Samvardhana Motherson International Limited
Head Office: C-14 A & B, Sector 1, Noida – 201301 Distt. Gautam Budh Nagar, U.P. India
Tel: +91-120-6752100, 6752278, Fax: +91-120-2521866, 2521966, Website www.motherson.com

August 18, 2026

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai– 400001,
Maharashtra, India

Scrip Code: 517334

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

Symbol: MOTHERSON

Subject: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

This is with reference to the disclosures submitted by Samvardhana Motherson International Limited ("**Company**") vide letters dated August 29, 2025, October 16, 2025, and August 14, 2026 thereby, *inter-alia*, informing that Motherson Technology Services Limited ("**MTSL**") has undertaken the process for reduction of share capital pursuant to section 66 and other applicable provisions of the Companies Act, 2013, and subsequent approval of the reduction of share capital of MTSL by Hon'ble National Company Law Tribunal, Mumbai Bench-III ("**Hon'ble NCLT**").

In this regard, the copy of order of Hon'ble NCLT dated August 13, 2026 has been received by the Company on August 17, 2026. The Hon'ble NCLT, vide its order dated August 13, 2026, has approved the reduction of share capital of MTSL, is attached herewith.

The above is submitted pursuant to Regulation 30(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

Yours truly,
For Samvardhana Motherson International Limited
ALOK GOEL
Digitally signed by ALOK GOEL
Date: 2026.08.18 14:18:48 +05'30'
Alok Goel
Company Secretary

Regd Office:
Unit – 705, C Wing, ONE BKC, G Block
Bandra Kurla Complex, Bandra East
Mumbai – 400051, Maharashtra (India)
Tel: 022-61354800, Fax: 022-61354801
CIN No.: L35106MH1986PLC284510
Email: investorrelations@motherson.com

NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH COURT III

Item No. 01
CP/240(MB)/2025

CORAM:

SH. HARIHARAN NEELAKANTA IYER	MS. LAKSHMI GURUNG
Member (Technical)	Member (Judicial)

ORDER SHEET OF THE HEARING ON **13.08.2026**
(HEARING THROUGH: HYBRID MODE)

NAME OF THE PARTIES: MOTHERSON TECHNOLOGY SERVICES LIMITED

Appearance

For Petitioner : Adv. Ahmed Chunawala (PH)

SECTION 66 OF THE COMPANIES ACT, 2013

ORDER

This application is listed for pronouncement of order. The same is pronounced in open court, vide a separate order.

Sd/-	Sd/-
HARIHARAN NEELAKANTA IYER	LAKSHMI GURUNG
Member (Technical)	Member (Judicial)

---Azad---

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH

C.P. (Companies Act)/ 240 (MB - III) / 2025

In the matter of the Companies Act, 2013

AND

In the matter of Section 66 and Section 52 read with National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016

AND

In the matter of Reduction of Share Capital of Motherson Technology Services Limited and its shareholders.

Motherson Technology Services Ltd.,
Company incorporated under the Companies Act, 1956,
Having its registered office at:
705, C – Wing, One BKC,
G Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051.
[CIN: U67120MH I985PLC429692]

...Petitioner Company

Order pronounced on: 13.08.2026

Coram:

SHRI HARIHARAN NEELAKANTA IYER
MEMBER (TECHNICAL)

SMT. LAKSHMI GURUNG
MEMBER (JUDICIAL)

Appearances:

For the Petitioner: Mr. Satwinder Singh, Mr. Ahmed Chunawala, Mr. Lokesh Dhyani, Ms. Ashima Jain, Mr. Yash Jain & Ms. Gouri Mittal, Advocates

For Regional Director: Mr. Gaurav Jaiswal, WR-I, MCA (VC)

Per: Smt. Lakshmi Gurung, Member (Judicial)

ORDER

1. Heard Ld. Counsel for the Petitioner Company.

2. The instant petition has been filed by Motherson Technology Services Limited **('Petitioner Company')** for confirmation of Resolution passed at the Extra-Ordinary General Meeting approving the reduction of capital of the Petitioner Company.

3. The Petitioner Company is a public limited company incorporated on 15.04.1985 under the Companies Act, 1956. The registered office of the Petitioner Company is situated at Mumbai, and therefore, this Tribunal has jurisdiction to entertain the present petition.

4. The main objects of the Petitioner Company as stated in Clause I of the Memorandum of Association (MOA) are as follows:

> *"1. To undertake software development work and to provide technical support and related professional services to customer in India and outside India and to distribute, export, import, deals in computer software and hardware and other related products in and outside India and offer support services, wherever necessary.*
> *2. To act as Internet or as a channel service providing such as web housing, web designing, web marketing, internet training, internet solutions.*
> *3. To offer integrated services in the field of electronics, telecommunication such as integrated digital network, VOIP network, Internet, Extranet, Internet based solutions.*
> *4. To deal in multimedia, internet, networking and all allied fields and activities in information and technologies.*
> *5. To advise and render services in recruitment, training and placement of technically qualified staff & other personnel in India and abroad."*

