the Resulting Company to the shareholders of the Transferor Company as of Record Date 1, in accordance with Section I of this Scheme, along with simultaneous cancellation of the shareholding of the Transferor Company in the Resulting Company (either held directly or through its nominee shareholders) in its entirety, without any further act or deed;
 - (d) with effect from Appointed Date 2, amalgamation of the Amalgamating Company into and with the Amalgamated Company, by absorption, in accordance with Section II of the Scheme;
 - (e) transfer of the authorised share capital of the Amalgamating Company to the Amalgamated Company and consequential increase in the authorised share capital of the Amalgamated Company, as provided in Section II of this Scheme;
 - (f) cancellation of the shareholding of the Amalgamating Company in MSSL in its entirety, without any further act or deed;
 - (g) dissolution of the Amalgamating Company without winding-up; and
 - (h) issue and allotment of Equity Shares of the Amalgamated Company to the shareholders of the Amalgamating Company as of Record Date 2, in accordance with Section II of this Scheme.

3. **CONDITIONALITY OF THE SCHEME**

3.1 The effectiveness of Section I of this Scheme is and shall be conditional upon and subject to the fulfilment (or waiver by the Transferor Company, to the extent permitted under Applicable Law) of the following conditions:

- (a) The requisite consents, no-objections and approvals being received from the Stock Exchanges to the Scheme in terms of the SEBI Circular;
- (b) The Scheme being approved by respective requisite majorities in numbers and value of such classes of members and creditors of the Transferor Company, the Resulting Company and/or Amalgamating Company, as may be directed by the NCLT. Notwithstanding the generality of the foregoing, it is clarified that the Scheme is conditional upon the Scheme being approved by the public shareholders of Transferor Company through e-voting in terms of Para 9(a) of Part I of Annexure I of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and the Scheme shall be acted upon only if the votes cast by the public shareholders of Transferor Company in favour of the Scheme are more than the number of votes cast by the public shareholders against it;
- (c) The Stock Exchanges issuing their observation/ no-objection letters and SEBI issuing its comments on the Scheme, as required under Applicable Laws;
- (d) The Scheme being sanctioned by the NCLT under Sections 230 – 232, read with other applicable provisions of the Companies Act;
- (e) Certified copies of the order of the NCLT sanctioning this Scheme being filed with the RoC, by each of the Transferor Company, Resulting Company and the Amalgamating Company;
- (f) Approval of the shareholders of the Transferor Company and the Resulting Company being obtained for entering into various agreements between Transferor Company and the Resulting Company, in furtherance of Clause 4 of Section I of the Scheme;
- (g) All statutory approvals required for the Scheme as per Applicable Law, including approval of the Competition Commission of India (“CCI”), if required, being received; and
- (h) Satisfaction (or waiver in writing) of such other conditions precedent as may be mutually agreed between Transferor Company, the Resulting Company and/or Amalgamating Company in writing.

3.2 The effectiveness of Section II of this Scheme is and shall be conditional upon and subject to:

- (a) Section I of the Scheme having become effective on Effective Date 1, as per the terms of Section I of the Scheme; and
- (b) the Resulting Company having completed the issue and allotment of Equity Shares to the shareholders of the Transferor Company as of Record Date 1, in accordance with Section I of this Scheme.

4. **REVOCATION, WITHDRAWAL OF THIS SCHEME**

4.1 Subject to the order of the NCLT, the Board of the Transferor Company shall be entitled to revoke, cancel, withdraw and declare this Scheme of no effect at any stage if, **(a)** this Scheme is not being sanctioned by the NCLT or if any of the consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not obtained or for any other reason; **(b)** in case any condition or alteration imposed by the shareholders and/or creditors of the Companies, the NCLT or any other authority is not

acceptable to the Board of the Transferor Company; or (c) the Board of the Transferor Company is of the view that the coming into effect of this Scheme, in terms of the provisions of this Scheme, or filing of the drawn up order with any governmental authority could have adverse implication on all or any of the Companies. On revocation, withdrawal, or cancellation, this Scheme shall stand revoked, withdrawn, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* between the Companies or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the Applicable Law and in such case, the Transferor Company shall bear all costs relating to this Scheme unless otherwise mutually agreed.

5. EFFECT OF NON-RECEIPT OF APPROVALS

In case this Scheme is not sanctioned by the NCLT, or in the event this Scheme cannot be implemented due to any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in this Scheme not being obtained or complied with, unless waived by the Board of the Transferor Company (to the extent permitted under Applicable Laws), or for any other reason, then, this Scheme shall become null and void.

