



## Motherson Sumi Systems Limited

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Tel: +91-120-6752100, 6752278, Fax: +91-120-2521866, 2521966, Website: www.motherson.com

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
BENCH, AT MUMBAI  
COMPANY SCHEME APPLICATION NO. CA(CAA)/1166/MB-IV/2020**

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 - 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

And

In the matter of Composite Scheme of Amalgamation and Arrangement among Motherson Sumi Systems Limited, Samvardhana Motherson International Limited and Motherson Sumi Wiring India Limited and their respective shareholders

**Motherson Sumi Systems Limited** )  
(CIN: L34300MH1986PLC284510), )  
having its registered office at Unit 705, C )  
Wing, One BKC, G Block, Bandra Kurla )  
Complex, Mumbai 400 051, Maharashtra )

...Applicant Company 1/ Transferor Company /  
Amalgamated Company

### NOTICE TO THE UNSECURED CREDITORS

To,  
The Unsecured Creditors

**TAKE NOTICE THAT** an application under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 for sanctioning the proposed Composite Scheme of Amalgamation and Arrangement among Motherson Sumi Systems Limited (“**Applicant Company 1**” or “**Transferor Company**” or “**Amalgamated Company**”), Samvardhana Motherson International Limited (“**Applicant Company 2**” or “**Amalgamating Company**”) and Motherson Sumi Wiring India Limited (“**Applicant Company 3**” or “**Resulting Company**”) (“**Scheme**” or the “**Composite Scheme of**

Regd Office:  
Unit – 705, C Wing, ONE BKC  
G Block Bandra Kurla Complex  
Bandra East Mumbai – 400051  
Maharashtra (India)  
Email: investorrelations@motherson.com  
CIN No.: L34300MH1986PLC284510

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**Arrangement**”). The Hon’ble Tribunal has by its order dated February 16, 2021 *inter alia*, directed the Applicant Company 1 to issue a notice to the Unsecured Creditors of the Applicant Company 1 as on September 30, 2020, under Section 230(3) of the Companies Act, 2013, stating therein that they may submit their representations in relation to the Scheme, if any, to this Hon’ble Tribunal, within 30 (thirty) days from the date of receipt of the said notice and copy of such representations shall simultaneously be served upon the Applicant Company 1.

You are hereby informed that representations, if any, in connection with the proposed Scheme may be made to the Hon’ble Tribunal within 30 (thirty days) from the date of receipt of this notice. The address of the Hon’ble Tribunal is 4<sup>th</sup> Floor, MTNL Exchange Building, Near G. D. Somani School, C. D. Somani Marg, Cuffe Parade, Mumbai 400005. Copy of the representation may simultaneously be sent to the Applicant Company 1 at its registered office situated at Unit No. 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Bandra East Mumbai – 400051.

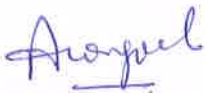
Please note that the following documents are enclosed along with this notice:

1. Copy of the order dated February 16, 2021 passed by the Hon’ble Tribunal in Company Scheme Application No. CA(CAA)/1166/MB-IV/2020 is annexed as **Annexure A**; and
2. Copy of the notice of meeting of the Equity Shareholders of the Applicant Company 1, including Explanatory Statement under Sections 230(3), 232(1) and 232(2) read with Section 102 of the Companies Act, 2013 along with annexures containing the Scheme is annexed as **Annexure B**.

Dated this 31<sup>st</sup> day of March, 2021

Place: Noida

**For Motherson Sumi Systems Limited**



Alok Goel  
Company Secretary



Enclosure: As Above

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In the matter of the Companies Act, 2013;

And

In the matter of  
under Sections 230 - 232 and  
other applicable provisions of the Companies Act, 2013  
read with Companies (Compromises,  
Arrangements and Amalgamations) Rules, 2016;

In the matter of  
Scheme of Amalgamation and Arrangement

Between

Motherson Sumi Systems Limited

(**“Applicant Company 1”** or **“Transferor  
Company”** or **“Amalgamated Company”**),

Samvardhana Motherson International Limited

(**“Applicant Company 2”** or  
**“Amalgamating Company”**)

and

Motherson Sumi Wiring India Limited

(**“Applicant Company 3”** or  
**“Resulting Company”**).

Motherson Sumi Systems Limited  
[CIN: L34300MH1986PLC284510]

...Applicant Company 1/  
Transferor Company 1

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Samvardhana Motherson International

Limited

[CIN: U74900MH2004PLC287011]

...Applicant Company 2/

Transferor Company 2

Motherson Sumi Wiring India Limited

CIN: U29306MH2020PLC341326

...Applicant Company 3/

Transferor Company 3

**Order Delivered on: 16.02.2021**

***Coram:***

Hon'ble Smt. Suchitra Kanuparthi, Member (J)

Hon'ble Shri. Chandra Bhan Singh, Member (T)

*Appearances (via videoconferencing):*

For the Applicants

:

Mr. Hemant Sethi, Ms. Vidisha

Poonja i/b Hemant Sethi &

Co., Advocates

**ORDER**

***Per: Suchitra Kanuparthi, Member (Judicial)***

1. The court is convened via video conferencing.
2. The Counsel for the Applicants states that the present Composite Scheme (“Scheme” or the “Composite Scheme of Arrangement”) is an Arrangement among Motherson Sumi Systems Limited (“Applicant Company 1” or “Transferor Company” or “Amalgamated Company”), Samvardhana Motherson International Limited (“Applicant Company 2” or “Amalgamating Company”) and Motherson Sumi Wiring India Limited (“Applicant Company 3” or “Resulting Company”). The Scheme envisages the following:

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- a) demerger of the DWH Undertaking (*as defined in the Scheme*) from Applicant Company 1 into Applicant Company 3, in accordance with Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Act**”) and in compliance with Section 2(19AA) of the Income Tax Act, 1961 (“**IT Act**”). Further, upon the said demerger becoming effective, the Applicant Company 3 shall issue and allot equity shares to the shareholders of the Applicant Company 1, as on the Record Date 1 (*as defined in the Scheme*), 1 equity share of Re. 1 each of the Applicant Company 3 for every 1 equity share of Re. 1 each of the Applicant Company 1; and
  - b) Amalgamation of Applicant Company 2 into and with Applicant Company 1, by absorption, in accordance with Sections 230 to 232 and other applicable provisions of the Act and in compliance with Section 2(19AA) of the IT Act, subsequent to the completion of the demerger referred to in (a) above. Further, upon the said amalgamation becoming effective, the Applicant Company 1 shall issue and allot equity shares to the shareholders of Applicant Company 2 as on the Record Date 2 (*as defined in the Scheme*), 51 equity share of Re. 1 each of the Applicant Company 1 for every 10 equity share of Rs. 10 each of the Applicant Company 2.
3. The Counsel for the Applicants submits that Applicant Company 1 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 Applicant Company 1 is, directly and through its subsidiaries and joint venture companies, engaged in the business of manufacturing of automotive components, *inter alia*, wiring harness,

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manufacturing of vision system, manufacturing of moulded and polymer products etc.

4. The Counsel for the Applicants further submits that Applicant Company 2, 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 Applicant Company 2 is registered with the RBI under Section 45-IA of the Reserve Bank of India Act, 1934, as a Core Investment Company (“CIC”). The Applicant Company 2 holds 33.43% of Applicant Company 1 as on September 30, 2020.
5. The Counsel for the Applicants further submits that Applicant Company 3 was incorporated on July 2, 2020 as a wholly-owned subsidiary of the Applicant Company 1 and is yet to commence any business operations.
6. The background, circumstances, rationale and benefits of the Scheme are that:

**Rationale for demerger of the DWH Undertaking**

- (a) Applicant Company 1 is a multi-business corporate that is a specialized 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

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Applicant Company 1 is, directly and through its subsidiaries and joint venture companies, engaged in the business of manufacturing of automotive components, *interalia*, wiring harness, manufacturing of vision system, manufacturing of moulded and polymer products etc

- (b) The Applicant Company 3 is a newly incorporated wholly owned subsidiary of the Applicant Company 1.
- (c) The DWH Undertaking of the Applicant Company 1, being focused on the Domestic Wiring Harness Business, and the Remaining Business, 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 Applicant Company 3 will enable sharper focus towards 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.

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- (d) Applicant Company 1 and Applicant Company 3 believe that the segregation and transfer of the DWH Undertaking into the Applicant Company 3 will also align the interests of key stakeholders, which will benefit the strategic direction of the Applicant Company 3 in the long term. Additionally, separation of the Domestic Wiring Harness Business into the Applicant Company 3 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 Applicant Company 3, pursuant to the Scheme, will also enable the Applicant Company 3 to have a strong presence among original equipment manufacturers catering to passenger vehicle, commercial vehicle, 2-wheeler and off-highway vehicle segments.

***Rationale for amalgamation of Applicant Company 2 with Applicant Company 1, by absorption***

- (e) Whereas, the Applicant Company 2, 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,



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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 Applicant Company 2 holds 33.43% of the Applicant Company 1, the flagship company of the Samvardhana Motherson Group, as on September 30, 2020.

- (f) Consolidation of the Applicant Company 2 with Applicant Company 1 will result in the simplification of the group structure and in the alignment of the interests of various stakeholders. Further, amalgamation of Applicant Company 2, along with its respective subsidiaries and joint venture companies with Applicant Company 1 will expand the product portfolio of Applicant Company 1 thereby leading to robust growth opportunities, in India and overseas. It will also result in the resultant Applicant Company 1 foraying into non-auto component business, which will help in diversifying the revenue streams for the Amalgamated Company/ Applicant Company 1. The amalgamation of the Applicant Company 2 with Applicant Company 1, by absorption, would bring about synergy of operations and benefit of scale, since duplication of administrative efforts and legal and regulatory compliances will be unified.

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- (g) Additionally, the amalgamation of the Applicant Company 2 with Applicant Company 1 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 Applicant Company 2 and Applicant Company 1, with Applicant Company 1. Consequently, SMRP BV would become a wholly owned subsidiary of Applicant Company 1, leading to the consolidation of SMRP BV and its joint ventures and subsidiaries under the Applicant Company 1, resulting in a larger market capitalization of resultant Applicant Company 1.
- (h) Accordingly, the Scheme provides for the demerger of the DWH Undertaking of Applicant Company 1 into the Applicant Company 3 and amalgamation of Applicant Company 2 with the resultant Applicant Company 1 (after demerger of the DWH Undertaking). This results in the following benefits:
- (i) creation of separate and distinct entities housing the DWH Undertaking and the Remaining Business with well-defined strategic priorities;
  - (ii) dedicated and specialized management focus on the specific needs of the respective businesses;

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- (iii) expanding the business of Applicant Company 1 from a diversified auto component product portfolio and foray into non-auto component business, thereby creating greater value for the shareholders / stakeholders of Applicant Company 1 and will help and aid maintain supplier of choice status among original equipment manufacturers;
- (iv) availability of increased resources, expertise and assets in the resultant Applicant Company 1, which can be utilized for strengthening the customer base and servicing existing as well as prospective customers;
- (v) cost reduction, retaining talent, optimization of support functions, efficiencies and productivity gains by pooling the resources of Applicant Company 1 and Applicant Company 2, thereby significantly contributing to future growth and maximizing shareholders value and being favorably positioned for mega trends in the auto component sector;
- (vi) benefit to all stakeholders of the Applicant Companies, leading to growth and value creation in the long run and maximizing the value and return to the shareholders, unlocking intrinsic value of the assets, achieving cost efficiencies and operational efficiencies;

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- (vii) consolidation of 100% of the shareholding in SMRP BV in Applicant Company 1 along with consolidation of all joint ventures and subsidiaries of SMRP BV under Applicant Company 1;
  - (viii) consolidation of Applicant Company 2 with Applicant Company 1 resulting in consolidation of the group's shareholdings in various entities and simplification of the group structure resulting in higher stakeholder accountability; and
  - (ix) to ensure standalone focus on the Domestic Wiring Harness Business of the Applicant Company 1.
7. The Counsel for the Applicant Companies submits that the Board of Directors of the Applicant Company 1 and Applicant Company 2 at their respective board meetings both held on July 2, 2020 have approved the Scheme and the Board of Directors of the Applicant Company 3 has approved the Scheme at its board meeting both held on July 17, 2020.
8. The Counsel for the Applicant Companies further submits that the shares of Applicant Company 1 are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). Pursuant to the Securities Exchange Board of India ("**SEBI**") circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time ("**SEBI Circular**") read with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**"), Applicant Company 1 had applied to BSE and NSE for their "Observation Letter" / "No Objection Letter" to file the Scheme for sanction of the Tribunal. BSE by its letter dated

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December 4, 2020 and NSE by its letter dated December 7, 2020, have respectively given their “No Objection Letter” letters to Applicant Company 1, to file the Scheme with the Tribunal.

9. The Counsel for the Applicant Companies further submits that Applicant Company 2 *vide* letter dated July 31, 2020 has made an intimation to the RBI in relation to the Scheme (“**RBI Intimation Letter**”). Subsequently, the RBI *vide* email dated August 17, 2020 (“**RBI Email**”) requested for details of the proposed amalgamation of Applicant Company 2 with Applicant Company 1 pursuant to the Scheme and eligibility and continuation of the surviving Amalgamated Company as a (CIC-ND-SI), a non-deposit taking core investment company. Applicant Company 2 has responded to RBI’s Email by way of its response dated September 3, 2020.
10. This Tribunal hereby directs that a meeting of the Equity Shareholders of the Applicant Company 1 be convened and held on April 29, 2021 at 12:15 pm for the purpose of considering, and if thought fit, approving the proposed Scheme, through video conferencing and/or other audio visual means, without holding a general meeting requiring the physical presence of shareholders at a common venue, as the same in the current Covid-19 environment and social distancing norms shall not be feasible.
11. In view of provisions of Section 230(4) read with Section 108 of the Companies Act, 2013 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014 and in accordance with Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company 1 proposes to provide the facility of remote e-voting to its Equity Shareholders in respect of the resolution to be passed at the aforesaid meeting. The Equity Shareholders of the Applicant Company 1 are also

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allowed to avail the facility of e-voting during the aforesaid meeting to be held through video conferencing and/or other audio visual means on April 29, 2021 at 12:15 pm. The e-voting facility for the Equity Shareholders of the Applicant Company 1 shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, as applicable.

12. That at least 30 (thirty) clear days before the aforesaid meeting of the Equity Shareholders of the Applicant Company 1 to be held as aforesaid, a notice convening the said meeting at the day, date and time aforesaid, together with a copy of the Scheme, a copy of the Explanatory Statement required to be sent under Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, shall be sent by e-mail to the Equity Shareholders of the Applicant Company 1 whose email addresses are duly registered with the Applicant Company 1, addressed to each of the shareholders, at their last known e-mail addresses as per the records of the Applicant Company 1.
13. Notice of convening the Meeting of the Equity Shareholders of Applicant Company 1, indicating the day, date and time aforesaid, shall be advertised once each in the "Financial Express" (Mumbai edition) and Marathi translation thereof in "Navshakti" (Mumbai edition) both having circulation in Mumbai, not less 30 days before the date fixed for the meeting. Considering the lockdown prevailing due to COVID-19 pandemic, the Applicant Company 1 will have the option to publish notices online in the respective e-newspaper editions.

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14. That Mr. Sushil Chandra Tripathi, Independent Director of the Applicant Company 1, and failing him, Mr. Gautam Mukherjee, Independent Director of the Applicant Company 1, shall be the Chairperson of the aforesaid meeting of the Equity Shareholders of the Applicant Company 1.
15. That the scrutinizer for the aforesaid meeting of Equity Shareholders of Applicant Company 1 shall be Mr. D.P. Gupta of M/s SGS Associates, Practicing Company Secretaries, with remuneration fixed at Rs. 50,000/- .
16. The quorum for the aforesaid meeting of the Equity Shareholders of Applicant Company 1 shall be as prescribed under Section 103 of the Companies Act, 2013 and would include Equity Shareholders present through video conferencing and/or other audio-visual means. In case the required quorum as stated above is not present at the commencement of the meeting, the meeting shall be adjourned by 30 (thirty) minutes and thereafter the persons present shall be deemed to constitute the quorum.
17. The voting by proxy shall not be permitted as the meeting would be held through video conferencing and/or other audio-visual means. However, voting in case of body corporate be permitted, provided the prescribed form/authorization is filed with the Applicant Company 1 at <[investorrelations@motherson.com](mailto:investorrelations@motherson.com)> with a copy to <[alok.goel@mssl.motherson.com](mailto:alok.goel@mssl.motherson.com)> no later than 48 hours before the start of the aforesaid meeting as required under Rule 10 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
18. The Chairperson appointed for the aforesaid meeting of the Equity Shareholders of the Applicant Company 1 shall have all powers as per the

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Articles of Association of the Applicant Company 1 and also under the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, to the extent necessary and applicable, in relation to the conduct of the meeting(s), including for deciding procedural questions that may arise at the meeting or at any adjournment thereof.

19. The value and number of the shares of each Equity Shareholder shall be in accordance with the books/ register of the Applicant Company 1 or depository records and where the entries in the books/register/depository records are disputed, the Chairperson of the meeting shall determine the value for the purposes of the meeting of Equity Shareholders and his/her decision in that behalf would be final.
20. The Chairperson appointed for the aforesaid meeting of the Equity Shareholders of the Applicant Company 1 shall report to this Tribunal, the result of the aforesaid meetings within 30 (thirty) days of the conclusion of the aforesaid meeting, and the said report shall be verified by his Affidavit as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
21. This Tribunal hereby directs that a meeting of the Equity Shareholders of the Applicant Company 2 be convened and held on April 29, 2021 at 11:15 am for the purpose of considering, and if thought fit, approving the proposed Scheme, through video conferencing and/or other audiovisual means, without holding a general meeting requiring the physical presence of shareholders at a common venue, as the same in the current Covid-19 environment mandating social distancing norms shall not be feasible.
22. In view of provisions of Section 230(4) read with Section 108 of the Companies Act, 2013 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014, the



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Applicant Company 2 proposes to provide the facility of remote e-voting to its Equity Shareholders in respect of the resolution to be passed at the aforesaid meeting. The Equity Shareholders of the Applicant Company 2 are also allowed to avail the facility of e-voting during the aforesaid meeting to be held through video conferencing and/or other audio-visual means on April 29, 2021 at 11:15 am. The e-voting facility for the Equity Shareholders of the Applicant Company 2 shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, as applicable.

23. That at least 30 (thirty) clear days before the aforesaid meeting of the Equity Shareholders of the Applicant Company 2 to be held as aforesaid, a notice convening the said meeting at the day, date and time aforesaid, together with a copy of the Scheme, a copy of the Explanatory Statement required to be sent under Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, shall be sent by e-mail to the Equity Shareholders of the Applicant Company 2 whose email addresses are duly registered with the Applicant Company 2, addressed to each of the shareholders, at their last known e-mail addresses as per the records of the Applicant Company 2.
24. Notice of convening the Meeting of the Equity Shareholders of Applicant Company 2, indicating the day, date and time aforesaid, shall be advertised once each in the "Financial Express" (Mumbai edition) and Marathi translation thereof in "Navshakti" (Mumbai edition) both having circulation in Mumbai, not less 30 days before the date fixed for the meeting. Considering the lockdown prevailing due to COVID-19

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pandemic, the Applicant Company 2 will have the option to publish notices online in the respective e-newspaper editions.

25. That Mr. Sanjay Kalia, Independent Director of the Applicant Company 2, and failing him, Ms. Madhu Bhaskar, Independent Director of the Applicant Company 2 shall be the Chairperson of the aforesaid meeting of the Equity Shareholders of the Applicant Company 2.
26. That the scrutinizer for the aforesaid meeting of Equity Shareholders of Applicant Company 2 shall be Mr. Anil Murarka and failing him Mr. Mohinder Paul Kharbanda and failing both Ms. Priyanka of M/s Sanjay Grover & Associates, Practicing Company Secretaries, with its remuneration fixed at Rs. 50,000/-.
27. The quorum for the aforesaid meeting of the Equity Shareholders of Applicant Company 2 shall be as prescribed under Section 103 of the Companies Act, 2013 and would include Equity Shareholders present through video conference and/or other audio-visual means. In case the required quorum as stated above is not present at the commencement of the meeting, the meeting shall be adjourned by 30 (thirty) minutes and thereafter the persons present shall be deemed to constitute the quorum.
28. The voting by proxy shall not be permitted as the meeting would be held through video conferencing and/or other audiovisual means. However, voting in case of body corporate be permitted, provided the prescribed form/authorization is filed with the Applicant Company 2 at <[samil@motherson.com](mailto:samil@motherson.com)> with a copy to <[poojamehra@samil.motherson.com](mailto:poojamehra@samil.motherson.com)> no later than 48 hours before the start of the aforesaid meeting as required under Rule 10 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
29. The Chairperson appointed for the aforesaid meeting of the Equity Shareholders of the Applicant Company 2 shall have all powers as per the

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Articles of Association of the Applicant Company 2 and also under the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, to the extent necessary and applicable, in relation to the conduct of the meeting(s), including for deciding procedural questions that may arise at the meeting or at any adjournment thereof.

30. The value and number of the shares of each Equity Shareholder shall be in accordance with the books/register of the Applicant Company 2 or depository records and where the entries in the books/register/depository records are disputed, the Chairperson of the meetings shall determine the value for the purposes of the meeting of Equity Shareholders and his/her decision in that behalf would be final.
31. The Chairperson shall report to this Tribunal, the result of the aforesaid meetings within 30 (thirty) days of the conclusion of the aforesaid meeting, and the said report shall be verified by his Affidavit as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
32. This Tribunal holds that the shareholders of Applicant Company 3, holding 100% of the paid-up share capital of Applicant Company 3, have provided their consent to the Scheme by way of affidavits. The consent affidavits of the shareholders of Applicant Company 3 is appended as Annexure Q to the Company Scheme Application. Accordingly, convening and holding the meeting of the equity shareholders of the Applicant Company 3, and if thought fit, approving the Scheme, shall be dispensed with.
33. The Counsel for the Applicant Companies submits that as on September 30, 2020, the Applicant Company 1 has 6 secured creditors, the aggregate value of such secured creditors being Rs. 2570,34,63,538.

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The consent of the secured creditors of the Applicant Company 1 has been submitted as Annexure C-1 and Annexure C-2 to the Supplementary Affidavit dated February 9, 2021. In view of the aforesaid, there is no requirement to hold the meeting of the secured creditors of Applicant Company 1 to seek their approval to the Scheme.

34. The Counsel for the Applicant Companies submits that as on October 31, 2020, the Applicant Company 2 has 3 secured creditor, the value of such secured creditors being Rs. 812.50 Crores. The consent of the secured creditors of the Applicant Company 2 has been submitted as Annexure A-1 and Annexure A-2 to the Supplementary Affidavit dated February 9, 2021. In view of the aforesaid, there is no requirement to hold the meeting of the secured creditors of Applicant Company 2 to seek their approval to the Scheme.
35. The Counsel for the Applicant Companies has submitted that as on September 30, 2020, the Applicant Company 3 does not have any secured creditors. Accordingly, the question of convening a meeting of the secured creditors of the Applicant Company 3 does not arise.
36. The Counsel for the Applicant Companies has submitted that as on September 30, 2020, the Applicant Company 1 has 4,779 unsecured creditors, the aggregate value of such unsecured creditors being Rs. 3,006.73 Crores. The Counsel for the Applicant Companies further submitted that the Scheme is a composite arrangement between shareholders of the Applicant Companies as contemplated under Section 230(1)(b) and not in accordance with the provisions of Section 230(1)(a) of the Act as there is no compromise and/or arrangement with unsecured creditors, and that the unsecured creditors of the Applicant Company 1 are being paid in the normal course of business and as per the agreed terms and are not called upon to make any

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sacrifices, hence their interests are not getting affected in any way and are also secured. The present Scheme is in no manner prejudicial to the interests of the unsecured creditors of Applicant Company 1. The pre-Scheme net worth of the Applicant Company 1 and Applicant Company 2, as on March 31, 2020 is Rs. 6,065 Crores and Rs. 1,345 Crores, respectively and Applicant Company 3, as on the date of incorporation is Rs. 5 lacs. Further, the net worth of both Applicant Company 1 and Applicant Company 3, post giving effect to the Scheme, will be Rs. 6,087 Crores and Rs. 408 Crores respectively (assuming the net worth of the Applicant Companies as on March 31, 2020), both of which are positive. It is further submitted that pursuant to the Scheme, the debt repayment capacity of the Applicant Company 1 will not be adversely affected. Therefore, the Scheme and the demerger/ amalgamation contemplated thereby will not adversely affect the interests of the unsecured creditors of the Applicant Company 1. In view the fact that there is no arrangement with the unsecured creditors, the meeting of the unsecured creditors to seek their approval to the Scheme is dispensed with. The Applicant Company 1 is directed to issue individual notices to their unsecured creditors by courier or registered post or speed post or hand delivery or through e-mail (to those unsecured creditors whose email addresses are duly registered with the Applicant Company 1), at their last known address as per the records of the Applicant Company 1, as required under Section 230(3) of the Companies Act, 2013, with a direction that they may submit their representations, if any, to the Tribunal within thirty days from the date of receipt of the said notice and copy of such representations shall simultaneously be served upon Applicant Company 1.

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37. The Counsel for the Applicant Companies has submitted that as on October 31, 2020, the Applicant Company 2 does not have any unsecured creditors. Accordingly, the question of convening a meeting of the unsecured creditors of the Applicant Company 2 does not arise.
38. The Counsel for the Applicant Companies has submitted that as on September 30, 2020, the Applicant Company 3 has 2unsecured creditors, the value of such unsecured creditors being Rs. 4,02,431. The Counsel for the Applicant Companies further submitted that the Scheme is a composite arrangement between shareholders of the Applicant Companies as contemplated under Section 230(1)(b) and not in accordance with the provisions of Section 230(1)(a) of the Act as there is no compromise and/or arrangement with unsecured creditors, and that the unsecured creditors of the Applicant Company 3 are being paid in the normal course of business and as per the agreed terms and are not called upon to make any sacrifices, hence their interests are not getting affected in any way and are also secured. The present Scheme is in no manner prejudicial to the interests of the unsecured creditors of Applicant Company 3. The pre-Scheme net worth of the Applicant Company 1, Applicant Company 2 and Applicant Company 3, as on March 31, 2020 is Rs. 6,065 Crores, Rs. 1,345 Crores and Rs. 5 lacs, respectively and the post-Scheme net worth of the Applicant Company 1 and Applicant Company 3 as on March 31, 2020 is Rs. 6,087 Crores and Rs. 408 Crores respectively, all of which are positive. It is further submitted that pursuant to the Scheme, the debt repayment capacity of the Applicant Company 3 will not be adversely affected. Therefore, the Scheme and the demerger/ amalgamation contemplated thereby will not adversely affect the interests of the unsecured creditors of the Applicant Company 3. In view the fact that there is no arrangement with the unsecured creditors, the meeting of the unsecured creditors to seek their

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approval to the Scheme is dispensed with. The Applicant Company 3 is directed to issue individual notices to their unsecured creditors by courier or registered post or speed post or hand delivery or through e-mail (to those unsecured creditors whose email addresses are duly registered with the Applicant Company 3), at their last known address as per the records of the Applicant Company 3, as required under Section 230(3) of the Companies Act, 2013, with a direction that they may submit their representations, if any, to the Tribunal within thirty days from the date of receipt of the said notice and copy of such representations shall simultaneously be served upon Applicant Company 3.

39. The Applicant Company 1, pursuant to Section 230 (5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, is directed to serve the notice of the meeting of its Equity Shareholders upon: (a) the Central Government of India (through the Regional Director, Western Region, Ministry of Corporate Affairs); (b) concerned Income Tax Authority within whose jurisdiction the assessments of the Applicant Company 1 is made (mentioning the PAN of Applicant Company 1- PAN:AAACM0405A and GSTIN of Applicant Company 2- 27AAACM0405A1ZD (Maharashtra)) at the following address Deputy Commissioner of Income Tax, Circle 16 (1), CR Building, New Delhi- 110002; (c) Registrar of Companies, Mumbai, Maharashtra; (d) BSE Limited; (e) National Stock Exchange of India Limited; (f) Securities and Exchange Board of India; and (g) Competition Commission of India with a direction that they may submit their representation, if any, within a period of 30 (thirty) days from the date of receipt of such notice, to the Tribunal and copy of such representations shall simultaneously be served upon the Applicant Company 1, failing which, it will be presumed that the aforesaid authorities have no representations to make on the Scheme.

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40. The Applicant Company 2, pursuant to Section 230 (5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, is directed to serve the notice of the meeting of its Equity Shareholders upon: (a) the Central Government of India (through the Regional Director, Western Region, Ministry of Corporate Affairs); (b) concerned Income Tax Authority within whose jurisdiction the assessments of the Applicant Company 1 is made (mentioning the PAN of Applicant Company 2— PAN:AAICS6115R and GSTIN of Applicant Company 2— 09AAICS6115R1ZN (Maharashtra)) at the following address Deputy Commissioner of Income Tax, Circle 22 (2), CR Building, New Delhi-110002; (c) Registrar of Companies, Mumbai, Maharashtra; (d) the Reserve Bank of India; (e) Competition Commission of India; and (f) Registrar of Companies, Mumbai, Maharashtra, with a direction that they may submit their representation, if any, within a period of 30 (thirty) days from the date of receipt of such notice, to the Tribunal and copy of such representations shall simultaneously be served upon the Applicant Company 2, failing which, it will be presumed that the aforesaid authorities have no representations to make on the Scheme.
41. The Applicant Company 2 is also directed to serve notice upon Official Liquidator, High Court, Bombay, pursuant to section 230(5) of the Companies Act, 2013 and as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The Tribunal is appointing M/s S V Godbole & Co., Chartered Accountant, Tel: (022)22873819/ (022)22871999, email address: godbolesatish@yahoo.com, to assist the Official Liquidator to scrutinize the books of accounts of the said Applicant Company 2 for the last 5 years and submit its representation / report to the Tribunal. The aforesaid Company to pay fees of Rs. 200000/- to the chartered



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accountants for this purpose. If no representation / response is received by the Tribunal from Official Liquidator, Bombay within a period of 30 (thirty) days from the date of receipt of such notice, it will be presumed that Official Liquidator has no representation / objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

42. The Applicant Company 3, pursuant to Section 230 (5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, is directed to serve the notice along with the copy of the Scheme upon: (a) the Central Government of India (through the Regional Director, Western Region, Ministry of Corporate Affairs); (b) concerned Income Tax Authority within whose jurisdiction the assessments of the Applicant Company 1 is made (mentioning the PAN of Applicant Company 3 PAN: AANCM5330P and GSTIN of Applicant Company 3 27AANCM5330P1ZV (Maharashtra) at the following address Deputy Commissioner of Income Tax, Circle 14(2) (1), Aayakar Bhawan , Mumbai; and (c) Registrar of Companies, Mumbai, Maharashtra, with a direction that they may submit their representation, if any, within a period of 30 (thirty) days from the date of receipt of such notice, to the Tribunal and copy of such representations shall simultaneously be served upon the Applicant Company 1, failing which, it will be presumed that the aforesaid authorities have no representations to make on the Scheme.
43. The Applicant Companies shall host the notices directed herein, on their respective websites, if any.
44. The Applicant Companies shall file proof of compliance electronically to report to this Tribunal that the directions regarding issue of notices and

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publication of advertisement as stated in above paragraphs have been duly complied with.

45. Ordered accordingly.

**Sd/-**

**CHANDRA BHAN SINGH**

**Member (Technical)**

**Sd/-**

**SUCHITRA KANUPARTHI**

**Member (Judicial)**

**MOTHERSON SUMI SYSTEMS LIMITED**

CIN: L34300MH1986PLC284510

**Registered Office:** Unit 705, C Wing, One BKC, G Block

Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra

**Tel No.:** + 91 22 40555940; **Fax No.:** + 91 22 40555940**Corporate Office:** Plot No. 1, Sector 127, Noida – 201301 (Uttar Pradesh)**Tel No.:** + 91 120 6679500; **Fax No.:** + 91 120 2521866**Email:** [investorrelations@motherson.com](mailto:investorrelations@motherson.com); **Website:** www.motherson.com

Investor Relations Tel No.: + 91 120 6679500

**MEETING OF THE EQUITY SHAREHOLDERS OF MOTHERSON SUMI SYSTEMS LIMITED***(convened pursuant to order dated February 16, 2021 of the Hon'ble National Company Law Tribunal, Mumbai Bench)***DETAILS OF THE MEETING:**

<b>Day</b>	Thursday
<b>Date</b>	April 29, 2021
<b>Time</b>	12:15 Hours (Indian Standard Time)
<b>Mode of Meeting</b>	In view of the ongoing COVID-19 pandemic and related social distancing norms, as per the directions of the Hon'ble National Company Law Tribunal, Mumbai, the meeting shall be conducted through Video Conferencing / Other Audio Visual Means.

**REMOTE E-VOTING AND E-VOTING AT THE MEETING:**

<b>Cut Off date for e-voting</b>	April 22, 2021
<b>Remote e-voting start and end date and time</b>	From April 26, 2021 at 09:00 hours (Indian Standard Time) to April 28, 2021 at 17:00 hours (Indian Standard Time).
<b>E-voting at the meeting start and end time</b>	As may be instructed by the Chairperson of the Meeting, during the proceedings of the meeting.

**DOCUMENTS ENCLOSED:**

Sl. No.	Contents	Page No.
1.	Notice of meeting of the equity shareholders of Motherson Sumi Systems Limited convened as per the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench.	1-12
2.	Explanatory Statement under Sections 230, 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.	13-47
3.	Composite Scheme of Amalgamation and Arrangement amongst Motherson Sumi Systems Limited, Samvardhana Motherson International Limited, Motherson Sumi Wiring India Limited and their respective shareholders and creditors, under Sections 230 to 232 of the Companies Act, 2013 and Sections 2(19AA) or 2(1B) of the Income-tax Act, 1961 (" <b>Scheme</b> ") enclosed as <b>ANNEXURE I</b> .	48-93
4.	Order dated February 16, 2021 passed by Hon'ble National Company Law Tribunal, Mumbai Bench in Company Application no. CA(CAA)/1166/MB-IV/2020, enclosed as <b>ANNEXURE II</b> .	94-117
5.	Joint valuation report, dated July 2, 2020, issued by Price Waterhouse & Co. LLP, Chartered Accountants, and BSR & Associates LLP, Chartered Accountants, enclosed as <b>ANNEXURE III</b> .	118-133

6.	Valuation report, dated July 2, 2020, issued by Incwert Advisory Private Limited, a registered valuer, enclosed as <b>ANNEXURE IV</b> .	134-147
7.	Fairness Opinion dated July 2, 2020 issued by Axis Capital Limited, a Merchant Banker, registered with the Securities and Exchange Board of India, enclosed as <b>ANNEXURE V</b> .	148-157
8.	Fairness Opinion dated July 2, 2020 issued by DSP Merrill Lynch Limited, a Merchant Banker, registered with the Securities and Exchange Board of India, enclosed as <b>ANNEXURE VI</b> .	158-164
9.	Independent Auditor's Report, dated July 2, 2020, on compliance with conditions of the Pricing Provisions specified in Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by S.R. Batliboi & Co. LLP, Chartered Accountants, enclosed as <b>ANNEXURE VII</b> .	165-169
10.	Complaints Report, dated October 5, 2020, filed by Motherson Sumi Systems Limited with BSE Limited, enclosed as <b>ANNEXURE VIII</b> .	170-171
11.	Complaints Report, dated October 5, 2020, filed by Motherson Sumi Systems Limited with National Stock Exchange of India Limited, enclosed as <b>ANNEXURE IX</b> .	172-173
12.	Observation letter, dated December 4, 2020, issued by BSE Limited to Motherson Sumi Systems Limited, enclosed as <b>ANNEXURE X</b> .	174-176
13.	Observation letter, dated December 7, 2020, issued by National Stock Exchange of India Limited to Motherson Sumi Systems Limited, enclosed as <b>ANNEXURE XI</b> .	177-179
14.	Audited financials of Motherson Sumi Systems Limited as on March 31, 2020, enclosed as <b>ANNEXURE XII</b> .	180-355
15.	Limited review financials of Motherson Sumi Systems Limited as on September 30, 2020, enclosed as <b>ANNEXURE XIII</b> .	356-373
16.	Audited financials of Samvardhana Motherson International Limited as on March 31, 2020, enclosed as <b>ANNEXURE XIV</b> .	374-525
17.	Audited Special Purpose Interim Condensed Consolidated Financials of Samvardhana Motherson International Limited as on September 30, 2020, enclosed as <b>ANNEXURE XV</b> .	526-547
18.	Audited financials of Motherson Sumi Wiring India Limited from the date of its incorporation, i.e., July 2, 2020, to September 30, 2020, enclosed as <b>ANNEXURE XVI</b> .	548-558
19.	Report adopted by the Board of Directors of Motherson Sumi Systems Limited, as required under Section 232(2)(c) of the Companies Act, 2013, enclosed as <b>ANNEXURE XVII</b> .	559-562
20.	Report adopted by the Board of Directors of Samvardhana Motherson International Limited, as required under Section 232(2)(c) of the Companies Act, 2013, enclosed as <b>ANNEXURE XVIII</b> .	563-566
21.	Report adopted by the Board of Directors of Motherson Sumi Wiring India Limited, as required under Section 232(2)(c) of the Companies Act, 2013, enclosed as <b>ANNEXURE XIX</b> .	567-569
22.	The applicable information relating to Samvardhana Motherson International Limited, in the format specified for abridged prospectus as provided in in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (" <b>SEBI ICDR</b> "), enclosed as <b>ANNEXURE XX</b> .	570-578
23.	The applicable information relating to Motherson Sumi Wiring India Limited, in the format specified for abridged prospectus in Part E of Schedule VI of the SEBI ICDR, enclosed as <b>ANNEXURE XXI</b> .	579-586
24.	Pre-Scheme and estimated post-Scheme shareholding pattern of Motherson Sumi Systems Limited, Samvardhana Motherson International Limited and Motherson Sumi Wiring India, respectively, enclosed as <b>ANNEXURES XXIIA, XXIIB and XXIIC</b> .	587-599 600-604 605-616
25.	Auditor's certificates for Motherson Sumi Systems Limited and Motherson Sumi Wiring India Limited to the Scheme that the accounting treatment proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013, enclosed as <b>ANNEXURE XXIII to XXIV</b> .	617-667 668-718

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,**

**AT MUMBAI**

**CA(CAA) /1166/ MB-IV/ 2020**

**(under Sections 230-232 of the Companies Act, 2013)**

In the matter of the Companies Act, 2013

And

In the matter of the composite scheme of amalgamation and arrangement amongst Motherson Sumi Systems Limited ("**Applicant Company 1**" / "**Transferor Company / Amalgamated Company**"), Samvardhana Motherson International Limited ("**Applicant Company 2**" / "**Amalgamating Company**") and Motherson Sumi Wiring India Limited ("**Applicant Company 3**" / "**Resulting Company**") and their respective shareholders and creditors

**Motherson Sumi Systems Limited**, a company incorporated under the Companies Act, 1956, having its registered office at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra

**Applicant Company 1 / Transferor Company / Amalgamated Company in CA(CAA) /1166/ MB-IV/ 2020**

CIN: L34300MH1986PLC284510

**Samvardhana Motherson International Limited**, a company incorporated under the Companies Act, 1956, having its registered office at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra

**Applicant Company 2 / Amalgamating Company in CA(CAA) /1166/ MB-IV/ 2020**

CIN: U74900MH2004PLC287011

**Motherson Sumi Wiring India Limited**, a company incorporated under the Companies Act, 2013, having its registered office at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra

**Applicant Company 3 / Resulting Company in CA(CAA) /1166/ MB-IV/ 2020**

CIN: U29306MH2020PLC341326

**NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF  
MOTHERSON SUMI SYSTEMS LIMITED**

**NOTICE** is hereby given that by an order dated February 16, 2021 (“**Order**”), the Hon’ble National Company Law Tribunal, Mumbai Bench (“**Hon’ble Tribunal**” or “**NCLT**”) has directed a meeting to be held of the equity shareholders of Motherson Sumi Systems Limited (“**Applicant Company 1**” or “**Transferor Company**” or “**Amalgamated Company**”), for the purpose of considering, and if thought fit, approving with or without modification, the proposed composite scheme of amalgamation and arrangement amongst the Applicant Company 1, Samvardhana Motherson International Limited (“**Applicant Company 2**”) and Motherson Sumi Wiring India Limited (“**Resulting Company**”) and their respective shareholders and creditors, under Sections 230 to 232 of the Companies Act, 2013 and Sections 2(19AA) or 2(1B) of the Income-tax Act, 1961 (“**Scheme**”).