5. Ld. Counsel for the Petitioner submits that the Petitioner Company is empowered by virtue of Article 37 of its Articles of Association to

undertake the exercise of reduction of capital in any manner, which has been reproduced below:

> *37. The company may by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, -*
>
> *(a) its share capital;*
> *(b) any capital redemption reserve account; or*
> *(c) any share premium account.*

6. Ld. Counsel for the Petitioner Company submitted that the Board of Directors of the Company, at their meeting held on August 28, 2025 passed resolution to reduce the present issued, subscribed and paid-up equity share capital of the Company by extinguishing and reducing the liability of the equity share capital from Rs. 111,64,86,530/- comprising of 11,16,48,653 equity shares of Rs.10/- each to Rs. 103,79,00,510/- comprising of 10,37,90,051 equity shares of Rs. 10/- each. Pursuant to such reduction, the issued, subscribed and paid-up equity share capital shall stand reduced by Rs. 7,85,86,020/- comprising 78,58,602 equity shares of Rs. 10/- each, i.e.,7.04% of the total issued, subscribed and paid-up equity share capital of the Company.

7. Ld. Counsel for the Petitioner Company further submitted that the equity shareholders of the Petitioner having passed a Special Resolution on 29.09.2025, approving the said reduction of capital along with securities premium of the Petitioner Company. The resolution is as follows:

> *"**RESOLVED THAT** pursuant to the provisions of Section 66 and 52 and other applicable provisions of the Companies Act, 2013 ("**Act**") read with National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("**Reduction Rules**") (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being In force), pursuant to the provisions of the*

*Memorandum and Articles of Association of the Company, and approval of the jurisdictional Hon'ble National Company Law Tribunal (“**Tribunal**”), and subject to such other requisite approvals, consents, permissions and/or sanctions of any appropriate authority, body or Institution (hereinafter collectively referred to as the “**Concerned Authorities**”) and subject to such terms, conditions, guidelines or modifications, if any, as may be prescribed, imposed, stipulated in this regard by the Hon’ble Tribunal and/or the Concerned Authorities, from time to time, while granting such approvals, consents, permissions and/or sanctions and which may be agreed by the Board of Directors of the Company (hereinafter referred to as “**Board**”), consent of the shareholders of the Company be and is hereby accorded to reduce the issued, subscribed and paid-up equity share capital of the Company from Rs. 1,11,64,86,530/- (Rupees One hundred eleven crore sixty-four lakh eighty-six thousand five hundred thirty only) consisting of 11,16,48,653 (Eleven Crore Sixteen Lakhs Forty Eight Thousand Six Hundred Fifty-Three) equity shares of face value of Rs.10/- (Rupees Ten only) each fully paid-up to Rs. 1,03,79,00,510/- (Rupees One hundred three crore seventy-nine lakh five hundred ten only) consisting of 10,37,90,051 (Ten Crore Thirty-Seven Lakh Ninety Thousand Fifty-One) equity shares of face value of Rs.10/- (Rupees Ten only) each fully paid up by cancelling and extinguishing 78,58,602 (Seventy Eight Lakhs Fifty Eight Thousand Six Hundred Two) equity shares of face value Rs.10/- (Rupees Ten only) each fully paid-up aggregating to Rs. 7,85,86,020 (Rupees seven Crores Eighty-Five Lakhs Eighty-Six Thousand Twenty only) held by the minority and individual shareholders of the Company along with the requisite balance of securities premium account of the Company.”*

Certified true copy of the special resolution passed at the extraordinary general meeting of the members of the Petitioner Company is annexed as *Exhibit – ‘K’*.

8. The Share Capital of the Petitioner Company as on March 31, 2025 stands as follows:

Particulars	Amount (in Rs.)
Authorised Share Capital	
13,40,00,000 equity shares of Rs. 10/- each	134,00,00,000/-
80,00,000 preference shares of Rs. 10/- each	8,00,00,000/-
Total	**142,00,00,000/-**
Issued, subscribed and paid-up share capital	
11,16,48,653 equity shares of Rs. 10/- each	111,64,86,530/-
Total	**111,64,86,530/-**

9. The Summary of the Brief information in respect of financial position of the Company based on audited financial statements as on March 31, 2025 is as follows

ASSETS	**Rs. (in million)**
Non-Current Assets	
Property, plant and equipment	611.4
Capital work in progress	1,450.9
Right-of-use assets	872.1
Intangible assets	44.7
Investment in subsidiaries	33.0
Financial assets	84.9
Deferred tax assets (net)	128.2
Non-current tax assets (net)	195.5
Other non-current assets	89.5
Total non-current assets	**3,510.2**

Current assets	
Inventories	15.2
Financial assets	
i. Trade receivable	1,652.7
ii. Cash & cash equivalents	9.7
iii. Bank balances other than (ii) above	0.1
iv. Loans	427.4
v. Other financial assets	301.6
Other current assets	425.9
Total current assets	**2,832.6**
Total Assets	**6,342.8**
EQUITY AND LIABILITIES	
Non current liabilities	
Borrowings	890.4
lease liabilities	343.6
Other financial liabilities	58.7
Employee Benefit Obligations	437.9
Other non current liabilities	86.5
Total non current liabilities	**1,817.1**
Current Liabilities	
Financial liabilities	260.8
i. Borrowings	64.9
ii. Trade payables	1,263.4
iii. Employee related payables	278.9
iv. Other financial liabilities	69.7
Provisions	25.9
Employee benefit obligations	37.1
Other current liabilities	230.7
Current Tax liabilities	12.8