6. COSTS, CHARGES AND EXPENSES

All costs, charges, fees, taxes including duties, stamp duties, levies and all other expenses, if any, including as maybe directed by the NCLT in relation to and incidental to the approval of this Scheme by the NCLT shall be borne equally by MSSL and the Resulting Company. All other costs, charges, fees, taxes and expenses in relation to and incidental to implementing this Scheme and matters incidental thereto, shall be borne as mutually agreed among the Transferor Company, Resulting Company and the Amalgamating Company.

7. Based on mutual agreement between the Boards of the Transferor Company, Resulting Company and the Amalgamating Company, as the case may be, and subject to the provisions of Applicable Law, the Boards of the Companies may authorise the execution of appropriate arrangements between the Companies and the lenders, as may be required, in respect of any loans raised by the Transferor Company prior to Effective Date 1.

8. DIVIDENDS

8.1 The Transferor Company, Resulting Company and the Amalgamating Company shall be entitled to declare and make a distribution / pay dividends, whether interim or final, and/or issue bonus shares to their respective members / shareholders prior to the Effective Date 1, in accordance with Applicable Law. Any declaration of dividend or other distribution of capital or income by the Transferor Company, Resulting Company or the Amalgamating Company shall be consistent with the past practice of such company.

8.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions and shall not be deemed to confer any right on any shareholder of the Transferor Company, Resulting Company or the Amalgamating Company, as the case may be, to demand or claim or be entitled to any dividends which, subject to the provisions of the Companies Act, shall be entirely at the discretion of the Board of the Transferor Company, Resulting Company or the Amalgamating Company, as the case may be, and subject to approval, if required, of the shareholders of the relevant companies.

9. COMPLIANCE WITH APPLICABLE LAWS

The Transferor Company, Resulting Company and the Amalgamating Company undertake to comply with all Applicable Laws (including all applicable compliances required by SEBI and the Stock Exchanges) including making the requisite intimations and disclosures to any statutory or regulatory authority and obtaining the requisite consent, approval or permission of the central government, Reserve Bank of India (if required), SEBI, Stock Exchanges,

Competition Commission of India (if required) or any other statutory or regulatory authority, which by-law may be required for the implementation of this Scheme or which by Law may be required in relation to any matters connected with this Scheme.

10. **AMENDMENT**

The Transferor Company, Resulting Company and the Amalgamating Company, through mutual consent and acting through their respective Boards, may jointly and as mutually agreed in writing in their full and absolute discretion, assent to alteration(s) or modification(s) to this Scheme, which the NCLT may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing, including without limitation, any modifications to the accounting treatment set out in the Scheme due to change in any regulatory or compliance requirements being made applicable to the Transferor Company, Resulting Company and the Amalgamating Company or to the matters set forth in this Scheme, and do all acts, deed and things as maybe necessary, desirable or expedient for the purpose of giving effect to this Scheme. Upon sanction of this Scheme by the NCLT, this Scheme shall not be amended without the approval of the NCLT.

11. **REMOVAL OF DIFFICULTIES**

11.1 The Transferor Company, Resulting Company and the Amalgamating Company may, through mutual consent and acting through their respective Board of Directors, agree to take steps, as may be necessary including but not limited to making any modification to the Scheme, desirable or proper, to resolve all doubts, difficulties or questions, whether by reason of any orders of the NCLT or of any directive or orders of any governmental authorities or otherwise arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith. After dissolution of the Amalgamating Company, the Amalgamated Company and the Resulting Company through their respective Board of Directors shall be authorised to take such steps, as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reasons of any order of the court(s) or of any directive or order of any other governmental authorities or otherwise, however, arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith.

11.2 MSSL is currently undertaking a scheme of merger under Sections 230 to 232 and other applicable provisions of the Companies Act with its wholly owned subsidiary, Motherson Polymers Compounding Solutions Limited ("**MPCSL Merger**"), pursuant to which Motherson Polymers Compounding Solutions Limited shall stand merged with MSSL, on the scheme becoming effective. The appointed date for the said scheme is April 1, 2018. The scheme was approved by the Board of MSSL on August 7, 2018 and is currently pending before the National Company Law Tribunal, Mumbai and Delhi Benches. The said MPCSL Merger will not have any impact on the equity capital structure of MSSL as no shares are proposed to be issued pursuant to the MPCSL Merger.