In pursuance of the Order and as directed therein, further notice is hereby given that a meeting of the equity shareholders of Applicant Company 1 (“**Meeting**”), will be held on **April 29, 2021 at 12:15 hours (IST)** through Video Conferencing (“**VC**”) / Other Audio Visual Means (“**OAVM**”) following the operating procedures (with requisite modifications as may be required) referred to in General Circular No. 14/2020 dated April 8, 2020 read with General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 issued by the Ministry of Corporate Affairs, Government of India, (“**MCA Circulars**”) and circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (“**SEBI Relaxation Circular**”) at which day, time and place the said equity shareholders of Applicant Company 1 are requested to attend the meeting.

At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s), by requisite majority, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

**“RESOLVED THAT** pursuant to (a) the provisions of Section 230 read with Section 232 and other applicable provisions of the Companies Act, 2013 (the “**Act**”) and the Rules made thereunder, including the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (including any statutory modification(s) or re-enactment thereof for the time being in force), (b) enabling provisions of the Memorandum of Association of Motherson Sumi Systems Limited (the “**Company**”), (c) relevant provisions of the Income-tax Act, 1961, (d) relevant provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, issued by the Securities and Exchange Board of India, (e) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time, (f) the observation letter dated December 4, 2020 issued by BSE Limited and the observation letter dated December 7, 2020 issued by National Stock Exchange of India Limited and subject to the approval of the Mumbai Bench of the National Company Law Tribunal (“**Hon’ble Tribunal**”), and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon’ble Tribunal or any regulatory authority while granting such consents, approvals and permissions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which term shall be deemed to mean and include one or more committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the proposed composite scheme of amalgamation and arrangement amongst the Company, Samvardhana Motherson International Limited and Motherson Sumi Wiring India Limited and their respective shareholders and creditors (“**Scheme**”), as enclosed to the notice of the Hon’ble Tribunal convened meeting of the equity shareholders of the Company and placed before this meeting and initialed by the Chairperson of the meeting for the purpose of identification read with the explanatory statement attached, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters

*and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme as the Board may deem fit and proper, including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper, and delegate all or any of its powers herein conferred to any Director(s) and/ or officer(s) of the Company, to give effect to this resolution, if required, as it may be in its absolute discretion deem it necessary or desirable, without being required to seek any further approval of the Shareholders or otherwise to the end and intent that the Shareholders shall be deemed to have given their approval thereto expressly by authority under this resolution and the Board be and is hereby further authorized to nominate one or more representatives of the Company to execute such further deeds, documents and writings that may be considered necessary, make necessary filings and to carry out any or all activities that the Board is empowered to do for the purpose of giving effect to this resolution."*

**TAKE FURTHER NOTICE** that in compliance with the provisions of (a) Section 230 read with Section 108 of the Companies Act, 2013; (b) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (c) Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (d) Regulation 44 and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (e) Paragraph 9(a) of Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; and Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249, dated December 22, 2020 (to the extent applicable) issued by the Securities and Exchange Board of India, as amended ("**SEBI Circulars**"), read with the MCA Circulars and SEBI Relaxation Circular, the Applicant Company 1 has provided the facility of voting by remote electronic voting ("**remote e-voting**") and e-voting during the Meeting using facility offered by National Securities Depository Limited ("**NSDL**") so as to enable the equity shareholders, to consider and approve the Scheme by way of the aforesaid resolution.

**TAKE FURTHER NOTICE** that in terms of the said Order of the Hon'ble Tribunal, in addition to facility of voting through e-voting system during the Meeting, the persons entitled to attend and vote at the Meeting shall have the facility and option of voting on the resolution for approval of the Scheme by casting their votes through remote e-voting during the period commencing from 09:00 hours (IST) on April 26, 2021 and ending at 17:00 hours (IST) on April 28, 2021, arranged by NSDL. The voting rights of Shareholders shall be in proportion to their share in the paid-up share capital of Applicant Company 1 as on April 22, 2021, being the cut-off date ("**Cut-off Date**"). The Equity Shareholders opting to cast their votes by remote e-voting or e-voting during the Meeting are requested to read the instructions in the Notes below carefully. In case of remote e-voting, the votes should be cast in the manner described in the instructions by 17:00 hours (IST) on April 28, 2021. Remote e-voting module will be disabled by NSDL thereafter.

Further, there shall be no meeting requiring physical presence at a common venue in view of the present circumstances on account of the COVID-19 pandemic.

**TAKE FURTHER NOTICE** that each equity shareholder can opt for only one mode of voting, i.e., (a) remote e-voting, or (b) e-voting during the Meeting, as arranged by NSDL on behalf of the Applicant Company 1. If the shareholders opt for remote e-voting, they will nevertheless be entitled to attend and participate in the Meeting, but will not be entitled to vote again during the Meeting and the e-voting facility at the meeting will be disabled for shareholders who have already cast their votes through remote e-voting, prior to the meeting.

**TAKE FURTHER NOTICE** that since the physical attendance of members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for the said meeting and hence, the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Sections 112 and 113 of the Companies Act, 2013, authorized representatives of the members may be appointed for the

purpose of voting through remote e-voting, for participation in the Meeting through VC/OAVM facility and e-voting during the Meeting, provided an authority letter/ power of attorney by the board of directors or a certified copy of the resolution passed by its board of directors or other governing body authorizing such representative to attend and vote at the Meeting through VC/ OAVM on its behalf along with the attested specimen signature of the duly authorized signatory(ies) who are authorized to vote is emailed to the Scrutinizer at support@dpgupta.com with a copy marked to evoting@nsdl.co.in not later than 48 (forty eight) hours before the time for holding the Meeting. Kindly refer Notes below for further details on the voting procedure.

A copy of the Scheme, the Explanatory Statement under Sections 230, 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, are enclosed herewith. A copy of this notice and the accompanying documents will be placed on the website of the Applicant Company 1 viz. [www.motherson.com](http://www.motherson.com) and will also be available on the website of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively and also on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Applicant Company 1 is required to furnish a copy of the Scheme within one day of any requisition of the Scheme being made by any equity shareholder, to Applicant Company 1 by e-mail at [investorrelations@motherson.com](mailto:investorrelations@motherson.com). A recorded transcript of the meeting shall also be made available on the website of the Company as soon as possible.

The Hon'ble Tribunal has appointed Mr. Sushil Chandra Tripathi, IAS (Retd.), Independent Director of the Applicant Company 1, and failing him, Mr. Gautam Mukherjee, Independent Director of the Applicant Company 1, as the Chairperson of the Meeting, including for any adjournment(s) thereof. Further, the Hon'ble Tribunal has appointed Mr. D.P. Gupta, Practicing Company Secretary of SGS Associates (FCS No. 2411, CP No. 1509) as the Scrutinizer for the Meeting, including for any adjournment(s) thereof.

The Scheme, if approved by the equity shareholders (which includes Public Shareholders), will be subject to the subsequent approval of the Hon'ble Tribunal.

The results of the meeting shall be announced by the Chairperson not later than 48 (forty eight) hours of the conclusion of the Meeting upon receipt of Scrutinizer's report and the same shall be displayed on the website of the Company ([www.motherson.com](http://www.motherson.com)) and on the website of NSDL ([www.evoting.nsdl.com](http://www.evoting.nsdl.com)), being the agency appointed by the Company to provide the voting facility to the shareholders, as aforesaid.

In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013 read with the SEBI Circular, the Scheme shall be considered approved by the Equity Shareholders only if, (a) the Scheme is approved by majority in number representing three-fourths in value of the members, of Applicant Company 1, e-voting during the Meeting or by remote e-voting; and (b) the votes cast by the public shareholders of Applicant Company 1, in favour of the Scheme, are more than the number of votes cast by the public shareholders against it.

Dated this March 26, 2021

**For Motherson Sumi Systems Limited**

**Sd/-  
Mr. Sushil Chandra Tripathi, IAS (Retd.)  
DIN: 00941922  
(Chairperson appointed for the meeting)**

**Registered Office:** Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra.

**CIN:** L34300MH1986PLC284510

**Email:** [investorrelations@motherson.com](mailto:investorrelations@motherson.com)



## **NOTES**

1. In view of the ongoing COVID-19 pandemic and the consequent norm of social distancing and pursuant to the order dated February 16, 2021, in Company Scheme Application CA(CAA) /1166/ MB-IV/ 2020 (“collectively referred to as the “**Orders**”), passed by the National Company Law Tribunal, Mumbai Bench (“**Hon’ble Tribunal**” or “**NCLT**”), the meeting of the equity shareholders of Motherson Sumi Systems Limited (“**Meeting**”) is being convened on Thursday, April 29, 2021 at 12:15 Hours (IST) through Video Conferencing (“**VC**”) / Other Audio Visual Means (“**OAVM**”) without the physical presence of the Shareholders at a common venue, as per applicable procedure mentioned in the General Circular No. 14/2020 dated April 8, 2020 read with General Circular no. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 issued by the Ministry of Corporate Affairs (the “**MCA Circulars**”) and circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (“**SEBI Relaxation Circular**”), for the purpose of considering, and if thought fit, approving, with or without modification(s), Scheme of amalgamation and arrangement amongst Motherson Sumi Systems Limited (“**Applicant Company 1**” or “**Transferor Company**” or “**Amalgamated Company**”), Samvardhana Motherson International Limited (“**Applicant Company 2**”) and Motherson Sumi Wiring India Limited (“**Resulting Company**”) and their respective shareholders and creditors under the provisions of Section 230-232 of the Companies Act, 2013 (“**Companies Act**”) and other relevant provisions of the Companies Act and the Rules framed thereunder and Sections 2(19AA) or 2(1B) of the Income-tax Act, 1961 (“**Scheme**”).
2. Pursuant to the MCA Circulars and SEBI Relaxation Circular, the facility to appoint proxy to attend and cast vote for the members is not available for this Meeting and hence the Proxy Form is not annexed to this Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the Meeting through VC/OAVM and participate thereat and cast their votes through e-voting as per the process mentioned in this notice.
3. In case of joint holders attending the meeting, the Members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
4. The Shareholders can join the Meeting in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned herein below. The facility of participation at the Meeting through VC/ OAVM will be made available for 1,000 Shareholders on ‘first come first serve’ basis. This will not include large Shareholders (i.e. Shareholders holding 2% or more of the shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the Meeting without restriction on account of ‘first come first serve’ basis.
5. The attendance of the Shareholders attending the Meeting through VC/ OAVM will be counted for the purpose of reckoning the quorum.
6. The physical attendance of the Members to the EGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM through VC/OAVM and thus the attendance slip is not attached to this notice.
7. Pursuant to the provisions of Section 108 of the Companies Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the Meeting. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the

authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting during the Meeting will be provided by NSDL.

8. In line with the MCA Circulars, the Notice calling the Meeting has been uploaded on the website of the Company at [www.motherson.com](http://www.motherson.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the Meeting Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsd.com](http://www.evoting.nsd.com).
9. In compliance with the aforesaid MCA Circulars and SEBI Relaxation Circular, Notice of the Meeting, together with the documents accompanying the same, is being sent only through electronic mode to those Members whose names appear in the register of members/ list of beneficial owners as received from Registrar and Transfer Agent as on March 19, 2021 and whose email addresses are registered with the Company/ Depositories. Members may note that the Notice will also be available on the Company's website [www.motherson.com](http://www.motherson.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL at [www.evoting.nsd.com](http://www.evoting.nsd.com).
10. Voting rights shall be reckoned on the basis of paid-up value of the shares registered in the name(s) of the equity shareholders as on the Cut-off Date, i.e. April 22, 2021. Persons who are not equity shareholders of Applicant Company 1 as on the Cut-off Date should treat this Notice for information purposes only.
11. As directed by the Hon'ble Tribunal, Mr. D.P. Gupta, Practicing Company Secretary of SGS Associates (FCS No. 2411, CP No. 1509) shall act as Scrutinizer to scrutinize votes cast either electronically through remote e-voting or e-voting during the Meeting and shall submit a combined report on votes cast by the Equity Shareholders, which includes Public Shareholders (defined below) of the Applicant Company 1 to the Chairperson of the Meeting or to the person so authorised by him within 48 hours from the conclusion of the Meeting. The Scrutinizer's decision on the validity of the vote shall be final.
12. The result of the voting shall be announced within 48 hours of the conclusion of the Meeting, upon receipt of Scrutinizer's report and same shall be displayed on the website of the Applicant Company 1 at [www.motherson.com](http://www.motherson.com) and on the website of NSDL at [www.nsd.com](http://www.nsd.com) besides being sent to BSE Limited and National Stock Exchange of India Limited on or before the said date.
13. The Notice convening the Meeting will be published through an advertisement in "Financial Express" (Mumbai edition) in English and "Navshakti" (Mumbai edition) in Marathi, both having circulation in Mumbai.
14. The Shareholders, seeking any information with regard to any matter to be placed at the Meeting, are requested to write to the Applicant Company 1 on or before April 26, 2021, through Email on [investorrelations@motherson.com](mailto:investorrelations@motherson.com). The same will be replied by/ on behalf of the Applicant Company 1 suitably.
15. **Voting through electronic means**
16. The voting period for remote e-voting shall commence on April 26, 2021 at 09:00 Hours (IST) and ends on April 28, 2021 at 17:00 Hours (IST).
17. **SEBI Circular, as defined above, *inter alia*, provides that approval of Public Shareholders of the Applicant Company 1 to the Scheme shall also be obtained by way of voting through e-voting. Since, the Company is seeking the approval of its Equity Shareholders (which includes Public Shareholders) to the Scheme by way of voting through e-voting, no separate procedure for voting through e-voting would be required to be carried out by the Company for seeking**

the approval to the Scheme by its Public Shareholders in terms of SEBI Circular. The aforesaid notice sent to the Equity Shareholders (which includes Public Shareholders) of the Company would be deemed to be the notice sent to the Public Shareholders of the Company. For this purpose, the term “Public” shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term “Public Shareholders” shall be construed accordingly. In terms of SEBI Circular, the Company has provided the facility of voting by e-voting to its Public Shareholders.

18. The instructions for equity shareholders for using remote e-voting facility are as under:

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

Details on Step 1 is mentioned below:

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the

- 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
    - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Corporate / Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [support@dpgupta.com](mailto:support@dpgupta.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go

- through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 / 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or [SoniS@nsdl.co.in](mailto:SoniS@nsdl.co.in), who will also address the grievances connected with the voting by electronic means.
  4. Any person, who acquires shares of the Applicant Company 1 and becomes member of the Applicant Company 1 after dispatch of the notice and holding shares as of the Cut-Off Date i.e. April 22, 2021, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Applicant Company 1 at [investorrelations@motherson.com](mailto:investorrelations@motherson.com).

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investorrelations@motherson.com](mailto:investorrelations@motherson.com) .
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investorrelations@motherson.com](mailto:investorrelations@motherson.com).

**19. Instructions for Shareholders for e-voting during the Meeting:**

- The procedure for e-voting during the Meeting is same as the instructions mentioned above for remote e-voting.
- As mentioned hereinabove, only those Shareholders, who will be present at the Meeting through VC/ OAVM facility and who would not have not cast their vote by remote e-voting prior to the Meeting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the Meeting.
- Shareholders who have voted through remote e-voting will be eligible to attend the Meeting and their presence shall be counted for the purpose of quorum, however such Shareholders shall not be entitled to cast their vote again at the Meeting.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting during the Meeting shall be the same person mentioned for remote e-voting.

**20. Attending the Meeting through VC/OAVM**

Instructions for Shareholders for attending the Meeting through VC/OAVM:

- Shareholders are being provided with a facility to attend the Meeting through VC/ OAVM through the NSDL e-voting system. Shareholders may access the same at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) under “*shareholders/ members*” login by using the remote e-voting credentials.
- The link for VC/OAVM will be available in “*shareholders / members*” login where the EVEN of the Applicant Company 1 will be displayed.

- Shareholders who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned hereinabove in the Notice, to avoid last minute rush. Further, Shareholders can also use the OTP based login for logging into the e-voting system of NSDL.
  - Shareholders are encouraged to join the Meeting through Laptops for better experience.
  - Further Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
  - Please note that participants connecting from Mobile Devices or Tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  - Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at [investorrelations@motherson.com](mailto:investorrelations@motherson.com). Such shareholders must register their request three (3) days in advance of the Meeting, i.e., till April 26, 2021 with the Company.
  - Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investorrelations@motherson.com](mailto:investorrelations@motherson.com). The same will be replied by the company suitably.
  - Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.
  - Shareholders' who need assistance before or during the Meeting, can contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or [SoniS@nsdl.co.in](mailto:SoniS@nsdl.co.in) or call on toll free no.: 1800-0120-990 / 1800-22-44-30.
21. Since the Meeting will be held through VC or OAVM, route map of venue of the Meeting and admission slip is not attached to this Notice.

**EXPLANATORY STATEMENT UNDER SECTION 230(3) AND SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016, FOR THE MEETING OF THE EQUITY SHAREHOLDERS (WHICH INCLUDES PUBLIC SHAREHOLDERS) OF MOTHERSON SUMI SYSTEMS LIMITED BEING CONVENED AS PER THE DIRECTIONS OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**

1. This is a statement accompanying the Notice convening the meeting of the equity shareholders of Applicant Company 1 ("**Meeting**"), pursuant to the Order dated February 16, 2021 ("**Order**") passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ("**Hon'ble Tribunal**" or "**NCLT**") in the Company Scheme Application No. CA(CAA) /1166/ MB-IV/ 2020, referred to hereinabove, to be convened on April 29, 2021 (Thursday) at 12:15 Hours (IST) through Video Conferencing ("**VC**")/Other Audio Visual Means ("**OAVM**") without the physical presence of the Shareholders at a common venue, as per applicable procedure mentioned in the General Circular No. 14/2020 dated April 8, 2020 read with General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 and issued by the Ministry of Corporate Affairs, Government of India (the "**MCA Circulars**") and circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("**SEBI Relaxation Circular**"), for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Composite Scheme of Amalgamation and Arrangement amongst Motherson Sumi Systems Limited ("**Applicant Company 1**" / "**Transferor Company**" / "**Amalgamated Company**"), Samvardhana Motherson International Limited ("**Applicant Company 2**") and Motherson Sumi Wiring India Limited ("**Resulting Company**") and their respective shareholders and creditors ("**Scheme**").
2. In terms of the said Order, the quorum for the Meeting for equity shareholders shall be as prescribed under Section 103 of the Companies Act, 2013 i.e. 30 equity shareholders, present themselves through VC/OAVM and if the quorum is not present within half an hour from the time appointed for the holding of the Meeting, the members present shall be the quorum and the Meeting shall be held. Further in terms of the said Order, the Hon'ble Tribunal has appointed Mr. Sushil Chandra Tripathi, IAS (Retd.), Independent Director of the Applicant Company 1 and failing him, Mr. Gautam Mukherjee, Independent Director of the Applicant Company 1, as the Chairperson of the Meeting ("**Chairperson**") of Applicant Company 1, including for any adjournment or adjournments thereof. Further, the Hon'ble Tribunal has appointed Mr. D.P. Gupta, Practicing Company Secretary of SGS Associates, as the Scrutinizer for the Meeting ("**Scrutinizer**"), including for any adjournment or adjournments thereof.
3. A copy of the Scheme is enclosed herewith as **Annexure I**. Please refer to Paragraphs 43 and 44 of this Explanatory Statement for the rationale and salient features of the Scheme.
4. The proposed Scheme was placed before the Audit Committee of Applicant Company 1 ("**MSSL Audit Committee**") at its meeting held on July 2, 2020. In accordance with the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended, ("**SEBI Circular**") the MSSL Audit Committee *vide* resolution passed on July 2, 2020, recommended the Scheme to the Board of Directors of the Applicant Company 1 *inter alia* on the basis of its evaluation and independent judgment and consideration of the following:
  - (a) joint valuation report (containing the Demerger Share Entitlement Ratio (*defined hereinafter*) and the Merger Share Exchange Ratio (*defined hereinafter*)), dated July 2, 2020, issued by Price Waterhouse & Co. LLP, Chartered Accountants and BSR & Associates LLP, Chartered Accountants;
  - (b) valuation report dated July 2, 2020, issued by Incwert Advisory Private Limited, a registered valuer;

- (c) fairness opinions, both dated July 2, 2020, issued to Applicant Company 1 by Axis Capital Limited, a Category-I Merchant Banker registered with the Securities and Exchange Board of India (“**SEBI**”) and DSP Merrill Lynch Limited, a Category-I Merchant Banker registered with SEBI; and
  - (d) Statutory Auditors’ certificate, dated July 2, 2020, issued by S.R. Batliboi & Co. LLP, Chartered Accountants, Statutory Auditors of the Applicant Company 1, confirming that the accounting treatment prescribed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013 (“**Act**”).
5. Copy of the Valuation Reports and the Fairness Opinions are enclosed to this Notice as **Annexures III to VI**.
6. Based upon the recommendations of the MSSL Audit Committee and having evaluated the same, the Board of Directors of Applicant Company 1 has come to the conclusion that the Scheme is in the interest of Applicant Company 1 and its shareholders and creditors. A copy of the Scheme, as approved by the Board of Directors of Applicant Company 1, taking into account the Valuation Reports, Fairness Opinions and the independent recommendation of the MSSL Audit Committee, is enclosed herewith to this Notice. Please refer to Paragraph 43 and 44 of this Explanatory Statement for the rationale and salient features of the Scheme.
7. The Scheme is presented for:
- (a) Demerger of Domestic Wiring Harness Undertaking or DWH Undertaking (*as defined in the Scheme*) from Applicant Company 1 into the Resulting Company, in accordance with Sections 230 to 232 of the Act and in compliance with Section 2(19AA) of the Income-tax Act, 1961 (“**Demerger**”); and
  - (b) Amalgamation of Applicant Company 2 into and with Applicant Company 1, by absorption, in accordance with Sections 230 to 232 of the Act and in compliance with Section 2(1B) of the Income-tax Act, 1961 subsequent to the completion of the Demerger (“**Amalgamation**”)

In addition, the Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

8. **Compliance with pricing provisions of ICDR Regulations**

- (a) As per the SEBI Circular, the issuance of shares under schemes in case of allotment of shares, only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes, shall follow the pricing provisions of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**ICDR Regulations**”) and the relevant date for the purposes of computing the pricing is the date of the Board meeting at which the scheme is approved.
- (b) Equity shares of the Applicant Company 1 are listed on BSE Limited and National Stock Exchange of India Limited. Equity Shares of the Applicant Company 1 are ‘frequently traded’ in terms of Regulation 164 of the ICDR Regulations. Accordingly, the minimum price of equity shares to be issued by the Company, as per Regulation 164 of ICDR Regulations, should be the higher of:
  - (i) the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty-six weeks preceding the relevant date;
  - (ii) the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.



The relevant date for the purpose of this Scheme is July 2, 2020.

- (c) Further, Regulation 166 of the ICDR Regulations specifically provides for certain adjustments that may be made in the pricing for frequently and infrequently traded shares. As per Regulation 166, the price determined for a preferential issue by a listed company in accordance with Regulation 164 of the ICDR Regulations shall be subject to appropriate adjustments, on account of *inter alia* the issuer making an issue of equity shares after completion of a demerger wherein the securities of the resultant demerged entity are listed on a stock exchange. It may be noted that, in the present Scheme, the issuance of equity shares by the Company in consideration for the Amalgamation of the Applicant Company 2 into the Applicant Company 1, is taking place after the Demerger of the DWH Undertaking into the Resulting Company, which will be listed pursuant to the Scheme. In this regard, the Applicant Company 1 is in compliance with the pricing provisions of ICDR Regulation. The Certificate obtained from the Statutory Auditors of the Applicant Company 1, with regard to compliance with conditions to be met under the ICDR Regulations read with the SEBI Circular, including the adjustments required to be made, in accordance with Regulation 166 of the ICDR Regulations, is annexed hereto as **Annexure VII**.

9. It was brought to the notice of the Chairman of the Meeting that the Scheme submitted before *inter alia* the Hon'ble Tribunal, as is enclosed herewith as **Annexure I**, has minor typographical errors due to inadvertence, which are sought to be corrected as follows: (i) the reference to the word 'activates' as appearing in line 7 of Clause 3.1 (f) of Section I shall stand corrected to "activities"; (ii) the authorized share capital of the Applicant Company 1, subsequent to reclassification, as mention in Claus 7.1 of Section I, shall stand corrected to Rs. 630,00,00,000 divided into 630,00,00,000 equity shares of Re. 1; (iii) the reference to "Section II", in Paragraph 15.1(c) of Section I of the Scheme shall stand corrected to "Section I"; (iv) the reference to "Transferor Company", appearing in the last line of Clause 16.1 of Section I, shall stand corrected to "Resulting Company"; (v) the reference to "Resulting Company" as appearing in line 6 of Clause 8.1 of Section II shall stand corrected to as "Amalgamated Company"; and (vi) the reference to "Clause 8", in Paragraph 17.1(b) of Section II of the Scheme shall stand corrected to "Clause 7". The consent of the shareholders of the Applicant Company 1 to this Scheme shall be deemed to be consent of the shareholders to the Scheme with such modifications / corrections.
10. In terms of Sections 230 to 232 of the Act, the Scheme shall be considered and approved by the equity shareholders of Applicant Company 1 if the resolution mentioned in the Notice is approved at the Meeting by a majority in number representing three-fourths in value of the equity shareholding of the Applicant Company 1, voting through remote e-voting or e-voting during the Meeting.
11. Further, in accordance with the SEBI Circular, the Scheme shall be acted upon only if the number of votes cast by the Public Shareholders in favour of the aforesaid resolution for approval of Scheme is more than the number of votes cast by the Public Shareholders against it.

**DETAILS OF THE APPLICANT COMPANY 1 AS PER RULE 6(3) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATION) RULES, 2016 ("RULES")**

12. Details of Applicant Company 1:

<b>Name of Applicant Company 1</b>	Motherson Sumi Systems Limited
<b>Corporate Identification No. (CIN)</b>	L34300MH1986PLC284510

<b>Permanent Account No. (PAN)</b>	AAACM0405A
<b>Incorporation Date</b>	December 19, 1986
<b>Type of Company</b>	Listed, Public Limited Company.  The equity shares of the Applicant Company 1 are listed on the BSE Limited and the National Stock Exchange of India Limited.  Further the non-convertible debentures (“NCDs”) of the Applicant Company 1 are listed on BSE Limited.
<b>Registered Office Address</b>	Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra
<b>Details of change of Name, Registered Office and Objects of the Company during the last five years</b>	Applicant Company 1 shifted its registered office from 2 <sup>nd</sup> Floor, F-7, Block B-1, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi-110044 to Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra and was issued a fresh Certificate of Registration, dated August 5, 2016, by the Registrar of Companies, Mumbai.  There has been no change in the name and/or object clause of the Applicant Company 1.
<b>Email address</b>	investorrelations@motherson.com
<b>Relationship with the parties to the Scheme</b>	- The Resulting Company is a wholly owned subsidiary of Applicant Company 1; and  - The Applicant Company 2 is one of the promoters of Applicant Company 1 and owns 33.43% of the equity share capital of Applicant Company 1.

13. Summary of the main objects as per the memorandum of association of the Applicant Company 1:

The main objects of the Applicant Company 1, as set out in its memorandum of association, are as under:

- 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.
- 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, vulcanised leather,

rayon, Hessian or plastic or products in which rubber, rayon Hessian or other plastic is used.

- To carry on the business of hirers, repairers, cleaners and storers 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.

14. Main business carried on by the Applicant Company 1:

The Applicant Company 1 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 Applicant Company 1 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.

15. Details of the capital structure of the Applicant Company 1 including authorized, issued, subscribed and paid-up share capital:

<b>Authorised Share Capital as on February 28, 2021</b>	<b>Amount (in Rs.)</b>
605,00,00,000 Equity Shares of Re. 1 each	605,00,00,000
2,50,00,00,000 Preference Shares of Rs. 10 each	25,00,00,000
<b>Total</b>	<b>630,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital as on February 28, 2021</b>	<b>Amount (in Rs.)</b>
315,79,34,237 Equity Shares of Rs. 1 each fully paid-up	315,79,34,237
<b>Total</b>	<b>315,79,34,237</b>

Subsequent to February 28, 2021, there has been no change in the authorised, issued, subscribed and paid-up share capital of Applicant Company 1.

The estimated capital structure of the Applicant Company 1 after the Scheme becomes effective is as under:

<b>Authorised Share Capital</b>	<b>Amount (in Rs.)</b>
1230,00,00,000 Equity Shares of Re. 1 each	1230,00,00,000
<b>Total</b>	<b>1230,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	<b>Amount (in Rs.)</b>
451,76,14,244 Equity Shares of Rs. 1 each fully paid-up	451,76,14,244
<b>Total</b>	<b>451,76,14,244</b>

Please refer to **ANNEXURE XXIIA** for details regarding the shareholding pattern of the Applicant Company 1 before the Scheme becomes effective and indicative shareholding pattern of the Applicant Company 1 after the Scheme becomes effective.

The Applicant Company 1 does not have any stock options or equity linked benefits of its employees, as on February 28, 2021.

16. Names of the promoters of the Applicant Company 1 as on February 28, 2021 along with their addresses:

Sl. No.	Name of the Promoter	Address
1.	Mr. Vivek Chaand Sehgal	8266 Steckborn, Seehaldenstrasse 14, Switzerland
2.	Ms. Geeta Soni	B-46 Greater Kailash Part -1 Archana Arcade South Delhi, New Delhi 110048
3.	Ms. Renu Alka Sehgal	B 300, New Friends Colony, Delhi 110017
4.	Ms. Nilu Mehra	B 415, 1st Floor, New Friends Colony, South Delhi, New Delhi 110025
5.	Mr. Laksh Vaaman Sehgal	48, Queens Grove, London, NW86HH, Great Britain
6.	Samvardhana Motherson International Limited	Registered Office: Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra
7.	Sumitomo Wiring Systems Limited	1-14 Nishisuehiro-Cho Yokkaichi, MIE - 5108503
8.	Radha Rani Holdings Pte Limited	178 Paya Lebar Road, NO 04-09, Singapore 409030
9.	H.K. Wiring Systems, Limited	FT 1701-06 17/F Chinachem Tsuen Wan Plz 455 Castle Peak Rd Tsuen Wan N T Hong Kong

17. Names of the directors of the Applicant Company 1 as on February 28, 2021 along with their addresses:

Sl. No.	Name of the Director	Address
1.	Mr. Vivek Chaand Sehgal, Chairman	8266 Steckborn, Seehaldenstrasse 14, Switzerland
2.	Mr. Sushil Chandra Tripathi, IAS (Retd.)	House No. 27, Sector 15A, Noida- 201301 (Uttar Pradesh)
3.	Mr. Shunichiro Nishimura	7-C-503 Kamiyamada, Suita, Osaka-pref., 5650872, Japan
4.	Mr. Arjun Puri	Eco House, Certitude, Auroville, Viluppuram –605101, Tamilnadu
5.	Mr. Gautam Mukherjee	P-62, Sector –XI, Noida – 201301 (Uttar Pradesh)
6.	Ms. Geeta Mathur	B-1/8, Vasant Vihar, New Delhi – 110057
7.	Mr. Naveen Ganzu	08, Ozone Residenza, Haralur Main Road, Bangalore South, Bangalore -560102
8.	Mr. Laksh Vaaman Sehgal	48, Queens Grove, London, NW86HH, Great Britain
9.	Mr. Takeshi Fujimi	4-2-34, Sanjyo Suzuka Mie Prefecture, Japan-5130806
10.	Mr. Pankaj Mital	C-9, Sector – 50, Noida – 201 303 (Uttar Pradesh)

18. The date of the board meeting at which the Scheme was approved by the Board of the Applicant Company 1 including the names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Scheme was approved by the Board of the Applicant Company 1 on July 2, 2020. The details of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution are as under:

S. No.	Names of the Directors	Votes
1.	Mr. Vivek Chaand Sehgal, Chairman	Abstained from voting being an interested party
2.	Mr. Sushil Chandra Tripathi, IAS (Retd.)	For the Resolution
3.	Mr. Shunichiro Nishimura	Abstained from voting
4.	Mr. Arjun Puri	For the Resolution
5.	Mr. Gautam Mukherjee	For the Resolution

6.	Ms. Geeta Mathur	For the Resolution
7.	Mr. Naveen Ganzu	For the Resolution
8.	Mr. Laksh Vaaman Sehgal	Abstained from voting being an interested party
9.	Mr. Takeshi Fujimi	Abstained from voting
10.	Mr. Pankaj Mital	For the Resolution

19. As on September 30, 2020, the aggregate amount due to the unsecured creditors of the Applicant Company 1 is Rs. 3,026.94 Crores (including unsecured debenture holders).