Total Current Liabilities	**2,244.2**
Equity	
Equity share capital	1,116.5
Other equity *	1,165.0
Total Equity	**2,281.5**
Total Equity and Liabilities	**6,342.8**

* Details of Other Equity as given in the Financial Statement

(In Rupees)

Particulars	**As at 31.03.2025**
Other Equity	
Reserves and surplus	
Reserve on amalgamation	1,00,000
Securities premium	1,05,43,00,000
Capital redemption reserve	8,00,00,000
Retained earnings	3,78,00,000
Cash flow hedge	(72,00,000)
Total reserves and surplus	**1,16,50,00,000**

10. Ld. Counsel for the Petitioner Company explained the objective of the proposed reduction as follows:

    a. The equity shares of the Petitioner Company were initially listed on the Delhi Stock Exchange but the same were voluntary delisted by the Petitioner Company in the financial year 2008 - 2009. While most of the public shareholders tendered their shares during delisting process, some did not and as a result, those minority shareholders are still in the Petitioner Company's register of members.

b. Post delisting of the equity shares of the Petitioner Company. there is no recognised market available for the shareholders of the Petitioner Company to buy or sell the shares held by them. Further, the Petitioner Company also does not have any immediate plan to list its equity shares on any stock exchange. Hence, the investment held by the Minority Shareholders of the Petitioner Company has become illiquid and non-marketable, and are unable to monetize their investments.

c. It is proposed to streamline the group structure of the Petitioner Company by providing an exit opportunity to the Minority Shareholders holding 7.04% of the total paid-up equity share capital of the Petitioner Company. Upon completion of the proposed restructuring, the Petitioner Company would become a wholly owned subsidiary of its parent entity, which presently holds 92.96% of its total equity share capital.

d. The Petitioner Company thus intends to reduce its equity share capital by 7.04%, amounting to a cancellation of 7,858,602/- equity shares of face value Rs. 10/- each, as currently held by the Minority Shareholders. This will allow the Petitioner Company to align its corporate structure and will help the Minority Shareholders to monetize value of the illiquid stock which is stuck in the Petitioner Company.

11. The pre and post-capital structure of the Petitioner Company is as under:

Pre-Reduction	Proposed Reduction	Post - Reduction
11,16,48,653 equity shares of Rs. 10/- each	78,58,602 equity shares of Rs. 10/- each	10,37,90,051 equity shares of Rs. 10/- each.
Rs. 111,64,86,530	Rs. 7,85,86,020/-	Rs. 103,79,00,510/-

12. There are 11,61,48,653 equity shareholders in the Petitioner Company as on 30.09.2025. The pre and post-reduction in shareholding of the Petitioner Company shall be as under: -

Sr. No.	**Shareholder**	**Present No. of Equity Shares of Rs. 10 each fully paid up**		**Post-reduction Equity Shares of Rs. 10 each, fully paid up**	
		No. of shares	%	No. of shares	%
1.	Parent Entity	10,37,90,051	92.96	10,37,90,051	100
2.	Minority shareholders	78,58,602	7.04	-	-
Total		**11,16,48,653**	**100**	**10,37,90,051**	**100**

13. The proposed reduction envisages cancellation of 78,58,602 equity shares of Rs. 10 each, by making payment to the equity shareholders at Rs. 42.66 per equity share (Rs. 10/- nominal value of the share and Rs. 32.66 as premium) aggregating to an amount of Rs. 33,52,47,961.32. It is submitted that the face value of the reduced equity shares, amounting to Rs. 7,85,86,020 shall be adjusted against the Equity Share Capital and the premium amount of Rs. 32.66 per share, amounting to Rs. 25,66,61,941.32, shall be adjusted against the Securities Premium Account. Accordingly, the pre and post-reduction securities premium account shall be as follows:

Particulars	**Amount (Rs.)**
Pre-reduction balance securities premium account	1,05,43,72,859.34
Adjusted in the proposed reduction	25,66,61,941.32*
Post reduction balance in securities premium account	79,77,10,918.02

**subject to round-off adjustment*

14. The Registered Valuer in its Valuation Report dated 28.08.2025, has determined the fair value of each share for the proposed reduction of capital as on 30.06.2025 as Rs. 42.66 per share. Copy of the valuation report issued by an IBBI-registered valuer is annexed as *Exhibit- 'H'*.