12. **MISCELLANEOUS**

The various Sections of this Scheme are inextricably inter-linked with each other and this Scheme constitutes an integral whole. This Scheme shall be given effect to only in its entirety and in the sequence and order mentioned in Clause 2 of Section III of this Scheme.

SCHEDULE I

(Details of Manufacturing Units and Offices of the DWH Undertaking)

Sl. No.	Unit	Address
1	SBU9 – Gurgaon	Plot No.21 & 22, Sector - 18, Industrial Estate, Gurugram, Haryana, Pin Code – 122050
2	SBU1A -Faridabad	Kila No. 12/2, Sarai Khwaja, Sector 36, Faridabad, Haryana, Pin Code - 121003
3	SBU16- Sector 84 DTA	A-3, Sector -84, Noida, Pin Code – 201305
4	Ecotech Greater Noida (New)	Plot No 5&6 Ecotech II Greater Noida
5	SBU 33 & 35 - Sector 85	B-3&4, Sector 85, Noida, Pin Code - 201301
6	SBU22-Pathredi	Plot No. SP1-890&895, Pathredi Industrial Area, Bhiwadi, Dist – Alwar Rajasthan, Pin Code 301707
7	SBU 30- Noida Sector A-15	A-15, Sector -6, Noida, Dist- Gautam Budda Nagar, Pin Code: 201301
8	SBU-31- Sanand	AV-24, Sanand GIDC Phase -2, Sanand Industrial Estate, Sanand Ahmedabad, Pin Code - 82445
9	Pithampur II	Plot No. 3, Industrial Growth Centre Integrated Industrial Park Pithampur, Dist- Dhar (MP) Pin Code - 454774
10	SBU07-Bangalore Kumbalgodu	Plot No. 31B, Kiadb, Industrial Area Phase-I Kumbalgodu Bangalore
11	SBU24 -Bengaluru Bidadi	Plot No.11, Sector-1, Phase-II, Talekuppe, Bidadi Industrial Area Ramnagar Taluk & Dist. Pin Code - 562109
12	SBU17-Chennai Kuruvanmedu	Survey No 181-186, Village Kuruvenumedu, Taluk Chengalpatta, District Kanchipuram Pin Code - 603204
13	SBU18-Chennai RNSP	RNS 10, Renault & Nissan Suppliers Park, SIPCOT Industrial Park, Oragadam Expansion Scheme, Chennai Pin Code - 602105
14	SBU-27- Walajabad	Survey No.348/1A/1B, 348/2-5 and 355/3 Tambaram-Walajabad High Road Nathanallur and Uthukadu Village Dist. Kanchipuram Pin Code - 631605
15	DMSIL-Pune Hinjewadi	S No.241/1/2, Village Hinjawadi, Taluka Mulshi, Pune, Pin Code -411057
16	SBU32- Pithampur	Plot No.8, Sector-5, Pithampur Distt Dhar, Madhya Pradesh Pin Code– 454774
17	SBU15-Pune Marunji	Plot No.73/2 & 76/2/1B Village Marunji, Taluka Mulshi Dist. Pune, Pin Code -411057
18	SBU2- Noida C-6	C-6&7, Sector-1, Noida Dist. Gautam Buddh Nagar Uttar Pradesh, Pin Code -201301
19	SBU 26- Noida Sector 64	A-8 & 9, Sector-64, Noida Dist. Gautam Buddh Nagar

		Uttar Pradesh, Pin Code -201301
20	T01-Nasik	D - 36, MIDC, Satpur Nashik, Maharashtra Pin Code - 422007
21	SBU20- Haldwani	A12, Mahaveer Audyogic Aasthan Village Patlipur, Haldwani, Dist. Nainital Uttaranchal Pin Code - 263139
22	SBU23- Lucknow	562A, Village Natkur, Pargana Bijnaur Road, Lucknow Uttar Pradesh Pin Code -226001
23	SBU05- C-14 Noida Sector-1	C-14A & B, 1A&1B, Sector-1 (Ground floor and basement) Noida (UP), Pin Code - 201301

SCHEDULE II

(Memorandum of Association of the Amalgamated Company)

MEMORANDUM OF ASSOCIATION
OF
MOTHERSON SUMI SYSTEMS LIMITED
(LIMITED BY SHARES)