20. Disclosure about effect of the Scheme on material interests of directors, key managerial personnel, debenture trustee and other stakeholders of the Applicant Company 1:

Sl. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Shareholders	<p><u>Consideration for Demerger:</u></p> <p>(a) As consideration for the Demerger, the Resulting Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of the Applicant Company 1 as on the Record Date 1 (<i>as defined in the Scheme</i>), 1 equity share of Re. 1 each of the Resulting Company for every 1 equity share of Re. 1 each of the Applicant Company 1 ("<b>Demerger Share Entitlement Ratio</b>").</p> <p>(b) Further, since the Resulting Company is a wholly owned subsidiary of the Applicant Company 1, simultaneous upon the Demerger under the Scheme becoming effective, the shareholding of the Applicant Company 1 and its nominees in the Resulting Company shall stand cancelled.</p> <p>(c) Pursuant to the Demerger, the equity shares issued by the Resulting Company will be sought to be listed on BSE Limited and National Stock Exchange of India Limited, pursuant to the SEBI Circular.</p> <p>(d) The shareholding pattern of the Applicant Company 1 shall not undergo any change as a result of the Demerger.</p> <p><u>Consideration for the Amalgamation:</u></p> <p>(a) As consideration for the amalgamation of Applicant Company 2 into and with the Applicant Company 1, the Applicant Company 1 shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of Applicant Company 2 as on the Record Date 2 (<i>as defined in the Scheme</i>), 51 equity shares of Re. 1 each of the Applicant Company 1 for every 10 equity shares of Rs. 10 each of Applicant Company 2 ("<b>Merger Share Exchange Ratio</b>").</p> <p>(b) Simultaneous with the amalgamation of Applicant Company 2 into and with the Applicant Company 1, the shareholding of Applicant Company 2 in the Applicant Company 1 shall stand cancelled.</p> <p>(c) There will be a change in the shareholding pattern of the Applicant Company 1 pursuant to the amalgamation of Applicant Company 2 into and with the Applicant Company 1, as per the Scheme, in accordance</p>

		with the Merger Share Exchange Ratio. Indicative shareholding pattern of the Applicant Company 1, post the amalgamation of Applicant Company 2 into and with the Applicant Company 1 in accordance with the Scheme, is set out in <b>Annexure XXIIA</b> .
2.	Promoter	Please refer to S. No. 1 above regarding effect of the Scheme on the shareholders of the Applicant Company 1.
3.	Non-Promoter Shareholders	Please refer to S. No. 1 above regarding effect of the Scheme on the shareholders of the Applicant Company 1.
4.	Key Managerial Personnel (“KMPs”)/ Directors	Upon the Scheme becoming effective, all the directors and key managerial personnel of the Applicant Company 1 will continue as directors and key managerial personnel of the Applicant Company 1 and would in no way be affected by the Scheme.
5.	Creditors/ Debenture Holders	<p><u>Creditors</u></p> <p>Upon the Scheme becoming effective, the creditors relating to the DWH Undertaking shall become the creditors of the Resulting Company. Further, the general or multipurpose borrowings, if any, of the Applicant Company 1 will be apportioned basis the proportion of the value of the assets transferred in the Demerger of the DWH Undertaking to the total value of the assets of the Applicant Company 1 immediately before the said Demerger.</p> <p>The Scheme does not involve any compromise or arrangement with the creditors of the Applicant Company 1. The liability of the Applicant Company 1 towards its creditors is neither being reduced nor being extinguished under the Scheme and the Scheme is therefore not prejudicial to the interests of the creditors of the Applicant Company 1.</p> <p><u>Debenture Holders</u></p> <p>Currently, Applicant Company 1 has 2 (two) sets of debentures that are listed on BSE Limited i.e. <b>(a)</b> unsecured, non-convertible debentures (“<b>NCDs</b>”) having a face value of Rs. 10,00,000 each and having a coupon rate of 6.65% bearing ISIN No. INE775A08048 aggregating to Rs. 2130 Crores, and <b>(b)</b> secured NCDs, having a face value of Rs. 10,00,000 each and having a coupon rate of 7.84% bearing ISIN No. INE775A07016 aggregating to Rs. 500 Crores. The rights of the debenture-holders shall not be affected by the Scheme. The liability of the Applicant Company 1 towards the debenture-holders is neither being reduced nor being extinguished under the Scheme. The debenture-holders of the Applicant Company 1 would in no way be affected by the Scheme.</p>
6.	Depositors/ Deposit Trustee	Not Applicable, as the Applicant Company 1 does not have any outstanding deposits
7.	Debenture Trustee	The Debenture Trustees will not be affected by the Scheme as the Scheme does not affect the debenture-holders, as discussed in S. No. 5.
8.	Employees	(a) Upon the Demerger becoming effective, in terms of the Scheme, all employees of the DWH Undertaking, as determined by the Board of the Applicant Company 1, shall be deemed to have become employees of the Resulting Company, without any interruption of

		<p>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 Applicant Company 1, on the Effective Date 1. The services of such employees with the Applicant Company 1 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. In these circumstances, the rights of such employees of the Applicant Company 1 would in no way be affected by the Scheme.</p> <p>(b) The employees of the Remaining Business (<i>as defined in the Scheme</i>) of the Applicant Company 1 shall continue as employees of the Applicant Company 1 and would in no way be affected by the Scheme.</p>
9.	Holders of ESOPs	The Applicant Company 1 does not have any stock options or equity linked benefits of its employees, as on February 28, 2021.

21. Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of the Applicant Company 1:

None of the “Directors” (*as defined under the Act*), the “Key Managerial Personnel” (*as defined under the Act*) of the Applicant Company 1 and their respective “Relatives” (*as defined under the Act*) have any interests, financial or otherwise in the Scheme except to the extent of their shareholding in the Companies as set out below and/or to the extent the said Directors/ Key Managerial Personnel of the Applicant Company 1 are directors on the board of/ key managerial personnel of the Applicant Company 2 and the Resulting Company as set out below:

Details as on February 28, 2021				
Sl. No.	Name/ Designation	No. of shares held in the Applicant Company 1	No. of shares held in Applicant Company 2	No. of shares held in the Resulting Company
1.	Mr. Vivek Chaand Sehgal, Chairman	7,31,65,402	10,05,27,391	Nil
2.	Mr. Sushil Chandra Tripathi, IAS (Retd.) Independent Director	2,000*	Nil	Nil
3.	Mr. Shunichiro Nishimura, Director	Nil	Nil	Nil
4.	Mr. Arjun Puri, Independent Director	3,750	30,214	Nil
5.	Mr. Gautam Mukherjee, Independent Director	10,000	10,000	Nil
6.	Ms. Geeta Mathur, Independent Director	10,125	5,000	Nil
7.	Mr. Naveen Ganzu, Independent Director	2,11,951	Nil	Nil
8.	Mr. Laksh Vaaman Sehgal, Director	123	200	Nil
9.	Mr. Takeshi Fujimi, Director	Nil	Nil	Nil
10.	Mr. Pankaj Mital, Whole Time Director and Chief Operating Officer	99,273	84,800	1**
11.	Mr. G.N. Gauba, Chief Financial Officer	36,450	35,100	1**
12.	Mr. Alok Goel, Company Secretary	75	Nil	Nil

\*As the second holder in jointly held shares, the first holder being Ms. Kiran Tripathi, spouse of Mr. Sushil Chandra Tripathi, IAS (Retd.).

\*\*As a nominee of the Applicant Company 1.

<b>Details as on February 28, 2021</b>				
<b>S. No.</b>	<b>Name of Director/ KMP</b>	<b>Designation in the Applicant Company 1</b>	<b>Designation in Applicant Company 2</b>	<b>Designation in Resulting Company</b>
1.	Mr. Vivek Chaand Sehgal	Chairman	Chairman	Chairman
2.	Mr. Sushil Chandra Tripathi, IAS (Retd.)	Independent Director	NA	NA
3.	Mr. Shunichiro Nishimura	Director	NA	NA
4.	Mr. Arjun Puri	Independent Director	NA	NA
5.	Mr. Gautam Mukherjee	Independent Director	NA	Director
6.	Ms. Geeta Mathur	Independent Director	NA	NA
7.	Mr. Naveen Ganzu	Independent Director	NA	Director
8.	Mr. Laksh Vaaman Sehgal	Director	Director	Director
9.	Mr. Takeshi Fujimi	Director	NA	NA
10.	Mr. Pankaj Mital	Whole Time Director and Chief Operating Officer	NA	NA
11.	Mr. G.N. Gauba	Chief Financial Officer	NA	NA
12.	Mr. Alok Goel	Company Secretary	NA	NA

#### **DETAILS OF APPLICANT COMPANY 2 AS PER RULE 6(3) OF THE RULES**

##### 22. Details of Applicant Company 2:

<b>Name of Applicant Company 2</b>	Samvardhana Motherson International Limited
<b>Corporate Identification No. (CIN)</b>	U74900MH2004PLC287011
<b>Permanent Account No. (PAN)</b>	AAICS6115R
<b>Incorporation Date</b>	December 9, 2004
<b>Type of Company</b>	Unlisted Public Limited Company. The secured non-convertible debentures (“NCDs”) of Applicant Company 2 are listed on BSE Limited.
<b>Registered Office Address</b>	Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra
<b>Details of change of Name, Registered Office and Objects of the Company during the last five years</b>	The registered office of the Applicant Company 2 was shifted from New Delhi to the State of Maharashtra and was issued a fresh Certificate of Registration, dated October 20, 2016, by the Registrar of Companies, Mumbai. There has been no change in the name and/or the object clause of Applicant Company 2 in the last 5 years.
<b>Email address</b>	smil@motherson.com
<b>Relationship with the parties to the Scheme</b>	Applicant Company 2 is one of the promoters of Applicant Company 1 and owns 33.43% of the equity share capital of Applicant Company 1.



23. Summary of the main objects as per the memorandum of association of Applicant Company 2:

The main objects of Applicant Company 2, as set out under Clause 3(a) of its memorandum of association, are as under:

- To carry on the business of a holding company for establishing subsidiaries, making majority or minority investment, and/or to promote technical collaborations in companies operating in any kind of activity and in specific but not limited to investment in entities engaged in the auto components or related sectors.
- 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.

24. Main business carried on by Applicant Company 2:

The Applicant Company 2 is a non-deposit taking core investment company (CIC-ND-SI) registered with the Reserve Bank of India and 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. Through its subsidiaries and joint venture companies, Applicant Company 2 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.

25. Details of the capital structure of Applicant Company 2 including authorized, issued, subscribed and paid-up share capital:

<b>Authorised Share Capital as on February 28, 2021</b>		<b>Amount (in Rs.)</b>
90,00,00,000 Equity Shares of Rs. 10 each		900,00,00,000
	<b>Total</b>	<b>900,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital as on February 28, 2021</b>		<b>Amount (in Rs.)</b>
47,36,13,855 Equity Shares of Rs. 10 each		473,61,38,550
	<b>Total</b>	<b>473,61,38,550</b>

Subsequent to February 28, 2021, there has been no change in the authorised, issued, subscribed and paid-up share capital of Applicant Company 2. Upon the Scheme becoming effective, the entire authorised capital of the Applicant Company 2 shall stand transferred to Applicant Company 1.

Please refer to **ANNEXURE XXIIB** for details regarding the shareholding pattern of Applicant Company 2 before the Scheme becomes effective. The Amalgamating Company will be dissolved after the Scheme becomes effective.

26. Names of the promoters of Applicant Company 2 as on February 28, 2021 along with their addresses:

<b>S. No.</b>	<b>Name of the Promoter</b>	<b>Address</b>
1.	Mr. Vivek Chaand Sehgal	8266 Steckborn, Seehaldenstrasse 14, Switzerland
2.	Mr. Laksh Vaaman Sehgal	48, Queens Grove, London, NW86HH, Great Britain
3.	Ms. Renu Alka Sehgal (as	B 300, New Friends Colony, Delhi 110017

	Trustee of Renu Sehgal Trust)	
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27. Names of the directors of Applicant Company 2 as on February 28, 2021 along with their addresses:

Sl. No.	Name	Address
1.	Mr. Vivek Chaand Sehgal	8266 Steckborn, Seehaldenstrasse 14, Switzerland
2.	Mr. Vivek Avasthi	B-1/6 Vasant Vihar New Delhi 110057 DL IN
3.	Ms. Geeta Soni	B-46 Greater Kailash Part -1 Archana Arcade South Delhi, New Delhi 110048 DL IN
4.	Mr. Bimal Dhar	34 Lor Mydin, # 04-04 Astoria PK, Singapore-416827
5.	Mr. Dhruv Mehra	B-415, Ground Floor, New Friends Colony New Delhi 110065 DL IN
6.	Mr. Hiroshi Morimoto	2-18-24 Minoshi Osaka 5620044 JP
7.	Mr. Sanjay Mehta	H.No.-244, Sector-21C, Faridabad, Haryana-121003
8.	Mr. Sanjay Kalia	H. No. 13, Road No. 81, West Punjabi Bagh, West Delhi, Delhi 110026 DL IN
9.	Mr. Laksh Vaaman Sehgal	48, Queens Grove, London, NW86HH, Great Britain
10.	Ms. Madhu Bhaskar	Block NO. 6 F/F Tribhuvan Complex, Ishwer Nagar, New Delhi, Reliance Call Centre, New Delhi 110065 DL IN
11.	Mr. Shigeru Ogura	1-14-11-403, Sakuragaoka, Setagaya-Ku, Tokyo, Japan

28. The date of the board meeting at which the Scheme was approved by the Board of Applicant Company 2 including the names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Scheme was approved by the Board of Applicant Company 2 on July 2, 2020. The details of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution are as under:

S. No.	Names of the Directors	Votes
1.	Mr. Vivek Chaand Sehgal	Abstained from voting being an interested party
2.	Mr. Vivek Avasthi	For the Resolution
3.	Ms. Geeta Soni	Abstained from voting being an interested party
4.	Mr. Bimal Dhar	For the Resolution
5.	Mr. Dhruv Mehra	For the Resolution
6.	Mr. Hiroshi Morimoto	For the Resolution
7.	Mr. Sanjay Mehta	For the Resolution
8.	Mr. Sanjay Kalia	For the Resolution
9.	Mr. Laksh Vaaman Sehgal	Abstained from voting being an interested party
10.	Ms. Madhu Bhaskar	For the Resolution
11.	Mr. Shigeru Ogura	For the Resolution

29. As on October 31, 2020, the Applicant Company 2 does not have any unsecured creditors.

30. Disclosure about effect of the Scheme on material interests of directors, key managerial personnel, debenture trustee and other stakeholders of Applicant Company 2:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Shareholders	(a) As consideration for the amalgamation of Applicant Company 2 into and with the Applicant Company 1, the Applicant Company 1 shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of Applicant Company 2 as on the Record Date 2 (as defined in the Scheme), 51 equity shares of Re. 1 each of

		<p>the Applicant Company 1 for every 10 equity shares of Rs. 10 each of Applicant Company 2 ("<b>Merger Share Exchange Ratio</b>").</p> <p>(b) The shares issued by the Applicant Company 1 to the shareholders of Applicant Company 2, pursuant to the Scheme, will be listed on BSE Limited and the National Stock Exchange of India Limited.</p> <p>(c) Upon the amalgamation of Applicant Company 2 into and with the Applicant Company 1, Applicant Company 2 shall stand dissolved without being wound-up, without any further act or deed and the name of Applicant Company 2 shall be struck off from the records of the Registrar of Companies.</p> <p>(d) Simultaneous with the amalgamation of Applicant Company 2 into and with the Applicant Company 1, the shareholding of Applicant Company 2 in the Applicant Company 1 shall stand cancelled.</p>
2.	Promoters	Please refer to S. No. 1 above regarding effect of the Scheme on the shareholders of Applicant Company 2.
3.	Non-Promoter Shareholders	Please refer to S. No. 1 above regarding effect of the Scheme on the shareholders of Applicant Company 2.
4.	Key Managerial Personnel ("KMPs")/ Directors	Under the Scheme, with effect from the Effective Date 2 ( <i>as defined in the Scheme</i> ), Applicant Company 2 shall, without any requirement of a further act or deed, stand dissolved without being wound up. In the circumstances, the key managerial personnel and directors of Applicant Company 2 will cease to be the key managerial personnel and directors of Applicant Company 2.
5.	Creditors/ Debenture Holders	<p><u>Creditors</u></p> <p>The creditors of Applicant Company 2 shall, without any further act or deed, become the debts, liabilities, contingent liabilities, duties and obligations of the Applicant Company 1.</p> <p><u>Debenture Holders</u></p> <p>Consequent upon the amalgamation of Applicant Company 2 into and with the Applicant Company 1, and subject to regulatory approval, if any, all the listed NCDs of Applicant Company 2 shall vest in the Applicant Company 1 on the same terms and conditions, as if it were the issuer of the NCDs. Subject to the requirements, if any, imposed by BSE Limited, and other terms and conditions agreed with BSE Limited, the NCDs which stand transferred to the Applicant Company 1 pursuant to the Scheme shall be listed and/ or admitted to trading on the BSE Limited, where the NCDs are currently listed.</p>
6.	Depositors/ Deposit Trustee	Applicant Company 2 does not have any depositors or any deposit trustee.
7.	Debenture Trustee	Please refer to S. No. 5 above regarding effect of the Scheme on the Debenture Holders/ Debenture Trustee of Applicant Company 2.
8.	Employees	Upon the amalgamation of Applicant Company 2 into and with the Applicant

		Company 1 coming into effect on the Effective Date 2, all employees of Applicant Company 2 shall be deemed to have become employees of the Applicant Company 1, 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 Applicant Company 2, on Effective Date 2. The services of such employees with Applicant Company 2 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. In these circumstances, the rights of the employees of Applicant Company 2 would in no way be affected by the Scheme.
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31. Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of Applicant Company 2:

None of the “Directors” (as defined under the Act), the “Key Managerial Personnel” (as defined under the Act) of Applicant Company 2 and their respective “Relatives” (as defined under the Act) have any interests, financial or otherwise in the Scheme except to the extent of shareholding in the Companies as set out below, or to the extent the said Directors/ Key Managerial Personnel of Applicant Company 2 are directors on the board of/ key managerial personnel of the Applicant Company 1 and the Resulting Company as set out below:

Details as on February 28, 2021				
S. No.	Name / Designation	No. of shares held in the Applicant Company 2	No. of shares held in the Applicant Company 1	No. of shares held in Resulting Company
1.	Mr. Vivek Chaand Sehgal, Chairman	10,05,27,391	7,31,65,402	Nil
2.	Mr. Vivek Avasthi, Director	30,000	308,109	1*
3.	Ms. Geeta Soni, Director	14,86,360	86,10,328	Nil
4.	Mr. Bimal Dhar, Director	1,50,000	341,842	Nil
5.	Mr. Dhruv Mehra, Director	12,600	100,198	Nil
6.	Mr. Hiroshi Morimoto, Director	Nil	Nil	Nil
7.	Mr. Sanjay Mehta, Whole Time Director	65,000	Nil	1*
8.	Mr. Sanjay Kalia, Independent Director	Nil	15,310	Nil
9.	Mr. Laksh Vaaman Sehgal, Director	200	123	Nil
10.	Ms. Madhu Bhaskar, Independent Director	Nil	Nil	Nil
11.	Mr. Shigeru Ogura, Director	Nil	Nil	Nil
12.	Ms. Pooja Mehra, Company Secretary	23,400	1,708	Nil
13.	Mr. Manish Kumar Goyal, Chief Financial Officer	21,500	Nil	Nil
14.	Mr. Rajinder Kumar Bansal, Deputy Chief Financial Officer	Nil	Nil	Nil

\*As a nominee of the Applicant Company 1.

Details as on February 28, 2021				
S. No.	Name of Director/ KMP	Designation in the Applicant Company 2	Designation in the Applicant Company 1	Designation in Resulting Company
1.	Mr. Vivek Chaand Sehgal	Chairman	Chairman	Chairman
2.	Mr. Vivek Avasthi	Director	NA	NA
3.	Ms. Geeta Soni	Director	NA	NA
4.	Mr. Bimal Dhar	Director	NA	NA
5.	Mr. Dhruv Mehra	Director	NA	NA
6.	Mr. Hiroshi Morimoto	Director	NA	NA
7.	Mr. Sanjay Mehta	Whole Time Director	NA	Director
8.	Mr. Sanjay Kalia	Independent Director	NA	NA
9.	Mr. Laksh Vaaman Sehgal	Director	Director	Director
10.	Ms. Madhu Bhaskar	Independent Director	NA	NA
11.	Mr. Shigeru Ogura	Director	NA	NA
12.	Ms. Pooja Mehra	Company Secretary	NA	NA
13.	Mr. Manish Kumar Goyal	Chief Financial Officer	NA	NA
14.	Mr. Rajinder Kumar Bansal	Deputy Chief Financial Officer	NA	NA

### DETAILS OF THE RESULTING COMPANY AS PER RULE 6(3) OF THE RULES

#### 32. Details of the Resulting Company:

<b>Name of the Resulting Company</b>	Motherson Sumi Wiring India Limited
<b>Corporate Identification No. (CIN)</b>	U29306MH2020PLC341326
<b>Permanent Account No. (PAN)</b>	AANCM5330P
<b>Incorporation Date</b>	July 2, 2020
<b>Type of Company</b>	Unlisted Public Limited Company.
<b>Registered Office Address</b>	Unit No. 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra
<b>Details of change of Name, Registered Office and Objects of the Company during the last five years</b>	There has been no change in the Name, Registered Office and Objects of the Resulting Company since its incorporation on July 2, 2020.
<b>Email address</b>	investorrelations@motherson.com
<b>Relationship with the parties to the Scheme</b>	The Resulting Company is a wholly-owned subsidiary of the Applicant Company 1.

#### 33. Summary of the main objects as per the memorandum of association of the Resulting Company:

The main objects of the Resulting Company, as set out under in its memorandum of association, are as under:

- To manufacture, produce, develop, fabricate, assemble, buy, sell, distribute, import, export, alter, remodel, hire, exchange, repair, service and otherwise deal in wiring harness of every

kind and description, component and parts thereof, electrical parts and electronic parts, spare parts, developing software's, accessories, tools, implements, materials and products thereof, including for the automobiles or any other application(s), within India.

- To own, develop, purchase or by any other means acquire and protect, prolong and renew any patents, trademarks, rights (including intellectual property rights), brevets, inventions, licenses, protections, concessions or any other such right which may appear likely to be advantageous or useful to the Company and to spend money directly or indirectly in carrying out research and development activities, experimenting upon, testing and improving or seeking to improve any patent, inventions, or rights (including intellectual property rights), licenses, protections, concessions or any other such right which the Company may develop, get developed, acquire or propose to acquire and to use, turn to account, manufacture under, exploit, grant license, sublicenses, concessions, right to use, privileges or enter into such other arrangements, for consideration or otherwise, in respect of aforesaid patents, trademarks, right (including intellectual property rights), brevets, inventions, licenses, protections, concessions or any other such right.

34. Main business carried on by the Resulting Company:

At present, the Resulting Company does not carry on any business activity. After the Scheme becomes effective, all the activities, business, operations and undertakings of the Applicant Company 1 in relation to the Domestic Wiring Harness Business of the Applicant Company 1, shall stand transferred to and vested in the Resulting Company.

35. Details of the capital structure of the Resulting Company including authorized, issued, subscribed and paid-up share capital:

<b>Authorised Share Capital as on February 28, 2021</b>	<b>Amount (in Rs.)</b>
33,00,00,000 Equity Shares of Re. 1 each	33,00,00,000
<b>Total</b>	<b>33,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital as on February 28, 2021</b>	<b>Amount (in Rs.)</b>
5,00,000 Equity Shares of Re. 1 each	5,00,000
<b>Total</b>	<b>5,00,000</b>

Subsequent to February 28, 2021, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Resulting Company.

The expected capital structure of the Resulting Company after the Scheme becomes effective is as under:

<b>Authorised Share Capital</b>	<b>Amount (in Rs.)</b>
333,00,00,000 Equity Shares of Re. 1 each	333,00,00,000
<b>Total</b>	<b>333,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	<b>Amount (in Rs.)</b>
315,79,34,237 Equity Shares of Re. 1 each	315,79,34,237
<b>Total</b>	<b>315,79,34,237</b>

Please refer to **ANNEXURE XXIIC** for details regarding the shareholding pattern of the Resulting Company before the Scheme becomes effective and indicative shareholding pattern of the Resulting Company after the Scheme becomes effective.

36. Names of the promoters of the Resulting Company as on February 28, 2021 along with their addresses:

S. No.	Name of the Promoter	Address
1.	Motherson Sumi Systems Limited	Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra

37. Names of the directors of the Resulting Company as on February 28, 2021 along with their addresses:

S. No.	Name of the Director	Address
1.	Mr. Vivek Chaand Sehgal	8266 Steckborn, Seehaldenstrasse 14, Switzerland
2.	Mr. Gautam Mukherjee	P-62, Sector –XI, Noida – 201301 (Uttar Pradesh)
3.	Mr. Naveen Ganzu	08, Ozone Residenza, Haralur Main Road, Bangalore South, Bangalore -560102
4.	Mr. Laksh Vaaman Sehgal	48, Queens Grove, London, NW86HH, Great Britain
5.	Mr. Sanjay Mehta	H No.244, Sector-21C Faridabad 121003, Haryana
6.	Mr. Kunal Malani	Sea Garden View, Flat no. 1201, 16th Rd, Vithaldas Nagar, Santacruz West, Mumbai, Maharashtra- 400052

38. The date of the board meeting at which the Scheme was approved by the Board of the Resulting Company including the names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Scheme was approved by the directors of the Resulting Company on July 17, 2020. The details of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution are as under:

S.No.	Names of the Directors	Votes
1.	Mr. Vivek Chaand Sehgal	Abstained from voting being an interested party.
2.	Mr. Gautam Mukherjee	Approved
3.	Mr. Naveen Ganzu	Approved
4.	Mr. Laksh Vaaman Sehgal	Abstained from voting being an interested party
5.	Mr. Sanjay Mehta	Approved
6.	Mr. Kunal Malani	Approved

39. As on September 30, 2020, the aggregate amount due to the unsecured creditors of the Resulting Company is Rs. 4,02,431.

40. Disclosure about effect of the Scheme on material interests of directors, key managerial personnel, debenture trustee and other stakeholders of the Resulting Company:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Shareholders	(a) As consideration for the Demerger, the Resulting Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of the Applicant Company 1, as on the Record Date ( <i>as defined in the Scheme</i> ), 1 equity share of Re. 1 each of the Resulting Company for every 1 equity share of Re. 1 each of the Applicant Company 1 (" <b>Demerger Share Entitlement Ratio</b> "). On the Demerger becoming effective, the shareholding of the Resulting

		<p>Company will be a mirror-image of the Applicant Company 1 as on the Record Date.</p> <p>(b) Further, since the Resulting Company is a wholly owned subsidiary of the Applicant Company 1, simultaneous upon the Demerger under the Scheme becoming effective, the shareholding of the Applicant Company 1 and its nominees in the Resulting Company shall, without any further application, act, instrument or deed, stand automatically cancelled.</p> <p>(c) Post the effectiveness of the Demerger, in terms of the Scheme, the equity shares issued by the Resulting Company shall be listed and admitted for trading on the BSE Limited and National Stock Exchange of India Limited.</p> <p>(d) As such, on the Demerger becoming effective in terms of the Scheme, the Resulting Company will cease to be a wholly owned subsidiary of the Applicant Company 1.</p>
2.	Promoters	Upon the Scheme becoming effective, the existing promoters of the Resulting Company, i.e., Applicant Company 1, will cease to be promoters and the promoters of the Applicant Company 1, as on the record date, will become the promoters of the Resulting Company.
3.	Non-Promoter Shareholders	Being a wholly-owned subsidiary of the Applicant Company 1, the Resulting Company does not have any non-promoter shareholders.
4.	Key Managerial Personnel (“KMPs”)/ Directors	<p>As on date, the Resulting Company does not have any key managerial personnel and therefore the question of the Scheme having an effect on any key managerial personnel does not arise.</p> <p>Upon the Demerger becoming effective as per the terms of the Scheme, the board of directors of the Resulting Company will be reconstituted and KMPs will be appointed as per applicable law.</p>
5.	Creditors/ Debenture Holders	<p>As on date, the Resulting Company does not have any secured creditors and therefore the question of the Scheme having an effect on any creditors does not arise. Further, the Scheme does not impact the unsecured creditors of Resulting Company and that the unsecured creditors of Resulting Company are being paid in the normal course of business. The Scheme is in no manner prejudicial to the interests of the creditors of the Resulting Company</p> <p>As on date, the Resulting Company does not have any debenture holders and therefore the question of the Scheme having an effect on any debenture holders does not arise.</p>
6.	Depositors/ Deposit Trustee	As on date, Resulting the Company does not have any outstanding public deposits and therefore the question of the Scheme having an effect on any such depositors and deposit trustee does not arise.
7.	Debenture Trustee	As on date, the Resulting Company does not have any debenture holders and therefore the question of the Scheme having an effect on any debenture trustee does not arise.



8.	Employees	<p>As on date, the Resulting Company does not have any employees and therefore the question of the Scheme having an effect on any employee does not arise.</p> <p>Upon the Demerger becoming effective, in terms of the Scheme, all employees of the DWH Undertaking, as determined by the Board of the Applicant Company 1, 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 Applicant Company 1, on Effective Date 1 (as defined in the Scheme). The services of such employees with the Applicant Company 1 up to the Effective Date 1 (as defined in the Scheme) 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.</p>
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41. Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of the Resulting Company:

None of the "Directors" (as defined under the Act) of the Resulting Company and their respective "Relatives" (as defined under the Act) have any interests, financial or otherwise in the Scheme except to the extent of shareholding in the Companies as set out below and/or to the extent the said Directors of the Resulting Company are directors on the Board of / key managerial personnel of the Applicant Company 1 and Applicant Company 2 as set out below:

Details as on February 28, 2021				
S. No.	Name / Designation	No. of shares held in Resulting Company	No. of shares held in the Applicant Company 1	No. of shares held in Applicant Company 2
1.	Mr. Vivek Chaand Sehgal, Chairman	Nil	7,31,65,402	10,05,27,391
2.	Mr. Gautam Mukherjee, Director	Nil	10,000	10,000
3.	Mr. Naveen Ganzu, Director	Nil	2,11,951	Nil
4.	Mr. Laksh Vaaman Sehgal, Director	Nil	123	200
5.	Mr. Sanjay Mehta, Director	1*	Nil	65,000
6.	Mr. Kunal Malani, Director	Nil	Nil	55,800

\*As a nominee of the Applicant Company 1.

Details as on February 28, 2021				
S. No.	Name of Director/ KMP	Designation in Resulting Company	Designation in the Applicant Company 1	Designation in Applicant Company 2
1.	Mr. Vivek Chaand Sehgal	Director	Chairman	Chairman
2.	Mr. Gautam Mukherjee	Director	Independent Director	NA
3.	Mr. Naveen Ganzu	Director	Independent Director	NA
4.	Mr. Laksh Vaaman Sehgal	Director	Director	Director
5.	Mr. Sanjay Mehta	Director	NA	Whole Time Director
6.	Mr. Kunal Malani	Director	NA	NA

As on February 28, 2021, the Resulting Company does not have any “Key Managerial Personnel” (as defined under the Act).

42. **Relationship between the Companies:** As on date, the Resulting Company is a wholly owned subsidiary of the Applicant Company 1 and Applicant Company 2 is a promoter of the Applicant Company 1 and holds 33.43% paid up share capital in the Applicant Company 1.
43. **Relevant Extracts of Rationale of the Scheme and the benefits of the Scheme as perceived by the Board of Directors of the respective Companies:** Clause 3 of the Scheme (i.e. Rationale for the Scheme) states as under. All capitalized terms used under Paragraphs 43 and 44 shall, unless specifically defined herein, have the meaning prescribed under 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 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, 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 resultant MSSL. 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 Motherson 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.
- 3.3 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."*

**Appointed Date, Effective Date, Record Date and Share Exchange Ratio and Other Considerations:**

Clause 1(c) of Section I of the Scheme defines Appointed Date 1 as 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*".

Clause 1(c) of Section II of the Scheme defines Appointed Date 2 as Effective Date 2.

Clause 1(i) of Section I of the Scheme defines Effective Date 1 as 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.*"

Clause 1(d) of section II of the Scheme defines Effective Date 2 as 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.*"

Clause 1(m) of Section I of the Scheme defines Record Date 1 as "*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*".

Clause 1(e) of Section II of the Scheme defines Record Date 2 as "*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 3 (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*".

**Consideration for the Demerger and the Amalgamation – Demerger Share Entitlement Ratio and Merger Share Exchange Ratio**

Equity shares of the Resulting Company shall be issued to the equity shareholders of the Applicant Company 1 (as on the Record Date 1) in the ratio of 1:1, i.e. 1 Equity Shares having a face value of Re. 1 each, fully paid up, of the Resulting Company for every 1 Equity Shares having a face value of Re. 1 each, fully paid up, of Applicant Company 1 ("**Demerger Share Entitlement Ratio 1**").

Equity shares of the Applicant Company 1 shall be issued to the equity shareholders of Applicant Company 2 (as on the Record Date 2) in the ratio of 51:10, i.e., 51 Equity Shares having a face value of Re. 1 each, fully paid up, of the Applicant Company 1 for every 10 Equity Shares having a face value of Rs. 10 each, fully paid up, of Applicant Company 2 ("**Merger Share Exchange Ratio**").

#### 44. Salient Features of the Scheme:

##### **DEFINITIONS**

*Capitalised terms used herein but not defined shall have the meaning assigned to them in the draft of the Scheme enclosed as **Annexure I**.*

##### **Section I**

- 1(c) "**Appointed Date 1**" means April 1, 2021 or such subsequent dated (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;
- 1(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 relatable 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 relating to the DWH Undertaking or not shall be decided by the Board of Directors of the Transferor Company.*

- 1(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;
- 1(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;

- 1(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;
- 1(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;

## **Section II**

- 1(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;
- 1(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 3 (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.

## **CONSIDERATION FOR DEMERGER AND AMALGAMATION**

### **Demerger (Section I Clause 8.1)**

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 for every 1 (one) Equity Share of Re. 1 (Indian Rupee One) each of the Transferor Company (**“Demerger Share Entitlement Ratio”**).

### **Amalgamation (Section II Clause 7.1)**

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 Share of Re. 1 (Indian Rupee One) each of the Amalgamated Company for every 10 (Ten) Equity Share of Rs. 10 each of the Amalgamating Company (**“Merger Share Exchange Ratio”**).

## **CANCELLATION OF EQUITY SHARES**

### **Demerger (Section I Clause 10)**

Simultaneous with the issuance of the Equity Shares in accordance with Clause 8 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.

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.*

- **Amalgamation (Section II Clause 9)**

*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.*

*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.*

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

**Section II Clause 13**

*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.*

*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).*

**CHANGE OF NAME OF AMALGAMATED COMPANY**

**Section II Clause 14**



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.

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.

## **LISTING OF NEW EQUITY SHARES**

### **Section I Clause 11**

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.

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.

### **Section II Clause 10**

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 its the Equity Shares issued pursuant to Section II of this Scheme listed on the Stock Exchanges.

## **ACCOUNTING TREATMENT**

### **Section I Clause 15**

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.*

### **Section II Clause 17**

*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 MSSL 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(b) 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.*

### **CONDITIONS PRECEDENT**

#### **Section III Clause 3**

*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 Paragraph 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.*

*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.*

**THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME, THE EQUITY SHAREHOLDERS ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME (ANNEXED HERewith) TO GET FULLY ACQUAINTED WITH THE PROVISIONS THEREOF AND THE RATIONALE OF THE SCHEME.**

#### 45. Summary of the Valuation Reports including basis of valuation and the Fairness Opinion:

A joint valuation report dated July 2, 2020 was prepared by Price Waterhouse & Co. LLP, Chartered Accountants and BSR & Associates LLP, Chartered Accountants, recommending the Demerger Share Entitlement Ratio and the Merger Share Exchange Ratio to the Applicant Company 1, Applicant Company 2 and the Resulting Company (“**Joint Report**”). A valuation report, dated July 2, 2020, was prepared by Incwert Advisory Private Limited, a registered valuer, also recommending the Demerger Share Entitlement Ratio and the Merger Share Exchange Ratio to the Applicant Company 1 and Applicant Company 2 (Joint Report and the valuation report by Incwert Advisory Private Limited collectively, “**Valuation Reports**”).

Copies of the said Valuation Reports are enclosed herewith as **Annexures III and IV**.

In terms of the SEBI Circular, Axis Capital Limited, a Category-I Merchant Banker and DSP Merrill Lynch Limited, a Category-I Merchant Banker, submitted to the Board of Directors of the Applicant Company 1, their respective fairness opinions, certifying that the valuations pertaining to Demerger and Amalgamation provided in the Joint Report are fair and reasonable. Copies of the said certificates are enclosed herewith as **Annexures V and VI**.

#### 46. Compliance with pricing provisions of ICDR Regulations

As consideration for the amalgamation of the Applicant Company 2 into and with the Applicant Company 1, the Applicant Company 1 shall, issue and allot to the shareholders of the Applicant Company 2 as on the Record Date 2 in accordance with the Merger Share Exchange Ratio. As per the SEBI Circular, the issuance of shares under schemes in case of allotment of shares, only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes, shall follow the pricing provisions of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**ICDR Regulations**”) and the relevant date for the purposes of computing the pricing is the date of the Board meeting at which the scheme is approved.

Equity shares of the Applicant Company 1 are listed on BSE Limited and National Stock Exchange of India Limited. Equity Shares of the Company are ‘frequently traded’ in terms of Regulation 164 of the ICDR Regulations. Accordingly, the minimum price of equity shares to be issued by the Company, as per Regulation 164 of ICDR Regulations, should be the higher of:

- (a) the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty-six weeks preceding the relevant date;
- (b) the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date

The relevant date for the purpose of this Scheme is July 2, 2020.

Further, Regulation 166 of the ICDR Regulations specifically provides for certain adjustments that may be made in the pricing for frequently and infrequently traded shares. As per Regulation 166, the price determined for a preferential issue by a listed company in accordance with Regulation 164 of the ICDR Regulations shall be subject to appropriate adjustments, on account of *inter alia* the issuer making an issue of equity shares after completion of a demerger wherein the securities of the resultant demerged entity are listed on a stock exchange. In the present Scheme, the issuance of equity shares by the Company in consideration for the Amalgamation of the Applicant Company 2 into the Applicant Company 1, is taking place after the Demerger of the DWH Undertaking into the Resulting Company, which will be listed pursuant to the Scheme. In this regard, the Applicant Company 1 is in compliance with the pricing provisions of ICDR Regulation. The Certificate obtained

from the Statutory Auditors of the Applicant Company 1, with regard to compliance with conditions to be met under the ICDR Regulations read with the SEBI Circular, including the adjustments required to be made, in accordance with Regulation 166 of the ICDR Regulations, is annexed hereto as **Annexure VII**.

47. **Details of capital or debt restructuring, if any:** Upon the Demerger becoming effective on Effective Date 1, the authorised Share Capital of the Applicant Company 1 to the extent of Rs. 300,00,00,000 divided into 300,00,00,000 Equity Shares of Re. 1 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. Thus, the authorized capital of the Resulting Company shall stand increased to Rs. 333,00,00,000 divided into 333,00,00,000 equity shares of Re. 1 each. The Memorandum of Association of the Resulting Company shall be amended to reflect the same as an effect of the Scheme.

Upon the Amalgamation becoming effective on Effective Date 2, the authorized share capital of Applicant Company 2 shall stand combined with and be deemed to be added to the authorized share capital of the Applicant Company 1 without any liability for payment of any additional fees or stamp duty. Thus, the authorized capital of the Applicant Company 1 shall stand increased to Rs. 1230,00,00,000 divided into 1230,00,00,000 equity shares of Re. 1 each. The Memorandum of Association of the Applicant Company 1 shall be amended to reflect the same as an effect of the Scheme.

There shall be no debt restructuring of any of the Companies pursuant to the Scheme.