Creditors of the Petitioner Company

15. The Statutory Auditor of the Petitioner Company, vide a Certificate dated 10.10.2025, has certified the list of creditors, confirming that as on 30.09.2025, the Petitioner Company has:

    a. Three secured creditors with an outstanding liability of Rs. 83,54,22,469/- (Rupees Eighty - Three Crores Fifty – Four Lakhs Twenty – Two Thousand Four Hundred and Sixty-Nine).

    b. The Petitioner Company has 210 (Two Hundred and Ten) unsecured creditors with an outstanding liability of Rs. 198,65,64,359 (Rupees One Hundred and Ninety-Eight Crores Sixty-Five Lakhs Sixty-Four Thousand Three Hundred Fifty - Nine Only).

    Copy of the Statutory Auditor's Certificate dated 10.10.2025 is annexed as *Exhibit– 'M'*.

Service of Notice to Statutory Authorities and Creditors of the Petitioner Company

16. This Tribunal, vide order dated 03.11.2025, directed the Petitioner Company to serve notices upon the statutory authorities and its creditors, to publish notices in two newspapers, namely, "Business Standard" (English) and "Loksatta" (Marathi) and to host the notice on its website. In compliance with the said order, the Petitioner Company filed an Affidavit of Service dated 04.12.2025, submitting that notices were duly served upon the Regional Director (Western Region), the Registrar of Companies, Mumbai, and the creditors, in Form No. RSC – 2, the Regional Director (Western Region), the

Registrar of Companies, Mumbai, and the creditors, and were duly published in the newspapers and on the Petitioner Company's website.

17. The Petitioner Company has placed on record Certificate issued by an Independent Chartered Accountant dated 10.10.2025 confirming that the Petitioner Company has not accepted any deposits pursuant to Section 2(31) of the Act read with Rule 2(c) of the Companies (Acceptance of Deposits) Rules, 2014 and as amended by the Companies (Acceptance of Deposits) Amended Rules, 2016 that the Petitioner Company is not in arrears in the repayment of deposits or interest thereon as on 30.09.2025. A copy of the said certificate is annexed as *Exhibit – 'N'*.

18. The Statutory Auditor of the Petitioner Company issued a certificate dated 10.10.2025 stating that *'no accounting treatment has been specified for the proposed reduction of capital in the accounting standards prescribed under section 133 of the Companies Act, 2013 (including relevant rules thereunder) or any other provisions of the Companies Act, 2013, nothing has come to our attention that the proposed accounting treatment specified in the annexure is not in compliance with the accounting principles generally accepted in India'*. Copy of the certificate regarding accounting treatment under section 133 proposed by the Petitioner Company for the reduction of capital is annexed as *Exhibit – 'G'*.

Report of the Regional Director, Western Region ('RD Report')

19. The Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai, has filed its Report dated 23.02.2026. In this regard, Petitioner Company has filed an Affidavit-in-Reply dated 23.02.2026 to the representations of the Regional Director, Western Region. It is submitted that the following representations in Para 4 are raised by the Registrar of Companies, Mumbai **('RoC')** and Para 5 is raised by

the RD. The representations by the Regional Director (Western Region) and the responses of the Petitioner Company to the same are reproduced hereunder:

<table>
<tr><td>Para</td><td></td></tr>
<tr><td colspan="2" align="center">Observation by the RoC</td></tr>
<tr><td>4</td><td>The petition states that the Scheme was approved by the requisite majority of shareholders. However, based on the information submitted to this office, the percentage of minority shareholders who attended the meeting remains unclear. The Hon'ble Tribunal may, therefore, require the Company to disclose the steps taken to safeguard the interests of minority shareholders.

<table>
<tr><td>Sr. No.</td><td>Name of the shareholder</td><td colspan="2">Present shareholding Equity shares of Rs. 10 each fully paid up</td><td>Post reduction shareholding Equity shares of Rs. 10 each fully paid up</td><td></td></tr>
<tr><td></td><td></td><td>No. of shares</td><td>%</td><td>No. of shares</td><td>%</td></tr>
<tr><td>1</td><td>Parent Entity</td><td>10,37,90,051</td><td>92.96</td><td>10,37,90,051</td><td>100</td></tr>
<tr><td>2</td><td>Minority shareholders</td><td>78,58,602</td><td>7.04</td><td></td><td></td></tr>
<tr><td></td><td></td><td>11,16,48,653</td><td>100</td><td>10,37,90,051</td><td>100</td></tr>
</table>

The above table indicates that the Parent Entity will be the sole remaining shareholder of the company. It is unclear whether the minimum membership requirement under Section 2(68) of the Companies Act, 2013, has been complied with. The Hon'ble Tribunal may require the company to

- Interest of the Minority shareholders and creditors may be secured.
- The matter may be decided by the Hon'ble NCLT on merits as deemed fit.</td></tr>
</table>