- I. The name of the company is MOTHERSON SUMI SYSTEMS LIMITED.
- II. The Registered Office of the Company will be situated in the STATE OF MAHARASHTRA.
- III. The objects for which the Company is established are:
 - (A) **THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**
 1. To carry on the business of manufacturing, fabrication, assembling and dealing in Wiring Harness and other parts of all kinds and description, automotive and other parts, mining equipment, tool, springs, fittings, head lamps, sealed beam component parts, spare parts, accessories and fittings of all kinds for the said articles of P.V.C., Polypropylene, P.F. Resin or other man-made chemicals, electrical wires, switch controls and other engineering items for automobiles or any other application as required.
 2. To design, prototype manufacture, process, prepare, press, vulcanise, repair, retread, export, import, purchase, sell and to carry on business of moulding of plastic and/or any other polymer parts and assembly thereof, diecasting of components and the assembly thereof of automobiles or any other any application as required, metal sheet pressing for making clips, moulds and other parts for automobiles or any other application as required, P.V.C., Polythene. P.F. Resin parts, moulding and dealing in the same for different types of vehicles or for any other application and repair materials and other articles and appliances made with or from natural or synthetic rubber, its compounds, substitutes, Indian rubber or the same in combination with any metallic or non metallic substances, valcanised leather, rayon, Hessian or plastic or products in which rubber, rayon Hessian or other plastic is used.
 3. To carry on the business of hirers, repairers, cleaners and storsers of motor cars, motor cycles, mopeds, scooters, motor boats, motor launches, motor buses, motor lorries, aeroplanes, seaplanes, gliders, tractors and other conveyances of all descriptions whether propelled or assisted by means of petrol, spirit, diesel, steam, gas, electricity, animal, atomic or other power and of engine chassis, bodies and other things used for or in connection with the above mentioned business.
 4. To engage in and conduct the business of scientific, technical and other research and development in any field, particularly in the field of developing/ deploying advanced technologies, electronics, computer software, mechanics and electricals, systems integration, training systems, opto-electronics, communications, composites and mechanical engineering, to manufacture , test and experiment all kinds of equipment, to originate, develop and improve any discoveries, inventions, technology, processes and formulate, turn to account, particularly to integrate, manufacture, purchase or otherwise acquire, own, hold, operate, sell or otherwise transfer, lease, license the use of, distribute or otherwise dispose off.
 5. To carry on business of manufacturing, assembling, developing, and selling equipment, technology and property of every kind and description, including without limitation of the generality of foregoing, electronic, electrical and mechanical devices, apparatus, appliances, equipment and machines and parts thereof as also to create, reproduce, amplify, receive,

transmit and retain sound, signals, communications for use in a variety of end user segments, including the civil aerospace and aviation sector, customers, enterprises and the Government and also for all other processes, matters and things and to establish, provide, maintain and conduct or otherwise subsidize research and development, technical laboratories and experimental workshops for scientific and technical research and experiments, and to undertake and carry on with all scientific and technical researches, experiments and tests of all kinds.

6. To carry on the business of a holding company for establishing subsidiaries, making majority or minority investment, and/or to promoter technical collaborations in companies operating in any kind of activity and in specific by not limited to investment in entities engaged in the auto components or related sectors.
7. To provide management consultancy services related to supervisory, administrative, training, managerial, technical, consultancy, marketing, procurement, accounting, legal, communication, personnel to companies in which investment has been made by the Company and/or by any of its related/ affiliate/ associate companies.

(B) MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) ARE:

8. To carry on business as inventors, researchers and developers, to conduct, promoter and commission research and development in connection with the activities of the Company, to establish and maintain research and development stations, technology centers, computers complexes, laboratories, workshops, testing and proving grounds, and establishments and to exploit and turn to account, the results of any research and development carried out by or for it.
9. To generally to encourage, promote and reward, researches, investigations, experiments, tests, discoveries and invention of any kind that may be considered likely to assist any of the business which the Company is authorized to carry on.
10. To carry on or assist in carrying on in any place or places any other trade or business, which may seem to the Company as capable of being conveniently carried on with the business (es) of the Company, or render profitable any of the Company's properties or rights.
11. To form and incorporate or promoter any company or companies having amongst its or their objects, the acquisition, setting up, maintenance, establishment and promotion of business relevant to the business or the interest of the Company in India or elsewhere, either directly or indirectly, assisting the Company in the pursuance of its objects or in the supervision, control and management of its business or the development of its assets and properties, or otherwise prove advantageous to the Company and to pay, all or any of the costs and expenses incurred in connection with any such promotion or incorporation, and to remunerate any person of the Company in any manner it shall think fit for services rendered or to be rendered in obtaining, subscriptions of, or placing or assisting to place or to obtain subscriptions for, or for guaranteeing the subscriptions for or the placing of any shares in the capital of the Company or any bonds, debentures, obligations or securities of the Company may have interest in, or about the promotion or formation of any other company, in which the Company have an interest.
12. To purchase, hire or otherwise acquire factories and other premises or business in connection with the main business of the Company.
13. To deal in alloy steel forgings of every description used for the business of the Company.
14. To import, export, purchase, sell, manufacture or otherwise deal in Wiring Harness, electrical cables and mining machinery, plant and equipment, raw materials like alloy steel, ferrous and non-ferrous metals, industrial chemicals, rubber and machinery, plant and equipments including precision measuring and testing instruments and tools of every description used for the business of the Company.

