



## MOTHERSON SUMI SYSTEMS LIMITED

CIN: L34300MH1986PLC284510

Regd. Office: Unit – 705, C Wing, ONE BKC, G Block, BandraKurla Complex, Bandra East, Mumbai – 400051

E-mail:investorrelations@motherson.com; Phone: + 91 120 6752100

Website: www.motherson.com

### POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

To,

The Members,

NOTICE is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**), read with the Companies (Management and Administration) Rules, 2014 (**“the Rules”**) including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**) and other applicable laws and regulations, if any, that the resolutions appended below are proposed to be passed by the members of the Company by postal ballot which includes remote voting by electronic means (**“E-voting”**). The explanatory statement pertaining to the proposed resolutions setting out the material facts concerning each resolution and the reasons thereof is annexed hereto with the Postal Ballot Notice for your consideration.

The Board of Directors of the Company (**“the Board”**), to celebrate the 25<sup>th</sup> (Twenty fifth) year of the Company's equity shares listing and to further increase the liquidity of the Company's shares, at its meeting held on September 07, 2018, has considered and, subject to the approval of the shareholders, recommended a bonus issue of one equity share for every two equity shares held, as on record date to be determined (**“Record Date”**).

Accordingly, the approval of the members is sought for issue of bonus shares, increase in the authorized share capital, *inter-alia*, to cater the requirement of proposed bonus shares and necessary amendment(s) in this regard to the capital clause of the Memorandum of Association. The resolution number 1 and 2 seek approval of members on the above matters.

The Board of Directors in compliance with Rule 22(5) has appointed Mr. D.P. Gupta, Practicing Company Secretary, as the Scrutinizer (**“Scrutinizer”**) for conducting the postal ballot and / or e-voting process in a fair and transparent manner.

Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed in the enclosed self-addressed Business Reply Envelope not later than 17:00 hours (IST) on Wednesday, October 17, 2018. Postage will be borne and paid by the Company. Postal Ballot Form(s), if sent at the expense of the member(s), will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given on the Business Reply Envelope. Please note that the Postal Ballot received after the said date and time, will be considered as no reply has been received from the concerned member.

The Company is pleased to offer facility of E-voting as an alternate to its Members to enable them to cast their votes through E-voting instead of returning duly filled Postal Ballot Form. The Members holding equity shares of the Company are requested to follow the procedure as stated in the notes and instructions for casting of votes by E-voting. The Members holding equity shares of the Company as on the Cut-off date have both the options of voting, i.e., by E-voting or through Postal Ballot Form.

For the purpose of E-voting, the Company has engaged the services of Karvy Computershare Private Limited (**“Karvy”**). In case a member votes through E-voting facility as well as sends his/her vote through submission of

Postal Ballot Form, the vote cast through E-voting shall only be considered and the voting through submission of Postal Ballot Form shall not be considered by the Scrutinizer.

The Scrutinizer will submit his report to the Chairman of the Company ("**the Chairman**") or to any other person authorized by the Chairman after the completion of the scrutiny of the postal ballots (including E-voting) for declaration of results. The result of the postal ballot shall be declared on or before Saturday, October 20, 2018 and communicated to the stock exchanges, depository(ies), registrar and share transfer agents and shall also be displayed on the Company's website, viz., www.motherson.com and the website of E-voting agency, viz., https://evoting.karvy.com.

## **SPECIAL BUSINESS:**

### **1. Increase in Authorised Share Capital and consequent alteration to the Capital Clause of the Memorandum of Association**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 13, 61 and 64 and other applicable provisions, of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, if any, approval of the members be and is hereby accorded to increase the Authorised Share Capital of the Company from the existing ₹ 312,30,00,000/- (Rupees Three Hundred Twelve Crore and Thirty Lacs only) divided into 287,30,00,000 (Two Hundred Eighty Seven Crore and Thirty Lacs) Equity Share of ₹ 1/- (Rupee One) each and 2,50,00,000 (Two Crore and Fifty Lacs) Preference Shares of ₹ 10/- (Rupees Ten) each to ₹ 630,00,00,000/- (Rupees Six Hundred Thirty Crore only) by creation of additional 317,70,00,000 (Three Hundred Seventeen Crore and Seventy Lacs) Equity Shares of ₹ 1/- (Rupee One) each.