Undertaking of the Petitioner Company/ Rejoinder	
	It is respectfully submitted that upon completion of the proposed reduction of share capital, the Petitioner Company shall become a wholly-owned subsidiary of its Parent Entity, which currently holds 92.96% of the total issued, subscribed, and paid-up equity share capital of the Petitioner Company. In this regard, subsequent to the approval of the proposed reduction by the Hon'ble National Company Law Tribunal and prior to the filing of e-Form INC-28, the Petitioner Company shall undertake all necessary steps to ensure compliance with the minimum shareholding requirements prescribed under the Companies Act, 2013, who shall hold such shares as nominees of the Parent Entity. *Further, with respect to the interest of minority shareholders and creditors are concerned, it is hereby submitted that even after remittance of the consideration pursuant to the proposed reduction of share capital, the financial position of the Petitioner Company remains strong. It is further submitted that the interests of all creditors and stakeholders shall not be adversely affected by the proposed reduction, as the Petitioner Company's current assets, together with the realizable value of assets, are adequate to meet all its liabilities as and when they arise and crystallize.*
Observation by the Regional Director	
5(a)	The Applicant submits an Affidavit to the effect that the interest of the creditors and all stakeholders and Government Revenue are protected as well as statutory dues are paid off.
Undertaking of the Petitioner Company/ Rejoinder	
	It is reiterated that the Petitioner Company is a financially sound, operationally active and profitable entity. Even after remittance of the consideration pursuant to the proposed reduction of share capital, the financial position of the Petitioner Company remains strong. It is further submitted that the interests of all creditors and stakeholders shall not be adversely affected by the proposed reduction, as the Petitioner Company's current assets, together with the realisable value of assets, are adequate to meet all its liabilities as and when they arise and crystallise.

	The Petitioner Company further undertakes to discharge all pending statutory and/or revenue dues as and when such liabilities crystallise, subject to its right to avail appropriate remedies and pursue appeals under the applicable laws.
Observation by the Regional Director	
5(b)	The tax implication, if any arising out of the proposal for reduction is subject to final decision of Income Tax Authorities. The approval of the Company Petition by this Hon'ble Court may not deter the Income Tax Authority to scrutinize the tax return filed by the Company after giving effect to the proposed reduction. The decision of the Income Tax Authority is binding on the petitioner Company.
Undertaking of the Petitioner Company/ Rejoinder	
	In this regard, it is hereby submitted that all liabilities and/ or compliances and/ or implications, including but not limited to those arising under the Income tax Act, the Companies Act, applicable indirect tax laws, FEMA, or any other applicable law, shall be duly discharged and complied with by the Petitioner Company. *The Petitioner Company further undertakes to discharge all income tax liability arising pursuant to the said reduction, as and when it arises, subject to its right to avail appropriate remedies and pursue appeals under the applicable laws.*
Observation by the Regional Director	
5(c)	Further, any amount paid to the shareholders above the face value of paid-up share capital, i.e., INR 10 per share, shall be treated as capital gain or deemed dividend u/s 2 (22) of the Income Tax Act, 1961, in the hands of the recipient shareholders. Therefore, in the present matter the minority (Exhibit-E at page 131 of petition) and equity shareholders (Exhibit-F at page 132 to 137 of petition) shall be paid a sum of Rs. 42.66/- (premium amount of Rs. 32.66/- per share) per equity share amounting to Rs. 33,52,47,961.32/- shall be adjusted from the balance of securities premium account and therefore, the company and recipients' shareholders shall undertake to pay Income Tax/TDS as may be applicable as per the provisions of Income Tax Act, 1961.

<table>
<tr><td colspan="2">Undertaking of the Petitioner Company/ Rejoinder</td></tr>
<tr><td></td><td>In this regard, it is hereby undertaken that the Petitioner Company shall duly comply with all applicable provisions and implications of the Income Tax Act, 1961 and shall undertake all necessary actions, including deduction and withholding of tax, as may be required under law.</td></tr>
<tr><td colspan="2">Observation by the Regional Director</td></tr>
<tr><td>5(d)</td><td>It is observed from the latest Financial Statements for the year ending 31.03.2025 that the Petitioner company has the following corporate body shareholders having more than 10% shareholding.

<table>
<tr><td>Name of the companies</td><td>Name of the shareholders</td><td>Percentage of shareholding</td></tr>
<tr><td>Motherson Technology Services Limited</td><td>Samvardhana Motherson International Limited</td><td>92.96%</td></tr>
</table>

Therefore, Petitioner company shall be directed to show compliance of section 90 of Companies Act, 2013 r/w. Rule 8 (b) of the Companies (Significant Beneficial Owners) Amendment Rules, 2019, by placing on record Form BEN- 2 or if not filed then filing the Form BEN-2 for declaring name of the significant beneficial owner with concerned ROC.</td></tr>
<tr><td colspan="2">Undertaking of the Petitioner Company/ Rejoinder</td></tr>
<tr><td></td><td>In this regard, the BEN-2 filed by the Petitioner Company disclosing its significant beneficial shareholding is attached herewith and marked as Annexure B.

Further, it is reiterated that upon completion of the proposed reduction of share capital, the Petitioner Company shall become a wholly-owned subsidiary of its Parent Entity, which currently holds 92.96% of the total issued, subscribed, and paid-up equity share capital of the Petitioner Company. In this regard, subsequent to the approval of the proposed reduction by the Hon’ble National Company Law Tribunal and prior to the filing of e-Form INC-28, the Petitioner Company shall</td></tr>
</table>

	undertake all necessary steps to ensure compliance with the minimum shareholding requirements prescribed under the Companies Act, 2013, who shall hold such shares as nominees of the Parent Entity. Accordingly, the Petitioner Company shall intimate the aforesaid and file all requisite forms with the Registrar of Companies, if any, in accordance with the provisions of the Companies Act, 2013, pursuant to such change in registered shareholders.