15. To purchase, take on lease or in exchange, hire or otherwise acquire any movable or immovable property, rights or privileges which the company may think necessary or convenient for the purpose of its business and in particular any land, building, basements, machinery, plant and stock in trade and to construct, maintain and alter any buildings or work necessary or convenient for the purpose of the Company.
16. To invest in other than investments in Company's own shares and deal with the money of the Company not immediately required in such manner as may from time to time be determined.
17. To draw, make, endorse, discount, execute and issue promissory notes, bills of exchange, warrants, debentures and other negotiable or transferable instruments.
18. Subject to provision of Section 73 and 179 of the Companies Act, 2013 and the rule made thereunder and the directions of Reserve Bank of India to borrow or raise or secure the repayment of moneys in such manner as the Company shall think fit and in particular by the mortgage, legal or equitable or by the issue of debentures or debentures stock, perpetual or otherwise, charged upon all or any of the Company's property both present and future including its uncalled capital and to issue at par or at a premium or discount debentures or debentures stock, bonds or other obligations and to purchase, redeem, pay off or satisfy such securities.
19. Subject to Section 230 to 232 of the Companies Act, 2013 to amalgamate with any other company having objects altogether or in any part similar to those of this Company.
20. To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of the Company.
21. To establish branches in and out of India to appoint local committees, advisory boards and agents, managers, secretaries and other officers by any designation whatsoever and authorise them to transact the business of the Company and to discontinue transacting the same from time to time.
22. To adopt means of making known the business of the Company, as may seem expedient and in particular by advertising in the press, public, place and theatres, by radio, by television, by circulars, by purchase and exhibition of works of art or interest, by publication of books, pamphlets, bulletins, or periodicals, by organising or participating in exhibition and by granting prizes, rewards and donations or any manner considered suitable.
23. To erect, build and enlarge, alter maintain, work purchase, acquire, manage, take on lease, under license or concession or in exchange, deal with and dispose of solely or jointly with others, buildings, warehouses, sheds, work factories mills, workshops, sidings, roads and other premises and lands, necessary or expedient, for the purpose of the Company.
24. To apply for tender, purchase or otherwise, acquire contract, sub-contract, licenses and concessions for or in relation to the objects of business herein mentioned or any of them and to undertake, execute, carry out, dispose of or otherwise turn to account the same.
25. To sub-let all or any contracts obtained by the Company from time to time and upon such terms and conditions as may be thought expedient.
26. To purchase or by any other means, acquire and prolong and renew patents, patent rights, invention licenses, protection and concessions which may appear likely to be advantageous or useful to the Company for its business and to manufacture under grant licenses or privileges in respect of the same and to spend money in experimenting upon and testing any improving or seeking to improve any patents, inventions or rights which the company may acquire or propose to acquire for the business.

