

SUMMARY OF THE PROPOSED COMBINATION

[Under Regulation 13(1A) of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (as amended)]

A. NAME OF THE PARTIES TO THE COMBINATION

1. The parties to the combination are:
 - a. Demerged Company/ Amalgamated Company- Motherson Sumi Systems Limited (**MSSL**)
 - b. Amalgamating Company- Samvardhana Motherson International Limited (**SAMIL**)
 - c. Indirect Acquirer- Sumitomo Wiring Systems Limited (**SWS**)
2. MSSL, SAMIL, and SWS are collectively referred to as the **Parties**.

B. NATURE AND PURPOSE OF THE COMBINATION

3. MSSL is an Indian company listed on BSE Limited (**BSE**) and National Stock Exchange of India Limited (**NSE**) (collectively, the **Stock Exchanges**). SAMIL and SWS are current shareholders of MSSL. SAMIL is the single largest shareholder in MSSL holding 33.43% of the shareholding and SWS holds 25.10% of the shareholding in MSSL, as of December 2020.

4. The proposed transaction relates entirely to an intra-group reorganization of the Motherson Group, by way of the following steps:
- a. Step 1: MSSL's entire domestic wiring harness undertaking (**DWH Undertaking**) will be demerged into a newly incorporated wholly-owned subsidiary of MSSL i.e., Motherson Sumi Wiring India Limited (**MSWIL**). In consideration for the said demerger, for every 1 share held in MSSL (of face value INR 1 each), 1 share of MSWIL (of face value INR 1 each) would be allotted to the shareholders of MSSL as on the relevant record date. After the proposed demerger: (i) MSSL will be left with the **Remaining Business**; (ii) MSSL's entire equity shareholding in MSWIL will stand canceled; and (iii) MSWIL's equity shares will be listed for trading on the Stock Exchanges.
 - b. Step 2: SAMIL will be amalgamated by absorption into MSSL, being the resultant company, after the demerger under Step 1. In consideration for the said merger, for every 10 shares held in SAMIL (of face value INR 10 each), 51 shares of MSSL (of face value INR 1 each) would be allotted to the shareholders of SAMIL as on the relevant record date. After the proposed amalgamation: (i) MSSL will be renamed as Samvardhana Motherson International Limited (**New SAMIL**); (ii) SAMIL's entire equity shareholding in MSSL will stand canceled; (iii) New

SAMIL's equity shares issued to the shareholders of SAMIL will be listed for trading on the Stock Exchanges; (iv) SAMIL will be dissolved without winding-up; and (v) New SAMIL will hold 33.43% of the shareholding in MSWIL on the date of issuance.

5. Steps 1 and 2 are collectively referred to as the **Proposed Transaction**.
6. Step 2 of the Proposed Transaction is a merger under Section 5(c)(i)(A) of the Competition Act, 2002 (**Act**).

C. PRODUCTS, SERVICES AND BUSINESS(ES) OF THE PARTIES TO THE COMBINATION

MSSL

7. MSSL is the flagship company of the Motherson Group and is a leading automotive component manufacturer for original equipment manufacturers. With a diverse global customer base of leading automobile manufacturers globally, MSSL has a presence in 42 countries across five continents. MSSL is in the business of manufacturing automotive components (such as wiring harness), vision systems, moulded and polymer products, etc.

SAMIL

8. Besides being the largest shareholder of MSSL, SAMIL provides operational, strategic, and management support to all Motherson Group companies. In addition to its shareholding in MSSL, SAMIL,

through its subsidiaries and joint venture companies, is *inter alia* engaged in the business of manufacturing automotive components and ancillaries, including automotive lighting systems, extruded and injection moulding tools and components, air intake manifolds 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.

SWS

9. SWS is a Japanese company founded in 1917, with a global presence across 31 countries. It is a wholly-owned subsidiary of Sumitomo Electric Industries, Ltd (**SEI**). SWS manufactures and sells wiring harnesses for automobiles and their components, electric wires, and cables for automobiles, electronic components for automobiles as well as components for electric vehicles.

D. RESPECTIVE MARKETS IN WHICH PARTIES TO THE COMBINATION OPERATE

10. There are no horizontal overlaps, vertical relationships or complementary relationships between the SEI Group (including SWS) and SAMIL and its controlled entities in India. Accordingly, the Proposed Transaction is eligible for a Green Channel approval. Absent any such overlaps in the activities of the Parties in India, a

delineation of the relevant market is not necessitated and may be left open.

E. 'GREEN CHANNEL' NOTIFICATION

11. Given that there are no: (i) horizontal overlaps; (ii) vertical relationships; or (iii) complementary relationships between the SEI Group (including SWS) and SAMIL and its controlled entities in India, the Proposed Transaction does not raise any risk of an appreciable adverse effect on competition in India as per Section 6(1) of the Act and is being filed under the Green Channel (under Regulation 5A of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011) (as amended).