20. In response to the observations of the Registrar of Companies at para 4 above regarding minority interests and minimum membership, the Petitioner Company clarifies that upon completion of the capital reduction, it will become a wholly-owned subsidiary of its parent entity, Samvardhana Motherson International Limited. The Petitioner Company undertakes to comply with the minimum membership requirements under the Companies Act, 2013 **('Act of 2013')**, prior to filing e-Form INC-28.

21. As per the list of minority shareholders of the Petitioner Company as on 30.09.2025 (annexed as *Exhibit - 'F'),* the Petitioner Company has 265 minority shareholders holding 78,58,602 equity shares. These shareholders will receive a payout of Rs. 42.66 per share, in accordance with the fair value determined by the registered valuer in its valuation report dated 28.08.2025. Furthermore, no shareholder has come forward to object the proposed capital reduction.

22. We note that in response to the observations of the RD at para 5(c) above, the Petitioner Company undertakes to comply with the provisions of the Income Tax Act, 1961, including deduction of tax or withholding of tax or payment of tax.

23. Regarding compliance under Section 90 of the Companies Act, 2013, and the Companies (Significant Beneficial Owners) Rules, 2019, noted at paragraph 5(d), the Petitioner Company has placed on record Form BEN-2 dated 06.12.2024 (e-filed on 06.12.2024 with SRN:

AB2089281/l-15963022632) as *Annexure - 'B'* to its Affidavit-in-Reply dated 23.02.2026, disclosing its significant beneficial ownership, and undertakes to file all requisite forms pursuant to any subsequent changes in registered shareholdings.

24. It is submitted that there are no winding-up or insolvency proceedings, pending against the Petitioner Company in any Court or Tribunal in India.

25. Ld. Representative of the Regional Director during course of the hearing submitted that the proposed capital reduction, inter alia, provides for the utilization of the Securities Premium Account. In this context, attention was drawn to an order delivered by the Co-ordinate Bench of Bengaluru, in ***Firepro Systems Pvt. Ltd. (C.P. No. 52/BB/2024)*** decided on 17.10.2025, wherein the Bench has held that the securities premium account can only be utilized for the purpose mentioned under section 52(2) of the Companies Act, 2013. No such objection/ observation has been mentioned in the Regional Director's Report.

26. In response Ld. Counsel for the Petitioner Company elucidated the statutory framework by reading sections 66 and 52 of the Companies Act, 2013 and contended that section 52 of the Companies Act, 2013 is *para-materia* to section 78 of the Companies Act, 1956.

27. Ld Counsel has placed reliance on the judgment of the Hon'ble National Company Law Appellate Tribunal **('NCLAT')** in ***Brillio Technologies Pvt. Ltd. v. Registrar of Companies, Karnataka & Anr. [2021 SCC OnLine NCLAT 508]***. In this case, the Hon'ble NCLAT has referred to the binding precedents laid down by the various High Courts including Hon'ble High Court of Delhi in ***Nestle India Ltd. [(2008) 4 Comp LJ 490 (Del)]***, ***Re: Reckitt Benckiser (India) Ltd. [(2005) 122 DLT 612]***, and the Hon'ble Rajasthan High Court in ***Re: Vaibhav Global Ltd.[(2017) 201 Comp Cas 32 (Raj)]***,

held that the utilisation of securities premium account for any purpose other than the purposes mentioned under section 52(2) & 52(3) of the Companies Act, 2013 is permitted. The relevant extract of the aforesaid decision is reproduced hereunder:

"

46. …. In this regard, we would like to refer to the Judgment of the Hon'ble High Court of Delhi in re. Nestle India Ltd. (Supra), it is held as under:-

……

"20. The argument of the Regional Director (NR) is that the "Securities Premium Account" can be applied only for the specific four purposes mentioned in Section 78(2) of the Act and for no other purpose. To support this interpretation, the learned counsel for the Regional Director, Ms. Manisha Dhir, heavily relies on the use of the expression "notwithstanding anything in sub-Section(1)" to submit that sub-Section (2) of Section 78 overrides everything stated in sub- section(1), in relation to the application of the "Securities Premium Account".