48. **Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed Scheme:**

- (a) The equity shares of the Applicant Company 1 are listed on BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**NSE**”) (collectively, the “**Stock Exchanges**”). The BSE was appointed as the designated stock exchange by the Applicant Company 1 for the purpose of coordinating with SEBI, pursuant to the SEBI Circular. The Applicant Company 1 has received an observation letter dated December 7, 2020 from NSE and an observation letter dated December 4, 2020 from BSE wherein the Stock Exchanges have granted their no objection to filing the Scheme with the Hon’ble Tribunal. The said observation letters issued by the NSE and the BSE are enclosed as **ANNEXURE XI** and **ANNEXURE X**, respectively.
- (b) As required by the SEBI Circular, the Applicant Company 1 has filed its Complaints Report with NSE and BSE, both on October 5, 2020. The Complaint Report filed by the Applicant Company 1 indicates that it has received ‘nil’ complaints. Copies of the Complaints Report are enclosed as **ANNEXURE IX** and **ANNEXURE VIII** respectively.
- (c) Notice under Section 230(5) of the Act is being given to/filed with (i) the Central Government through the office of jurisdictional Regional Director with respect to all Companies, (ii) jurisdictional Registrar of Companies with respect to all Companies, (iii) Income Tax Authorities in respect of all Companies, (iv) Competition Commission of India with respect to Applicant Company 1 and Applicant Company 2, (v) NSE with respect to Applicant Company 1, (vi) BSE with respect to Applicant Company 1, (vii) SEBI with respect to Applicant Company 1, (viii) the Reserve Bank of India with respect of the Applicant Company 2, and (ix) Official Liquidator, High Court, Bombay with respect of the Applicant Company 2 for their representation/approval to the Scheme.
- (d) The Scheme was filed by the Companies with the Hon’ble Tribunal, on December 18, 2020. Consequently, the Hon’ble Tribunal *vide* order dated February 16, 2021, has directed, *inter alia*, the convening of the Meeting.
- (e) On the Scheme being approved by the requisite majority of the shareholders of the respective

companies involved in the Scheme as per the requirement of Section 230 of the Act, all the Companies will file petitions with the Hon'ble Tribunal for sanction of the Scheme.

49. No investigation or proceedings have been instituted or are pending in relation to any of the Companies under the Act.
50. The Companies have filed a copy of the Scheme with the Registrar of Companies pursuant to Section 232(2)(b) of the Act.
51. **Inspection of Documents:** Copies of the following documents will be open for inspection to the equity shareholders of the Applicant Company 1 on the website of the Applicant Company 1 [www.motherson.com](http://www.motherson.com):
- (a) Order dated February 16, 2021 passed by the Hon'ble Tribunal in Company Application CA(CAA) /1166/ MB-IV/ 2020, directing *inter alia*, the convening of the Meeting
  - (b) Scheme, as filed before the Hon'ble Tribunal;
  - (c) Joint valuation report dated July 2, 2020 issued by Price Waterhouse & Co. LLP and BSR & Associates LLP and valuation report dated July 2, 2020 issued by Incwert Advisory Private Limited;
  - (d) Independent Auditor's Report, dated July 2, 2020, on compliance with conditions of the Pricing Provisions specified in Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by S.R. Batliboi & Co. LLP, Chartered Accountants;
  - (e) Fairness Opinions dated July 2, 2020 issued by Axis Capital Limited, a Category-I Merchant Banker registered with SEBI and DSP Merrill Lynch Limited, a Category-I Merchant Banker registered with SEBI;
  - (f) Complaints report submitted by the Applicant Company 1 to the NSE on October 5, 2020;
  - (g) Complaints report submitted by the Applicant Company 1 to BSE on October 5, 2020;
  - (h) Observation letter dated December 7, 2020 issued by the NSE to the Applicant Company 1;
  - (i) Observation letter dated December 3, 2020 issued by BSE to the Applicant Company 1;
  - (j) Certificate of incorporation dated December 19, 1986 and the fresh certificate of incorporation consequent upon change of address with copies of the memorandum of association and articles of association of the Applicant Company 1;
  - (k) Certificate of incorporation dated December 9, 2004 and the fresh certificate of incorporation consequent upon change of address with copies of the memorandum of association and articles of association of the Applicant Company 2;
  - (l) Certificate of incorporation dated July 2, 2020 along with copies of the memorandum of association and articles of association of Resulting Company;
  - (m) Certificate dated July 2, 2020 issued by S.R. Batliboi & Co. LLP, the statutory auditor of the Applicant Company 1 in terms of the proviso to Section 230(7)/ 232(3) of the Act, certifying that the accounting treatment provided for in the Scheme is in conformity with the accounting standards specified under Section 133 of the Act;
  - (n) Certificate dated July 21, 2020 issued by S.R. Batliboi & Co. LLP, the statutory auditor of the Resulting Company in terms of the proviso to Section 230(7)/ 232(3) of the Act, certifying that the

accounting treatment provided for in the Scheme is in conformity with the accounting standards specified under Section 133 of the Act;

- (o) Annual reports of the Applicant Company 1 for the last three financial years ended March 31, 2020, March 31, 2019 and March 31, 2018;
  - (p) Limited review financial statement for the period ended September 30, 2020 of the Applicant Company 1;
  - (q) Audited financial statements for the period ended March 31, 2020 of Applicant Company 2;
  - (r) Audited Special Purpose Interim Condensed Consolidated Financials for the period ended September 30, 2020 of the Applicant Company 2;
  - (s) Audited financial statement of the Resulting Company from the date of its incorporation, i.e., July 2, 2020, to September 30, 2020;
  - (t) Extracts of the resolutions passed by the Boards' of the Applicant Company 1, Applicant Company 2 and Resulting Company, *inter alia*, approving the Scheme and the filing thereof with the Hon'ble Tribunal;
  - (u) Report of the Audit Committee of the Applicant Company 1 dated July 2, 2020 recommending the Scheme to the Board of the Transferor Company;
  - (v) Reports adopted by the respective Boards' of each of the Companies pursuant to Section 232(2)(c) of the Act;
  - (w) Other documents displayed on the websites of the Stock Exchanges and the Applicant Company 1 in terms of the SEBI Circular;
  - (x) Abridged prospectus as provided in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 specifying applicable information of Applicant Company 2, as filed with the Stock Exchanges;
  - (y) Abridged prospectus as provided in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 specifying applicable information of the Resulting Company, as filed with the Stock Exchanges;
  - (z) Copies of the paper books filed in Company Application (CAA) No. CA(CAA)/1166/MB-IV/2020.
52. For further details about the Scheme, shareholders may access the below mentioned documents using the links provided herewith:
- (a) Reorganization: Press Release-  
<https://www.motherson.com/storage/Corporate%20Announcements/FY2020-21/Press%20Release%20-%20Motherson%20Sumi%20Systems%20Limited%20approves%20Group%20Reorganization%20Plan.pdf>;
  - (b) Reorganization Presentation: Poised for the Next Phase of Growth-  
<https://www.motherson.com/storage/Corporate%20Announcements/FY2020-21/Investor-Presentation-Poised-for-next-phase-of-Growth.pdf>;
  - (c) Reorganization Scheme (Application under Regulation 37, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the approval of the Scheme made to the Stock Exchanges,



including Valuation Details and Fairness Opinions)-  
<https://www.motherson.com/storage/Shareholder%20Information/BSE-24072020-2.pdf>;

- (d) SAMIL Investor Day Presentation: OVERVIEW-  
<https://www.motherson.com/storage/Corporate%20Announcements/FY2020-21/SAMIL%20Overview.pdf>;
- (e) SAMIL Investor Day Presentation: Top 10 Business Overview-  
<https://www.motherson.com/storage/Corporate%20Announcements/FY2020-21/SAMIL%20Top%2010%20Businesses%20-Overview.pdf>;
- (f) Vision 2025- Group Overview Presentation: The Future is Bright-  
[https://www.motherson.com/storage/investor-presentations/2020\\_2021/The-Future-is-Bright.pdf](https://www.motherson.com/storage/investor-presentations/2020_2021/The-Future-is-Bright.pdf);
- (g) Vision 2025- Group Divisional Presentations- [https://www.motherson.com/storage/investor-presentations/2020\\_2021/Motherson-Investor-Meet-2020-Divisional-Presentations.pdf](https://www.motherson.com/storage/investor-presentations/2020_2021/Motherson-Investor-Meet-2020-Divisional-Presentations.pdf);
- (h) Reorganization: Addendum Investor Presentation and Frequently Asked Questions-  
<https://www.motherson.com/storage/Corporate%20Announcements/FY2020-21/Investor-presentation-&-FAQ-for-reorganisation.pdf> .

Dated this March 26, 2021

**Sd/-**  
**Sushil Chandra Tripathi, IAS (Retd.)**  
**DIN: 00941922**  
**(Chairperson appointed for the meeting)**

**Registered Office:** Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Mumbai 400 051, Maharashtra  
**CIN:** L34300MH1986PLC284510  
**Email:** investorrelations@motherson.com

# ANNEXURE I

## 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 / Transfer Company /  
Amalgamated Company

SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED

Amalgamating Company

MOTHERSON SUMI WIRING INDIA LIMITED

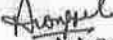
Resulting Company

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS



For Motherson Sumi Systems Limited

  
Anshul  
/ Secretary

For Samvardhana Motherson International Limited

  
Pooja Mehra  
Company Secretary

For Motherson Sumi Wiring India Ltd.

  
Director

## 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 hereinafter) 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

Motherhood Suni Systems Limited ("MSSL" or "Transferor Company" or "Amalgamated Company") is a public limited company incorporated on December 19, 1986, under the Laws (as defined in Section I of this Scheme) 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 its subsidiaries.

#### 2.2 Resulting Company

Motherhood Sumi Wiring India Limited ("Resulting Company") is a public limited company incorporated on July 2, 2020, 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 the Resulting Company is U29306MH2020PLC341326. The Resulting Company is a wholly owned subsidiary of MSSL.

#### 2.3 Amalgamating Company

Sanvardhana Motherhood International Limited ("Amalgamating Company"), 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. The 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 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, 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 resultant MSSL. 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 Motherson 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.

3.3 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.

3.4. 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 (as defined in Section I of this Scheme) and vesting of the same in the Resulting Company, 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 (as defined in Section II of this Scheme), 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.



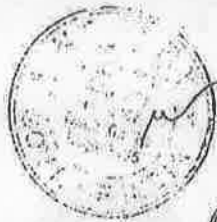
SECTION I

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 relatable 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) **“Resulting Company”** means Motherson Sumi Wiring India Limited;
- (q) **“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;
- (r) **“SEBI”** means the Securities and Exchange Board of India;
- (s) **“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;
- (t) **“Stock Exchanges”** means collectively BSE Limited and the National Stock Exchange of India Limited; and
- (u) **“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.
<b>Authorised Capital</b>	
605,00,00,000 Equity Shares of Re. 1 each	605,00,00,000
2,50,00,000 preference shares of Rs. 10 each	25,00,00,000
<b>Total</b>	<b>630,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
315,79,34,237 Equity Shares of Re. 1 each	315,79,34,237
<b>Total</b>	<b>315,79,34,237</b>

2.2 The capital structure of the Resulting Company, as on July 2, 2020, is as under:

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

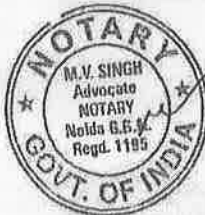


PART B

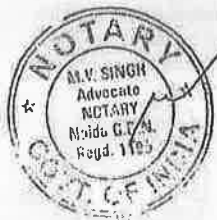
3. DEMERGER OF THE DWH UNDERTAKING AND VESTING OF THE SAME IN THE RESULTING COMPANY

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:

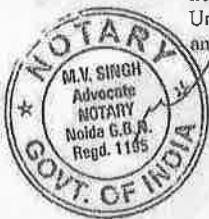
- (a) Upon Section I of the Scheme coming into effect on the Effective Date 1 and with effect from the Appointed Date 1, all assets of the DWH Undertaking that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and / or by endorsement 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, 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, agreements executed with custodians, 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 activities 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 employees 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.

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.

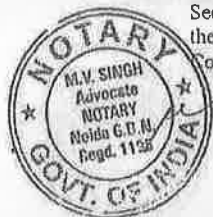
4.1 As on date, the DWH Undertaking is being carried on as a part of the business of the Transferor Company and will be continued to be carried on by the Transferor Company during the pendency of the Scheme. The DWH Undertaking has various inter-dependencies with the Remaining Business of the Transferor 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.



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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 (Two Crore Fifty Lakhs) 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.

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 Clause 7.1 of Section I of this Scheme above, a portion of the authorized share capital of the Transferor Company, amounting to Rs. 300,00,00,000 (Indian Rupees Three Hundred Crores), comprising of 300,00,00,000 (Three Hundred Crore) Equity Shares of Re. 1 (Indian Rupee One) each, shall stand transferred and be deemed to be added to the authorized share capital of the Resulting Company as on Effective Date 1, without any requirement of any further act or deed on the part of the Transferor Company, including payment of stamp duty and fees payable to the RoC, and the memorandum of association and articles of association of the Resulting 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 Section 4, Section 13, Section 61 and/or other applicable provisions of the Companies Act, if any, would be required to be separately passed, and for this purpose, the stamp duties and fees paid on the authorized share capital of the Transferor Company in the past shall be deemed to have been utilized and applied to the increased authorized share capital of the Resulting Company and there would be no requirement of any further payment of stamp duty and/or fee by the Resulting Company for increase in and utilization of the authorized share capital to that extent, provided that, if applicable, the Resulting Company shall pay the requisite fees on its authorised share capital enhanced by the demerger, in terms of the Companies Act.



## 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 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 Share Entitlement 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**

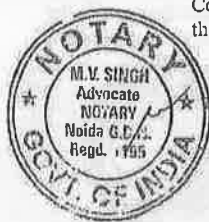
- 10.1 The Resulting Company is a wholly owned subsidiary of the Transferor Company. Accordingly, simultaneous with the issuance of the Equity Shares in accordance with Clause 8 of Section I of this Scheme, the existing issued and paid up Equity Share capital of the Resulting Company, as held by the 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 Minimum Alternate Tax (MAT) credit), central value added tax (CENVAT), customs, value added tax (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, minimum alternate tax (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 3 (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.
<b>Authorised Capital</b>	
90,00,00,000 Equity Shares of Rs. 10 each	900,00,00,000
<b>Total</b>	<b>900,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
47,36,13,855 Equity Shares of Rs. 10 each	473,61,38,550
<b>Total</b>	<b>473,61,38,550</b>

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

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





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.

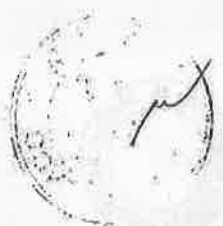
3.2. Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein:

(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 NCDs 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 performance 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 MSSL 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

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 Section 4, Section 13, Section 61 and/or other applicable provisions of the Companies Act, if any, would be required to be separately passed, 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. Provided that, 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) 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 3 (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

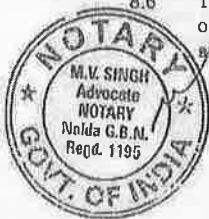
- 7.1. Upon the coming into effect of this Scheme and in consideration of the amalgamation of the Amalgamating Company into and with MSSL, pursuant to Section II of this Scheme, the Amalgamated Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of the Amalgamating Company as on Record Date 2, 51 (Fifty One) Equity Share of Re. 1 (Indian Rupee One) each of the Amalgamated Company for every 10 (Ten) Equity Share of Rs. 10 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**

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 its 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 filings 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, tax deducted at source (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, minimum alternate tax (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 MSSL 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(b) 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

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

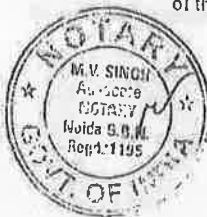
- 1.1 Each of the Transferor Company, Resulting Company and Amalgamating Company shall, as may be required, dispatch, make and file all applications and petitions under Section 230 to 232 of the Companies Act before the NCLT, for sanction of the Scheme under the provisions of Applicable Laws.
- 1.2 The 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 Paragraph 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, deeds 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 230-232 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**

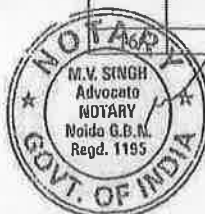
The various Sections of this Scheme are inextricably inter-linked with each other and this Scheme constitutes an integral whole. This Scheme shall be given effect to only in its entirety and in the sequence and order mentioned in Clause 2 of Section III of this Scheme.



**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-Paliredi	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 Buddha 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 Kuruvanmedu, 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
	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, vulcanised 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 storers 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.

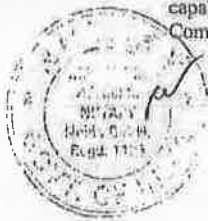
6. To carry on the business of a holding company for establishing subsidiaries, making majority or minority investment, and / or to promoter technical collaborations in companies operating in any kind of activity and in specific by not limited to investment in entities engaged in the auto components 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 promoting 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.



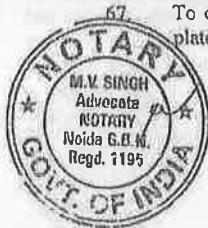
45. To do all or any part of the above things in any part of the world either as principals, contractors, trustees or otherwise and either alone or in conjunction with others and by or through agents, contractors, trustees or otherwise.
46. To acquire any securities by subscription, purchase, exchange 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-sheated 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

*[Handwritten signature]*



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, alpha stable 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, aerias of copper, aluminium varnish cambic 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.

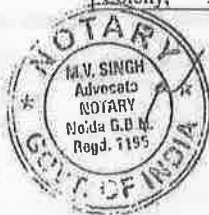
56. To purchase, sell, import, export, manufacture, repair or otherwise deal in all types of extruders and other machinery used for the manufacture, repair or otherwise deal in all types of extruders and other machinery used for the manufacture of insulated cables, sheeted and unsheathed wires, industrial cables.
57. To manufacture, produce, process or assemble and deal in all sorts of air and gas treatment plants and equipment, air-conditioning plants, refrigeration and equipment, 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 equipment, port material, handling, equipment, process plants and washing plants.
59. To undertake the manufacture or production of calcined petroleum coal and calcined anthracite 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, metalliferous 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, optical 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, polycyflines, 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 including prefabricated sections and shapes, cellulosic and other thernmosetting 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. 1230,00,00,000 (Indian Rupees One Thousand Two Hundred and Thirty Crores) consisting of 1230,00,00,000 (One Thousand Two Hundred and Thirty Crores) Equity Shares of Re. 1/- (Rupee One) each.

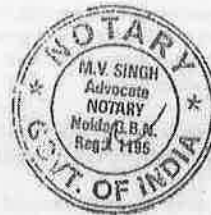
We the several persons, whose names and addresses are subscribed, are desirous of being formed into a Company. In pursuance of the Memorandum of Association, and we respectively agree to take the number of shares in the Company set opposite respective names.

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
Mr. Vivek Chaand Sehgal S/o Sh. K.L. Sehgal B-300, New Friends Colony, New Delhi-	100	Sd/- Vivek Chaand Sehgal	Sd/- (K Souri Rajan) S/o M.K. Krishnamachari Chartered Accountant Phone: 80963



110065 Business		240A, Pocket I Mayur Vihar Delhi- 110091.
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Place: New Delhi  
Date: December 10, 1986



**ATTESTED**  
M.V. SINGH  
Advocate, NOTARY  
HAIDA G.B. NAGAR (U.P.)

4 DEC 2020

For Motherson Sum. Systems Limited

*Alokh*  
Alok Goel  
Company Secretary

For Samvardhana Motherson International Limited

*Pooja Mehra*  
Pooja Mehra  
Company Secretary

For Motherson Sumi Wiring India Ltd.

*[Signature]*  
Director

# ANNEXURE II

IN THE NATIONAL COMPANY LAW TRIBUNAL,  
MUMBAI BENCH-IV

CA(CAA)/1166/MB-IV/2020

In the matter of the Companies Act, 2013;

And

In the matter of  
under Sections 230 - 232 and  
other applicable provisions of the Companies Act, 2013  
read with Companies (Compromises,  
Arrangements and Amalgamations) Rules, 2016;

In the matter of  
Scheme of Amalgamation and Arrangement

Between

Motherhood Sumi Systems Limited  
(**“Applicant Company 1”** or **“Transferor  
Company”** or **“Amalgamated Company”**),  
Samvardhana Motherhood International Limited

(**“Applicant Company 2”** or  
**“Amalgamating Company”**)

and

Motherhood Sumi Wiring India Limited  
(**“Applicant Company 3”** or  
**“Resulting Company”**).

Motherhood Sumi Systems Limited  
[CIN: L34300MH1986PLC284510]

...Applicant Company 1/  
Transferor Company 1



IN THE NATIONAL COMPANY LAW TRIBUNAL,

MUMBAI BENCH-IV

CA(CAA)/1166/MB-IV/2020

Samvardhana Motherson International

Limited

[CIN: U74900MH2004PLC287011]

...Applicant Company 2/

Transferor Company 2

Motherson Sumi Wiring India Limited

CIN: U29306MH2020PLC341326

...Applicant Company 3/

Transferor Company 3

**Order Delivered on: 16.02.2021**

***Coram:***

Hon'ble Smt. Suchitra Kanuparthi, Member (J)

Hon'ble Shri. Chandra Bhan Singh, Member (T)

*Appearances (via videoconferencing):*

For the Applicants

:

Mr. Hemant Sethi, Ms. Vidisha  
Poonja i/b Hemant Sethi &  
Co., Advocates

**ORDER**

***Per: Suchitra Kanuparthi, Member (Judicial)***

1. The court is convened via video conferencing.
2. The Counsel for the Applicants states that the present Composite Scheme (“**Scheme**” or the “**Composite Scheme of Arrangement**”) is an Arrangement among Motherson Sumi Systems Limited (“**Applicant Company 1**” or “**Transferor Company**” or “**Amalgamated Company**”), Samvardhana Motherson International Limited (“**Applicant Company 2**” or “**Amalgamating Company**”) and Motherson Sumi Wiring India Limited (“**Applicant Company 3**” or “**Resulting Company**”). The Scheme envisages the following:

IN THE NATIONAL COMPANY LAW TRIBUNAL,

MUMBAI BENCH-IV

CA(CAA)/1166/MB-IV/2020

- a) demerger of the DWH Undertaking (*as defined in the Scheme*) from Applicant Company 1 into Applicant Company 3, in accordance with Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Act”) and in compliance with Section 2(19AA) of the Income Tax Act, 1961 (“IT Act”). Further, upon the said demerger becoming effective, the Applicant Company 3 shall issue and allot equity shares to the shareholders of the Applicant Company 1, as on the Record Date 1 (*as defined in the Scheme*), 1 equity share of Re. 1 each of the Applicant Company 3 for every 1 equity share of Re. 1 each of the Applicant Company 1; and
- b) Amalgamation of Applicant Company 2 into and with Applicant Company 1, by absorption, in accordance with Sections 230 to 232 and other applicable provisions of the Act and in compliance with Section 2(19AA) of the IT Act, subsequent to the completion of the demerger referred to in (a) above. Further, upon the said amalgamation becoming effective, the Applicant Company 1 shall issue and allot equity shares to the shareholders of Applicant Company 2 as on the Record Date 2 (*as defined in the Scheme*), 51 equity share of Re. 1 each of the Applicant Company 1 for every 10 equity share of Rs. 10 each of the Applicant Company 2.
3. The Counsel for the Applicants submits that Applicant Company 1 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 Applicant Company 1 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.

4. The Counsel for the Applicants further submits that Applicant Company 2, 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 Applicant Company 2 is registered with the RBI under Section 45-IA of the Reserve Bank of India Act, 1934, as a Core Investment Company (“CIC”). The Applicant Company 2 holds 33.43% of Applicant Company 1 as on September 30, 2020.
5. The Counsel for the Applicants further submits that Applicant Company 3 was incorporated on July 2, 2020 as a wholly-owned subsidiary of the Applicant Company 1 and is yet to commence any business operations.
6. The background, circumstances, rationale and benefits of the Scheme are that:

**Rationale for demerger of the DWH Undertaking**

- (a) Applicant Company 1 is a multi-business corporate that is a specialized 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

Applicant Company 1 is, directly and through its subsidiaries and joint venture companies, engaged in the business of manufacturing of automotive components, *interalia*, wiring harness, manufacturing of vision system, manufacturing of moulded and polymer products etc

- (b) The Applicant Company 3 is a newly incorporated wholly owned subsidiary of the Applicant Company 1.
- (c) The DWH Undertaking of the Applicant Company 1, being focused on the Domestic Wiring Harness Business, and the Remaining Business, 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 Applicant Company 3 will enable sharper focus towards 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.

- (d) Applicant Company 1 and Applicant Company 3 believe that the segregation and transfer of the DWH Undertaking into the Applicant Company 3 will also align the interests of key stakeholders, which will benefit the strategic direction of the Applicant Company 3 in the long term. Additionally, separation of the Domestic Wiring Harness Business into the Applicant Company 3 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 Applicant Company 3, pursuant to the Scheme, will also enable the Applicant Company 3 to have a strong presence among original equipment manufacturers catering to passenger vehicle, commercial vehicle, 2-wheeler and off-highway vehicle segments.

**Rationale for amalgamation of Applicant Company 2 with Applicant Company 1, by absorption**

- (e) Whereas, the Applicant Company 2, 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,

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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 Applicant Company 2 holds 33.43% of the Applicant Company 1, the flagship company of the Samvardhana Motherson Group, as on September 30, 2020.

- (f) Consolidation of the Applicant Company 2 with Applicant Company 1 will result in the simplification of the group structure and in the alignment of the interests of various stakeholders. Further, amalgamation of Applicant Company 2, along with its respective subsidiaries and joint venture companies with Applicant Company 1 will expand the product portfolio of Applicant Company 1 thereby leading to robust growth opportunities, in India and overseas. It will also result in the resultant Applicant Company 1 foraying into non-auto component business, which will help in diversifying the revenue streams for the Amalgamated Company/ Applicant Company 1. The amalgamation of the Applicant Company 2 with Applicant Company 1, by absorption, would bring about synergy of operations and benefit of scale, since duplication of administrative efforts and legal and regulatory compliances will be unified.

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- (g) Additionally, the amalgamation of the Applicant Company 2 with Applicant Company 1 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 Applicant Company 2 and Applicant Company 1, with Applicant Company 1. Consequently, SMRP BV would become a wholly owned subsidiary of Applicant Company 1, leading to the consolidation of SMRP BV and its joint ventures and subsidiaries under the Applicant Company 1, resulting in a larger market capitalization of resultant Applicant Company 1.
- (h) Accordingly, the Scheme provides for the demerger of the DWH Undertaking of Applicant Company 1 into the Applicant Company 3 and amalgamation of Applicant Company 2 with the resultant Applicant Company 1 (after demerger of the DWH Undertaking). This results in the following benefits:
- (i) creation of separate and distinct entities housing the DWH Undertaking and the Remaining Business with well-defined strategic priorities;
  - (ii) dedicated and specialized management focus on the specific needs of the respective businesses;

- (iii) expanding the business of Applicant Company 1 from a diversified auto component product portfolio and foray into non-auto component business, thereby creating greater value for the shareholders / stakeholders of Applicant Company 1 and will help and aid maintain supplier of choice status among original equipment manufacturers;
- (iv) availability of increased resources, expertise and assets in the resultant Applicant Company 1, which can be utilized for strengthening the customer base and servicing existing as well as prospective customers;
- (v) cost reduction, retaining talent, optimization of support functions, efficiencies and productivity gains by pooling the resources of Applicant Company 1 and Applicant Company 2, thereby significantly contributing to future growth and maximizing shareholders value and being favorably positioned for mega trends in the auto component sector;
- (vi) benefit to all stakeholders of the Applicant Companies, leading to growth and value creation in the long run and maximizing the value and return to the shareholders, unlocking intrinsic value of the assets, achieving cost efficiencies and operational efficiencies;



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- (vii) consolidation of 100% of the shareholding in SMRP BV in Applicant Company 1 along with consolidation of all joint ventures and subsidiaries of SMRP BV under Applicant Company 1;
  - (viii) consolidation of Applicant Company 2 with Applicant Company 1 resulting in consolidation of the group's shareholdings in various entities and simplification of the group structure resulting in higher stakeholder accountability; and
  - (ix) to ensure standalone focus on the Domestic Wiring Harness Business of the Applicant Company 1.
7. The Counsel for the Applicant Companies submits that the Board of Directors of the Applicant Company 1 and Applicant Company 2 at their respective board meetings both held on July 2, 2020 have approved the Scheme and the Board of Directors of the Applicant Company 3 has approved the Scheme at its board meeting both held on July 17, 2020.
8. The Counsel for the Applicant Companies further submits that the shares of Applicant Company 1 are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). Pursuant to the Securities Exchange Board of India ("**SEBI**") circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time ("**SEBI Circular**") read with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**"), Applicant Company 1 had applied to BSE and NSE for their "Observation Letter" / "No Objection Letter" to file the Scheme for sanction of the Tribunal. BSE by its letter dated

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December 4, 2020 and NSE by its letter dated December 7, 2020, have respectively given their “No Objection Letter” letters to Applicant Company 1, to file the Scheme with the Tribunal.

9. The Counsel for the Applicant Companies further submits that Applicant Company 2 *vide* letter dated July 31, 2020 has made an intimation to the RBI in relation to the Scheme (“**RBI Intimation Letter**”). Subsequently, the RBI *vide* email dated August 17, 2020 (“**RBI Email**”) requested for details of the proposed amalgamation of Applicant Company 2 with Applicant Company 1 pursuant to the Scheme and eligibility and continuation of the surviving Amalgamated Company as a (CIC-ND-SI), a non-deposit taking core investment company. Applicant Company 2 has responded to RBI’s Email by way of its response dated September 3, 2020.
10. This Tribunal hereby directs that a meeting of the Equity Shareholders of the Applicant Company 1 be convened and held on April 29, 2021 at 12:15 pm for the purpose of considering, and if thought fit, approving the proposed Scheme, through video conferencing and/or other audio visual means, without holding a general meeting requiring the physical presence of shareholders at a common venue, as the same in the current Covid-19 environment and social distancing norms shall not be feasible.
11. In view of provisions of Section 230(4) read with Section 108 of the Companies Act, 2013 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014 and in accordance with Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company 1 proposes to provide the facility of remote e-voting to its Equity Shareholders in respect of the resolution to be passed at the aforesaid meeting. The Equity Shareholders of the Applicant Company 1 are also

allowed to avail the facility of e-voting during the aforesaid meeting to be held through video conferencing and/or other audio visual means on April 29, 2021 at 12:15 pm. The e-voting facility for the Equity Shareholders of the Applicant Company 1 shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, as applicable.

12. That at least 30 (thirty) clear days before the aforesaid meeting of the Equity Shareholders of the Applicant Company 1 to be held as aforesaid, a notice convening the said meeting at the day, date and time aforesaid, together with a copy of the Scheme, a copy of the Explanatory Statement required to be sent under Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, shall be sent by e-mail to the Equity Shareholders of the Applicant Company 1 whose email addresses are duly registered with the Applicant Company 1, addressed to each of the shareholders, at their last known e-mail addresses as per the records of the Applicant Company 1.
13. Notice of convening the Meeting of the Equity Shareholders of Applicant Company 1, indicating the day, date and time aforesaid, shall be advertised once each in the "Financial Express" (Mumbai edition) and Marathi translation thereof in "Navshakti" (Mumbai edition) both having circulation in Mumbai, not less 30 days before the date fixed for the meeting. Considering the lockdown prevailing due to COVID-19 pandemic, the Applicant Company 1 will have the option to publish notices online in the respective e-newspaper editions.

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14. That Mr. Sushil Chandra Tripathi, Independent Director of the Applicant Company 1, and failing him, Mr. Gautam Mukherjee, Independent Director of the Applicant Company 1, shall be the Chairperson of the aforesaid meeting of the Equity Shareholders of the Applicant Company 1.
15. That the scrutinizer for the aforesaid meeting of Equity Shareholders of Applicant Company 1 shall be Mr. D.P. Gupta of M/s SGS Associates, Practicing Company Secretaries, with remuneration fixed at Rs. 50,000/- .
16. The quorum for the aforesaid meeting of the Equity Shareholders of Applicant Company 1 shall be as prescribed under Section 103 of the Companies Act, 2013 and would include Equity Shareholders present through video conferencing and/or other audio-visual means. In case the required quorum as stated above is not present at the commencement of the meeting, the meeting shall be adjourned by 30 (thirty) minutes and thereafter the persons present shall be deemed to constitute the quorum.
17. The voting by proxy shall not be permitted as the meeting would be held through video conferencing and/or other audio-visual means. However, voting in case of body corporate be permitted, provided the prescribed form/authorization is filed with the Applicant Company 1 at <[investorrelations@motherson.com](mailto:investorrelations@motherson.com)> with a copy to <[alok.goel@mssl.motherson.com](mailto:alok.goel@mssl.motherson.com)> no later than 48 hours before the start of the aforesaid meeting as required under Rule 10 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
18. The Chairperson appointed for the aforesaid meeting of the Equity Shareholders of the Applicant Company 1 shall have all powers as per the

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Articles of Association of the Applicant Company 1 and also under the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, to the extent necessary and applicable, in relation to the conduct of the meeting(s), including for deciding procedural questions that may arise at the meeting or at any adjournment thereof.

19. The value and number of the shares of each Equity Shareholder shall be in accordance with the books/ register of the Applicant Company 1 or depository records and where the entries in the books/register/depository records are disputed, the Chairperson of the meeting shall determine the value for the purposes of the meeting of Equity Shareholders and his/her decision in that behalf would be final.
20. The Chairperson appointed for the aforesaid meeting of the Equity Shareholders of the Applicant Company 1 shall report to this Tribunal, the result of the aforesaid meetings within 30 (thirty) days of the conclusion of the aforesaid meeting, and the said report shall be verified by his Affidavit as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
21. This Tribunal hereby directs that a meeting of the Equity Shareholders of the Applicant Company 2 be convened and held on April 29, 2021 at 11:15 am for the purpose of considering, and if thought fit, approving the proposed Scheme, through video conferencing and/or other audiovisual means, without holding a general meeting requiring the physical presence of shareholders at a common venue, as the same in the current Covid-19 environment mandating social distancing norms shall not be feasible.
22. In view of provisions of Section 230(4) read with Section 108 of the Companies Act, 2013 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014, the

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Applicant Company 2 proposes to provide the facility of remote e-voting to its Equity Shareholders in respect of the resolution to be passed at the aforesaid meeting. The Equity Shareholders of the Applicant Company 2 are also allowed to avail the facility of e-voting during the aforesaid meeting to be held through video conferencing and/or other audio-visual means on April 29, 2021 at 11:15 am. The e-voting facility for the Equity Shareholders of the Applicant Company 2 shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, as applicable.

23. That at least 30 (thirty) clear days before the aforesaid meeting of the Equity Shareholders of the Applicant Company 2 to be held as aforesaid, a notice convening the said meeting at the day, date and time aforesaid, together with a copy of the Scheme, a copy of the Explanatory Statement required to be sent under Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, shall be sent by e-mail to the Equity Shareholders of the Applicant Company 2 whose email addresses are duly registered with the Applicant Company 2, addressed to each of the shareholders, at their last known e-mail addresses as per the records of the Applicant Company 2.
24. Notice of convening the Meeting of the Equity Shareholders of Applicant Company 2, indicating the day, date and time aforesaid, shall be advertised once each in the "Financial Express" (Mumbai edition) and Marathi translation thereof in "Navshakti" (Mumbai edition) both having circulation in Mumbai, not less 30 days before the date fixed for the meeting. Considering the lockdown prevailing due to COVID-19

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pandemic, the Applicant Company 2 will have the option to publish notices online in the respective e-newspaper editions.

25. That Mr. Sanjay Kalia, Independent Director of the Applicant Company 2, and failing him, Ms. Madhu Bhaskar, Independent Director of the Applicant Company 2 shall be the Chairperson of the aforesaid meeting of the Equity Shareholders of the Applicant Company 2.
26. That the scrutinizer for the aforesaid meeting of Equity Shareholders of Applicant Company 2 shall be Mr. Anil Murarka and failing him Mr. Mohinder Paul Kharbanda and failing both Ms. Priyanka of M/s Sanjay Grover & Associates, Practicing Company Secretaries, with its remuneration fixed at Rs. 50,000/-.
27. The quorum for the aforesaid meeting of the Equity Shareholders of Applicant Company 2 shall be as prescribed under Section 103 of the Companies Act, 2013 and would include Equity Shareholders present through video conference and/or other audio-visual means. In case the required quorum as stated above is not present at the commencement of the meeting, the meeting shall be adjourned by 30 (thirty) minutes and thereafter the persons present shall be deemed to constitute the quorum.
28. The voting by proxy shall not be permitted as the meeting would be held through video conferencing and/or other audiovisual means. However, voting in case of body corporate be permitted, provided the prescribed form/authorization is filed with the Applicant Company 2 at <[samil@motherson.com](mailto:samil@motherson.com)> with a copy to <[poojamehra@samil.motherson.com](mailto:poojamehra@samil.motherson.com)> no later than 48 hours before the start of the aforesaid meeting as required under Rule 10 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
29. The Chairperson appointed for the aforesaid meeting of the Equity Shareholders of the Applicant Company 2 shall have all powers as per the

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Articles of Association of the Applicant Company 2 and also under the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, to the extent necessary and applicable, in relation to the conduct of the meeting(s), including for deciding procedural questions that may arise at the meeting or at any adjournment thereof.