27. To establish and maintain agencies and branch officers and procure the company to be registered or recognised and to carry on business in any part of the world.
28. To distribute any of the property of the company among the members in Specie or in kind on its winding up.
29. To enter into arrangement for rendering and obtaining technical services and or in technical collaboration with individuals, firms or body corporate whether in or outside India.
30. To insure any of the properties, undertaking, contracts, guarantees or obligations of the Company of every nature and kind in any manner whatsoever.
31. To be interested in promotings and undertaking the formation and establishment of such institutions or companies (industrial, trading, manufacturing) which may seem to the Company capable of being conveniently carried on in connection with any of the business which the Company is authorised to do.
32. To obtain any order of Act of Legislature of Parliament for enabling the Company to obtain all power and authorities necessary or expedient to carry out or extend any of the objects of the Company or for any other purpose which may seem expedient and to make representations against any proceedings or applications which may seem calculated directly or indirectly prejudicial to the company's interest.
33. To pay out of the company's funds the cost and expenses incurred in connection with incorporation of the company and to remunerate any person or company for services rendered in the conduct of its business.
34. To create and issue equity, preference and guaranteed shares or stock and to redeem, cancel and accept and accept surrender or such shares or stocks.
35. To pay, to reserve or to distribute as dividend or bonus shares among the members or otherwise to apply as the company may think fit money belonging to the company including those received by way of premium or shares or debentures issued at a premium by the company, received in respect of dividends accrued on forfeited shares any money arising from reissue by the Company of forfeited shares and money arising from reissue by the Company of forfeited shares subject to the provisions of the Companies Act, 1956.
36. To open any kind of account in any bank and to make, draw, borrow, accept, endorse, issue and execute promissory notes, bills of exchange, bill hundies, cheques and other negotiable instruments in connection with the Company's business and to invest and deal with money not immediately in such manner as may from time to time be determined.
37. To make any loan to any person or company on any terms whatsoever in connection with the company's business.
38. To enter into partnership or any other individual arrangement for sharing profit, co-operation, joint venture, reciprocal concession, license or otherwise with any person, firm, private or public limited companies, association society or body corporate carrying on or engaged in any business or transaction which this company is authorised to carry on and to give special rights, licenses, and privileges in connection with the same and particularly the right to nominate one or more person whether they be shareholders or not, to be directors of the company.
39. Subject to the provisions of Section 182 of the Companies Act, 2013 to contribute to the funds of any association or to any individual, firm or body corporate which in the opinion of the Company is beneficial to the Company.
40. To engage, employ, suspend and dismiss agents, managers, workers, clerks and other servants and labourers and to remunerate any such person at such rate as shall be thought

fit, to grant pensions or gratuities to any such person or his widow or children and generally to provide for the welfare of all employees.

41. To purchase or to take on lease or in exchange hire or otherwise acquire any running business or part thereof, movable or immovable properties and any rights or privileges or licenses or concessions which the company may think necessary or expedient for the purpose of its business on such terms as may be deemed useful.
42. To sell or sublet any concession or privilege obtained or contracts entered into and generally to sell the whole or any part of the property and business of the company for cash or for the shares for obligations of any person or persons for the purpose of business.
43. To improve, manage, cultivate, develop, exchange, let on lease, mortgage, sell, dispose of, turn to account, grant rights and privileges in respect of or otherwise deal with all or any part of the properties and rights of the company.
44. To enter into any arrangement with any authority including Sovereign Government (Municipal, Local or otherwise) that may seem conducive to the Company's objects or any of them and to obtain from any such authority rights licenses privileges and concession which the company may think desirable to obtain and to carry out, exercise and comply with any such arrangement rights, licenses, privileges and concessions.
45. To do all or any part of the above things in any part of the world either as principals, contractors, trustees or otherwise and either alone or in conjunction with others and by or through agents, contractors, trustees or otherwise.
46. To acquire any securities by subscription, purchase, exchange or otherwise and to make any loan to any other body corporate, give any guarantee, or provide security, corporate guarantee including guarantees to banks, financial institutions or any other third party in connection with obligations of any other body corporate and/or in connection with a loan made by any other person to, or to any other person by, any body corporate.
47. To enter into, purchase, sell, transact, swaps, forwards, futures, options, caps, floors, collars, contracts for differences, repos, lending transactions, trust instruments in any currency and / or any other derivative transactions of any nature (whether exchange-traded or over-the-counter) including relating to any asset, index, event, statistic, rate or benchmark of any nature (whether tangible or intangible) and also including (without limitation) derivatives relating to currencies, interest rates, stocks, bonds, other securities, credit events and commodities, to the extent permitted under the Applicable Laws from time to time.
48. To identify, acquire, develop, organize and obtain financial, technological and managerial support in connection with all or any of the main objects of the company specified above.
49. To establish, appoint and maintain any agencies, representatives or servants in India for the conduct of the business and/or any other purpose of the Company and to remunerate such agencies, representative and servants.
50. To enter into contracts of indemnity and guarantee in connection with the business of the Company.
51. To establish, appoint and maintain any agencies, representatives or servants in India for the conduct of the business and/or any other purpose of the Company and to remunerate such agencies, representative and servants.
52. To establish and maintain or procure, the establishment and maintenance of, any pension, superannuation funds or retirement benefit schemes (whether contributory or otherwise) for, benefit of, and to give or procure the giving of donation, gratuities, pensions, allowances, enrollments and any other relevant benefits to any persons who are, or were at any time, in the employment or services of the Company, or any company which is a subsidiary or a