21. In my view, the interpretation advanced by learned counsel for the Regional Director (NR) is not correct. If the interpretation as advanced by the Regional Director (NR) is accepted, it would render otiose the provisions contained in sub-Section (1) of Section 78. The entire Section 78 has to be read as a whole and all the sub-Sections of this Section have to be read and interpreted so as to give a meaningful interpretation. Sub- Section (1) & (2) of Section 78 when read together clearly show that they form part of the same scheme. As aforesaid, the scheme is that the amounts collected as premium while issuing shares, which are required to be transferred to a separate account called the "Securities Premium Account" are governed by provisions of the Act relating to reduction of securities capital of a company. That is the general rule. However, an exception is carved out. The exception is that the provisions of the Act relating to reduction in securities *capital would not apply "as provided in this section". Therefore, in respect of the specific applications of the "Securities Premium Account" provided in sub-section (2) of Section 78, the general procedure prescribed in sub-section(1) of Section 78 would not apply. If the submission of Ms. Manisha Dhir, Advocate, is accepted that the Securities Premium Account can be utilized only for the four specific purposes, which are enumerated in Section 78(2) and for no other purpose, it could lead to absurd situations. Take for instance, the case of a company which has issued shares at a premium and which does not have any unissued shares, which it proposes to issue as bonus share or any outstanding preliminary expenses which could be written off or any expenses towards commission or discount paid or allowed on issue of shares or debentures of the company, which could be written off and any obligation for payment of premium on redemption of any redeemable preference shares or debentures of the company. If the submission of the learned counsel for the Regional Director (NR) is accepted, it would mean that such a company, which does not have any outstanding obligation or liability of the kind enumerated in clause(a) to (d) of Section 78(2), can never hope to be able to apply the amount lying in the "Securities Premium Account", and that the same should continue to remain locked till a situation arises wherein the company can utilize it in terms of sub-Section (2) of Section 78. Such an interpretation would give rise to absurd and impracticable results. That does not appear to be the purpose of Section 78(2) of the Act.* ***Sub-Section (2) of Section 78 is engrafted so as to provide greater flexibility to a company, and reduce the need to comply with the rigors of procedure provided for in sub-Section (1) of Section 78 in certain specific cases of application of the "Share Premium Account". The object of Section 78 does not appear to be to unnecessarily and unreasonably limit the flexibility that a company enjoys in dealing with the "Securities Premium Account" by limiting its application only to the four specific instances mentioned in***

<u>sub-Section (2) of Section 78</u>**.....**

47. *Hon'ble High Court of Rajasthan in the case of Vaibhav Global Ltd (Supra) held as under:-*

    15. *From a reading of Section 52 of the Act of 2013 it is apparent that this provision equates a Share Premium Account of a company to its paid up share capital. For specified purposes as set out in subsection (2) and (3), the Share Premium Account can be statutorily utilised without any approval of a court. For other purposes the provisions of Sections 100-104 of the Act of 1956 have to be adopted, and approval of the court sought for the reduction of paid up share capital of the company.* ***<u>Section 52 of the Act of 2013 therefore does not disbar/ prohibit application/ utilisation of the share premium account treated thereunder as paid up capital for purposes other than the purposes set out in clauses (a) to (e) of Section 52(2) and Section 52(3) of the Act of 2013. Contrarily it actively so permits as evident from its plain language. And when so done the reduction of the share premium account has to be compliant with Sections 100-104 of the Act of 1956.</u>***

    16. *The provisions for reduction of share capital presently obtaining are Section 100 to 105 of the Act of 1956. Section 100(1) of the Act of 1956 states that where the Articles of a company provide and where a special resolution of its equity shareholders has been passed a company can reduce its share capital in any way. This general power is followed by illustrative cases where the share capital can be reduced. The illustrations however do not negate reduction of share capital for other purposes. The special resolution for reduction of share capital passed by the requisite majority of equity shareholders has however to be approved by the court. As such where reduction of share capital of a company authorised by its Articles of Association is supported by a special resolution of equity shareholders, the court of which approval is*

sought is merely to evaluate whether it is reasonable, just and fair and not prejudicial to the interest of the shareholders, creditors or any other stakeholders of the company. If the aforesaid conditions are satisfied, it is not for the ROC or the company court to sit over the judgment of the requisite majority of shareholders as if in appeal.

....

50. In the light of the aforesaid Judgments, we are of the view that the SPA can be utilized for making payment to non-promoter shareholders. We are unable to convince with the submissions made by Ld. Counsel for the Respondents that the amount laying the SPA can be applied by the company, only for the purposes which are specifically provided in sub-Section 2 of Section 52 of the Act and for no other purpose."

(emphasis provided)

28. At this juncture, we refer to Section 66 and 52 of the Companies Act, 2013 which states as under:

"Section 66 - Reduction of share capital

(1) Subject to confirmation by the Tribunal on an application by the company, a company limited by shares or limited by guarantee and having a share capital may, by a special resolution, reduce the share capital in any manner and in, particular, may—

(a) extinguish or reduce the liability on any of its shares in respect of the share capital not paid-up; or

(b) either with or without extinguishing or reducing liability on any of its shares, -

(i) cancel any paid-up share capital which is lost or is unrepresented by available assets; or

(ii) pay off any paid-up share capital which is in excess of the wants of the company, alter its memorandum by reducing the amount of its share capital and of its shares accordingly..."

"Section 52 - Application of premiums received on issue of shares

(1) Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of

the premium received on those shares shall be transferred to a "securities premium account" and the provisions of this Act relating to reduction of the share capital of a company shall, except as provided in this section, apply as if the securities premium account were the paid-up share capital of the company.