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V:

"V. The Authorised Share Capital of the Company is ₹ 630,00,00,000/- (Rupees Six Hundred Thirty Crore only) consisting of 605,00,00,000 (Six Hundred Five Crore) Equity Shares of ₹ 1/- (Rupee One) each and 2,50,00,000 (Two Crore and Fifty Lacs) Preference Shares of ₹ 10/- (Rupees Ten) each."

RESOLVED FURTHER THAT the Board of Directors ("**the Board**", which term shall include any Committee authorised by the Board to exercise its powers including powers conferred on the Board by this resolution) of the Company be and are hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable for the purposes of giving effect to this resolution and for matters concerned therewith or incidental thereto."

### **2. Issue of Bonus Shares to the Shareholders**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with Section 63 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the relevant provisions of the Memorandum and Articles of Association of the Company and the recommendation of the Board of Directors (hereinafter referred to as "**the Board**", which term shall include any Committee authorised by the Board to exercise its powers including powers conferred on the Board by this resolution) of the Company and subject to the regulations and guidelines issued by the Securities and Exchange Board of India ("**SEBI**"), including, the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**SEBI Regulations**") and other applicable regulatory authority(ies), and such permissions, sanctions and approvals as may be required in this regard, consent of the members of the Company be and is hereby accorded to the Board for capitalization of such sum of the securities premium account of the Company, as may be considered necessary by the Board for the purpose of issuance of bonus shares of face value of ₹ 1/- (Rupee One) each, credited as fully paid up shares to the holders of the existing equity shares of the Company, whose names appear in the Register of Members on such date ("**Record Date**") as may be fixed by the Board in this regard, in the proportion of one equity share for every two

existing equity shares held by the members and that the bonus equity shares so issued and allotted shall, for all purposes, be treated as the paid-up capital of the Company entitled to by each such member.

RESOLVED FURTHER THAT the issue and allotment of the said bonus shares to the extent that they relate to non-resident Indians (NRIs), persons of Indian origin (PIO) / overseas corporate bodies (OCBs) and other foreign investors of the Company, will be subject to the approval(s) of the Reserve Bank of India (RBI) and any other regulatory authority(ies), as may be required.

RESOLVED FURTHER THAT no allotment letters shall be issued to the allottees of the bonus shares and that members who hold shares or opt to receive the shares in dematerialised form, the bonus equity shares shall be credited to the respective beneficiary accounts of the members with their respective Depository Participant(s) and in the case of members who hold equity shares in certificate form, the share certificate(s) in respect of the bonus equity shares shall be despatched, within such time as prescribed by law and the relevant authorities.

RESOLVED FURTHER THAT the bonus shares to be allotted subject to the Memorandum and Articles of Association of the Company and shall rank in all respects *pari passu* with the existing equity shares of the Company with a right to participate in dividend, if any, to be declared after the date of allotment of these bonus shares.

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

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take all such steps as may be necessary and determine all other terms and conditions of the issue of bonus shares as the Board may in its absolute discretion deem fit.”

By Order of the Board

Alok Goel

Company Secretary

Membership No. – FCS 4383

Place : NOIDA

Date : September 14, 2018

**NOTES:**

1. The Special Businesses as mentioned above requires the consent of the members through Postal Ballot.
2. Explanatory Statement and reasons for the proposed Special Business pursuant to Section 102 of the Companies Act, 2013 read with Section 110 of the Companies Act, 2013 are given hereunder.
3. The Company has appointed Mr. D.P. Gupta, Company Secretary in practice as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.
4. The notice is being sent to all the Members, whose name would appear in the Register of Members / Record of Depositories as on September 07, 2018.
5. A Member desiring to exercise vote by Postal Ballot may complete the Postal Ballot Form and send it to the Scrutinizer in the enclosed self addressed Business Reply Envelop. Postage will be borne and paid by the Company. However, envelope containing Postal Ballots, if sent by Courier or by registered post/ speed post at

the expense of the registered member, will also be accepted. The Envelop may also be deposited personally at the address given thereon. However the Envelop of **the Postal Ballot should reach the Company not later than 17:00 hours on October 17, 2018**. If the ballots are received thereafter they shall be treated as no reply has been received from the members.