holding company of the Company, or which is a subsidiary of any such holding company or is allied to or associated with the Company, or any such subsidiary or of any of the predecessors of the Company, or any such other company as aforesaid, or who may be or have been Directors or officers of the Company, or of any such other company as aforesaid, and the wives, widows, families and dependents of any such person, and to establish, subsidies and subscribe to any institutions, associations, societies, clubs, trusts or funds calculated to be for the benefit of, or to advance the interests and well being of the Company, or any other company as aforesaid, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object, and to do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid and without prejudice to the generality of the foregoing, to act either alone or jointly, as trustee or administrator for the furtherance of any of the aforesaid purposes.

53. To act as manufacturers, assemblers, fabricators, of high tension and low tension cables, ACSR, conductor porcelain insulations of all types and designs, voltage and capacities, transmission towers, high voltage electrical porcelain bushing and insulation material, electrical switchgear, both high and low tension for AC and DC current.
54. To carry on the business of electricians, electrical and manufacturers of all kinds of electrical machinery and electrical apparatus for any purpose whatsoever and to manufacture, sell, supply and deal in accumulators, lamps, meters, engines, dynamos, batteries, telephonic and telegraphic apparatus of any kind.
55. To manufacture, buy, sell exchange, alter, improve, manipulate prepare, for market import or export or otherwise deal in all kinds of insulated cables and wires, rubber insulated wires and cables, cub type-sheeted wires, PVC cables and flexible cords, cotton or silk braided, conduct wires and cables, low and high tension power cables, telegraph and telephone cables, low and high tension paper rubber or bitumen insulated lead covered power cables, telephone or telegraphic cables according to B.B.S. long distance cables, signalling cables, lead covered house installation, accessories of power cables, alpastable cables with seamless aluminium sheath covered with a second seamless skin thermoplastic material, overhead material, bare copper, bronze, aluminium wires and cables solid or standard for telephone, telegraph and signalling purpose, aluminium cable for overhead lines, bare copper and cadmium copper wire round or grooved for tramways trolley buses etc. (also suitable for crane operation), bare copper and aluminium bus bars, binders and rotor bars suitable for dynamo, transformer and switchgear wire manufacturers, copper and aluminium wires and tapes, lighting conductors, aeriais of copper, aluminium varnish cambric insulated main, furnace, H.F., ship wiring, switch boards, bell wires, lead alloy and tinned copper, and all kinds of cables wire conductors and accessories.
56. To purchase, sell, import, export, manufacture, repair or otherwise deal in all types of extruders and other machinery used for the manufacture, repair or otherwise deal in all types of extruders and other machinery used for the manufacture of insulated cables, sheeted and unsheeted wires, industrial cables.
57. To manufacture, produce, process or assemble and deal in all sorts of air and gas treatment plants and equipments, air-conditioning plants, refrigeration and equipments, industrial fans, steam heaters, air filters, air- curtains, spray painting, booths and complete system of all kinds and description relating to air technology.
58. To carry on business of imports, exports, buyers and sellers of all types of axial flow fans, centrifugal fans, mancooling fans, blowers, fabricated items, motor starters, mining equipments, port material, handling, equipment, process plants and washing plants.
59. To undertake the manufacture or production of calcined petroleum coal and calcined atheacite coal and sale thereof.
60. To search, win, work, raise, quarry, smelt, refine, dress, manufacture, manipulate, convert make merchantable, sell, buy, import, export or otherwise deal in iron ore, all kinds of metal,

metallicferrous ores and to manufacture, sell, buy import, export and otherwise deal in any of such articles and any commodities.