30. The value and number of the shares of each Equity Shareholder shall be in accordance with the books/register of the Applicant Company 2 or depository records and where the entries in the books /register/depository records are disputed, the Chairperson of the meetings shall determine the value for the purposes of the meeting of Equity Shareholders and his/her decision in that behalf would be final.
31. The Chairperson shall report to this Tribunal, the result of the aforesaid meetings within 30 (thirty) days of the conclusion of the aforesaid meeting, and the said report shall be verified by his Affidavit as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
32. This Tribunal holds that the shareholders of Applicant Company 3, holding 100% of the paid-up share capital of Applicant Company 3, have provided their consent to the Scheme by way of affidavits. The consent affidavits of the shareholders of Applicant Company 3 is appended as Annexure Q to the Company Scheme Application. Accordingly, convening and holding the meeting of the equity shareholders of the Applicant Company 3, and if thought fit, approving the Scheme, shall be dispensed with.
33. The Counsel for the Applicant Companies submits that as on September 30, 2020, the Applicant Company 1 has 6 secured creditors, the aggregate value of such secured creditors being Rs. 2570,34,63,538.



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The consent of the secured creditors of the Applicant Company 1 has been submitted as Annexure C-1 and Annexure C-2 to the Supplementary Affidavit dated February 9, 2021. In view of the aforesaid, there is no requirement to hold the meeting of the secured creditors of Applicant Company 1 to seek their approval to the Scheme.

34. The Counsel for the Applicant Companies submits that as on October 31, 2020, the Applicant Company 2 has 3 secured creditor, the value of such secured creditors being Rs. 812.50 Crores. The consent of the secured creditors of the Applicant Company 2 has been submitted as Annexure A-1 and Annexure A-2 to the Supplementary Affidavit dated February 9, 2021. In view of the aforesaid, there is no requirement to hold the meeting of the secured creditors of Applicant Company 2 to seek their approval to the Scheme.
35. The Counsel for the Applicant Companies has submitted that as on September 30, 2020, the Applicant Company 3 does not have any secured creditors. Accordingly, the question of convening a meeting of the secured creditors of the Applicant Company 3 does not arise.
36. The Counsel for the Applicant Companies has submitted that as on September 30, 2020, the Applicant Company 1 has 4,779 unsecured creditors, the aggregate value of such unsecured creditors being Rs. 3,006.73 Crores. The Counsel for the Applicant Companies further submitted that the Scheme is a composite arrangement between shareholders of the Applicant Companies as contemplated under Section 230(1)(b) and not in accordance with the provisions of Section 230(1)(a) of the Act as there is no compromise and/or arrangement with unsecured creditors, and that the unsecured creditors of the Applicant Company 1 are being paid in the normal course of business and as per the agreed terms and are not called upon to make any

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sacrifices, hence their interests are not getting affected in any way and are also secured. The present Scheme is in no manner prejudicial to the interests of the unsecured creditors of Applicant Company 1. The pre-Scheme net worth of the Applicant Company 1 and Applicant Company 2, as on March 31, 2020 is Rs. 6,065 Crores and Rs. 1,345 Crores, respectively and Applicant Company 3, as on the date of incorporation is Rs. 5 lacs. Further, the net worth of both Applicant Company 1 and Applicant Company 3, post giving effect to the Scheme, will be Rs. 6,087 Crores and Rs. 408 Crores respectively (assuming the net worth of the Applicant Companies as on March 31, 2020), both of which are positive. It is further submitted that pursuant to the Scheme, the debt repayment capacity of the Applicant Company 1 will not be adversely affected. Therefore, the Scheme and the demerger/ amalgamation contemplated thereby will not adversely affect the interests of the unsecured creditors of the Applicant Company 1. In view the fact that there is no arrangement with the unsecured creditors, the meeting of the unsecured creditors to seek their approval to the Scheme is dispensed with. The Applicant Company 1 is directed to issue individual notices to their unsecured creditors by courier or registered post or speed post or hand delivery or through e-mail (to those unsecured creditors whose email addresses are duly registered with the Applicant Company 1), at their last known address as per the records of the Applicant Company 1, as required under Section 230(3) of the Companies Act, 2013, with a direction that they may submit their representations, if any, to the Tribunal within thirty days from the date of receipt of the said notice and copy of such representations shall simultaneously be served upon Applicant Company 1.

37. The Counsel for the Applicant Companies has submitted that as on October 31, 2020, the Applicant Company 2 does not have any unsecured creditors. Accordingly, the question of convening a meeting of the unsecured creditors of the Applicant Company 2 does not arise.
38. The Counsel for the Applicant Companies has submitted that as on September 30, 2020, the Applicant Company 3 has 2unsecured creditors, the value of such unsecured creditors being Rs. 4,02,431. The Counsel for the Applicant Companies further submitted that the Scheme is a composite arrangement between shareholders of the Applicant Companies as contemplated under Section 230(1)(b) and not in accordance with the provisions of Section 230(1)(a) of the Act as there is no compromise and/or arrangement with unsecured creditors, and that the unsecured creditors of the Applicant Company 3 are being paid in the normal course of business and as per the agreed terms and are not called upon to make any sacrifices, hence their interests are not getting affected in any way and are also secured. The present Scheme is in no manner prejudicial to the interests of the unsecured creditors of Applicant Company 3. The pre-Scheme net worth of the Applicant Company 1, Applicant Company 2 and Applicant Company 3, as on March 31, 2020 is Rs. 6,065 Crores, Rs. 1,345 Crores and Rs. 5 lacs, respectively and the post-Scheme net worth of the Applicant Company 1 and Applicant Company 3 as on March 31, 2020 is Rs. 6,087 Crores and Rs. 408 Crores respectively, all of which are positive. It is further submitted that pursuant to the Scheme, the debt repayment capacity of the Applicant Company 3 will not be adversely affected. Therefore, the Scheme and the demerger/ amalgamation contemplated thereby will not adversely affect the interests of the unsecured creditors of the Applicant Company 3. In view the fact that there is no arrangement with the unsecured creditors, the meeting of the unsecured creditors to seek their

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approval to the Scheme is dispensed with. The Applicant Company 3 is directed to issue individual notices to their unsecured creditors by courier or registered post or speed post or hand delivery or through e-mail (to those unsecured creditors whose email addresses are duly registered with the Applicant Company 3), at their last known address as per the records of the Applicant Company 3, as required under Section 230(3) of the Companies Act, 2013, with a direction that they may submit their representations, if any, to the Tribunal within thirty days from the date of receipt of the said notice and copy of such representations shall simultaneously be served upon Applicant Company 3.

39. The Applicant Company 1, pursuant to Section 230 (5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, is directed to serve the notice of the meeting of its Equity Shareholders upon: (a) the Central Government of India (through the Regional Director, Western Region, Ministry of Corporate Affairs); (b) concerned Income Tax Authority within whose jurisdiction the assessments of the Applicant Company 1 is made (mentioning the PAN of Applicant Company 1- PAN:AAACM0405A and GSTIN of Applicant Company 2- 27AAACM0405A1ZD (Maharashtra)) at the following address Deputy Commissioner of Income Tax, Circle 16 (1), CR Building, New Delhi- 110002; (c) Registrar of Companies, Mumbai, Maharashtra; (d) BSE Limited; (e) National Stock Exchange of India Limited; (f) Securities and Exchange Board of India; and (g) Competition Commission of India with a direction that they may submit their representation, if any, within a period of 30 (thirty) days from the date of receipt of such notice, to the Tribunal and copy of such representations shall simultaneously be served upon the Applicant Company 1, failing which, it will be presumed that the aforesaid authorities have no representations to make on the Scheme.

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40. The Applicant Company 2, pursuant to Section 230 (5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, is directed to serve the notice of the meeting of its Equity Shareholders upon: (a) the Central Government of India (through the Regional Director, Western Region, Ministry of Corporate Affairs); (b) concerned Income Tax Authority within whose jurisdiction the assessments of the Applicant Company 1 is made (mentioning the PAN of Applicant Company 2— PAN:AAICS6115R and GSTIN of Applicant Company 2— 09AAICS6115R1ZN (Maharashtra)) at the following address Deputy Commissioner of Income Tax, Circle 22 (2), CR Building, New Delhi-110002; (c) Registrar of Companies, Mumbai, Maharashtra; (c) the Reserve Bank of India; (d) Competition Commission of India; and (e) Registrar of Companies, Mumbai, Maharashtra, with a direction that they may submit their representation, if any, within a period of 30 (thirty) days from the date of receipt of such notice, to the Tribunal and copy of such representations shall simultaneously be served upon the Applicant Company 2, failing which, it will be presumed that the aforesaid authorities have no representations to make on the Scheme.
41. The Applicant Company 2 is also directed to serve notice upon Official Liquidator, High Court, Bombay, pursuant to section 230(5) of the Companies Act, 2013 and as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The Tribunal is appointing M/s S V Godbole & Co., Chartered Accountant, Tel: (022)22873819/ (022)22871999, email address: godbolesatish@yahoo.com, to assist the Official Liquidator to scrutinize the books of accounts of the said Applicant Company 2 for the last 5 years and submit its representation / report to the Tribunal. The aforesaid Company to pay fees of Rs. 200000/- to the chartered

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accountants for this purpose. If no representation / response is received by the Tribunal from Official Liquidator, Bombay within a period of 30 (thirty) days from the date of receipt of such notice, it will be presumed that Official Liquidator has no representation / objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

42. The Applicant Company 3, pursuant to Section 230 (5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, is directed to serve the notice along with the copy of the Scheme upon: (a) the Central Government of India (through the Regional Director, Western Region, Ministry of Corporate Affairs); (b) concerned Income Tax Authority within whose jurisdiction the assessments of the Applicant Company 1 is made (mentioning the PAN of Applicant Company 3 PAN: AANCM5330P and GSTIN of Applicant Company 3 27AANCM5330P1ZV (Maharashtra) at the following address Deputy Commissioner of Income Tax, Circle 14(2) (1), Aayakar Bhawan , Mumbai; and (c) Registrar of Companies, Mumbai, Maharashtra, with a direction that they may submit their representation, if any, within a period of 30 (thirty) days from the date of receipt of such notice, to the Tribunal and copy of such representations shall simultaneously be served upon the Applicant Company 1, failing which, it will be presumed that the aforesaid authorities have no representations to make on the Scheme.
43. The Applicant Companies shall host the notices directed herein, on their respective websites, if any.
44. The Applicant Companies shall file proof of compliance electronically to report to this Tribunal that the directions regarding issue of notices and

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publication of advertisement as stated in above paragraphs have been duly complied with.

45. Ordered accordingly.

**Sd/-**

**CHANDRA BHAN SINGH**  
**Member (Technical)**

**Sd/-**

**SUCHITRA KANUPARTHI**  
**Member (Judicial)**

# ANNEXURE III

<p>1. Name of the organization</p> <p>2. Address of the organization</p> <p>3. Telephone number</p> <p>4. E-mail address</p>	<p>5. Name of the person in charge</p> <p>6. Designation</p> <p>7. Address</p> <p>8. Telephone number</p> <p>9. E-mail address</p>
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Date: \_\_\_\_\_

<p>1. Name of the organization</p> <p>2. Address of the organization</p> <p>3. Telephone number</p> <p>4. E-mail address</p>	<p>5. Name of the person in charge</p> <p>6. Designation</p> <p>7. Address</p> <p>8. Telephone number</p> <p>9. E-mail address</p>
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## Project Vriddhi Security cover

This is to certify that the above mentioned organizations are the members of the Project Vriddhi Security cover.

The Project Vriddhi Security cover is a voluntary organization established to provide security cover to the members of the Project Vriddhi. The members of the Project Vriddhi Security cover are the members of the Project Vriddhi who are interested in providing security cover to the members of the Project Vriddhi. The Project Vriddhi Security cover is a voluntary organization established to provide security cover to the members of the Project Vriddhi. The members of the Project Vriddhi Security cover are the members of the Project Vriddhi who are interested in providing security cover to the members of the Project Vriddhi.





Price Waterhouse & Co LLP Building 10C, 17th & 18th floor, DLF Cyber City Gurgaon – 122002, Haryana India	B S R & Associates LLP Chartered Accountants Lodha Excellus, 1st Floor, Apollo Mills Compound, N.M. Joshi Marg, Mahalakshmi, Mumbai 400 011, India
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**Dated: 02 July 2020**

**To**

<b>Board of Directors</b>  Motherson Sumi Systems Limited Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051	<b>Board of Directors</b>  Samvardhana Motherson International Limited Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051
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**Sub: Recommendation of Share Exchange ratio for the proposed merger of Samvardhana Motherson International Limited into Motherson Sumi Systems Limited**

Dear Sir / Madam,

We refer to the

- engagement letter whereby Motherson Sumi Systems Limited (hereinafter referred to as “MSSL” or the “Amalgamated Company” or “Transferor Company”) and Samvardhana Motherson International Limited (hereinafter referred to as “SAMIL” or “Amalgamated Company 1”) have requested Price Waterhouse & Co LLP (hereinafter referred to as PW&Co); and
- engagement letter whereby MSSL and SAMIL have requested B S R & Associates LLP (hereinafter referred to as “B S R”)

for recommendation on the share entitlement ratio and the share exchange ratio of equity shares for the proposed Transactions defined hereinafter.

SAMIL and MSSL are together hereinafter referred to as the ‘Companies’.

B S R and PW&Co has been hereafter referred to as “Valuers” or we” or “us” and individually referred to as “Valuer” in this joint share exchange ratio Report (“Share Exchange Ratio Report” or “Report”).



## SCOPE AND PURPOSE OF THIS REPORT

Motherson Sumi Systems Limited 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. MSSL reported consolidated revenue from operations and profit after tax of INR 635,368.7 million and INR 12,944.4 million, respectively for the year ended 31 March 2020. MSSL has a consolidated networth of INR 112,609.4 million on 31 March 2020. MSSL businesses can be classified into the following segments/verticals (“MSSL Segments”):

- Domestic Wiring Harness Business (“DWH”);
- Other Domestic Business (“Non DWH”) in standalone MSSL;
- International Wiring Harness business (“International Wiring Harness”) comprising MSSL Estonia WH OU consolidated (includes the PKC Group), MSSL Consolidated Inc. (USA) and other international subsidiaries<sup>1</sup>, engaged in wiring harness and moulded products;
- 51% stake in Samvardhana Motherson Automotive Systems Group BV (“SMRPBV”). SMRPBV is an Investment holding Company which houses three businesses (i) Samvardhana Motherson Reflectec Group (“SMR”), which is engaged in manufacture and sale of rear-view vision systems; (ii) Samvardhana Motherson Peguform GmbH (“SMP”), which is engaged in manufacture and sale of polymer based interior and exterior products for automotive industry; and (iii) Samvardhana Motherson Reydel Companies (“SMRC”), which is engaged in manufacture and sale of polymer based interior products for automotive industry; and
- Investments in other domestic Joint Ventures<sup>2</sup>.

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

<sup>1</sup> Key international subsidiaries include MSSL (GB) Limited (UK) and its subsidiaries, Motherson Electrical Wires Lanka Private Limited, MSSL (S) Pte Limited (Singapore) and its subsidiaries, MSSL Global RSA Module Engineering Limited (South Africa), Vacuform 2000 (Pty) Limited (South Africa) and MSSL Australia Pty Limited

<sup>2</sup> These include Kyungshin Industrial Motherson Limited, Calsonic Kansei Motherson Auto Products Limited, SMR Automotive Systems India Limited and Motherson Compounding Solution Limited



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.

SAMIL businesses can be classified into the following segments/verticals (“SAMIL Segments”):

- 33.43% equity shareholding in MSSL;
- 49% equity stake in SMRPBV;
- Standalone operations of SAMIL which includes providing strategic, operational and management support to its group companies and Investments in subsidiaries/ JVs and associates<sup>3</sup> which are engaged in manufacture and sale of various components for auto industry.

We understand that under a Composite Scheme of Amalgamation and Arrangement (“Scheme”) the Management of the Companies are *inter alia* contemplating the following:

- a) Demerger of the Domestic Wiring Harness Business of MSSL (“Transaction 1”) into a new company which is in the process of being incorporated as a wholly owned subsidiary of MSSL (the “Resulting Company” or the “New Co.”); and
- b) Merger of SAMIL with MSSL (“Transaction 2”), subsequent to the completion of Transaction 1 i.e. demerger of DWH business referred above.

in accordance with 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.

Transaction 1 and Transaction 2 are together referred to as “Transactions”.

In this report post demerger of Domestic Wiring Harness Business, MSSL is referred to as “MSSL (excluding DWH)”.

We understand from the Scheme that as a consideration for

- i) Transaction 1, the equity shareholders of MSSL would be issued equity shares of Resulting Company. Simultaneous with the issuance of such Equity Shares to the shareholders of MSSL, the existing issued and paid up equity share capital of the Resulting Company, as held by MSSL, shall be automatically cancelled; and
- ii) Transaction 2, the equity shareholders of SAMIL would be issued equity shares of MSSL (excluding DWH). Simultaneous with the issuance of such Equity Shares to

<sup>3</sup> The key subsidiaries/ JVs/ Associate companies of SAMIL include CTM India Limited (“CTM”), Magneti Marelli Motherson Auto System Private Limited (“MMM”), MS Global India Automotive Private Limited (“MSGI”), Magneti Marelli Motherson Shock Absorbers India Private Limited (“MMSA”), Valeo Motherson Thermal Commercial Vehicles India Limited (“VMTL”), Fritzmeier Motherson Cabin Engineering Private Limited (“FMCP”), Samvardhana Motherson Innovative Solutions Limited (“SMISL”), Motherson Techno Tools Limited (“MTTL”), Motherson Auto Solution Limited (“MASL”), Motherson Sumi Infotech and Design Limited (“MIND”), Anest Iwata Motherson Private Limited (“AIM”) and Matsui Technologies India Limited (“MTIL”), Motherson Moulds and Diecasting Limited (“MMDL”)



the shareholders of SAMIL, the existing issued and paid up equity share capital of MSSL, as held by SAMIL, shall be automatically cancelled.

For the aforesaid purpose, the Board of Directors of MSSL and SAMIL have appointed PW&Co and B S R to submit a joint report recommending:

- a) Opinion on the Share Entitlement Ratio for the proposed demerger of DWH business from MSSL into Resulting Company (Transaction 1); and
- b) Share Exchange Ratio for Transaction 2 i.e. merger of SAMIL with MSSL (excluding DWH), referred as 'Share Exchange Ratio'

on a going concern basis with 31 March 2020 being the Valuation Date, for the consideration of the Board of Directors (including audit committees, as applicable) of the Companies in accordance with the applicable Securities and Exchange Board of India ("SEBI"), the relevant stock exchanges', and relevant laws, rules and regulations.

It is clarified that reference to this valuation report in any document and/ or filing with aforementioned tribunal/ judicial/ regulatory authorities/ government authorities/ stock exchanges/ courts/ shareholders/ professional advisors/ merchant bankers, in connection with the Transaction, shall not be deemed to be an acceptance by the Valuers of any responsibility or liability to any person/ party other than the Boards of Directors of the Companies.

We understand that you did not require us to perform this valuation as a registered valuer under the Companies Act 2013 ("Act"), the Companies (Registered Valuers And Valuation) Rules, 2017 or as per any other rules, regulations, standards, bye-laws, ordinance, notifications issued pursuant to such Act or Rules.

As per the Scheme we understand that the Appointed Date for Transaction 1 is 01 April 2021; Appointed Date for Transaction 2 shall be one day after the date on which Transaction 1 is completed and shares have been issued by Resulting Company to the shareholders of MSSL.

The report will be used by the Companies only for the purpose, as indicated in this report, for which we have been appointed. The results of our valuation analysis and our Report cannot be used or relied by the Companies for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person/ party for any decision of such person/ party based on this Report.

The scope of our services is to conduct a relative (and not absolute) valuation of the equity shares of the Companies and recommend on a Share Exchange Ratio for the Transaction 2 in accordance with generally accepted professional standards and also confirm the Share Entitlement Ratio for Transaction 1.

The Valuers have been appointed severally and not jointly. We have worked independently in our analysis and after arriving at a consensus on fair exchange ratio, are issuing this Share Exchange Ratio Report.

This Report is our deliverable for the above engagement. This Report is subject to the scope,



assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

## SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management (via the data room set up by the Companies) and gathered from public domain:

- Annual reports of MSSL and its subsidiaries;
- Audited/ provisional standalone and consolidated historical financial information of MSSL and its subsidiaries/JVs/ associate companies for the 3 years ended 31 March 2020;
- Carve out historical financial information of MSSL (excluding DWH) for the 3 years ended 31 March 2020;
- Carve out historical financial information of DWH for the year ended 31 March 2020;
- Audited standalone and consolidated historical financial information of SAMIL and its subsidiaries/JVs/ associate companies for the 3 years ended 31 March 2020;
- Projected financials (comprising Statement of Profit and Loss and Balance Sheet) for 5 years ending 31 March 2025 for DWH, MSSL (excluding DWH), its subsidiaries, JVs and associate companies;
- Projected financials (comprising Statement of Profit and Loss and Balance Sheet) for 5 years ending 31 March 2025 for SAMIL, its subsidiaries, JVs and associate companies;
- Desktop Financial Due Diligence report on SAMIL and certain key subsidiaries/ JVs/ Associate companies of SAMIL<sup>4</sup>.
- Details of surplus assets such as real estate and valuation report/estimates thereof;
- Discussions with the Management of the respective Companies in connection with the business operations of the respective Companies, past trends and non-recurring/abnormal items, future plans and prospects, etc.;
- Draft Composite Scheme of Amalgamation and Arrangement dated 01 July 2020;
- Other information and documents that we considered necessary for the purpose of this engagement.

During the discussions with the Management of both Companies, we have also obtained explanations and information considered reasonably necessary for our exercise. The Companies have been provided with the opportunity to review the draft report (excluding the recommended entitlement and exchange ratios) as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final report.



<sup>4</sup> CTM, MMM, MSGI, MMSA, VMTL, FMCPL, SMISL, MTTL, MASL, MIND and AIM.

## SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Report, its contents and the results herein are specific to (i) the purpose of relative valuation agreed as per the terms of our engagement; (ii) the date of this Report and (iii) are based on the audited balance sheets of the Companies as at 31 March 2020 and other information provided by Management. As per the Management the business activities of MSSSL and SAMIL have been impacted due to Covid-19 pandemic and the consequent lockdown in various countries including India. The respective Managements have represented that the impact of Covid-19 on the business operations of the Companies have been considered/ factored in the projections. Our opinion is based on prevailing market, economic and other conditions at the Report date and corresponds with a period of significant volatility in global financial markets and widespread macro-economic uncertainty. To the extent possible, we have reflected these conditions in the Report. However, the factors driving these conditions can change over relatively short periods of time. The impact of any subsequent changes in these conditions on the global economy and financial markets generally, and the Companies being valued specifically, could impact upon value in the future, either positively or negatively. The Management has further represented that other than the Covid-19 impact no material adverse change has occurred in their respective operations and financial position of the Companies between 31 March 2020 and the Report date.

An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The recommendation(s) rendered in this Report only represent our recommendation(s) based upon information till the date of this Report, furnished by the Companies (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice. Any person/ party intending to provide finance/ invest in the shares/ businesses of the Companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Companies) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to the Valuers.

We must emphasize that the projected financial information has been prepared by the Managements of the respective companies and provided to us for the purpose of our analysis. The fact that we have considered the projected financial information in this exercise should not be construed or taken as our being associated with or a party to such projections. Realizations of free cash flow forecast used in the analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to



provide any assurance about the achievability of the projected financial information. Since the projected financial information relates to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material.

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies.

In accordance with the terms of our respective engagements, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Report and (ii) the accuracy of information made available to us by the Companies. In accordance with our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Companies. Management of the Companies has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the Report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Companies. Our conclusion assumes that the assets and liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the Report date.

No investigation of the Companies' claim to title of assets has been made for the purpose of this Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.



This Report does not look into the business/ commercial reasons behind the restructuring proposed nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the restructuring as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. We have not examined or advised on accounting, legal or tax matters involved in the Transactions.

The fee for the engagement is not contingent upon the results reported.

We owe responsibility to only the Boards of Directors of the respective Companies that has appointed us under the terms of our respective engagement letters and nobody else. We do not accept any liability to any third party in relation to the issue of this Report. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Companies, their directors, employees or agents. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

It is understood that this analysis does not represent a fairness opinion. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Share Exchange Ratio Report is subject to the laws of India.

Neither the Share Exchange Ratio Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme/Transaction, without our prior written consent. In addition, this Report does not in any manner address the prices at which MSSL's equity shares will trade following consummation of the Transactions/ restructuring and we express no opinion or recommendation as to how the shareholders of either Company should vote at any shareholders' meeting(s) to be held in connection with the Transactions.

## **SHARE CAPITAL DETAILS OF THE COMPANIES**

### **Motherson Sumi Systems Limited**

The issued and subscribed equity share capital of MSSL as at 31 March 2020 is INR 3,158 million consisting of 3,157,934,237 equity shares of face value of INR 1 each. The shareholding pattern of MSSL at 31 March 2020 is as follows:





Shareholders	No of Shares	% Share Holding
<b>Promoter &amp; Promoter Group</b>		
SAMIL	1,055,750,653	33.43%
Sumitomo Wiring Systems Limited	792,637,291	25.10%
HK Wiring Systems Limited	7,660,351	0.25%
Others	93,238,251	2.95%
<b>Sub-total Promoter &amp; Promoter Group (A)</b>	<b>1,949,286,546</b>	<b>61.73%</b>
<b>Non-Promoter</b>		
Institutions	917,420,383	29.05%
Others	291,227,308	9.22%
<b>Sub-total Non-Promoter (B)</b>	<b>1,208,647,691</b>	<b>38.27%</b>
<b>Grand Total (A +B)</b>	<b>3,157,934,237</b>	<b>100.0%</b>

Source: BSE filing

### Samvardhana Motherson International Limited

The issued and subscribed equity share capital of SAMIL as at 31 March 2020 is INR 4,736 million consisting of 473,613,855 equity shares of face value of INR 10 each. The shareholding pattern is as follows:

Shareholders	No of Shares	% Share Holding
Promoter and Promoter Group *	458,286,154	96.8%
Employees	15,327,701	3.2%
<b>Grand Total</b>	<b>473,613,855</b>	<b>100%</b>

\*includes 6.5% Equity Stake held by Sojitz Corporation

Source: SAMIL Management

The Managements has informed us that, without approval of the shareholders, there would not be any variation in the Equity Capital of the Companies till the proposed scheme becomes effective.

### **APPROACH & METHODOLOGY - BASIS OF TRANSACTION**

The proposed Scheme of Amalgamation and Arrangement contemplates (i) Demerger of DWH Business from MSSL into Resulting Company; and (ii) merger of SAMIL with MSSL (excluding DWH).

To opine on the Share Entitlement Ratio for Transaction 1 we have considered the impact of Transaction 1 (i.e. demerger) on the economic interest of the shareholders of MSSL.

For arriving at the Share Exchange Ratio for Transaction 2, we have determined the value per equity share of MSSL (excluding DWH) and SAMIL. These values are determined on a relative basis.



There are several commonly used and accepted approaches for determining the value of the equity shares of a company / business, which have been considered in the present case, to the extent relevant and applicable:

1. Market Approach (Market Price Method, Comparable Companies' Quoted Multiple ('CCM'), Comparable Companies' Transaction Multiples)
2. Income Approach (Discounted Cash Flow Method)
3. Net Asset Value Approach

**Market Approach** – Under this approach, value of a Company is assessed basis its market price (i.e. if its shares are quoted on a stock exchange) or basis multiples derived using comparable (i.e., similar) companies or similar Transactions. Following are the methods under Market Approach:

- **Market Price (MP) Method**

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

- **Comparable Companies' Quoted Multiple (CCM) method**

Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

- **Comparable Companies' Transaction Multiples**

Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable transactions. This valuation is based on the principle that transactions taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.



### **Income Approach (Discounted Cash Flows (DCF) Method)**

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

#### *Estimating future free cash flows:*

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

#### *Appropriate discount rate to be applied to cash flows i.e. the cost of capital:*

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to the capital providers/ equity capital providers (namely shareholders). The opportunity cost equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of DCF valuation, the free cash flow forecast is based on projected financials as provided by the Management. While carrying out this engagement, we have relied on historical information made available to us by the management of the Companies and the respective projected financials for future related information. We did not carry out any validation procedures or due diligence with respect to the information provided/ extracted or carry out any verification of the assets or comment on the achievability of the assumptions underlying the financial projections, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement.

### **Net Asset Value (NAV) Approach**

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability. A Scheme of Amalgamation would normally be proceeded with, on the assumption that the companies amalgamate as going concerns and an actual realization of the operating assets is not contemplated. The operating assets have therefore been considered at their book values. In such a going concern scenario, the relative earning power is of importance to the basis of merger, with the values arrived at on the net asset basis being of limited relevance.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.



Out of the above methods, the Valuers have used approaches/ methods as considered appropriate by them respectively. The valuation approaches/ methods used, and the values arrived at using such approaches/ methods by the Valuers have been tabled in the next section of this Report.

#### **BASIS OF SHARE ENTITLEMENT RATIO FOR DEMERGER (TRANSACTION 1)**

We understand from the Scheme that upon demerger of DWH business into Resulting Company, the Management proposes to issue 1 equity shares of Resulting Company (of INR 1 each fully paid up) to all the shareholders of MSSL, in lieu of 1 equity share of MSSL (of INR 1 each fully paid up).

The proposed demerger shall entail allotment of equity shares of the Resulting Company to all the shareholders of MSSL, on a proportionate basis, and all shareholders of MSSL shall be the beneficial economic owners of the Resulting Company, i.e. the Shareholding pattern of Resulting Company shall mirror the shareholding pattern of MSSL.

#### **BASIS OF EQUITY SHARE EXCHANGE RATIO (TRANSACTION 2)**

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the valuer and judgments taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. The determination of exchange ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single exchange ratio. While we have provided our recommendation of the Share Exchange Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Share Exchange Ratio of the equity shares of MSSL (excluding DWH) and SAMIL. The final responsibility for the determination of the exchange ratio at which the Transactions shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their own assessment of the Transactions and input of other advisors.

The Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of MSSL (excluding DWH) and SAMIL based on the various approaches/ methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of these companies, having regard to information base, key underlying assumptions and limitations.

Valuers, have independently applied methods discussed above, as considered appropriate, and arrived at their assessment of the relative values per equity share of MSSL (excluding DWH) and SAMIL. To arrive at the consensus on the Share Exchange Ratio for Transaction 2, suitable minor adjustments/ rounding off have been done in the relative values arrived at by the Valuers.

In the current analysis, the amalgamation of MSSL (excluding DWH) and SAMIL is proceeded with on the assumption that MSSL (excluding DWH) and SAMIL would merge as going



concerns and an actual realization of the operating assets is not contemplated. In such a going concern scenario, the relative earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of amalgamation/ merger, with the values arrived at on the net asset basis being of limited relevance. Hence, while we have calculated the values of the shares of MSSSL (excluding DWH), and SAMIL under the Asset Approach, we have considered it appropriate not to give any weightage to the same in arriving at the Share Exchange Ratio.

Given the nature of the businesses of MSSSL (excluding DWH) and SAMIL, and the fact that we have been provided with projected financials for each of the MSSSL Segments (including subsidiaries, joint ventures and associates) and each of the SAMIL Segments (including subsidiaries, joint ventures and associates), we have considered it appropriate to apply the DCF Method under the Income Approach to arrive at the relative fair value of the shares of MSSSL (excluding DWH) and SAMIL for the purpose of arriving at the Share Exchange Ratio.

Within the DCF Method, equity value per share for MSSSL (excluding DWH) and SAMIL is computed as follows:

- Equity values for each of the businesses comprising MSSSL Segments (including subsidiaries, joint ventures and associates) is computed separately using DCF Method and added up after adjusting for a) the value of debt, cash and cash equivalents and surplus assets as appearing in the balance sheet at 31 March 2020 and b) the shareholding and non-controlling interests of MSSSL (excluding DWH) to arrive at equity value of MSSSL (excluding DWH). To arrive at the price per equity share of MSSSL (excluding DWH) we have considered the total issued and paid up equity shares of MSSSL at 31 March 2020.
- Equity values for each of the businesses comprising SAMIL Segments (including subsidiaries, joint ventures and associates) is computed separately using DCF Method and added up after adjusting for a) the value of debt, cash and cash equivalents and surplus assets as appearing in the balance sheet at 31 March 2020 and b) the shareholding and non-controlling interests of SAMIL, to arrive at equity value of SAMIL. To arrive at the price per equity share of SAMIL we have considered the total issued and paid up equity shares of SAMIL at 31 March 2020.

In the present case, the equity shares of MSSSL are listed on BSE and NSE. However, pursuant to Transaction 1, the Domestic Wiring Business shall be demerged from MSSSL and hence, Market Price Method cannot be used for the valuation of MSSSL (excluding DWH). The equity shares of SAMIL are not listed on any stock exchange and hence, Market Price Method cannot be used for the valuation of SAMIL. Therefore, for our analysis under Market Approach, we have considered the Comparable Companies' Multiples method to arrive at the relative fair value of the shares of MSSSL (excluding DWH) and SAMIL for the purpose of arriving at the Share Exchange Ratio.

Within the Comparable Companies' Method, equity value per share for MSSSL (excluding DWH) and SAMIL is computed as follows:

- Equity values for each of the businesses comprising MSSSL Segments (including subsidiaries, joint ventures and associates) is computed separately using Comparable Companies' Method and aggregated after adjusting for a) the value of debt, cash and cash



equivalents and surplus assets as appearing in the balance sheet at 31 March 2020; and b) the shareholding and non-controlling interests of MSSL (excluding DWH) to arrive at equity value of MSSL (excluding DWH). To arrive at the price per equity share of MSSL (excluding DWH) we have considered the total issued and paid up equity shares of MSSL at 31 March 2020.

- Equity values for each of the businesses comprising SAMIL Segments (including subsidiaries, joint ventures and associates) is computed separately using Comparable Companies' Method and aggregated after adjusting for a) the value of debt, cash and cash equivalents and surplus assets as appearing in the balance sheet at 31 March 2020; and b) the shareholding and non-controlling interests of SAMIL to arrive at equity value of SAMIL. To arrive at the price per equity share of SAMIL we have considered the total issued and paid up equity shares of SAMIL at 31 March 2020.

For our final analysis and recommendation we have considered the the values arrived under the Income Approach and the Market Approach, to arrive at the relative fair value of the equity shares of MSSL (excluding DWH) and SAMIL for the purpose of the Transaction 2.

The basis of the proposed merger would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, it is finally necessary to arrive at a single value. It is important to note that we are not attempting to arrive at the absolute equity values of the MSSL (excluding DWH) and SAMIL but at their relative values to facilitate the determination of a fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

In view of the above, and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following Share Exchange Ratio for the Transaction 2 whose computation is as under:

The below tables summarises workings for the value per share of MSSL (excluding DWH) and SAMIL and the Share Exchange Ratio as derived by PW&Co:

Method	MSSL (excluding DWH)		SAMIL	
	Value per share (INR)	Weight	Value per share (INR)	Weight
Income Approach (DCF Method)	103.90	50%	531.15	50%
Market Approach (CCM method)	97.11	50%	494.48	50%
Net Asset Value Method	34.36	0%	148.37	0%
<b>Relative Value per share</b>	<b>100.51</b>	<b>100%</b>	<b>512.81</b>	<b>100%</b>
<b>Exchange Ratio (rounded)</b>	<b>51 Equity Shares of MSSL (excluding DWH)</b>		<b>For every 10 Equity Shares of SAMIL</b>	






The below tables summarises workings for the value per share of MSSL (excluding DWH) and SAMIL and the Share Exchange Ratio as derived by B S R:

Method	MSSL (excluding DWH)		SAMIL	
	Value per share (INR)	Weight	Value per share (INR)	Weight
Income Approach (DCF Method)	108.37	50%	560.70	50%
Market Approach (CCM method)	95.25	50%	477.83	50%
Net Asset Value Method	34.36	0%	148.37	0%
<b>Relative Value per share</b>	<b>101.81</b>		<b>519.27</b>	
<b>Exchange Ratio (rounded)</b>	<b>51 Equity Shares of MSSL (excluding DWH)</b>		<b>For every 10 Equity Shares of SAMIL</b>	

In light of the above, and consideration of all relevant factors and circumstances as discussed and outlined hereinabove we recommend that:

1. The Share Entitlement Ratio of 1 equity shares (of INR 1 each fully paid up) of the Resulting Company for every 1 equity share of MSSL for Transaction 1 i.e. demerger of DWH business is fair as the beneficial economic interest of the shareholders in the equity of the Resulting Company will be the same as it is in the equity of MSSL.
2. The Share Exchange Ratio for Merger of SAMIL with MSSL (excluding DWH) is assessed as 51 Equity shares of MSSL (of INR 1 each fully paid up) for every 10 Equity shares of SAMIL (of INR 10 each fully paid up);

Respectfully submitted,

<p><b>Price Waterhouse &amp; Co LLP</b> Chartered Accountants ICAI Firm Registration Number: 016844N</p>   <p>Per Rajan Wadhawan Partner Membership No: 090172 Date: 02 July 2020 UDIN number: 20090172AAAAA16869</p>	<p><b>B S R &amp; Associates LLP</b> Chartered Accountants ICAI Firm Registration Number: 116231W</p>   <p>Per Mahek Vikamsey Partner Membership No: 108235 Date: 02 July 2020 UDIN number: 20108235AAAAA16521</p>
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# ANNEXURE IV



Incwert Advisory Private Limited  
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Haryana, India

Telephone: +91 124-4362995  
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Date: 02 July 2020

## Board of Directors

### MOTHERSON SUMI SYSTEMS LIMITED,

Unit 705, C Wing, One BKC, G Block, Bandra  
Kurla Complex,  
Mumbai 400 051, Maharashtra  
India

## Board of Directors

### SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED,

Unit 705, C Wing, One BKC, G Block, Bandra  
Kurla Complex,  
Mumbai 400 051, Maharashtra  
India

**Sub: Recommendation of Share Entitlement Ratio and Share Exchange Ratio pursuant to the Composite Scheme of Amalgamation and Arrangement amongst Motherson Sumi Systems Limited ("MSSL"), Samvardhana Motherson International Limited, a wholly-owned subsidiary of the MSSL which in the process of being incorporated and their respective Shareholders and Creditors**

Dear Sir/Madam,

We refer to our engagement letter ("LoE") dated 21 June 2020 whereby the management of Motherson Sumi Systems Limited ("MSSL" or the "Transferor Company"), and Samvardhana Motherson International Limited ("SAMIL" or "Amalgamating Company") (individually and collectively herein referred to as the "Client" or "You" or "the Company" or "the Companies" or "respective Companies", as the context may require) have requested Incwert Advisory Private Limited ("Incwert" or "Valuer" or "Registered Valuer" or "RV" or "We" or "us") for recommending the fair demerger share entitlement ratio and merger share exchange ratio for the proposed restructuring pursuant to a Composite Scheme of Amalgamation and Arrangement under provisions of Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 ("**Scheme**" or "**Composite Scheme of Amalgamation and Arrangement**").

