

July 2, 2020

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

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

Scrip Code : MOTHERSUMI

Scrip Code : 517334

Ref.: Disclosure pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir(s) / Madam(s),

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the following:

1. Investor Presentation dated July 2, 2020; and
2. Copy of the Press Release dated July 2, 2020 issued by the Company.

The above is for your information and records.

Thanking you,

Yours truly,
For Motherson Sumi Systems Limited

Sd/-
Alok Goel
Company Secretary

Encl(s): As above

Motherson Sumi Systems Limited approves “Group Reorganization Plan”

Noida, Uttar Pradesh – 02nd July 2020

The Board of Directors of Motherson Sumi Systems Ltd. (“MSSL” or the “Company”) at its meeting held today approved a group reorganization plan with the objective of creating value for the shareholders of MSSL. The reorganization realigns interests of all its stakeholders and creates a simplified corporate structure for growth of businesses across product portfolios within auto components space and allied operations.

The reorganization plan approved by the respective boards of MSSL and Samvardhana Motherson International Limited (“SAMIL”) among other things, entails demerger of Domestic Wiring Harness (“DWH”) business from MSSL into a new company which is in the process of being incorporated as a wholly owned subsidiary of MSSL (“New Co.”) and subsequent merger of SAMIL into MSSL to consolidate 100% shareholding in Samvardhana Motherson Automotive Systems Group BV (“SMRP BV”) as well as to bring all auto component and allied businesses in SAMIL under MSSL.

The proposed reorganization aims to:

- **Simplify Group structure and enable MSSL shareholders to benefit through 100% stake in SMRP BV**
- **Create separate independent entity for DWH business with focused approach on this business**
- **Align interest of all stakeholders by bringing all auto component and allied businesses in SAMIL under listed entity**
- **Create strong platforms for growth**

To give effect to the proposed reorganization, the Board of Directors of MSSL in its meeting today approved the following (“Transaction”):

Step 1: Demerger of DWH business of the Company into New Co., which will eventually be listed, with mirror shareholding as that of the Company

- For every 1 share held in MSSL, 1 share of New Co. would be allotted

Step 2: The Board also approved the merger of SAMIL, the principal holding company of Motherson Group and promoter of MSSL, into MSSL

- For every 10 shares held in SAMIL (of face value Rs. 10/- each), 51 shares of MSSL (of face value Re. 1/- each) would be allotted
- MSSL will be renamed as Samvardhana Motherson International Limited

The Transaction is to be effected pursuant to a Composite Scheme of Amalgamation and Arrangement (“Scheme”) and is subject to receipt of regulatory and other approvals *inter-alia* approval from shareholders, creditors, NCLT etc. as may be applicable. The Transaction is likely to be completed by Q2FY22.

Commenting on the Transaction, Mr. Vivek Chaand Sehgal, Chairman, MSSL said, "We are happy to receive approval from the Board of Directors for the Scheme. The simplification of group structure has been a long-standing request from our shareholders and the proposed reorganization is a step in that direction. The Transaction helps create strong business platforms under the Motherson umbrella which will enhance stakeholder value for the long term."

Mr. Laksh Vaaman Sehgal, Director, MSSL said, "This Transaction provides MSSL shareholders with the opportunity to participate in 100% value of SMRP BV and also brings all auto related businesses under listed entities, which aligns interest of all stakeholders. It demonstrates our commitment towards taking actions that meet expectations of our stakeholders. The Transaction further strengthens our position as a leading, globally diversified and preferred auto component supplier that serves the world's most admired brands."

The Company will now be taking necessary steps to give effect to the Scheme including regulatory approvals as required as well as approval of shareholders of the Company.

Strategic Rationale

The Transaction accomplishes the long-standing request from the Company's joint venture partner, Sumitomo Wiring Systems ("SWS"), to keep its participation focused to DWH business in India which is its core area of interest.

The Transaction also enables pursuance of independent strategic priorities for the listed entities, while at the same time entities continue to enjoy the benefit of the parentage of the Motherson Group as well as its strategic partner SWS. The Transaction provides greater flexibility to raise capital (debt and equity) at respective entities basis their requirement.

For MSSL shareholders, the Transaction brings all auto component businesses under listed entities and offers greater operational and financial flexibility to pursue organic/ inorganic opportunities in domestic and global arenas. The Transaction also helps capture full benefit of group synergies by bringing support functions (like logistics, travel, IT etc.) in-house thereby improving cost structure by bringing down overheads through best practices.

The merger of SAMIL into MSSL is expected to be EPS accretive in FY22, the first year of merger.

Demerger of DWH into New Co. will create:

- The largest listed automotive wiring harness player in India with diversified and Pan-India industrial footprint
- A company with strong customer relationships across OEMs
- A company with access to world class technology
- A company with product profile that benefits from favorable industry trends of premiumization leading to increase in electrification in automobiles and supports existing and future automotive themes

Merger of SAMIL into MSSL will create a strong listed entity having:

- Diversified product portfolio – enhances the 3CX10 strategy and reinforces MSSL's position as a leading, globally diversified and preferred component supplier
- Creates a platform for future growth – through both organic and inorganic route

- Powertrain neutral portfolio favorably positioned for mega trends
- An entity with significant technological capabilities in partnership with industry leaders
- Participation in 100% future growth of SMRP BV for investors

New Co. will also enter into supply, sourcing and shared services agreements with MSSL, MSSL's subsidiaries and joint ventures, and SWS. The proposed arrangements will provide continuity of scale and cost benefits for all entities and minimize transaction costs.

Advisors

Axis Capital Ltd. and DSP Merrill Lynch Limited are acting as financial advisors and fairness opinion providers to the Company and Kotak Investment Banking is acting as financial advisor and fairness opinion provider to SAMIL. Price Waterhouse & Co. LLP and BSR & Associates LLP have recommended the share entitlement ratio for the demerger and share exchange ratio for the merger to the board of directors of the Company and SAMIL. AZB & Partners are the legal advisors to the Transaction.

About Motherson Sumi Systems Limited

Motherson Sumi Systems Limited (MSSL) is one of the world's leading specialised automotive component manufacturing companies for OEMs. MSSL was established in 1986 as a joint venture with Sumitomo Wiring Systems and was listed in 1993 on BSE and NSE in India. MSSL is a focused, dynamic and progressive company providing customers with innovative and value-added products, services and solutions. With a diverse global customer base of nearly all leading automobile manufacturers globally, the company has a presence in 41 countries across five continents. MSSL is currently the largest auto ancillary in India and among the Fab 50 companies of India by Forbes magazine. MSSL is the flagship company of the Motherson Group, ranked 22nd among global automotive suppliers by Automotive News. *For more details, please visit www.motherson.com (CIN - L34300MH1986PLC284510).*

About Samvardhana Motherson International Limited

Samvardhana Motherson International Ltd. (SAMIL) is the principal holding company of USD 11.3 billion Motherson Group. Besides being the holding company, SAMIL also provides operational, strategic and management support to all Motherson companies. It, has incubated several high growth businesses with market leadership positions, in addition to having partnered with global industry leaders. Excluding MSSL's holding, SAMIL, through its subsidiaries and joint venture companies, is inter alia engaged in the business of manufacturing of automotive components and ancillaries, including automotive lighting systems, extruded and injection moulding tools and components, 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 etc.. SAMIL helps build the group's diverse product portfolio in auto and not auto product segments and fosters deep manufacturing and design capabilities across the operating companies, to support a wide spectrum of ever-evolving customer requirements.

For other details on Motherson Sumi Systems Limited, please contact:

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