61. To produce steel bricks and bats from steel scrap and cast iron scrap.
62. To carry on the business of an investment company and to buy, underwrite, invest in, acquire, hold and deal in shares, stocks, debenture stock, bonds, obligations and securities issued or guaranteed by any company constituted for carrying on business in India or elsewhere, and debentures, debentures stock bonds, obligations and securities, issued or guaranteed by any government, state dominion, sovereign rules, commissioners, public body or authority, supreme, municipal, local or otherwise, firm or person whether in India or elsewhere.
63. To carry on the business of purchase and sale of petroleum and petroleum products, to act as dealers and distributors for petroleum companies, to run service stations for the repair and servicing of automobiles and to manufacture or deal in fuel oils, cutting oils and greases.
64. To carry on the business of manufacturers of and dealers in all types of rubber leather, celluloid, bakelite, plastic and all other chemicals, rubber and plastic goods, particularly industrial rollers, sheets and consumer goods such as tyres, tubes and other allied products, medical and goods and all other kinds of products.
65. To carry on trade or business or manufacturers of ferro manganese, colliery proprietors, coke manufacturers, miners, smelters engineers and tin plate makers in all their respective branches.
66. To carry on business of electrical engineers, electricians, contractors, manufacturers, constructors, suppliers of and dealers in electric and other appliances, electric motors, fans, lamps, furnaces, household appliances, batteries, cables, wire line, dry cells, accumulator, lamps and works to generate, accumulate, distribute and supply electricity for the purposes of light, heat, motive power and for all other purpose for which electrical energy can be employed.
67. To carry on the business of manufacturers of or dealers in glass products including sheet and plates glass, opticals glass wool and laboratory ware.
68. To carry on the business of manufacturers of or dealers in industrial machinery of all types, including bearing, speed reduction units, pumps, machine tools and light engineering goods.
69. To carry on the business of manufacturers, stockists, importers and exporters of and dealers in engineering, drawing sets, builders, hardware steel rolls, measuring tapes, cutting tools and hand tools precision measuring tools, machinery, garage tools, hardware tools instruments, apparatus and other machinery, plant, equipment articles, appliances, their components, parts, accessories and allied things.
70. To carry on the business of manufacturers, dealers, stockists, exporters and importers of bolts, nuts, nails, rivets, hinges, hooks and other hardware items of all types and description.
71. To carry on the business of manufacturers, dealers, stockists, exporters and importers of forging, casting, stampings of all metals, machinery parts, moulds press tools, jigs, fixtures, injection and compression moulding and steel products.
72. To carry on the profession of consultants on management, employment, engineering industrial and technical matters to industry and business and to act as employment agent.
73. To undertake or arrange for the writing and publications of books, magazine, journals or pamphlets on subjects relating to business of the Company.
74. To carry on the business of importers, exporters, dealers, stockists, suppliers and manufacturers of commercial, industrial and domestic plastic products of any nature, substance and form and any raw material including styrene, polystyrene vinyl, chloride,

polyvinyl, polyethylene, polypropylene, polyclfines, viny acetate and copolymers and other allied material, acrylics and polyesters, polycarbonates and polyethers and epoxy resin and compositions, silicon resins and compositions, P.P.U.F. and other thermoplastic moulding compositions includings prefabricated sections and shapes, cellulosic and other thermosetting and thermoplastic materials (of synthetic or nature origin), colouring materials, plastic and resinous materials and adhesive compositions.

75. To act as trustees, executors, administrators, attorneys nominees and agents and to undertake and to execute trusts of all kinds and (subjects to compliance with any statutory condition) to exercise all the powers of custodian, trustees, and trust corporations.
76. To procure or develop and supply patents, inventions, models, designs, scientific or industrial formulae or processes.
- IV. The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.
- V. The Authorised Share Capital of the Company is Rs. _____ consisting of _____ Equity Shares of Re. 1/- (Rupee One) each.

We the several persons, whose names and addresses are subscribed, are desirous of being formed into a Company. In pursuance of the Memorandum of Association, and we respectively agree to take the number of shares in the Company set opposite respective names.

Name, address, description and occupation of subscribers	No. of equity shares taken by each subscriber	Signature of subscriber	Signatures, address, descriptions and occupations of the witness
Mrs. Swarn Lata Sehgal W/o Sh. K.L. Sehgal B-300, New Friends Colony, New Delhi-110065 Business	100	Sd/- Swarn Lata Sehgal	I Witness the signatures of both the subscribers Sd/- (K Souri Rajan) S/o M.K. Krishnamachari Chartered Accountant Phone: 80963 240A, Pocket I Mayur Vihar Delhi- 110091.
Mr. Vivek Chaand Sehgal S/o Sh. K.L. Sehgal B-300, New Friends Colony, New Delhi- 110065 Business	100	Sd/- Vivek Chaand Sehgal	

Place: New Delhi
Date: December 10, 1986

**Alok
Goel** Digitally signed
by Alok Goel
Date: 2020.07.02
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