Incwert is a Registered Valuer Entity with Insolvency and Bankruptcy Board of India ("IBBI") for the asset class 'Securities or Financial Assets' having registration number IBBI/RV-E/05/2019/108.

In the following paragraphs, we have summarised our valuation analysis together with the description of the valuation approaches, methodologies and limitations in our scope of work. Our deliverable for this engagement is this Share Entitlement and Exchange report ("Share Entitlement and Exchange Report" or "Report").



Incwert Advisory Private Limited is an Indian  
Private limited company.

CIN U74999HR2018PTC075916



Registered office:  
Tower F 1502,  
GPL Eden Heights, Sector 70,  
Gurugram - 122101, India



## CONTEXT AND PURPOSE OF THIS REPORT

### Overview

#### Motherson Sumi Systems Limited

Motherson Sumi Systems Limited is a public limited company incorporated on December 19, 1986. 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. The equity shares of MSSL are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"), and the non-convertible debentures ("**NCDs**") issued by MSSL are listed on BSE.

#### Resulting Company

The Resulting Company is a new company which is currently in the process of being incorporated under the Companies Act, 2013 as an unlisted public limited company ("**Resulting Company**"). The Resulting Company, on incorporation, will be a wholly-owned subsidiary of the Transferor Company.

#### Samvardhana Motherson International Limited

Samvardhana Motherson International Limited is an unlisted public limited company incorporated on December 9, 2004. The NCDs issued by SAMIL are listed on BSE. SAMIL is a non-deposit taking systemically important core investment company (CIC-ND-SI) registered with the Reserve Bank of India and 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. SAMIL is one of the promoters of MSSL and holds 33.43% of the share capital of MSSL, as on 31 March 2020.

#### Context and purpose

We have been given to understand that pursuant to the Scheme, the management of the Companies ("**Management**") are contemplating the following restructuring exercise ("**Proposed Transaction**"):

- a) Demerger of the DWH Undertaking (as defined in Section I of the Scheme) of the Transferor Company and vesting of the same with the Resulting Company; 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.

Appointed date for the demerger is 01 April 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.

Appointed date for amalgamation of the Amalgamating Company into and with MSSL is the date when the amalgamation of Amalgamating Company with MSSL becomes effective, in accordance with Section II of the Scheme.

The Proposed Transaction, would involve the following steps:

Step 1: Demerger of the DWH Undertaking from MSSL into the Resulting Company, pursuant to which demerger, the shareholding pattern of the Resulting Company will be a mirror-image of the shareholding pattern of MSSL;

Step 2: Amalgamation of SAMIL into MSSL.

For the purpose of the aforesaid Proposed Transaction, the demerger share entitlement ratio and merger share exchange ratio (**Share Entitlement and Exchange ratios**) have to be calculated by a Registered



Valuer (as defined under Section 247 of the Companies Act, 2013) and hence the Client has approached us to calculate the Share Entitlement and Exchange Ratios to be used for the Proposed Transaction.

**The Demerger Share Entitlement Ratio for the Proposed Transaction refers to**

*The consideration of the demerger of the DWH Undertaking (as defined in Section I of the Scheme) of the Transferor Company and vesting of the same with the Resulting Company: The number of equity share(s) of the face value of Rs. 1 (Indian Rupees One) each credited as fully paid up in the share capital of the Resulting Company which would be issued to the equity shareholders of MSSL for every 1 equity share of the face value of Rs. 1 (Indian Rupees One) each of MSSL*

**The Merger Share Exchange Ratio for the Proposed Transaction refers to**

*The consideration of the amalgamation of the Amalgamating Company into and with MSSL, by absorption, subsequent to the completion of the demerger referred to above: The number of equity share(s) of the face value of Rs. 1 (Indian Rupees One) each credited as fully paid up in the share capital of MSSL which would be issued to the equity shareholders of SAMIL for every 1 equity share the face value of Rs. 10 (Indian Rupees Ten) each of SAMIL*

## **BASIS OF VALUATION**

In transactions of the nature of – merger or amalgamation of companies or merger or demerger of businesses, the consideration is often discharged primarily by issue of securities of the acquirer or transferee entity with reference to an exchange ratio or entitlement ratio, considering the relative values.

Such relative values are generally arrived at by applying an appropriate valuation approach or a combination of valuation approaches. If a combination of valuation approaches or methodologies is adopted, appropriate weights are assigned to arrive at a single value. Relative values are usually derived by using similar valuation approaches, methodologies and weights. However, the use of differing methodologies or approaches may be justified in circumstances, e.g., a merger of a listed company and an unlisted company, or where the listed company is infrequently traded.

### **Base of valuation**

The base of valuation has been "Fair value".

The definition of "Fair value" as per Indian Valuation Standards issued by the Institute of Chartered Accountants of India, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.

Fair value is the price in an orderly transaction in the principal (or most advantageous) market at the valuation date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

We have given due cognisance to the valuation standards issued by the Institute of Chartered Accountants of India in carrying out the valuation exercise.

### **Premise of value**

The premise of value refers to the conditions and circumstances of how an asset is deployed. As part of our analysis, we have considered the following assumption to be appropriate:

- Going-concern basis - Going concern value is the value of a business enterprise that is expected to continue to operate in the future.
- As-is-where-is basis – considers the current use of the asset which may or may not be its highest and best use.

### **Intended users**



This report is intended for the consumption of the Board of Directors (including audit committees) of MSSL and SAMIL and for the purpose of submission to the relevant regulatory or statutory authorities in India, including National Company Law Tribunal, Regional Directors, Registrar of Companies, SEBI, Stock exchanges, and for complying with the applicable provisions of the Companies Act, 2013 and other applicable laws.

We understand that this Report will be used by the Client for the above-mentioned purpose only and on the express understanding that it shall not be copied, disclosed or circulated or referred to in correspondence or discussion with any third party or used for any other purpose, other than the purpose mentioned above, without RV's prior written consent.

In the event, the Companies or Management of the Companies or representatives of the Company intend to extend the use of this report beyond the purpose mentioned herein above, with or without our consent, we will not accept any responsibility to any other party to whom our report may be shown or who may acquire a copy of the report issued by Incwert.

### SOURCES OF INFORMATION

This Report is prepared based on the below sources of information as provided to us by the management of Client:

- Draft Composite Scheme of Amalgamation and Arrangement;
- Audited historical financial statements of MSSL and SAMIL along with its subsidiaries, step down subsidiaries and JVs for the financial year ended 31 March 2017, 31 March 2018 and 31 March 2019;
- Audited financial statement of MSSL for the 12 months ended 31 March 2020;
- Provisional accounts for the 12 months ended 31 March 2020 were provided for
  - SAMIL along with its subsidiaries, step down subsidiaries and JVs
  - Subsidiaries, step down subsidiaries and JVs of MSSL;
- Projected financial statements for MSSL and SAMIL along with its subsidiaries, step down subsidiaries and JVs for the 5-year period from 01 April 2020 to 31 March 2025;
- Details of quoted and unquoted investments;
- Details of contingent liability as of 31 December 2019;
- Other data and information provided by respective companies, as may be requested by us;
- Discussions with the Management to obtain requisite explanation and clarification of data provided;
- Interviews and correspondence with the respective company's management on which we have relied;

The management of the Companies were provided with an opportunity to review a draft of our Report (*excluding the valuation and recommended Share Entitlement and Exchange ratios*) as part of our standard practice to ensure that factual inaccuracies/omissions are avoided in our final report.

Further at the request of the Management, we have had discussions with other valuation advisors on the valuation approach & methodologies adopted and assumptions made by us.



## PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and qualitative information
- Used data available in the public domain
  - Where available, published general market data, including economic, government and industry information which may affect the value of the businesses;
  - Where available, financial data for publicly traded or private companies engaged in the same or similar lines of business to develop appropriate multiples and operating comparisons as part of the market approach of valuation.
- Discussion (physical/ or over a phone call) with the Management to:
  - Understand the business and fundamental factors that affect its meaning-generating capability, including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
- Undertook Industry Analysis:
  - Research publicly available market data including economic factors and industry trends that may impact the valuation
  - Analysis of key trends and valuation multiples of comparable companies/comparable transactions using proprietary databases subscribed by us
- Selection of internationally accepted valuation methodologies as considered appropriate by us.

## DISCLOSURE OF INTEREST/ CONFLICT

We hereby certify that, to the best of my knowledge and belief that:

- Valuer is not affiliated to the Client in any manner whatsoever.
- Valuer does not have a prospective interest in the business, which is the subject of this Report.
- Details of services for the Client performed within a three-year period immediately preceding acceptance of this engagement, as an appraiser or in any other capacity – not applicable.
- Valuer's fee is not contingent on an action or event resulting from the analyses, opinions or conclusions in this Report.

## SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Our work in preparing the Report was undertaken, and our Report has been produced in accordance with the terms of our engagement with MSSL and SAMIL. Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, diligence services, consulting/ tax-related services.

This Report, its contents and results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement along with subsequent discussions with the management; (ii) the date of this Report and (iii) are based on the data detailed in the section – Sources of information. An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular, and the information made available to us. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

Management has represented that the business activities of the Companies have been carried out in the normal and ordinary course. However, material events could have occurred in their respective operations due to outbreak of COVID-19 in India between mid-February 2020 and date of issue of this Report. Management has represented that their business plan has been adjusted for the COVID-19 impact.

The Report Date is the valuation date ("Valuation Date"). For the valuation exercise, market parameters have been considered up to and including 26 June 2020.



Further, for the purpose of this engagement and Report, we have made no investigation of, and assume no responsibility for, the title to the assets or liabilities against the Company. Our conclusion of value assumes that the title to the assets and liabilities of the respective companies reflected in their respective audited/provisional latest financial statements is intact as at the date of this Report.

The financial forecasts used in the preparation of the Report reflects judgment of respective management of Companies, based on present circumstances prevailing around the valuation date, as to the most likely set of conditions and the course of action it is most likely to take. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period almost always may differ from the forecasts and as such differences may be material.

The final analysis will have to be tempered by the exercise of reasonable discretion by the valuer and judgement, considering all the relevant factors. There will always be several factors example given, management capability, present and prospective competition, the yield on comparable securities, market sentiments among others, which are not evident from the face of the balance sheet but will strongly influence the worth of a share. This concept is well recognised in judicial decisions and pronouncements.

The recommendation rendered in this Report only represents our recommendation based upon information to date, furnished by the management of the Client and other sources. The said recommendation shall be considered to be in the nature of non-binding advice.

Our recommendation in this Report is not intended to advise anybody to take buy or sell decision for which specific opinion needs to be taken from expert advisors.

The Report does not constitute an offer or invitation to any section of the public to subscribe for or purchase any securities in, or the other business or assets or liabilities of the Companies.

The determination of a share entitlement/exchange ratio is not a precise science, and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed share exchange ratio. While we have provided our recommendation of the share exchange ratio based on the information made available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the share exchange ratio at which the Proposed Transaction shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their assessment of the Proposed Transaction and input of other advisors.

Our work did not constitute an audit of the financial statements, and accordingly, we do not express any opinion on the truth and fairness of the financial position, as indicated in this Report. Our work did not constitute a validation of the financial statements of the companies/ businesses, and accordingly, we do not express any opinion on the same. Also, with respect to explanations and information sought from the management, we have been given to understand that the management has not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information provided by the management of the Client. Any omissions, inaccuracies or misstatements may materially impact our valuation analysis and outcome.

We do not imply, and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

The Report assumes that the Companies comply fully with the relevant laws and regulations applicable in all its areas of operations unless otherwise stated and that the companies will be managed in a competent and responsible manner. Further, except as expressly stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of lawful title and compliance with local laws, litigations and other contingent liabilities that are not recorded in the audited/ unaudited balance sheet of the Companies.



This Report does not investigate the business / commercial reasons behind the Proposed Transaction nor the likely merits of such transaction. Similarly, it does not address the relative benefits of the Proposed Transaction as compared with any other alternative business transaction or other alternatives or whether such options could be achieved or are available.

The fee for this engagement is not contingent upon the valuation conclusions.

This Report sets out Valuer's conclusions on a) relative valuation of relevant businesses as part of the demerger/merger and b) Share Entitlement and Exchange Ratio and has been prepared in accordance with LoE. The Report will be used by the Client for purposes agreed in the LoE. The Report will be issued by us on the express understanding that it shall not be copied, disclosed or circulated or referred to in correspondence or discussion with any third party or used for any other purpose without Valuer's prior written consent, unless agreed in the LoE.

This Report is based on the information provided by the Client and has been confirmed by the Client. We have not independently verified or checked the accuracy or timeliness of the same.

We have based our analysis based on information provided to us by the Management and stated under "Sources of Information". Any changes in the basis of preparation of financial statements of the Companies may significantly impact our analysis and therefore, the valuation.

For our analysis, we have relied on published and secondary sources of data, whether or not provided by the Client. We have not independently verified the accuracy or timeliness of the same.

The Valuer is not responsible for updating this Report because of events or transactions occurring subsequent to the date of issue of this Report.

The Valuer has not considered any finding made by other external agencies in carrying out the Valuation analysis other than those which are made available as part of disclosures in the annual report of the Companies.

This Report is prepared on the basis of the sources of information listed in the above section. We have relied upon written representation provided by the Management that the information contained in the Report is materially accurate and complete, fair in its manner of portrayal and therefore, forms a reliable basis for the Valuation.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties other than in connection with the proposed Scheme, without our prior written consent except for disclosures to be made to relevant regulatory/statutory authorities. We owe no duty (whether in contract or in tort or under statute or otherwise) with respect to or in connection with the attached Report or any part thereof to a party other than our Client. We do not accept any liability to any third party in relation to the issue of this Report.

It is understood that the analysis presented herein does not represent a fairness opinion on either the valuation of the business undertakings or the Share Entitlement and Exchange Ratio.

Any decision by the Client regarding whether to proceed with Proposed Transaction shall rest solely with the Client.

This Report is subject to the laws in India and should be used in connection with the proposed scheme.

This Report does not in any manner address the prices at which equity shares of the Companies or any other listed shareholder will trade after the announcement of the Proposed Transaction, and we express no opinion or recommendation as to how shareholders of the companies involved in the restructuring should vote at the shareholders' meeting(s) to be held in connection with the Proposed Transaction.



## SHAREHOLDING PATTERN OF THE COMPANIES

The issued and subscribed equity share capital of Motherson Sumi Systems Limited as on 31 March 2020 is INR 315.79 crores consisting of 3,157,934,237 equity shares of the face value of INR 10/- each. The shareholding pattern is as follows:

Sr. no.	Category of shareholder	Percentage holding
1	Samvardhana Motherson International Limited (SAMIL) (India)	33.43%
2	Sumitomo Wiring Systems (SWS) (Japan)	25.34%
3	Other Promoter Group	2.96%
4	Public & others	38.27%
	Total	100%

Upon incorporation of the Resulting Company, the proposed issued and subscribed equity share capital of the company shall be INR 5,00,000 consisting of 5,00,000 equity shares of the face value of INR 1/- each.

The issued and subscribed equity share capital of Samvardhana Motherson International Limited as on 31 March 2020 is INR 473.6 crores consisting of 473,613,855 equity shares of the face value of INR 10/- each. The shareholding pattern is as follows:

Sr. no.	Category of shareholder	Percentage holding
1	Shri Sehgal's Trustee Company Private Limited	25.67%
2	Vivek Chaand Sehgal	21.23%
3	Renu Alka Sehgal (as trustee of Renu Sehgal Trust)	23.19%
4	Radha Rani Holdings Pte Limited	14.10%
5	Sojitz Corporation	6.46%
6	Others (less than 5% shareholding)	9.35%
	Total	100%

Source: Management information

## APPROACH & METHODOLOGY

### Valuation approach and methodologies

There are several commonly used and accepted methods for determining the value and the Share Entitlement and Exchange Ratio which have been considered in the present case, to the extent relevant and applicable, including:

1. Market Approach:
  - a. Market Price method
  - b. Comparable Companies Multiples
  - c. Comparable Transaction Multiple Method
2. Income Approach: Discounted Cash Flows Method
3. Cost Approach: Net Asset Value Method

As discussed below for the Proposed Transaction, we have considered these methods to the extent relevant and applicable.

This valuation could fluctuate with the lapse of time, changes in prevailing market conditions and prospects, industry performance and general business and economic conditions financial and otherwise



of the Companies, and other factors which generally influence the valuation of companies and their assets.

We have relied on the judgment of the Management as regards contingent and other liabilities.

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the valuation subjects, and other factors.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for various purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of the methodology of valuation has been arrived at using usual and conventional methods adopted for transactions of a similar nature, regulatory guidelines and our reasonable judgment, in an independent and *bona fide* manner based on our previous experience of assignments of a similar nature.

The valuation methodologies, as may be applicable, which have been used to arrive at the value of the Companies are discussed hereunder.

#### Market Price (MP) Method

The market price of an equity share as quoted on a Stock Exchange is generally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share, especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger, where there is a question of evaluating the share price of one company against that of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

In the present case, equity shares of MSSL are traded on NSE and BSE. However, as the price of DWH Undertaking is not observable, the price of the Remaining Business cannot be ascertained from MP method. Resulting Company is under incorporation and SAMIL does not have traded equity shares on any stock exchange. Hence, we have not used this method for the valuation of any of the Companies.

#### Comparable Companies Market Multiple ("CCM") Method

Under this method, the value of the equity shares of a company/ business undertaking is arrived at by using multiples derived from valuations of comparable companies, as apparent through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant for the assessment of the value of the company.

Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. We have used this method for the various business segments of MSSL (minus DWH) and SAMIL wherever publicly listed comparable companies were available.

#### Comparable Companies Transaction Multiple (CTM) Method

Under the CTM method, the value of the equity shares of a company/ business undertaking is arrived at by using the prices implied by reported transactions/ deals of comparable companies.





Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Considering the uniqueness of the business structure of MSSL, it is difficult to find a similar transaction to benchmark. For MSSL or other group companies, we have not been able to identify any comparable company for which a majority stake-sale transaction has taken place in the last one year. We believe that the older transactions are not relevant for our valuation considering share price movements and changes in the macro-economic situation in India. Also, transactions multiples tend to be biased due to premium which may be embedded in the price for strategic benefits and synergies which an acquirer may perceive in the target. Accordingly, we have not applied the Comparable Transactions Multiple Method.

#### Discounted Cash Flows (DCF) Method

Under the DCF method, the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

##### *Estimating future free cash flows:*

Free cash flows are the cash flows expected to be generated by the company that is available to all providers of the company's capital — both debt and equity.

*Appropriate discount rate to be applied to cash flows, i.e. the cost of capital:*

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

The value so computed by discounting the cash flows to the firm is adjusted for net borrowings, surplus asset including investments, minority interests, equity instruments granted as part of the share-based payment, and other matters to arrive at an aggregate equity value of the company.

In the present case, we have considered this method for valuing these companies/businesses where applicable.

#### Net Asset Value (NAV) Method

The asset-based valuation technique is based on the value of the underlying net assets of the business either on a book value basis or realisable value basis or replacement cost basis. The cost approach assumes that a prudent investor would pay no more for an entity than the amount for which he could replace or re-create it or an asset with similar utility. Under a going-concern premise, the cost approach usually is best suited for valuing asset-intensive companies, such as investment or real estate holding companies, or companies with unstable or unpredictable earnings.

In the present case, considering that the businesses are going concerns, and hence we have considered it appropriate to not provide any weightage to NAV method.

### **BASIS OF VALUATION AND SHARE EXCHANGE RATIO**

#### **Basis of the Demerger Share Entitlement Ratio:**

- The demerger of DWH from MSSL into Resulting Company will be done with mirror shareholding of MSSL. Hence, the beneficial/economic interest of the shareholders of MSSL in the Resulting Company will be in the same ratio as it is in the share capital of the Transferor Company.
- The determination of the Demerger Share Entitlement Ratio will therefore not have any economic



impact on the ultimate value of the shareholders of MSSL upon the proposed demerger. The Proposed Transaction will be value-neutral to the shareholders of the Transferor Company.

**Basis of the Merger Share Exchange Ratio:**

The Merger Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of MSSL (minus DWH) and SAMIL based on the various approaches/ methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of these companies, having regard to the information base, key underlying assumptions and limitations.

We have independently applied methods discussed above, as considered appropriate, and arrived at the assessment of the relative values per equity share of MSSL (minus DWH) and SAMIL. To arrive at the consensus on the Merger Share Exchange Ratio suitable minor adjustments/ rounding off have been done in the relative values arrived at by us.

In the current analysis, the amalgamation of MSSL (minus DWH) and SAMIL is proceeded with on the assumption that MSSL (minus DWH) and SAMIL would merge as going concerns and an actual realisation of the operating assets is not contemplated. The operating assets have therefore been considered at their book and non-operating/ surplus assets, if any at their fair values under the Asset Approach. In such a going concern scenario, the relative earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of amalgamation/ merger, with the values arrived at on the net asset basis being of limited relevance. Hence, while we have calculated the values of the shares of MSSL (minus DWH) and SAMIL under the Asset Approach, we have considered it appropriate not to give any weightage to the same in arriving at the Merger Share Exchange Ratio.

Given the nature of the businesses of MSSL (minus DWH) and SAMIL and the fact that we have been provided with projected financials for each of the MSSL segments (including subsidiaries, joint ventures and associates) and each of the SAMIL segments (including subsidiaries, joint ventures and associates), we have considered it appropriate to apply the DCF Method under the Income Approach to arrive at the relative fair value of the shares of MSSL (minus DWH) and SAMIL for the purpose of arriving at the Merger Share Exchange Ratio.

Within the DCF Method, equity share values for MSSL (minus DWH) and SAMIL is computed as follows:

- Equity share values for each of the businesses comprising MSSL segments (including subsidiaries, joint ventures and associates) is computed separately using DCF Method and added up after adjusting for a) the value of debt, cash and cash equivalents and surplus assets as appearing in the balance sheet at 31 March 2020 and b) the shareholding and non-controlling interests of MSSL (minus DWH) to arrive at equity share value of MSSL (minus DWH).
- Equity share values for each of the businesses comprising SAMIL segments (including subsidiaries, joint ventures and associates) is computed separately using DCF Method and added up after adjusting for a) the value of debt, cash and cash equivalents and surplus assets as appearing in the balance sheet at 31 March 2020 and b) the shareholding and non-controlling interests of SAMIL to arrive at an equity share value of SAMIL.

In the present case, the equity shares of MSSL are listed on BSE and NSE. However, pursuant to the Proposed Transaction, the DWH business shall be demerged from MSSL and hence, Market Price Method cannot be used for the valuation of MSSL (minus DWH). The equity shares of SAMIL are not listed on any stock exchange and hence, Market Price Method cannot be used for the valuation of SAMIL. Therefore, we have also considered the CCM method under the Market Approach to arrive at the relative fair value of the shares MSSL (minus DWH) and SAMIL for the purpose of arriving at the Merger Share Exchange Ratio.

Within the Comparable Companies' Method, equity share values for MSSL (minus DWH) and SAMIL is computed as follows:



- Equity share values for each of the businesses comprising MSSL segments (including subsidiaries, joint ventures and associates) is computed separately using CCM method and added up after adjusting for a) the value of debt, cash and cash equivalents and surplus assets as appearing in the balance sheet at 31 March 2020 and b) the shareholding and non-controlling interests of MSSL (minus DWH) to arrive at equity share value of MSSL (minus DWH).
- Equity share values for each of the businesses comprising SAMIL segments (including subsidiaries, joint ventures and associates) is computed separately using CCM Method and added up after adjusting for a) the value of debt, cash and cash equivalents and surplus assets as appearing in the balance sheet at 31 March 2020 and b) the shareholding and non-controlling interests of SAMIL to arrive at equity share value of SAMIL.
- To arrive at the price per equity share of MSSL (minus DWH) we have considered the total issued and paid-up equity shares of the company as at 31 March 2020.

To arrive at the price per equity share of SAMIL we have considered the total issued and paid-up equity shares of SAMIL as at 31 March 2020.

For our final analysis and recommendation we have considered the values arrived under the Income Approach and the Market Approach, to arrive at the relative fair value of the equity shares of MSSL (minus DWH) and SAMIL for the purpose of Step 2.

The basis of the proposed merger would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, it is finally necessary to arrive at a single value. It is important to note that we are not attempting to arrive at the absolute equity values of the MSSL (minus DWH) and SAMIL but at their relative values to facilitate the determination of a fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

In view of the above, and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following Merger Share Exchange Ratio for the Step 2 of the Transaction as outlined in the section below.

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## CONCLUSION

### Step 1 – Demerger of DWH from MSSL into Resulting Company

Based on the foregoing, the demerger of DWH from MSSL into Resulting Company will be done with mirror shareholding of MSSL.

Hence, the beneficial/economic interest of the shareholders of MSSL in the Resulting Company will be in the same ratio as it is in the share capital of the Transferor Company.

Based on the aforementioned, we believe that the determination of share entitlement ratio will not have any economic impact on the ultimate value of the shareholders of MSSL upon the proposed demerger. The Proposed Transaction will be value-neutral to the shareholders of the Transferor Company.

Hence, any ratio as recommended by the Management can be considered for the purpose of the Demerger Share Entitlement Ratio for demerger under Step 1.

### Step 2- Amalgamation of SAMIL into MSSL (minus DWH)

Based on the foregoing, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following Merger Share Exchange Ratio for the proposed amalgamation of SAMIL into MSSL (minus DWH) pursuant to the Section II of the Scheme coming into effect for the Board of Directors' consideration:

- **51 (Fifty one) equity shares of the face value of Rs. 1/- (Indian Rupee One) each credited as fully paid up in the share capital of MSSL for every 10 (Ten) fully paid-up equity share of the face value of Rs. 10/- (Indian Rupees Ten) each held in SAMIL**

Or

- **5.1 (Five point one) equity shares of the face value of Rs. 1/- (Indian Rupee One) each credited as fully paid up in the share capital of MSSL for every 1 (one) fully paid-up equity share of the face value of Rs. 10/- (Indian Rupees Ten) each held in SAMIL**

Respectfully submitted,

**For Incwert Advisory Private Limited**

Registered Valuer Entity under Companies (Registered Valuers and Valuation) Rules, 2017

IBBI Registration No. IBBI/RV-E/05/2019/108

Asset class: Securities or Financial Assets



**Punit Khandelwal**

Director

Registered Valuer under Companies (Registered Valuers and Valuation) Rules, 2017

IBBI Registration No. IBBI/RV/05/2019/11375

Asset class: Securities or Financial Assets

Enclosed: Appendix – 1

**Appendix - 1**

The computation of Merger Share Exchange Ratio for amalgamation of SAMIL into MSSL (minus DWH) is computed as below

Method	MSSL (minus DWH)		SAMIL	
	Value per share (in INR)	Weight	Value per share (in INR)	Weight
Income Approach (DCF method)	107	50%	556	50%
Market Approach (CCM method)	95	50%	475	50%
Net asset value method	34	0%	148	0%
<b>Relative value per share</b>	<b>101</b>		<b>516</b>	
<b>Exchange ratio (rounded)</b>	<b>51 Equity shares of MSSL (minus DWH)</b>		<b>For every 10 equity share of SAMIL</b>	

NA = Not applicable/adopted  
NM = Not meaningful

\*\*\*\*\*End of report\*\*\*\*\*



# ANNEXURE V



2<sup>nd</sup> July, 2020

To,  
**The Board of Directors,**  
Motherson Sumi Systems Limited  
Registered office: Unit 705, C Wing,  
One BKC, G Block,  
Bandra Kurla Complex, Mumbai 400 051

**Dear Members of the Board,**

## I. Engagement Background

We, Axis Capital Limited ("We" or "AXIS"), understand that the Board of Directors (the "Board") of

- (a) Motherson Sumi Systems Limited, a listed public limited company incorporated in India under the provisions of the Companies Act ("Transferor Company" or "Amalgamated Company" or "MSSL");
- (b) Samvardhana Motherson International Limited, a public limited company incorporated in India under the provisions of the Companies Act ("Amalgamating Company" or "SAMIL"); and
- (c) New Company, which is currently in the process of being incorporated under the Companies Act, 2013 as an unlisted public company and a wholly owned subsidiary of MSSL ("Resulting Company" or "New Co.")

are considering an internal reorganization amongst themselves through a Composite Scheme of Amalgamation and Arrangement ("Scheme") pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

The Composite Scheme of Amalgamation and Arrangement *inter-alia* provides for the following:

- a. demerger of the DWH Undertaking (as defined in Section I of the Scheme) of the Transferor Company and vesting of the same with New Co. ("Transaction 1" or "Proposed Demerger"), resulting in an automatic listing of New Co.; and
- b. amalgamation of the Amalgamating Company into and with MSSL, by absorption, subsequent to the completion of Transaction 1 referred to in (a) above ("Transaction 2" or "Proposed Merger")



1 | Page

Axis Capital Limited (Erstwhile "Axis Securities and Sales Limited")

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Transaction 1 and Transaction 2 are hereinafter collectively referred to as Transactions.

MSSL 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 equity shares of the Transferor Company 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. The Transferor Company 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.

SAMIL 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 non-convertible debentures ("NCDs") issued by the Amalgamating Company are listed on BSE Limited. The Amalgamating Company is a non-deposit taking systemically important core investment company (CIC-ND-SI) registered with the Reserve Bank of India and is engaged in the business of holding and nurturing investments in various subsidiaries and joint-venture companies in India and across the world and also provides strategic, operational and management support to various affiliates. Amalgamating Company is one of the promoters of MSSL and holds 33.43% of the share capital of MSSL, as of the date hereof.

We further understand that the share entitlement ratio for the Proposed Demerger and the share exchange ratio for the Proposed Merger have been arrived at based on the valuation report prepared by M/s Price Waterhouse & Co. LLP ("PWC & Co.") and BSR & Associates LLP ("BSR") (collectively referred to as the "Valuers"), who have been jointly appointed for this exercise by MSSL (on its own behalf and on New Co.'s behalf) and SAMIL.

Based on our perusal of the valuation report dated 2<sup>nd</sup> July 2020 prepared by the Valuers (the "Report") and the Draft Scheme Document shared with us on 1<sup>st</sup> July 2020 ("Draft Scheme Document"), the final version of which will be filed by the aforementioned companies with the appropriate authorities, we understand that the following has been proposed by the Valuers:

*"1 fully paid up equity shares of INR 1 each fully paid up of the Resulting Company for every 1 equity share of MSSL (hereinafter referred to as the "Share Entitlement Ratio") for Transaction*

*1"*



2 | Page Axis Capital Limited (erstwhile "Axis Securities and Sales Limited")

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"51 fully paid up equity shares of INR 1 each of MSSL for every 10 existing fully paid up equity share of INR 10 each held in SAMIL" (hereinafter referred to as the "Share Exchange Ratio") for Transaction 2"

In connection with the aforesaid, you requested our opinion ("Opinion"), as of the date hereof, as to the fairness of the Share Entitlement Ratio and the Share Exchange Ratio, as proposed by the Valuers, from a financial point of view, to the shareholders of MSSL.

## **II. Basis of Opinion**

The rationale for the Scheme as shared with us by the management of MSSL is based on inter-alia the following aspects:

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 inter alia manufacturing of wiring harness systems, manufacturing of vision systems, manufacturing of moulded & polymer products, technology & software, manufacturing of metal products, retail and services & logistics. 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, being solely focused on the domestic wiring harness business, and the Remaining Business (as defined in the Scheme) cater to distinct product segments with different market dynamics viz different competition, geographic focus, strategy and capital requirements. The segregation and transfer of the DWH Undertaking into the Resulting Company, as envisaged in the Scheme, will enable sharper focus on the domestic wiring harness business.

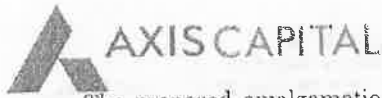
Consolidation of the Amalgamating Company with MSSL, pursuant to the Scheme, will result in the simplification of the group structure and in the alignment of the interests of various stakeholders. Further, amalgamation of Amalgamating Company, along with its respective subsidiaries and joint venture 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 businesses 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.



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The proposed amalgamation of the Amalgamating Company with MSSL would result in the consolidation of the entire shareholding in Samvardhana Motherson Automotive Systems Group B.V. ("SMRP BV"), a company engaged in the global supply of rear-view vision systems and manufacturing of moulded & polymer products currently, and which is currently jointly held by the Amalgamating Company and MSSL, within MSSL. Consequently, SMRP BV would become a wholly owned subsidiary of MSSL. This consolidation of SMRP BV's holding will simplify the overall group structure and will result in the entire benefit of future growth in SMRP BV accruing to MSSL shareholders.

The key aspects of the Draft Scheme Document and the Report dated 2<sup>nd</sup> July 2020, issued by the Valuers, provided to us and relied upon by us for framing this Opinion with respect to the Share Entitlement Ratio and Share Exchange Ratio, are as under:

1. Upon the Scheme coming into effect on the Effective Date 1 (as defined in the Scheme) and with effect from the Appointed Date 1 (as defined in the Scheme), 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
  - a. As consideration for the Proposed Demerger, equity shares in the Resulting Company shall be issued to the equity shareholders of the Transferor Company, on a proportionate basis
  - b. All shareholders of the Transferor Company on the Record Date (as defined in the Scheme) shall become shareholders of the Resulting Company and the shareholding pattern of the Resulting Company shall mirror the shareholding pattern of the Transferor Company
2. Upon the Scheme coming into effect on Effective Date 2 (as defined in the Scheme) and with effect from Appointed Date 2 (as defined in the Scheme), 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 Transaction 1)
3. All shareholders of the Amalgamating Company shall become shareholders of the Amalgamated Company
4. Upon the Scheme becoming effective, share capital of MSSL held by SAMII, shall be cancelled

The scope of our Opinion includes commenting on the fairness of the Share Entitlement Ratio and the Share Exchange Ratio as provided in the Report and not on the fairness or economic rationale of the Scheme per se, or the analysis done by the Valuers. We have relied upon the Draft Scheme Document and taken the abovementioned key features of the proposed Scheme (together

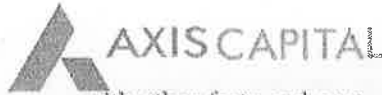


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with other facts and assumptions set forth in section III of this Opinion) into account while determining the meaning of "fairness", from a financial point of view, for the purposes of this Opinion.

### III. Limitation of Scope and Review

Our Opinion and analysis is limited to the extent of review of documents as provided to us by MSSL including the Report prepared by the Valuers and the Draft Scheme Document.

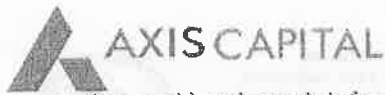
In arriving at this Opinion, we have among other things:

- reviewed the Draft Scheme Document provided to us by MSSL;
- reviewed the Report provided to us by MSSL;
- reviewed certain relevant publicly available business information relating to the activities of MSSL up to March 31, 2020 including its annual report for 2018-19, quarterly filings and provisional/unaudited numbers for the financial year ended March 2020, as well as its shareholding pattern as on March 31, 2020;
- reviewed certain relevant publicly available business information relating to the activities of SAMIL up to March 31, 2020 including its annual report & quarterly filings for the financial year ended March 2020, as well as its shareholding pattern as on March 31, 2020;
- certain information shared by MSSL and SAMIL through a data room;
- reviewed financial projections for MSSL standalone, other entities under MSSL, SAMIL, as provided to us by the management of the respective entities;
- held discussions with the Valuers and with the management teams of MSSL, SAMIL and their respective principal joint venture entities, associates and subsidiaries;
- reviewed historical stock prices and trading volumes of MSSL on NSE and BSE;
- reviewed certain publicly available information with respect to certain other companies in the same line of business and which we believe to be generally relevant in the context of businesses of MSSL and SAMIL;
- reviewed other relevant information, explanations and representations that were provided by the management teams of MSSL and SAMIL; and
- performed such other analysis and studies and considered such other information and factors as we deemed appropriate.