6. **E-voting:** In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Listing Regulations, the Company has also offered E-voting facility for all its Members to enable them to cast their votes electronically as an alternative to dispatch the Postal Ballot Forms. Please note that e-voting is entirely optional for the Member(s) and that the Member(s) can opt only for one mode of voting. If a Member has opted for e-voting, then he/she/it is not required to send the physical Postal Ballot Form. In case a Member votes through e-voting facility as well as sends his vote through physical ballot, the vote cast through e-voting shall only be considered and the voting through physical Postal Ballot shall not be considered by the Scrutinizer.
7. The procedure and instructions for E-voting are as follows:
  - (a) Date and time of commencement of voting through electronic means: **September 18, 2018 at 09:00 Hours (IST)**.
  - (b) Date and time of end of voting through electronic means beyond which voting will not be allowed: **October 17, 2018 till 17:00 Hours (IST)**.
  - (c) Details of Website: **<https://evoting.karvy.com>**
  - (d) Details of persons to be contacted for issues relating to e-voting: Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel. No.: +91 40 6716 2222; Toll Free No.:1800 345 4001; Fax No. : +91 40 2300 1153; **E-mail: [evoting@karvy.com](mailto:evoting@karvy.com)**.
  - (e) Details of Scrutinizer: Mr. D.P. Gupta, Company Secretary in practice (FCS2411; C.P. No.1509).
8. The instructions for e-voting are as under:
  - A. In case of Members receiving an email from Karvy (for Members whose email IDs are registered with the Company/ Depository Participant):**
    - (i) Launch internet browser by typing the URL: **<https://evoting.karvy.com>**.
    - (ii) Enter the login credentials (i.e. User ID and password mentioned in the email). Member(s) Folio No. /DP ID – Client ID will be the User ID. However, if member(s) are already registered with Karvy for e-voting, such member(s) can use their existing User ID and password for casting their vote.
    - (iii) After entering these details appropriately, click on “LOGIN”.
    - (iv) Member(s) will then reach password change Menu wherein member(s) are required to mandatorily change their password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt Member(s) to change password and update their contact details like mobile number, email ID, etc., on first login. Member(s) may also enter a secret question and answer of their choice to retrieve their password in case they forget. **It is strongly recommended that the member(s) do not share their password with any other person and to take utmost care to keep password confidentiality.**
    - (v) Members(s) now need to login again with the new credentials.
    - (vi) On successful login, the system will prompt to select the E-Voting Event Number for **Motherson Sumi Systems Limited**.
    - (vii) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date i.e. September 07, 2018 under “FOR/AGAINST” or alternatively, a member may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed the total shareholding as on the cut-off date. A member may also choose the option

“ABSTAIN” and the shares held will not be counted under either head.

(viii) Member(s) holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.

(ix) Member(s) may then cast their vote(s) by selecting an appropriate option and click on “Submit”.

(x) A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once confirmed, member(s) will not be allowed to modify their vote(s). During the voting period, member(s) can login any number of times till they have voted on the Resolution.

(xi) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: **sgsdel@gmail.com** with a copy to **evoting@karvy.com**. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format “Corporate Name\_EVENT NO.”

**B. In case of Members receiving physical copy of the Postal Ballot Notice and Form (for Members whose email IDs are not registered with the Company/Depository Participant or requesting physical copy):**

(i) Launch internet browser by typing the URL: **<https://evoting.karvy.com>**

(ii) Initial Password is provided in the Postal Ballot Form.

(iii) Please follow all the steps from (iii) to (xi) as mentioned in (A) above, to cast your vote.

9. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
10. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website **<https://evoting.karvy.com>**.
11. The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date, being September 07, 2018. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.
12. **In line with the “Green initiative in the Corporate Governance” launched by the Ministry of Corporate Affairs allowing paperless compliances by recognizing e-mails as one of the modes of service of notice/ documents on the shareholders, the Company is sending this Notice electronically on the e-mail addresses as provided by the members/ as obtained from the Depositories/ other sources to the Members. Such Members may exercise their voting electronically as per the procedure given above.**
13. **In case, the Members who have been sent this Notice electronically and who do not want to avail the e-voting facility organised through Karvy, such members may send a request to the Company on [investorrelations@motherson.com](mailto:investorrelations@motherson.com) for obtaining the Notice and Postal Ballot in physical form. On receipt of such requests, the Company will dispatch the same in physical form to enable the Members to send back the Postal Ballot by October 17, 2018.**
14. The Scrutinizer shall within a period not exceeding three (3) days from the last date of receipt of Postal Ballot Forms/ conclusion of the e-voting period make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman or to any other person authorized by the Chairman of the Company.
15. The result of the Postal Ballot will be announced on or before October 20, 2018 at the Registered / Corporate Office of the Company. The result of the Postal Ballot and Report of Scrutinizer will also be displayed at Company's website [www.motherson.com](http://www.motherson.com) and on Karvy's website <https://evoting.karvy.com> and shall also be communicated to BSE Limited and National Stock Exchange of India Limited.
16. The date of declaration of the results of the Postal Ballot shall be the date on which the resolution would be deemed to have been passed by the Members, if approved by requisite majority.
17. Members voting through Postal Ballot are requested to carefully read the instructions printed on the Postal Ballot Form before exercising their vote.

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

### **ITEM NO. 1**

In order to facilitate the issue of bonus shares and also to broad base the capital structure of the Company to enable the Company to raise further capital in future, it is proposed to increase the authorised share capital of the Company from ₹ 312,30,00,000/- (Rupees Three Hundred Twelve Crore and Thirty Lacs only) divided into 287,30,00,000 (Two Hundred Eighty Seven Crore and Thirty Lacs) equity share of ₹ 1/- each and 2,50,00,000 (Two Crore Fifty Lacs) preference shares of ₹ 10/- each to ₹ 630,00,00,000/- (Rupees Six Hundred Thirty Crore only) by creation of additional 317,70,00,000 (Three Hundred Seventeen Crore and Seventy Lacs) equity shares of ₹ 1/- (Rupee One) each.

Pursuant to Sections 13, 61 and other applicable provisions of the Companies Act, 2013, the proposed increase in the authorised share capital, *inter-alia*, requires approval of members of the Company. As a consequence of increase in the authorised share capital of the Company, the existing Clause V of the Memorandum of Association of the Company is required to be altered as mentioned in the enabling resolution.

The Memorandum of Association is available for inspection by the members at the Registered Office and Corporate Office of the Company during working hours between 1100 hours (IST) to 1300 hours (IST) on all working days i.e. excluding Saturdays, Sundays and public holidays from the date of dispatch of notice upto the date of declaration of results of postal ballot.

The Board accordingly recommends the Resolution set out at Item No. 1 for approval by the members of the Company as an Ordinary Resolution.

None of the Promoters, Directors or Key Managerial Personnel of the Company and their relative(s) is in any way concerned or interested, financially or otherwise, in the said resolution.

### **ITEM NO. 2**

The Board of Directors of the Company, to celebrate the 25<sup>th</sup> year of the Company's Equity Shares listing and to further increase the liquidity of the Company's shares, in their meeting held on September 07, 2018 has considered and subject to the approval of the members of the Company, recommended a bonus issue of one equity share for every existing two equity shares held by the members of the Company, as on Record Date to be determined by the Board.

Pursuant to Section 63 and other applicable provisions of the Companies Act, 2013 read with articles of association of the Company, the proposed issue of the bonus shares, *inter-alia*, requires approval of members of the Company. The members may also note that the bonus shares shall be issued by capitalizing the Securities Premium Account of the Company and such equity shares upon allotment will rank *pari-passu* in all respect with the existing equity shares of the Company and will be subject to the Memorandum and Articles of Association of the Company. Further, the proposed bonus shares will be issued as per the terms and in the manner mentioned in the enabling resolution.

The Board accordingly recommends the Resolution set out at Item No. 2 for approval by the members of the Company as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 of this Postal Ballot Notice, except to the extent of their shareholding in the Company.

By Order of the Board

Place : NOIDA  
Date : September 14, 2018

Alok Goel  
Company Secretary  
Membership No. – FCS 4383