(2) Notwithstanding anything contained in sub-section (1), the securities premium account may be applied by the company—
(a) towards the issue of unissued shares of the company to the members of the company as fully paid bonus shares;

(b) in writing off the preliminary expenses of the company;

(c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debenture of the company;

(d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the company; or

(e) for the purchase of its own shares or other securities under section 68............."

29. From a plain reading of Section 66 of the Act of 2013, it is clear that section 66 empowers a company to reduce the share capital **in any manner**. By virtue of Section 52(1) of the Act of 2013, the Securities Premium Account is treated as paid-up share capital. Section 52(2) of the Act of 2013 is an enabling provision providing flexibility to a Company to utilize the securities premium account in specific instances without requiring intervention or approval from this Tribunal. This provision acts as a relaxing provision rather than a restrictive one. It does not override Section 52(1) of the Act of 2013, which provides that the Securities Premium Account be treated as paid-up share capital for reduction under Section 66 of the Act of 2013. Therefore, we are of the considered view that there is no bar in utilization of the securities premium account in any manner other than as provided under Section 52(2) of the Companies Act, 2013 including for the purpose of capital reduction, as long as the

procedure for capital reduction as provided under section 66 is followed by the Company and approval is sought from this Tribunal.

30. Furthermore, we note that before allowing the reduction of capital, this Tribunal has to satisfy itself that all the conditions specified under Section 66 of the Act of 2013 are satisfied. Accordingly, it is noted that:

(a) Notice of the present application has been duly served upon the Regional Director and the Registrar of Companies.

(b) The notices have also been served upon the creditors of the company.

(c) Notice is published in the newspapers “Business Standard” (English) and “Loksatta” (Marathi) and on the Petitioner Company’s website.

(d) The Petitioner Company has given undertaking that the rights and interests of all creditors are fully protected and their dues shall be paid off in the ordinary course of business.

(e) The company is not in arrears in the repayment of any public deposits.

(f) No objections have been received from any person against the proposed reduction of capital.

(g) The Statutory Auditor of the Petitioner Company issued a certificate dated 10.10.2025 opining that the accounting treatment for the reduction of capital is in accordance with the accounting standards specified under the provisions of the Companies Act, 2013.

31. Ld. Counsel for the Petitioner Company also submits that the Petitioner Company has complied with the directions issued by this Tribunal, filed the requisite affidavits and documents on record, and has undertaken to comply with all applicable statutory requirements under the Companies Act, 2013 and the Rules framed thereunder.

Accordingly, the objections and observations of the Regional Director stand duly considered.

32. The Petitioner Company has also undertaken to comply with the provisions of Income Tax Act. Consequent to the proposed reduction, if there arises any action that may be necessary under the Income Tax Act, 1961, the Income Tax Authorities would be at liberty to take such action and the Petitioner Company, as the case may be, would comply with such action/ order of the Income Tax Authorities.

33. In view of the facts and circumstances of the present case, the documents placed on record (including the report filed by the Regional Director and the reply filed thereto by the Petitioner Company), and the clarifications given by the Petitioner Company, the reduction of capital of the Petitioner Company is allowed.

34. The ***Effective Date*** shall be the date of this order.

35. The Petitioner Company shall file the certified copy of the order and form of minutes duly certified by the concerned Registrar of this Tribunal with the Registrar of Companies in accordance with law.

36. The Petitioner Company to publish notice about registration of order and minutes by the concerned Registrar of Companies, in two newspapers, namely 'The Business Standard' in English language and translation thereof in 'Lok Satta' in Marathi language, both having circulation in the State of Maharashtra within 30 days of filing of order with Registrar of Companies.

37. The Registry is directed to send a copy of this order to the Nodal Officer of the Income Tax Department.

38. The minutes set forth hereto be and is hereby approved.

Form of Minutes

"The paid-up equity share capital of Motherson Technology Services Limited is henceforth Rs. 1,037,900,510/- (Rupees One Billion Thirty-Seven Million Nine Hundred Thousand Five Hundred Ten Only) comprising of 103,790,051 (One Hundred Three Million Seven Hundred Ninety Thousand Fifty-One) equity shares of Rs. 10/- (Rupees Ten only) each, reduced from Rs. 1,116,486,530/- (Rupees One billion One Hundred Sixteen Million Four Hundred Eighty-Six Thousand Five Hundred Thirty Only) comprising of 111,648,653 (One Hundred Eleven Million Six Hundred Forty-Eight Thousand Six Hundred Fifty-Three) equity shares of Rs.10/- (Rupees Ten only) each, by reducing Rs. 78,586,020/- (Rupees Seventy-Eight Million, Five Hundred Eighty-Six Thousand Twenty Only) comprising of 7,858,602 (Seven Million Eight Hundred Fifty-Eight Thousand Six Hundred Two) equity shares of Rs. 10 each."

39. Accordingly, the present Company Petition is **allowed**.

'File be consigned to records'

Sd/-
HARIHARAN NEELAKANTA IYER
MEMBER (TECHNICAL)

Sd/-
LAKSHMI GURUNG
MEMBER (JUDICIAL)

/Akshita/