In arriving at our Opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with us and have relied upon the assurances of the management of MSSL and SAMIL that they are not aware of any facts or circumstances



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that would make such information or data inaccurate, incomplete or misleading in any material respect. We have not reviewed any internal management information statements or any non-public reports (other than as mentioned above), and instead, have relied upon documents/information that was provided by MSSL and SAMIL, for the purposes of this Opinion. We are not experts in the evaluation of litigation or other actual or threatened claims. We have assumed that there are no other contingent liabilities or circumstances that could materially affect the activities including underlying businesses or financial prospects of the Resulting Company, Amalgamating Company, and/or the Amalgamated Company and their respective joint venture entities, associates and subsidiaries, other than those disclosed in the information provided. Our work does not constitute an audit, due diligence or certification of historical financial statements including working results of the Resulting Company, Amalgamating Company, and/or the Amalgamated Company or their activities including underlying businesses referred to in this Opinion. We have not made or been provided with any independent valuation or appraisal of the assets or liabilities (contingent or otherwise) of the Resulting Company, Amalgamating Company, and/or the Amalgamated Company, nor have we conducted any physical inspection of the properties or assets of the Resulting Company, Amalgamating Company, and/or the Amalgamated Company. In particular, we do not express any opinion as to the value of any asset of the Resulting Company, Amalgamating Company, and/or the Amalgamated Company and their subsidiaries/ investments whether at current prices or in the future. No investigation of SAMIL's, and MSSL's or their respective joint venture entities', associates' and subsidiaries' claim to title of assets has been made for the purpose of the exercise and the respective companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the annual reports. Therefore, no responsibility whatsoever is assumed for matters of a legal nature. We have not evaluated the solvency or fair value of the Resulting Company, Amalgamating Company, and/or the Amalgamated Company or their respective joint venture entities, associates and subsidiaries under either the laws of India or any other laws relating to bankruptcy, insolvency or similar matters. We have assumed that the final Scheme will be consummated without waiver, modification or amendment of any material terms, condition or agreement and that, in the course of obtaining the necessary governmental, judicial, regulatory and other approvals, consents, releases and waivers for the Scheme, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, will be imposed that would have an adverse effect on the Resulting Company, Amalgamating Company, or the Amalgamated Company or the contemplated benefits of the Scheme. We understand from the Management of MSSL and SAMIL that the Scheme will be given effect to in totality and not in parts. This Opinion is based and issued on the understanding that the Resulting Company, Amalgamating Company, and the Amalgamated Company and their respective subsidiaries/affiliates/joint ventures/investments have drawn our attention to all the



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matters, which they are aware of concerning the financial position of the Resulting Company, Amalgamating Company, and the Amalgamated Company and/or their respective joint venture entities, associates and subsidiaries, their activities including underlying businesses, and any other matter, which may have an impact on our analysis or our Opinion, on the Share Entitlement Ratio and the Share Exchange Ratio, including any significant changes that have taken place or are likely to take place in the financial position of the Resulting Company, Amalgamating Company, and the Amalgamated Company and their subsidiaries/affiliates/joint ventures/investments or their activities including underlying businesses subsequent to the date hereof. Further, to avoid factual inaccuracies in our report, as a part of our standard practice, SAMIL's, and MSSL's managements have been provided an opportunity to review a draft of the Opinion (wherein the Share Entitlement Ratio and Share Exchange Ratio are not mentioned).

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Moreover, in this case where shares of the Amalgamated Company are being issued as consideration to the shareholders of Amalgamating Company, it is not the absolute valuation that is important for framing an opinion but the relative valuation of the shares of the Amalgamated Company vis-à-vis shares of the Amalgamating Company.

We express no view or opinion as to any terms or other aspects of the Scheme other than the Share Entitlement Ratio and the Share Exchange Ratio as provided in the Report to the extent expressly specified herein, including, without limitation, the form or structure of the Scheme. No opinion or view is expressed with respect to any consideration received in connection with the Scheme by the holders of any other class of securities, creditors or other constituencies of any party. We do not express any opinion as to any tax or other consequences that might arise from the Scheme on the Resulting Company, Amalgamating Company, Amalgamated Company and / or their respective joint venture entities, associates and subsidiaries and their respective shareholders, nor does our Opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Resulting Company, Amalgamating Company, and the Amalgamated Company have obtained such advice as they deemed necessary from qualified professionals. In addition, no opinion or view is expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees or any party to the Scheme, or class of such persons, relative to the Share Exchange Ratio and the Share Entitlement Ratio. Furthermore, no opinion or view is expressed as to the relative merits of the Scheme in comparison to other strategies or transactions that might be available to the companies or in which the companies might engage or as to the underlying business decision of the companies to proceed with or effect the Scheme. We are not expressing any opinion as to what the value of the equity shares of the Resulting Company and MSSL actually will be when issued or the prices at which the equity shares will



Axis Capital Limited (Erstwhile "Axis Securities and Sales Limited")

SEBI Merchant Banker Regn No. MB/INM000012029 Member Of BSE Ltd. & National Stock Exchange of India Ltd., Mumbai.  
CIN No. U51900MH2005PLC157853

Regd. Office: Axis House, 8th Floor, Wadia International Centre, P. B. Marg, Worli, Mumbai - 400 025 &  
Corp. Office: Axis House, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai - 400 025  
Tel.: (022) 4325 1199, Fax No. (022) 4325 3000. Website: www.axiscapital.co.in



trade at any time, including following announcement or consummation of the Scheme. In addition, we express no opinion or recommendation as to how any shareholder should vote or act in connection with the Scheme or any related matter. Our Opinion does not address any matters otherwise than as expressly stated herein, including but not limited to matters such as corporate governance, shareholders' rights or any other equitable considerations.

MSSL and SAMIL acknowledge that in connection with the Scheme: (i) AXIS has acted at arm's length at all times, is not an agent of, and owes no fiduciary duties either to MSSL and SAMIL or any subsidiary or affiliate of the companies or the company's management, shareholders or creditors or the Board of the relevant companies or any other persons, and (ii) AXIS may have interests that differ from those of the relevant companies or their Board. MSSL and SAMIL waive, on behalf of themselves, New Co., any of their subsidiaries, joint ventures or affiliates or their respective Boards, to the fullest extent permitted by applicable law, any claims they may have against AXIS arising from any alleged breach of fiduciary duty in connection with the Scheme or otherwise. Any liability of AXIS shall be only to the extent provided under our Engagement Letter.

We have acted as advisor to the Board of MSSL solely to render this Opinion and will receive a fee for our services, which is payable upon the rendering of this Opinion. The fee for our service of providing the Opinion is not contingent upon the results of the Transactions. In addition, MSSL has agreed to reimburse our expenses and indemnify us against certain liabilities arising out of our engagement. In no event shall AXIS be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or willful default on the part of MSSL and SAMIL, their directors, employees or agents and / or their subsidiaries/joint ventures/affiliates, their directors, employees or agents. In no circumstances shall the liability of AXIS, its partners, affiliates or employees, relating to services provided in connection with this Opinion exceed the amount paid to us in respect of the fees, if any, charged for these services.

We and/or our affiliates are engaged in securities trading, securities brokerage and financing activities, as well as providing investment banking and financial advisory services and products to a wide range of companies, governments and individuals. In the ordinary course of our trading, brokerage and financing activities, we may undertake research analysis and may at any time hold long or short positions, and may trade or otherwise effect transactions, for our own account or the accounts of our customers, in debt or equity securities or senior loans of MSSL or SAMIL or their subsidiaries or affiliates.

We and/or our affiliates in the past have provided, currently may be providing, and in the future may provide investment banking and other financial services to MSSL and SAMIL, the promoters



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of the Motherson Group, and other group companies of the Motherson Group, and have received or in the future may receive compensation for the rendering of these services.

This Opinion is subject to the laws of India. Further, the Opinion is addressed only to the Board of Directors of MSSL and is for the purpose of submission to the Stock Exchanges under the SEBI Circular Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, the Opinion may be disclosed on the websites of MSSL and SAMIL and the stock exchanges and also be made part of the explanatory statement of the notice to be circulated to the shareholders and/or creditors of the MSSL and SAMIL. The Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without our prior written consent.

In no circumstances however, will AXIS or its directors, officers, employees and controlling persons of AXIS accept any responsibility or liability including any pecuniary or financial liability to any third party.

Further, this Opinion should not be used or quoted for any purpose other than the purpose mentioned hereinabove. If this Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. Neither this Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

Our Opinion is necessarily based on (i) prevailing financial, economic, monetary, market and other conditions and circumstances, and (ii) the information made available to us by the relevant companies. It should be understood that subsequent developments may affect this Opinion, and we do not have any obligation to update, revise, or reaffirm this Opinion. Our Opinion is specific to the fairness of the Share Entitlement Ratio and the Share Exchange Ratio as contemplated in the Draft Scheme Document provided to us and is not valid for any other purpose. The issuance of this Opinion was approved in accordance with our internal policies. This Opinion has to be read in totality, and not in parts, in conjunction with the relevant documents referred therein.

#### **IV. Conclusion**

Based on our examination of the documents mentioned above including the Draft Scheme Document and the Report, our discussions with the managements of MSSL and SAMIL and other intermediaries as appointed by them in this regard and subject to the foregoing, including the various assumptions and limitations set forth herein, to the best of our knowledge and belief, we are of the opinion on the date hereof that from the financial point of view, the Share Entitlement



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Ratio and the Share Exchange Ratio as provided in the Report are fair to the shareholders of MSSL.

Yours truly,  
For Axis Capital Ltd.



Authorised Signatory

# ANNEXURE VI

July 2, 2020

The Board of Directors  
Motherson Sumi Systems Limited  
Unit - 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex  
Bandra East, Mumbai-400051, Maharashtra

Members of the Board of Directors:

We understand that Motherson Sumi Systems Limited, a listed public limited company incorporated under the laws of India ("**MSSL**"), proposes to enter into a Composite Scheme of Amalgamation and Arrangement pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, as amended, as may be applicable, and also read with Section 2(19AA) or Section 2(1B) of the Income tax Act, 1961, as amended, as may be applicable, among MSSL, Samvardhana Motherson International Limited, a public limited company incorporated under the laws of India ("**SAMIL**"), a new company currently in the process of being incorporated under the laws of India as a wholly owned subsidiary of MSSL ("**NewCo**"), and their respective shareholders and creditors, the agreed form of which was provided to us by MSSL (the "**Scheme**").

Pursuant to the Scheme, among other things:

- a) the entire Domestic Wiring Harness Business (*as defined in the Scheme*) of MSSL as of April 1, 2021 (the "**DWH Undertaking**" *as defined in the Scheme*) will be demerged from MSSL (such surviving entity after the Demerger, "**Remaining MSSL**") and stand transferred to and vested in NewCo (the "**Resulting Company**" *as defined in the Scheme*) which will become an independent listed entity upon completion of the Transactions (*as defined herein*) (the "**Demerger**"); and
- b) SAMIL will be amalgamated, by absorption, with and into Remaining MSSL subsequent to the completion of the Demerger (the "**Merger**", and together with the Demerger, the "**Transactions**")

We also understand that the equity shares held by SAMIL in Remaining MSSL shall stand cancelled as part of the Scheme and no further shares are required to be issued or payment made in lieu on cancellation of such equity shares.

The terms and conditions of the Transactions are more fully set forth in the Scheme, to be filed by the above-mentioned companies with the appropriate state benches of the National Company Law Tribunal in India. We understand that pursuant to the Scheme:





- a) as consideration for the Demerger, each holder of equity shares, of Rs. 1/- each of MSSL (each equity share of MSSL, a "**MSSL Equity Share**"), will be issued and allotted 1 equity share, of Rs. 1/- each of the Resulting Company, for every 1 MSSL Equity Share held by such holder (the "**Demerger Share Entitlement Ratio**"); and
- b) as consideration for the Merger, each holder of equity shares, of Rs. 10/- each of SAMIL, will be issued and allotted 51 MSSL Equity Shares, for every 10 equity shares of SAMIL held by such holder (the "**Merger Share Exchange Ratio**", and together with the Demerger Share Entitlement Ratio, the "**Exchange Ratios**").

Each of the Exchange Ratios is based upon the joint recommendation made by Price Waterhouse & Co LLP and B S R & Associates LLP, the independent accounting firms jointly appointed by MSSL and SAMIL in connection with the Transactions, as set forth in their joint valuation report dated July 2, 2020 (the "**Valuation Report**").

You have requested our opinion as of the date hereof as to the fairness, from a financial point of view, to the holders of the MSSL Equity Shares (other than SAMIL and Sehgal family) of the Exchange Ratios provided for in the Scheme.

In connection with this opinion, we have, among other things:

- (i) reviewed certain publicly available business and financial information relating to MSSL and its subsidiaries, the DWH Undertaking, Remaining MSSL and SAMIL, together with its joint ventures and subsidiaries;
- (ii) reviewed certain internal financial and operating information with respect to the business, operations and prospects of the DWH Undertaking, furnished to or discussed with us by the management of MSSL, including certain historical pro forma financial information and financial forecasts relating to the DWH Undertaking prepared by the management of MSSL (such financial information and forecasts, the "**DWH Undertaking Financials and Forecasts**");
- (iii) reviewed certain internal financial and operating information with respect to the business, operations and prospects of the Remaining MSSL and its subsidiaries (excluding the DWH Undertaking) (the "**Remaining MSSL Business**"), furnished to or discussed with us by the management of MSSL, including certain historical pro forma financial information and financial forecasts relating to MSSL and its subsidiaries (excluding the DWH Undertaking) prepared by the management of MSSL (such financial information and forecasts, the "**Remaining MSSL Business Financials and Forecasts**");
- (iv) reviewed certain financial and operating information with respect to the business, operations and prospects of SAMIL and its joint ventures and subsidiaries, including certain historical pro forma financial information (taking into account certain entities which have been included or carved out) and financial forecasts for SAMIL and some of its joint ventures and subsidiaries prepared by the management of SAMIL, as approved for our use by the management of MSSL (such financial information and forecasts, the "**SAMIL Financials and Forecasts**") and furnished to or discussed with us by the management of MSSL;

- (v) discussed the past and current business, operations, financial condition and prospects of MSSL and its subsidiaries and the DWH Undertaking with members of senior management of MSSL, and discussed the past and current business, operations, financial condition and prospects of SAMIL and its joint ventures and subsidiaries, with members of senior management of SAMIL and MSSL;
- (vi) reviewed the key terms of the proposed shared services and sourcing agreements for supply of certain products and services from Remaining MSSL, its subsidiaries and joint ventures to the DWH Undertaking (the "**Agreements**") and discussed with the management of MSSL, its assessments of the potential impact of such Agreements on the DWH Undertaking Financials and Forecasts and the Remaining MSSL Business Financials and Forecasts;
- (vii) reviewed the potential pro forma financial impact of the Transactions on the future financial performance of Remaining MSSL, including the potential effect on Remaining MSSL's estimated earnings per share;
- (viii) reviewed the trading histories for the MSSL Equity Shares and a comparison of such trading histories with the trading histories of other companies we deemed relevant, in India as well as outside India;
- (ix) reviewed the financial estimates and sum-of-the-parts valuation of MSSL done by various research analysts;
- (x) compared certain financial and trading information of MSSL with similar information of other companies we deemed relevant, in India as well as outside India;
- (xi) the Valuation Report;
- (xii) reviewed a draft, dated July 2, 2020, of the Scheme (the "**Draft Scheme**"); and
- (xiii) performed such other analyses and studies and considered such other information and factors as we deemed appropriate.

In arriving at our opinion, we have assumed and relied upon, without any independent verification or validation, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with us and have relied upon the assurances of the managements of MSSL and SAMIL that they are not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to the DWH Undertaking Financials and Forecasts and the Remaining MSSL Business Financials and Forecasts, we have been advised by MSSL, and have assumed, that they have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of MSSL as to the future financial performance of the DWH Undertaking and the Remaining MSSL Business.

With respect to the SAMIL Financials and Forecasts, we have been advised by SAMIL, and have assumed, with consent of MSSL, that they have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of SAMIL as to the future financial performance of SAMIL and we have relied, at the direction of MSSL, on the SAMIL Financials and Forecasts



for purposes of our opinion. Without limiting the generality of the foregoing, we have also assumed, at the direction of MSSL, that MSSL, SAMIL, the DWH Undertaking and their respective subsidiaries/affiliates/joint ventures will receive all statutory clearances with respect to their respective operations in accordance with the assumptions regarding such clearances in the DWH Undertaking Financials and Forecasts, the Remaining MSSL Business Financials and Forecasts and the SAMIL Financials and Forecasts.

Without limiting the generality of the foregoing, we have been advised by MSSL, and have assumed, at MSSL's direction, that, as contemplated by the SAMIL Financials and Forecasts, all indebtedness owed by SAMIL, its joint ventures and subsidiaries, to any person, following consummation of the Transactions, will be paid in full in accordance with the repayment terms of such indebtedness. Furthermore, we have assumed, at the direction of MSSL, that, as contemplated by the SAMIL Financials and Forecasts, any refinancing of the existing indebtedness of SAMIL, its joint ventures and subsidiaries, will be on terms not materially different in any respect from the terms of the existing indebtedness of SAMIL, its joint ventures and subsidiaries .

We have been informed by the management of MSSL that the forecasts provided to us have been prepared in accordance with Indian Accounting Standards (Ind-AS). We have not made or been provided with any independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of MSSL, the DWH Undertaking, the Remaining MSSL Business, SAMIL, or their respective subsidiaries/affiliates/joint ventures and/or any other entity (other than the Valuation Report, which we have reviewed and relied upon without independent verification for purposes of this opinion), nor have we made any physical inspection or title verification of the properties or assets of MSSL, the DWH Undertaking, the Remaining MSSL Business, SAMIL, their respective subsidiaries/affiliates/joint ventures and/or any other entity, and we do not express any opinion as to the value of any asset of MSSL, the DWH Undertaking, the Remaining MSSL Business, SAMIL, their respective subsidiaries/affiliates/joint ventures and/or any other entity, whether at current prices or in the future. We have not evaluated the solvency or fair value of MSSL, the DWH Undertaking, the Remaining MSSL Business, SAMIL, their respective subsidiaries/affiliates/joint ventures and/or any other entity under the laws of India or any other laws relating to bankruptcy, insolvency or similar matters.

We have assumed, at the direction of MSSL, that the Transactions will be consummated in accordance with their terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary governmental, judicial, regulatory and other approvals, consents, releases and waivers for the Transactions, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, will be imposed that would have an adverse effect on MSSL, the DWH Undertaking, the Remaining MSSL Business, SAMIL, their respective subsidiaries/affiliates/joint ventures and/or any other entity or the contemplated benefits of the Transactions. We have assumed, at the direction of MSSL, that the final executed Agreements will not differ in any material respect from the key terms of the Agreements, reviewed by us. We also have assumed, at the direction of MSSL, that the final executed Scheme will not differ in any material respect from the Draft Scheme, reviewed by us.

We are not experts in the evaluation of the automotive components sector including but not limited to manufacturing of products such as wiring harness, vision system, moulded and polymer products, metal products, elastomers, rear-view mirrors, tooling, automotive lighting products, plastic interiors, shock absorbers, etc., and we express no view as to MSSL, the DWH Undertaking, the Remaining MSSL Business , SAMIL, their respective subsidiaries/affiliates/joint ventures and/or any other entity's market share,

volume growth, new product development and launch, bargaining power with customers or suppliers or the ability to take price increases in products marketed by MSSL, the DWH Undertaking, the Remaining MSSL Business, SAMIL, their respective subsidiaries/affiliates/joint ventures and/or any other entity. We also express no opinion as to future price increases or margin expansions reflected in the financial forecasts and other information and data utilized in our analyses, and which, if different than as assumed, could have a material impact on our analyses or opinion. We have not undertaken any independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, or other contingent liabilities, or any settlements thereof, to which MSSL, the DWH Undertaking, the Remaining MSSL Business, SAMIL, their respective subsidiaries/affiliates/joint ventures and/or any other entity are or may be a party or are or may be subject, and this opinion does not consider the potential effects of any such litigation, actions, claims, other contingent liabilities or settlements.

Our opinion is necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to us as of, the date hereof. As you are aware, the credit, financial and stock markets have been experiencing unusual volatility over the last few months, inter alia due to the impact of the COVID-19 pandemic, and we express no opinion or view as to any potential effects of such volatility on MSSL Equity Shares or when the equity shares of the Resulting Company are listed, or on the Transactions or the Exchange Ratios. It should be understood that subsequent developments may affect this opinion, and we do not have any obligation to update, revise, or reaffirm this opinion.

We express no view or opinion as to any terms or other aspects or implications of the Transactions (other than the Exchange Ratios to the extent expressly specified herein), including, without limitation, the form or structure of the Transactions, the taxation impact of the Transactions or the MSSL Equity Shares issued under the Transactions or any terms or other aspects or implications of any other agreement, arrangement or understanding entered into in connection with or related to the Transactions or otherwise. We were not requested to, and we did not, participate in the negotiation of the terms of the Transactions. We express no view or opinion as to any such matters. Our opinion does not address any matters otherwise than as expressly stated herein, including but not limited solely to matters such as corporate governance, shareholder rights or any other equitable consideration, and is limited to the fairness, from a financial point of view, to the holders of the MSSL Equity Shares (other than SAMIL and Sehgal family) of the Exchange Ratios provided for in the Scheme and no opinion or view is expressed with respect to any consideration received in connection with the Transactions by the holders of any other class of securities, creditors or other constituencies of any party. In addition, no opinion or view is expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of any party to the Transactions, or class of such persons, relative to the Exchange Ratios. Furthermore, no opinion or view is expressed as to the relative merits of the Transactions in comparison to other strategies or transactions that might be available to MSSL or in which MSSL might engage or as to the underlying business decision of MSSL to proceed with or effect the Transactions. Further, MSSL will remain solely responsible for the commercial assumptions on which this opinion is based and for its decision to proceed with the Transactions.

Further, our opinion does not take into account any corporate actions of MSSL after the date hereof, including payment of dividends. We are not expressing any opinion as to what the value of MSSL Equity Shares actually will be when issued or the prices at which the MSSL Equity Shares or the equity shares of the Resulting Company will trade at any time, including following announcement or consummation of the Transactions. In addition, we express no opinion or recommendation as to how any shareholder, creditor

or other person should vote or act in connection with the Transactions or any related matter. In addition, we are not expressing any view or opinion with respect to, and have relied, with the consent of MSSL, upon the assessments of representatives of MSSL regarding, legal, regulatory, accounting, tax and other matters relating to MSSL, the DWH Undertaking, the Remaining MSSL Business, SAMIL, any of their respective subsidiaries/affiliates/joint ventures or any other entity and the Transactions (including the contemplated benefits of the Transactions) as to which we understand that MSSL obtained such advice as it deemed necessary from qualified professionals.

We have also assumed that all aspects of the Transactions and any other transaction contemplated in the Scheme would be in compliance with applicable laws and regulations, and we have issued this opinion on the understanding that we would not in any manner verify, or be responsible for ensuring, such compliance. Without prejudice to the generality of the foregoing, we express no opinion and have assumed that the Transactions will not trigger obligations to make open offers under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and accordingly we have not considered the consequences or impact on MSSL, if any such open offers are mandated, and we have also assumed that the Transactions will not result in any adverse effect on MSSL or its respective business, whether under tax or other laws or under the terms of any license or approval.

We have acted as financial advisor to the Board of Directors of MSSL solely to render this opinion and will receive a fee for our services, which will be paid upon the rendering of this opinion. In addition, MSSL has agreed to reimburse our expenses (subject to certain restrictions) and indemnify us against certain liabilities arising out of our engagement.

We and our affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of companies, governments and individuals. In the ordinary course of our businesses, we and our affiliates may invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of MSSL, its subsidiaries and/or its affiliates.

We and our affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to MSSL, the promoters of MSSL, and have received or in the future may receive compensation for the rendering of these services.

It is understood that this letter is for the benefit and use of the Board of Directors of MSSL (in its capacity as such) in connection with and for purposes of its evaluation of the Transactions and is not rendered to or for the benefit of, and shall not confer rights or remedies upon, any person other than the Board of Directors of MSSL. This opinion may not be disclosed, referred to, or communicated (in whole or in part) to any third party, nor shall any public reference to us be made, for any purpose whatsoever except (i) with our prior written consent in each instance; (ii) as required to be disclosed by MSSL to the relevant stock exchanges pursuant to Circular no. CFD/DIL3/CIR/2017/21, dated March 10, 2017, as amended by Circular no. CFD/DIL3/CIR/2018/2 issued by the Securities and Exchange Board of India ("SEBI Scheme Circulars") and may be disclosed on the website of MSSL and the stock exchanges to the extent required in terms of the SEBI Scheme Circulars and further may also be made a part of the explanatory statement to be circulated to the shareholders and/or creditors of MSSL; and (iii) as required to be disclosed to



The Board of Directors  
Motherson Sumi Systems Limited  
Page 7

relevant judicial, regulatory or government authorities, in each case only as may be mandatorily required by applicable laws. The issuance of this opinion was approved by our Asia Pacific Fairness Opinion Review Committee.

Based upon and subject to the foregoing, including the various assumptions and limitations set forth herein, we are of the opinion on the date hereof that the Demerger Share Entitlement Ratio and the Merger Share Exchange Ratio provided for in the Scheme is fair, from a financial point of view, to the holders of the MSSL Equity Shares (other than SAMIL and Sehgal family).



Very truly yours,

DSP MERRILL LYNCH LIMITED

# ANNEXURE VII

**S.R. BATLIBOI & Co. LLP**

Chartered Accountants

2nd & 3rd Floor  
Golf View Corporate Tower - B  
Sector - 42, Sector Road  
Gurugram - 122 002, Haryana, India  
Tel: +91 124 681 6000

## **Independent Auditor's Report on compliance with conditions of the Pricing Provisions specified in Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations")**

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 our service scope letter dated July 01, 2020 read with Master Engagement Agreement dated June 02, 2020 with Motherson Sumi Systems Limited (hereinafter the "Company").
2. As per SEBI Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017, as amended ("**SEBI Circular**"), the issuance of shares under schemes in case of allotment of shares only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes shall follow the pricing provisions of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**ICDR Regulations**") and the relevant date for the purposes of computing the pricing shall be the date of the Board meeting at which the scheme is approved.
3. This Report is issued at the request of the Company pursuant to the requirements of the stock exchanges as provided in its list of "Documents required to be submitted for approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 (LODR regulations) for the scheme of amalgamation/arrangement (including reduction in capital, arrangement with creditors, etc.) proposed to be filed under Section 230-234 and Section 66 of the Companies Act, 2013".
4. We have been informed that the board of directors of the Company, at their meeting held on July 02, 2020 approved the Composite Scheme of Amalgamation and Arrangement proposed to be undertaken amongst the Motherson Sumi Systems Limited, Samvardhana Motherson International Limited, and a new Company under Incorporation ("**Scheme**").
5. As part of the Composite Scheme of Amalgamation and Arrangement, the following steps are proposed to be undertaken:
  - (a) Demerger of Domestic Wiring Harness undertaking of the Company (hereinafter termed DWH Undertaking) to the new Company under Incorporation;
  - (b) Amalgamation of the Samvardhana Motherson International Limited into and with the Company by absorption, subsequent to the completion of the demerger referred to in (a) above;

As the Scheme contemplates a merger of unlisted company (being Samvardhana Motherson International Limited) into a listed company (Motherson Sumi Systems Limited), the Company is required to obtain a Report from the Statutory Auditors with regard to compliance with the pricing provisions of ICDR Regulations and SEBI Circular, as referred above.

6. The accompanying statement contains details of compliance with the pricing provisions required to be met under the ICDR Regulations, by the Company, (the "**Statement**"), which we have annexed with this report for identification purposes.

### **Managements' Responsibility for the Statement**

7. The preparation of the accompanying Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation

and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

8. The Management is also responsible for ensuring that the Company complies with the below requirements of the ICDR Regulations and the SEBI Circulars on “Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957” (as amended from time to time) (‘SEBI Circular’):
- i. Determine the relevant date, being the date of Board meeting in which the restructuring scheme is approved.
  - ii. Determination of the minimum price of equity shares, as per Regulation 164 of ICDR Regulations, of the Company being higher of:
    - (a) the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty-six weeks preceding the relevant date;
    - (b) the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date
  - iii. Determination of adjustments required to be made, in accordance with Regulation 166 of the ICDR regulations, to the minimum price determined in paragraph (ii) above, more fully explained in the attached statement.
  - iv. Determination of the minimum price for preferential issue after considering price determined in paragraph (ii) above and adjustment to the price determined in paragraph (iii) above, more fully explained in the attached statement.
  - v. Compliance with the requirements of the ICDR Regulations and SEBI Circular, to the extent applicable.

#### **Auditor’s Responsibility**

9. As per requirements of the stock exchanges as provided in its list of “Documents required to be submitted for approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 ( LODR regulations) for the scheme of amalgamation/arrangement ( including reduction in capital, arrangement with creditors, etc) proposed to be filed under Section 230-234 and Section 66 of the Companies Act, 2013”, it is our responsibility to provide limited assurance as to whether the pricing provisions of the proposed preferential issue provided in the Statement are in accordance with the requirements of the ICDR Regulations applicable to preferential issue of equity shares and the SEBI Circular.
10. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Reports in Company Prospectuses (Revised 2019) both issued by the Institute of Chartered Accountants of India (“ICAI”). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
11. 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.
12. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria mentioned in paragraph 6 above. The procedures performed vary in nature, timing and extent from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a



reasonable assurance engagement. Accordingly, we have performed the following procedures in relation to the Statement:

- a) Noted the relevant date, being the date of Board meeting in which the restructuring scheme is approved;
- b) Obtained annexed statement, prepared by the management to determine price adjustment, as explained in 8(iii) above, to be made to minimum price at 8(ii) above;
- c) Verified the calculation of the minimum price of the equity shares in accordance with pricing formula given in 8(ii) above;
- d) Obtained and read valuation reports of BSR & Associates LLP., Chartered Accountants obtained by the management for determination of fair value of the DWH undertaking as of the relevant date;
- e) Verified the arithmetical accuracy of the minimum price for preferential issue determined by the management at 8(iv) above.

#### **Conclusion**

13. Based on our examination as above and the procedures performed by us as referred in Paragraph 12 above, and the information, explanations and management representations provided to us, nothing has come to our attention that causes us to believe that the details of the proposed preferential issue provided in the Statement are not in accordance with the pricing provisions of the ICDR Regulations and the SEBI Circular as applicable to the preferential issue of equity shares in the extant case.

#### **Restriction on Use**

14. This Report is addressed to and provided to the Board of Directors of the Company solely for the purpose of further submission to the stock exchanges. The certificate should not be shared or used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report 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

**PANKAJ  
CHADHA**

Digitally signed by PANKAJ CHADHA  
DN: cn=PANKAJ CHADHA, c=IN,  
o=Personal,  
email=pankaj.chadha@srbl.in  
Reason: I am approving this document  
Date: 2020.07.02 19:31:07 +05'30'

**per Pankaj Chadha**  
Partner

Membership Number: 091813

UDIN: 20091813AAAACZ5700

Place: Gurugram

Date: July 02, 2020

**Statement of Compliance with the pricing provisions required to be met under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”)**

**A. Calculation of minimum issue price as prescribed under Chapter V of SEBI (ICDR) Regulations, 2018 of Motherson Sumi Systems Limited (“MSSL”)**


S. No.	Calculation of Price for Preferential Issue	Value (per share)/ Percentage
I	26 Weeks average of the weekly high and low of the volume weighted average price of Equity Shares on NSE [Refer table B below]	98.42
II	2 Weeks average of the weekly high and low of the volume weighted average price of Equity Shares on NSE [Refer table C below]	97.10
III	<b>Higher of (I) and (II) above (As per regulation 164 of ICDR)</b>	<b>98.42</b>
IV	Percentage value contributed by the Domestic Wiring Harness (DWH) business to the overall value of MSSL [as per the valuation report of BSR & Associates LLP., Chartered Accountants dated July 02, 2020, ratio of value of DWH business and value of MSSL (excluding DWH) is 17.7 : 82.3]	17.7%
V	Adjustment of share price of DWH as per regulation 166 of ICDR [III x IV]	(17.42)
VI	<b>Price for Preferential Issue [III + V]</b>	<b>81.00</b>

**B. Average of the weekly high and low of the Volume Weighted Average Price (“VWAP”) of Equity Shares on NSE during 26 Weeks preceding the relevant date**

Week	From	To	VWAP - High	VWAP - Low	Average
Week 1	02.01.2020	08.01.2020	148.69	142.81	145.75
Week 2	09.01.2020	15.01.2020	148.24	139.41	143.83
Week 3	16.01.2020	22.01.2020	142.66	137.33	140.00
Week 4	23.01.2020	29.01.2020	145.37	139.75	142.56
Week 5	30.01.2020	05.02.2020	139.20	126.92	133.06
Week 6	06.02.2020	12.02.2020	137.52	125.42	131.47
Week 7	13.02.2020	19.02.2020	125.25	119.82	122.54
Week 8	20.02.2020	26.02.2020	123.42	112.61	118.02
Week 9	27.02.2020	04.03.2020	108.24	100.76	104.50
Week 10	05.03.2020	11.03.2020	100.26	90.33	95.30
Week 11	12.03.2020	18.03.2020	71.21	61.41	66.31
Week 12	19.03.2020	25.03.2020	66.03	56.06	61.05
Week 13	26.03.2020	01.04.2020	65.39	58.80	62.10
Week 14	02.04.2020	08.04.2020	57.08	55.80	56.44
Week 15	09.04.2020	15.04.2020	72.05	62.62	67.34
Week 16	16.04.2020	22.04.2020	86.07	73.20	79.64
Week 17	23.04.2020	29.04.2020	83.45	72.56	78.01
Week 18	30.04.2020	06.05.2020	88.81	75.16	81.99
Week 19	07.05.2020	13.05.2020	84.71	75.79	80.25
Week 20	14.05.2020	20.05.2020	81.79	78.98	80.39
Week 21	21.05.2020	27.05.2020	85.39	79.76	82.58
Week 22	28.05.2020	03.06.2020	103.08	92.42	97.75
Week 23	04.06.2020	10.06.2020	103.39	95.29	99.34
Week 24	11.06.2020	17.06.2020	96.77	92.12	94.45
Week 25	18.06.2020	24.06.2020	99.78	97.13	98.46
Week 26	25.06.2020	01.07.2020	97.04	94.43	95.74
<b>Average Price</b>					<b>98.42</b>

Head Office:  
Motherson Sumi Systems Limited  
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  
Email: [investorrelations@motherson.com](mailto:investorrelations@motherson.com)

Regd Office:  
Motherson Sumi Systems Limited 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.:  
L34300MH1986PLC284510

Proud to be part of samvardhana 

C. Average of the weekly high and low of the Volume Weighted Average Price ("VWAP") of Equity Shares on NSE during 2 Weeks preceding the relevant date

Week	From	To	VWAP - High	VWAP - Low	Average
Week 1	18.06.2020	24.06.2020	99.78	97.13	98.46
Week 2	25.06.2020	01.07.2020	97.04	94.43	95.74
<b>Average Price</b>					<b>97.10</b>

**For and on behalf of the Motherson Sumi Systems Limited**

Gaya Nand  
Gaubu

Digitally signed by  
Gaya Nand Gauba  
Date: 2020.07.02  
18:20:54 +05:30'

G. N. Gauba  
Chief Financial Officer

Date: July 02, 2020  
Place: Noida

## ANNEXURE VIII



October 5, 2020

To,

The General Manager,  
Department of Corporate Services,  
BSE Limited,  
PJ Towers,  
Dalal Street, Fort  
Mumbai 400 011

Ref: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI LODR")

Sub: Complaints report pursuant to application under Regulation 37 of the SEBI LODR and in terms of SEBI Circular No. CFD/DIL3/2017/21 dated March 10, 2017 ("SEBI Circular")

Dear Sir/ Ma'am

In continuation to the application dated July 24, 2020 in relation to the composite scheme of amalgamation and arrangement among Motherson Sumi Systems Limited ("**Company**"), Samvardhana Motherson International Limited and Motherson Sumi Wiring India Limited and their respective shareholders and creditors ("**Scheme**"), we submit herewith the 'Complaints Report'.

We confirm that the draft Scheme along with the specified documents in accordance with Clause I(A)(2) of the SEBI Circular were made public on the Company's website for comments for a period of at least 21 days from the date of our application. Further, BSE Limited had uploaded the draft Scheme on its website on September 11, 2020.

The Complaints Report will also be uploaded on the website of the Company as per the requirement of the SEBI Circular.

You are requested to take the same on record.

Thanking you,

Yours truly,  
For Motherson Sumi Systems Limited

Alok Goel  
Company Secretary



Head Office:  
Motherson Sumi Systems Limited  
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  
Email: investorrelations@motherson.com

Regd Office:  
Motherson Sumi Systems Limited 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.: L34300MH1986PLC284510

### Complaints Report

(For the period from September 11, 2020 till October 2, 2020)

#### Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total number of complaints/ comments received (1+2)	Nil
4.	Number of complaints resolved	Not applicable
5.	Number of complaints pending	Not applicable

#### Part B

Sr. No.	Name of Complainant	Date of Complaint	Status (Resolved/ Pending)
1.	Not applicable	Not applicable	Not applicable
2.	Not applicable	Not applicable	Not applicable

Yours truly,  
For Motherson Sumi Systems Limited

  
Alok Goel  
Company Secretary



October 5, 2020

To,

The Manager,  
Listing-Compliance Department,  
The National Stock Exchange of India Limited,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East)  
Mumbai – 400 051

Dear Sir/ Ma'am

**Ref:** Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI LODR")

**Sub:** Complaints report pursuant to application under Regulation 37 of the SEBI LODR and in terms of SEBI Circular No. CFD/DIL3/2017/21 dated March 10, 2017 ("SEBI Circular")

In continuation to our application dated July 24, 2020 in relation to the composite scheme of amalgamation and arrangement among Motherson Sumi Systems Limited ("**Company**"), Samvardhana Motherson International Limited and Motherson Sumi Wiring India Limited and their respective shareholders and creditors ("**Scheme**"), we submit herewith the 'Complaints Report'.

We confirm that the draft Scheme along with the specified documents in accordance with Clause I(A)(2) of the SEBI Circular were made public on the Company's website for comments for a period of at least 21 days from the date of our application. Further, the National Stock Exchange of India Limited had uploaded the draft Scheme on its website on September 10, 2020.

The Complaints Report will also be uploaded on the website of the Company as per the requirement of the SEBI Circular.

You are requested to take the same on record.

Thanking you,

Yours truly,  
For Motherson Sumi Systems Limited



Alok Goel  
Company Secretary



### Complaints Report

(For the period from September 10, 2020 till October 2, 2020)

#### Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total number of complaints/ comments received (1+2)	Nil
4.	Number of complaints resolved	Not applicable
5.	Number of complaints pending	Not applicable

#### Part B

Sr. No.	Name of Complainant	Date of Complaint	Status (Resolved/ Pending)
1.	Not applicable	Not applicable	Not applicable
2.	Not applicable	Not applicable	Not applicable

Yours truly,  
For Motherson Sumi Systems Limited

  
Alok Goel  
Company Secretary



# ANNEXURE X

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India  
T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com  
Corporate Identity Number: L67120MH2005PLC155188



DCS/AMAL/BA/R37/1859/2020-21

“E-Letter”

December 04, 2020

The Company Secretary,  
**MOTHERSON SUMI SYSTEMS LTD.**  
Unit - 705, C Wing, ONE BKC, G Block,  
Bandra Kurla Complex, Bandra East,  
Mumbai, Maharashtra, 400051

Dear Sir,

**Sub: Observation letter regarding the Composite Scheme of Amalgamation and Arrangement amongst Motherson Sumi Systems Limited, Samvardhana Motherson International Limited and Motherson Sumi Wiring India Limited and their respective shareholders and creditors.**

We are in receipt of Draft Scheme of Arrangement of Motherson Sumi Systems Limited filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its Email dated December 04, 2020 has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall ensure that the company brings to the notice of NCLT that the scheme, inter-alia, envisages amalgamation of a RBI registered entity (Samvardhana Motherson International Limited) into a listed entity and therefore may require comments from RBI before deciding on the same.”
- “Company shall ensure that company brings to the notice of shareholders the pricing of preferential issue.”
- “Company shall ensure that the financials of the companies involved in the Scheme is updated and are not more than 6 months old.”
- “Company shall ensure that the proposed scheme is acted upon only if approved by the NCLT and if the majority votes cast by the public shareholders are in favour of the proposal.”
- “Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- “Company shall duly comply with various provisions of the Circular.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”



Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of Motherson Sumi Wiring India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Motherson Sumi Wiring India Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Motherson Sumi Wiring India Limited is at the discretion of the Exchange. In addition to the above, the listing of Motherson Sumi Wiring India Limited pursuant to the Composite Scheme of Amalgamation and Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Motherson Sumi Wiring India Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all Motherson Sumi Wiring India Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Motherson Sumi Wiring India Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
  - i. The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
  - ii. "There shall be no change in the shareholding pattern of Motherson Sumi Wiring India Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Sd/-

**Nitinkumar Pujari**  
**Senior Manager**

# ANNEXURE XI



## National Stock Exchange Of India Limited

Ref: NSE/LIST/ 24260\_II

December 07, 2020

The Company Secretary  
Motherson Sumi Systems Limited  
Unit - 705, C Wing, ONE BKC, G Block,  
Bandra Kurla Complex, Bandra East,  
Mumbai, Maharashtra, 400051

**Kind Attn.: Mr. Alok Goel**

Dear Sir,

**Sub: Observation Letter for the Draft Composite Scheme of Amalgamation and Arrangement amongst Motherson Sumi Systems Limited, Samvardhana Motherson International Limited and Motherson Sumi Wiring India Limited and their respective shareholders and creditors**

We are in receipt of the Draft Composite Scheme of Amalgamation and Arrangement amongst Motherson Sumi Systems Limited (Amalgamated Company/ Transferor Company), Samvardhana Motherson International Limited (Amalgamating Company) and Motherson Sumi Wiring India Limited (Resulting Company) and their respective shareholders and creditors vide application dated July 24, 2020.

Based on our letter reference no Ref: NSE/LIST/24260 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), kindly find following comments on the draft scheme:

- a. *The Company shall ensure to bring to the notice of NCLT that the scheme, inter-alia, envisages amalgamation of a RBI registered entity (Samvardhana Motherson International Limited) into a listed entity and therefore may require comments from RBI before deciding on the same.*
- b. *The Company shall ensure to bring to the notice of shareholders the pricing of preferential issue.*
- c. *The Company shall duly comply with various provisions of the Circular.*
- d. *The Company shall ensure that the financials of the companies involved in the scheme is updated and are not more than 6 months old.*
- e. *The Company shall ensure that the proposed scheme is acted upon only if approved by the NCLT and if the majority votes cast by the public shareholders are in favour of the proposal.*

This Document is Digitally Signed

Signer: Armit Maruti Phatak  
Date: Mon, Dec 7, 2020 15:47:54 IST  
Location: NSE



- f. *The Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the Scheme with the Stock Exchange and from the date of the receipt of this letter is displayed on the website of the listed company.*
- g. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- h. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observation/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we conveyed our "No-objection" in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, to enable the Company to file the draft scheme with NCLT.

However, the listing of equity shares of Motherson Sumi Wiring India Limited (Resulting Company) on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, Motherson Sumi Wiring India Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Motherson Sumi Wiring India Limited (Resulting Company) is at the discretion of the Exchange.

The listing of Motherson Sumi Wiring India Limited (Resulting Company) pursuant to the Composite Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

This Document is Digitally Signed

Signer: Amit Maruti Phatak  
Date: Mon, Dec 7, 2020 15:47:54 IST  
Location: NSE



1. To submit the Information Memorandum containing all the information about Motherson Sumi Wiring India Limited (Resulting Company) and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the companies.
2. To publish an advertisement in the newspapers containing all the information about Motherson Sumi Wiring India Limited (Resulting Company) in line with the details required as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all the material information about Motherson Sumi Wiring India Limited (Resulting Company) to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
  - (a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."
  - (b) "There shall be no change in the shareholding pattern or control in Motherson Sumi Wiring India Limited (Resulting Company) between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from December 7, 2020 within which the scheme shall be submitted to NCLT.

Yours faithfully,  
For National Stock Exchange of India Limited

Amit Phatak  
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL [http://www.nseindia.com/corporates/content/further\\_issues.htm](http://www.nseindia.com/corporates/content/further_issues.htm)

This Document is Digitally Signed

# ANNEXURE XII

**S.R. BATLIBOI & Co. LLP**  
Chartered Accountants

2nd & 3rd Floor  
Golf View Corporate Tower - B  
Sector - 42, Sector Road  
Gurugram - 122 002, Haryana, India  
Tel: +91 124 681 6000

## INDEPENDENT AUDITOR'S REPORT

To the Members of Motherson Sumi System Limited

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying Standalone Ind AS financial statements of Motherson Sumi System Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>De-recognition of trade receivables under factoring facilities</b> (as described in note 8 of the standalone Ind AS financial statements)	
<p>The Company enters into non-recourse factoring arrangements for its trade receivables with various banks/financial institutions.</p> <p>As at 31 March 2020 the Company had factoring facilities in place for trade receivables and amount of INR 1,010 million were de-recognized by using these facilities.</p> <p>The Company derecognizes the receivables from its books if it transfers substantially all the risks and rewards of ownership of the financial asset (i.e. receivables).</p> <p>The assessment of de-recognition of trade receivables under the factoring facilities is complex and requires judgement.</p> <p>Accordingly, the matter has been identified as KAM.</p>	<p>The procedures performed includes following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the process related to de-recognition of trade receivables;</li> <li>• Evaluated the assessment made by management covering significant factoring contracts;</li> <li>• For certain new contracts entered during the year, tested the nature of the contracts and evaluated key terms and conditions of the contract in line with the guidance prescribed under Ind AS 109, “Financial Instruments”;</li> <li>• Read and assessed the disclosure made in the financial statements for assessing compliance with disclosure requirements.</li> </ul>
<b>Impairment assessment on Investments in subsidiaries</b> (as described in note 6 (a) of the standalone Ind AS financial statements)	
<p>The Company has made investments in various subsidiaries and the carrying amount of total investments as at March 31, 2020 is INR 46,135 million.</p> <p>Considering the long term nature of these investments, their impairment assessment requires judgement and significant estimates to determine the Value-In-Use (VIU) in certain cases. In particular, the determination of the VIU is sensitive to significant assumptions such as discount rate, revenues growth, operating margin and terminal value.</p> <p>Accordingly, the matter has been identified as KAM.</p>	<p>The procedures performed includes following:</p> <ul style="list-style-type: none"> <li>• Assessed the process followed and controls implemented for the impairment review and analysis performed by the management;</li> <li>• Tested management’s impairment calculation and ensured the compliance with the applicable accounting standards;</li> <li>• Read the financial position and operating/financial results of the respective investments from their financial information made available to us by the management;</li> <li>• Where considered necessary, evaluated the key assumptions used in determining VIU and performed sensitivity analysis of key assumptions;</li> <li>• Read and assessed the disclosure made in the financial statements for assessing compliance with disclosure requirements</li> </ul>

### **Emphasis of Matter – Corona developments**

The developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society as a whole, as well as on the operational and financial performance of organizations. The situation changes on a daily basis giving rise to inherent uncertainty. The Company is confronted with this uncertainty as well, which has been disclosed in the note 47 to the Ind AS financial statements, together with its evaluation thereof. We draw attention to these disclosures. Our opinion is not modified in respect of this matter.

### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.



### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 43 to the Standalone Ind AS financial statements;

# S.R. BATLIBOI & Co. LLP

Chartered Accountants

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 37 to the Standalone Ind AS financial statements;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For S.R. Batliboi & Co. LLP**

**Chartered Accountants**

**ICAI Firm Registration Number: 301003E/E300005**

**PANKAJ  
CHADHA**

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**per Pankaj Chadha**

**Partner**

**Membership Number: 091813**

**UDIN: 20091813AAAACH4622**

**Place of Signature: Gurugram**

**Date: June 02, 2020**

**Annexure 1 referred to in paragraph 1 of “Report on Other Legal and Regulatory Requirements” of our report of even date**

**Re: Motherson Sumi Systems Limited (the “Company”)**

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (i)(b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (i)(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2020 and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of its products and related services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were

outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii)(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, excise duty or value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. million)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	13	A.Y. 2002-03	Supreme Court
Income Tax Act, 1961	Income Tax	20	A.Y. 2003-04 to 2005-06	High Court, Delhi
Income Tax Act, 1961	Income Tax	2	A.Y. 2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	19	A.Y. 2011-12	Transfer Pricing Officer
Income Tax Act, 1961	Income Tax	6	A.Y. 2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961**	Income Tax	0	A.Y. 2015-2016	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1	A.Y. 2016-2017	Dispute Resolution Panel
U.P. VAT Act, 2008	Value Added Tax & Sales Tax	1	A.Y. 2017-18	Additional Commissioner (Appeals)
Central Excise Act, 1944	Excise	1	A.Y. 2014-15 to 2017-2018	Additional Commissioner
Central Excise Act, 1944**	Excise	0	A.Y. 2014-15 & 2015-2016	Commissioner (Appeals)
Central Excise Act, 1944**	Excise	0	A.Y. 2011-2012	CESTAT
Finance Act, 1994	Service tax	7	A.Y. 2010-11	Additional Commissioner
Finance Act, 1994**	Service tax	0	A.Y. 2009-10 to 2014-15	Commissioner (Appeals)
Finance Act, 1994	Service tax	2	A.Y. 2002-03 to 2003-04 & 2010-11	Commissioner
Finance Act, 1994	Service tax	13	A.Y. 2002-2004, 2007-08, 2009-10 to 2014-15, & 2015-16,	CESTAT

\* The amounts are net of advances

\*\* Amount is below the rounding off norm adopted by the Company

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank. The Company does not have any dues outstanding to debenture holder or financial institution or government in the nature of loan or borrowing.

- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**PANKAJ  
CHADHA**

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**per Pankaj Chadha**

Partner

Membership Number: 091813

Place of Signature: Gurugram

Date: 2 June 2020

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MOTHERSON SUMI SYSTEM LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Motherson Sumi System Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

### **Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**PANKAJ CHADHA**  
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**per Pankaj Chadha**  
Partner  
Membership Number: 091813

Place of Signature: Gurugram  
Date: 2 June 2020





	2019	2018
Revenue	1,000	1,000
Operating Profit	100	100
Net Profit	100	100
EPS	100	100

	2019	2018
Operating Profit	100	100
Net Profit	100	100
EPS	100	100

	2019	2018
Operating Profit	100	100
Net Profit	100	100
EPS	100	100

	2019	2018
Operating Profit	100	100
Net Profit	100	100
EPS	100	100

Notes to the financial statements

Financial statements including Balance Sheet, Profit and Loss, Cash Flow, and Equity Statement.

# Motherson Sumi Systems Limited Standalone Financial Statements 2019-20

(All amounts in INR Million, unless otherwise stated)

	Notes	As At March 31, 2020	As At March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Properly, plant and equipment	3(a)	15,819	17,087
Right-of-use assets	3(b)	2,716	-
Capital work in progress	3(a)	903	907
Investment property	4	747	872
Intangible assets	5	0	0
Investment in subsidiaries, joint ventures and associate	6(a)	46,632	45,836
<b>Financial assets</b>			
i. Investments	6(a)	186	188
ii. Loans	7	176	58
iii. Other financial assets	9(a)	138	-
Deferred tax assets (net)	10	450	296
Other non-current assets	11	387	342
Non-current tax assets (net)	23	594	725
<b>Total non-current assets</b>		<b>68,748</b>	<b>66,311</b>
<b>Current assets</b>			
Inventories	12	9,931	10,551
<b>Financial assets</b>			
i. Investments	6(b)	6	10
ii. Trade receivables	8	8,675	8,090
iii. Cash and cash equivalents	13(a)	2,300	1,333
iv. Bank balances other than (iii) above	13(b)	66	49
v. Loans	7	89	110
vi. Other financial assets	9(b)	1,050	1,939
Other current assets	14	1,164	2,039
<b>Total current assets</b>		<b>23,281</b>	<b>24,121</b>
<b>Total assets</b>		<b>92,029</b>	<b>90,432</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	3,158	3,158
<b>Other equity</b>			
Reserves and surplus	16(a)	59,153	61,088
Other reserves	16(b)	133	136
<b>Total equity</b>		<b>62,444</b>	<b>64,382</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings	17(a)	11,915	11,337
ii. Lease liabilities		791	-
iii. Other financial liabilities	18	226	164
Employee benefit obligations	21	485	424
Government grants	22	275	92
<b>Total non-current liabilities</b>		<b>13,692</b>	<b>12,017</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings	17(b)	2,279	2
ii. Lease liabilities		137	-
iii. Trade payables			
Total outstanding dues of micro, small and medium enterprises	19	155	202
Total outstanding dues of creditors other than micro, small and medium enterprises	19	8,901	8,747
iv. Other financial liabilities	18	2,584	2,698
Provisions	20	11	8
Employee benefit obligations	21	579	360
Government grants	22	34	12
Other current liabilities	24	1,213	2,004
<b>Total current liabilities</b>		<b>15,893</b>	<b>14,033</b>
<b>Total liabilities</b>		<b>29,585</b>	<b>26,050</b>
<b>Total equity and liabilities</b>		<b>92,029</b>	<b>90,432</b>
<b>Summary of significant accounting policies</b>			
2			

This is the Balance Sheet referred to in our report of even date

The above Standalone balance sheet should be read in conjunction with the accompanying notes

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

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Date: 2020.06.03 19:35:00 +0530

per PANKAJ CHADHA

Partner

Membership No.: 091813

Place: Gunugram  
Date: June 02, 2020

For and on behalf of the Board

VIVEK CHAAND SEHGAL  
Digitally signed by VIVEK CHAAND SEHGAL  
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**V.C. SEHGAL**  
Chairman

Gaya Nand Gauba  
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**G.N. GAUBA**  
Chief Financial Officer

PANKAJ KUMAR MITAL  
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**PANKAJ MITAL**  
Whole-time Director/  
Chief Operating Officer

Alok Goel  
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**ALOK GOEL**  
Company Secretary

Place: Noida  
Date: June 02, 2020

(All amounts in INR Million, unless otherwise stated)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Revenue</b>			
Revenue from contract with customers	25 (a)	68,142	75,107
Other operating revenue	25 (b)	596	706
<b>Total revenue from operations</b>		<b>68,738</b>	<b>75,813</b>
Other income	26	3,784	1,865
<b>Total income</b>		<b>72,522</b>	<b>77,678</b>
<b>Expenses</b>			
Cost of materials consumed	27	35,694	42,002
Purchase of stock-in-trade		985	619
Changes in inventory of finished goods, work-in-progress and stock in trade	28	485	(522)
Employee benefit expense	29	12,176	11,785
Depreciation and amortization expense	32	2,883	2,193
Finance costs	31	306	176
Other expenses	30	8,379	9,201
<b>Total expenses</b>		<b>60,908</b>	<b>65,454</b>
<b>Profit before tax</b>		<b>11,614</b>	<b>12,224</b>
<b>Tax expenses</b>			
-Current tax	33	2,742	3,106
-Deferred tax expense/ (credit)		(116)	980
<b>Total tax expense</b>		<b>2,626</b>	<b>4,086</b>
<b>Profit for the year</b>		<b>8,988</b>	<b>8,138</b>
<b>Other comprehensive income</b>			
<b>Items not to be reclassified to profit or loss</b>			
Changes in fair valuation of FVOCI equity investment		(4)	2
Deferred tax on fair valuation of FVOCI equity investment		1	(0)
Remeasurements of employment benefit obligations		(146)	(88)
Deferred tax on remeasurements of employment benefit obligations		37	31
<b>Other comprehensive income for the year, net of tax</b>		<b>(112)</b>	<b>(55)</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>8,876</b>	<b>8,083</b>
<b>Earnings per share: (Refer Note 34)</b>			
Nominal value per share: INR 1/- (Previous year : INR 1/-)			
Basic		2.85	2.58
Diluted		2.85	2.58

**Summary of significant accounting policies**

This is the Statement of Profit and Loss referred to in our report of even date

2

The above Standalone statement of profit and loss should be read in conjunction with the accompanying notes

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**PANKAJ  
CHADHA**

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per PANKAJ CHADHA

Partner

Membership No.: 091813

Place: Gurugram

Date: June 02, 2020

For and on behalf of the Board

VIVEK CHAAND  
SEHGAL

V.C. SEHGAL  
Chairman

Gaya Nand  
Gauga

G.N. GAUBA  
Chief Financial Officer

Place: Noida

Date: June 02, 2020

PANKAJ  
KUMAR MITAL

PANKAJ MITAL  
Whole-time Director/  
Chief Operating Officer

Alok Goel

ALOK GOEL  
Company Secretary

(All amounts in INR Million, unless otherwise stated)

A. Equity share capital		Notes	Amount					
As at April 01, 2018				2,105				
Issue of equity share capital		15		1,053				
As at March 31, 2019				3,158				
Issue of equity share capital		15		-				
As at March 31, 2020				3,158				
B. Other equity		Notes	Reserves and surplus			Items of OCI	Total	
			Securities premium	Reserve on amalgamation	General Reserve	Retained Earnings	FVOCI equity Investments	
Balance as at April 01, 2018			27,279	1,663	3,363	27,258	134	59,697
Profit for the year			-	-	-	8,138	-	8,138
Other comprehensive income			-	-	-	(57)	2	(55)
Total comprehensive income for the year			-	-	-	8,081	2	8,083
Additions during the year								
Bonus Issue		16 (a)	(1,053)	-	-	-	-	(1,053)
Dividend paid		16 (a)	-	-	-	(4,737)	-	(4,737)
Tax on Dividend		16 (a)	-	-	-	(766)	-	(766)
Balance at March 31, 2019			26,226	1,663	3,363	29,836	136	61,224
Profit for the year			-	-	-	8,988	-	8,988
Other comprehensive income			-	-	-	(109)	(3)	(112)
Total comprehensive income for the year			-	-	-	8,879	(3)	8,876
Additions during the year								
Bonus Issue		16 (a)	-	-	-	-	-	-
Dividend paid		16 (a)	-	-	-	(9,474)	-	(9,474)
Tax on Dividend		16 (a)	-	-	-	(1,340)	-	(1,340)
Balance at March 31, 2020			26,226	1,663	3,363	27,901	133	59,286
Summary of significant accounting policies		2						

The above statement of changes in equity should be read in conjunction with the accompanying notes

For S.R. Batlibol & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005  
**PANKAJ CHADHA**  
per PANKAJ CHADHA  
Partner  
Membership No.: 091813

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Place: Gurugram  
Date: June 02, 2020

For and on behalf of the Board

VIVEK CHAAND SEHGAL  
**V.C. SEHGAL**  
Chairman

Digitally signed by VIVEK CHAAND SEHGAL  
Date: 2020.06.03  
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Gaya Nand Gauba  
**G.N. GAUBA**  
Chief Financial Officer

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PANKAJ KUMAR MITAL  
**PANKAJ MITAL**  
Whole-time Director/  
Chief Operating Officer

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Alok Goel  
**ALOK GOËL**  
Company Secretary

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Place: Noida  
Date: June 02, 2020

(All amounts in INR Million, unless otherwise stated)

	For the year Ended March 31, 2020	For the year Ended March 31, 2019
<b>A. Cash flow from operating activities:</b>		
Profit before tax	11,614	12,224
Adjustments to reconcile profit before tax to net cash flow:		
Depreciation and amortisation expense	2,883	2,193
Amortisation of government grant	(53)	(12)
Gain on disposal of property, plant and equipment & investment property (net)	(39)	(6)
Liabilities written back to the extent no longer required	(36)	(17)
Bad debts/ advances written off	1	0
Provision for doubtful debts/ advances	4	(3)
Provision for diminution in the value of investment	-	20
Interest income	(23)	(19)
Dividend income	(3,095)	(1,227)
Finance cost	306	177
Unrealised foreign exchange gain (net)	(76)	(168)
<b>Operating profit before working capital changes</b>	<b>11,486</b>	<b>13,162</b>
<b>Change in working Capital:</b>		
Increase/ (decrease) in Trade Payables	10	172
Increase/ (decrease) in Other Payables	(332)	265
Increase/ (decrease) in Other financial liabilities	151	83
(Increase)/ decrease in Trade Receivables	(397)	1,146
(Increase)/ decrease in Inventories	621	(1,309)
(Increase)/ decrease in other financial assets	770	258
(Increase)/ decrease in Other Receivables	636	(571)
<b>Cash generated from operations</b>	<b>12,945</b>	<b>13,206</b>
- Income taxes paid (net of refund)	(2,582)	(3,781)
<b>Net cash flows from operating activities</b>	<b>10,363</b>	<b>9,425</b>
<b>B. Cash flow from Investing activities:</b>		
Payments for property, plant and equipment and investment property (including capital work in progress)	(3,519)	(3,999)
Proceeds from sale of property, plant and equipment & investment property	49	23
Loan (to)/repaid by related parties (net)	(112)	-
Interest received	18	19
Dividend received from subsidiaries	2,963	1,023
Dividend received from others	104	172
(Investment)/ proceeds from maturity of deposits with remaining maturity for more than 12 months	0	(1)
<b>Net cash used in investing activities</b>	<b>(497)</b>	<b>(2,763)</b>
<b>C. Cash flow from financing activities:</b>		
Dividend paid to equity share holders	(9,457)	(4,726)
Dividend distribution tax	(1,340)	(766)
Interest paid	(371)	(342)
Proceeds from long term borrowings	111	-
Proceeds from other short term borrowings	4,779	2
Repayment of long term borrowings	(17)	(554)
Repayment of other short term borrowings	(2,502)	(16)
Payment of lease liabilities	(129)	-
<b>Net cash used in financing activities</b>	<b>(8,926)</b>	<b>(6,402)</b>

(All amounts in INR Million, unless otherwise stated)

	For the year Ended March 31, 2020	For the year Ended March 31, 2019
Net increase/(decrease) in Cash and Cash Equivalents	939	260
Net foreign exchange difference	28	57
Net Cash and Cash equivalents at the beginning of the year	1,333	1,016
Cash and cash equivalents as at current year end	2,300	1,333
<b>Cash and cash equivalents comprise of the following (Note 13(a))</b>		
Cash on hand	10	8
Cheques/drafts on hand	5	6
Balances with banks	2,285	1,319
<b>Cash and cash equivalents as per Balance Sheet</b>	<b>2,300</b>	<b>1,333</b>

Summary of significant accounting policies (Note 2)

Notes:

- The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- Figures in brackets indicate Cash Outflow.

This is the Cash Flow Statement referred to in our report of even date

The above Standalone cash flow statement should be read in conjunction with the accompanying notes

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**PANKAJ  
CHADHA**

per PANKAJ CHADHA

Partner

Membership No.: 091813

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Place: Gurugram  
Date: June 02, 2020

For and on behalf of the Board

VIVEK  
CHAAND  
SEHGAL

V.C. SEHGAL  
Chairman

Gaya Nand  
Gauba

G.N. GAUBA  
Chief Financial Officer

Place: Noida  
Date: June 02, 2020

PANKAJ  
KUMAR MITAL

PANKAJ MITAL  
Whole-time Director/  
Chief Operating Officer

Alok Goel

ALOK GOEL  
Company Secretary

# MOTHERSON SUMI SYSTEMS LIMITED

## Notes to the financial statements

(All amounts are in INR Million, unless otherwise stated)

### 1. Corporate Information

Motherson Sumi Systems Limited (MSSL or 'the Company') was incorporated on December 19, 1986 and domiciled in India and is engaged primarily in the manufacture and sale of components to automotive original equipment manufacturers. The address of its registered office is Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra. The Company is a public limited company and is listed in the Bombay Stock Exchange and National Stock Exchange. The Company is a joint venture entity between Samvardhana Motherson International Limited (SAMIL) and Sumitomo Wiring Systems Limited, Japan.

The standalone financial statements were authorised for issue in accordance with a resolution of the Board of directors on June 02, 2020.

### 2.1 Significant accounting policies

#### (a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statement.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments, refer note 37
- Certain financial assets and liabilities measured at fair value (refer note I below for accounting policy regarding financial instruments)
- Defined benefit pension plans – plan assets measured at fair value, refer note 21

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The financial statements are presented in INR and all values are rounded to the nearest millions (INR 000,000), except when otherwise indicated.

#### (b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### (c) Foreign currencies

##### (i) Functional and presentation currency

The Company's functional currency is Indian Rupee (INR) and the financial statements are presented in Indian Rupee (INR).

# MOTHERSON SUMI SYSTEMS LIMITED

## Notes to the financial statements

(All amounts are in INR Million, unless otherwise stated)

### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges

Foreign exchange differences on foreign currency borrowings are presented in the Statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

### Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

### Revenue from sale of components

Revenue from sale of components is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of equipment, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

### Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Contracts for the sale of components provide customers with a customary right of return in case of defects, quality issues etc. The rights of return give rise to variable consideration.

The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

### Warranty obligations

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

### Revenue from assembly of components

The Company has contracts with customers to assemble, on their behalf, customised components from various parts procured from suppliers identified by the customer. The Company is acting as an agent in these arrangements.

When another party is involved in providing goods or services to its customer, the Company determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Company is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Company's role is only to arrange for another entity to provide the goods or services, then the Company is an agent and will need to record revenue at the net amount that it retains for its agency services.



# MOTHERSON SUMI SYSTEMS LIMITED

## Notes to the financial statements

(All amounts are in INR Million, unless otherwise stated)

### Revenue from development of tools

The Company develops customised tooling for its customers and recognises its revenue over time using an input method to measure progress towards complete satisfaction of the tool development.

The Company recognises revenue from development of tools over time if it can reasonably measure its progress towards complete satisfaction of the performance obligation.

Where the Company cannot reasonably measure the outcome of a performance obligation, but the Company expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Company recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation

### Determining the timing of satisfaction of tooling development

The Company concluded that revenue for development of tooling is to be recognised over time because the Company's performance does not create asset with an alternative use to the Company since the tools are customised for each customer and the Company has a legally enforceable right to payment of fair value for performance completed to date.

The Company determined that the input method is the best method in measuring progress of the tooling development because there is a direct relationship between the Company's effort (i.e., costs incurred) and the transfer of tooling to the customer. The Company recognises revenue on the basis of the total costs incurred relative to the total expected costs to complete the tool.

### Principal versus agent considerations

The Company enters into contracts with its customers to assemble, on their behalf, customised components using various parts procured from suppliers identified by the customer. Under these contracts, the Company provides assembly services (i.e., coordinating the procurement of various parts from the identified suppliers and combining or assembling them into components as desired by the customer). The Company determined that it does not control the goods before they are transferred to customers, and it does not have the ability to direct the use of the component or obtain benefits from the component. The following factors indicate that the Company does not control the goods before they are being transferred to customers. Therefore, the Company determined that it is an agent in these contracts.

- The Company is not primarily responsible for fulfilling the promise to provide the specified equipment.
- The Company does not have inventory risk before or after the specified component has been transferred to the customer as it purchases various parts on just-in-time basis and only upon contract of the customer.
- The Company has no discretion in establishing the price for the specified component. The Company's consideration in these contracts is only based on the difference between the maximum purchase price quoted by the customer and the cost of various parts purchased from the suppliers.
- In addition, the Company concluded that it transfers control over its services (i.e., assembling the component from various parts), at a point in time, upon receipt by the customer of the component, because this is when the customer benefits from the Company's agency service.

### Consideration of significant financing component in a contract

The Company develops customised tooling and secondary equipment's for which the manufacturing lead time after signing the contract is usually more than one year. This type of contract includes two payment options for the customer, i.e., payment of the transaction price equal to the cash selling price upon delivery of the tooling or payment of the transaction price as part of the component's selling price. The Company concluded that there is a significant financing component for those contracts where the customer elects to pay along with the component's selling price considering the length of time between the transfer of tooling and secondary equipment and the recovery of transaction price from the customer, as well as the prevailing interest rates in the market, if any.

In determining the interest to be applied to the amount of consideration, the Company concluded that the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance) is appropriate because this is commensurate with the rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception.

### Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount

# MOTHERSON SUMI SYSTEMS LIMITED

## Notes to the financial statements

(All amounts are in INR Million, unless otherwise stated)

of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Trade receivables are disclosed in Note 45.

### Contract Assets

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables. The Company's contract assets are disclosed in Note 45 as Unbilled Receivables.

### Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. Contract Liabilities are disclosed in Note 45 as Advances received from customers.

### Impairment

An impairment is recognised to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which such asset relates; less (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

## (d) Other income

### Interest

Interest is recognised using the effective interest rate (EIR) method, as income for the period in which it occurs. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### Rental Income

Rental income arising from investment properties given on leases is accounted for on a straight-line basis over the lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and is included in other income in the statement of profit and loss.

### Dividend

Dividend income is recognised when the right to receive payment is established, which is generally when shareholders approve the dividend.

### Duty drawback and export incentives

Income from duty drawback and export incentives is recognized on an accrual basis.

### Royalty income

Royalty income is recognized in Other operating income on an accrual basis in accordance with the substance of the relevant agreements.

## (e) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

# MOTHERSON SUMI SYSTEMS LIMITED

## Notes to the financial statements

(All amounts are in INR Million, unless otherwise stated)

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

When government grants relating to loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

### (f) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### Investment allowances and similar tax incentives:

The Company may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure. The Company accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense.

### (g) Leases

Pursuant to the notification by the Ministry of Corporate Affairs, The Company adopted IND AS 116 effective from April 1, 2019, prospectively using the modified retrospective method as mandated by Para C5(b) and Para C8(c)(ii) of IND AS 116. Accordingly, the Company has not restated comparative information and there is no cumulative effect of initially applying this Standard to be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

#### As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease

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liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in *section (h)* Impairment of non-financial assets.

### Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Lease liabilities, which separately shown in the financial statement are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing (while affecting other comprehensive income) the carrying amount to reflect the lease payments made.

### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### Key assumptions that the Company is applying for implementing the standard are as follows:

**Terms:** For each contract, the Company reviewed the renewal and the early termination options within the term of the arrangement and determined, after taking into account all the relevant facts and circumstances, what would be the date at which the Company reasonably expects the contract to be terminated. For certain categories of leased assets, (mainly vehicles), the Company assesses that there is no reasonably certain extension option, consequently the duration selected coincides with the first term of the lease contract. For real estate lease arrangements, the Company defines the reasonable end date of the contracts, while taking into account the renewal and early termination options stated in the agreements, in line with the asset's expected period of use.

**Discount rates:** The Company determined discount rates reflecting each subsidiary's specific credit risk, the currency of the contract and the weighted average maturity of the reimbursement of the lease liability. For the transition the incremental borrowing rate used is the rate applicable to the residual terms of the contracts. For contracts previously classified as finance leases the Company has recognised the carrying amount of the right of use assets and lease liability at the date of initial application.

### As a Lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate the lessor for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their respective nature.

### (h) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used. Impairment losses including impairment on inventories, are recognised in the statement of profit and loss

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are tested for impairment annually at the end of the financial year at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

### (i) Cash and cash equivalents

Cash and cash equivalent includes cash on hand, cash at banks and short term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### (j) Inventories

Raw materials, stores and spares, work in progress, stock in trade and finished goods are stated at the lower of cost and net realisable value.

Cost of raw material and traded goods comprise cost of purchase and is determined after rebate and discounts. Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### (k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (e) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

### Debt instruments at amortised cost

This category is the most relevant to the Company. A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

### Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-

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instrument basis. The classification is made on initial recognition and is irrevocable. The Company elected to classify irrevocably its non-listed equity investments under this category.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Lease receivables under Ind AS 116
- d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- e. Loan commitments which are not measured as at FVTPL
- f. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

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- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount'

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

#### Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings and other payables.

#### Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of



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the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in statement of profit and loss, unless designated as effective hedging instruments.

### Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

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### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### (l) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 2.2, 36 and 37)
- Quantitative disclosures of fair value measurement hierarchy (note 36)
- Investment properties (note 4)
- Financial instruments (including those carried at amortised cost) (note 6, 7, 8, 9, 13, 17, 18, 19, 36 and 37)

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### (m) Derivative financial instruments and hedge accounting

#### Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to statement of profit and loss when the hedge item affects profit and loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At inception of the hedge relationship, the Company documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking its hedge transactions.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

#### (i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

The Company has an interest rate swap that is used as a hedge for the exposure of changes in the fair value. See Note 37 for more details.

#### (ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

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Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

### (n) Property, Plant and equipment

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

The cost of self-generated assets comprises of raw material, components, direct labour, other direct cost and related production overheads.

### Depreciation methods and useful lives

Depreciation is calculated using the straight-line method over estimated useful lives of the assets:

Assets	Useful lives(years)*
Leasehold improvements	Over the period of lease or useful life, whichever is lower
Buildings	30 years
Plant & Machinery:	
Plant & Machinery	7.5 years
Die & Moulds	6.17 years
Electric Installation	10 years
Furniture & fixtures	6 years
Office equipment	5 years
Computers:	
Server & Networks	3 years
End user devices, such as desktops, laptops, etc.	3 years
Vehicles	4 years

\*Useful life of certain assets are different than the life prescribed under Schedule II to the Companies Act, 2013 and those has been determined based on technical evaluation by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

# MOTHERSON SUMI SYSTEMS LIMITED

## Notes to the financial statements

(All amounts are in INR Million, unless otherwise stated)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### (o) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company depreciates building component of investment property over 30 years.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in notes 4.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

### (p) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful live of intangible assets are as follows:

Asset	Useful lives (years)
Software	3 years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

### Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Cost incurred by the Company for Research and Development do not meet the recognition criteria and hence have been classified as research costs and are expensed of in the statement of profit and loss as and when these are incurred.

The amortisation methods, the usual useful lives and the residual values of intangible assets are checked annually.

### (q) Borrowing costs

# MOTHERSON SUMI SYSTEMS LIMITED

## Notes to the financial statements

(All amounts are in INR Million, unless otherwise stated)

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### (r) Provisions and contingent liabilities

#### Provisions

Provisions for legal claims, product warranties and other obligations are recognised when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### Provision for onerous contracts

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Company at the end of every reporting period conducts the onerous contract test per the provisions of Ind AS 37 by comparing the remaining costs to be incurred under the contract with the related revenue of the contract. Where the costs of a contract exceed the related revenue of the contract, the Company makes a provision for the difference.

#### Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### (s) Employee benefits

#### Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### Provident Fund & Employee State Insurance

Contribution towards provident fund and employee state insurance for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

#### Superannuation fund

The Company has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The Company contributes up to 12% of the eligible employees' salary or 100,000 / 150,000, whichever is lower, every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligations beyond this contribution.

# MOTHERSON SUMI SYSTEMS LIMITED

## Notes to the financial statements

(All amounts are in INR Million, unless otherwise stated)

### Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity plan in Company is funded through annual contributions to Life Insurance Corporation of India (LIC) under its Company's Gratuity Scheme whereas others are not funded.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in statement of profit and loss.

### Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss in the period in which they arise. Past-service costs are recognised immediately in statement of profit and loss.

### (t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### (u) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

# MOTHERSON SUMI SYSTEMS LIMITED

## Notes to the financial statements

(All amounts are in INR Million, unless otherwise stated)

### (v) Changes in Accounting policies

#### Ind AS 116 Lease

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the full retrospective method of adoption, with the date of initial application on April 01, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The Company as lessee uses the following practical expedients of IND AS 116 at the date of initial application:

- With leases previously classified as operating leases according to IND AS 17, the lease liability is measured at the present value of the outstanding lease payments, discounted by incremental borrowing rate at April 1, 2019. The respective right-of-use asset is generally recognized at an amount equal to the lease liability.
- An impairment review is not performed. Instead, a right-of-use asset is adjusted by the amount of any provision for onerous leases recognized in the Statement of Financial Position at March 31, 2019.
- Regardless of their original lease term, leases for which the lease term ends at the latest on March 31, 2020 were recognized as short-term leases.

#### Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex multinational environment, it assessed whether the Appendix had an impact on its financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Company determined, based on its tax compliance and transfer pricing study that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

## 2.2 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.



# MOTHERSON SUMI SYSTEMS LIMITED

## Notes to the financial statements

(All amounts are in INR Million, unless otherwise stated)

### Judgements

In the process of applying the Company's accounting policies, there are no significant judgements established by the management.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### (i) Useful life of property, plant and equipment and investment properties

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

#### (ii) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment defined benefits are determined using actuarial valuations. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about gratuity obligations are given in **Note 21**

#### (iii) Fair valuation of unlisted securities

When the fair value of unlisted securities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer **Note 36 of the financials**.

#### (iv) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

#### (v) Percentage completion of recognition of revenue

The Company uses the percentage-of-completion method in accounting for 'development of tools' contracts. Use of the percentage-of-completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances

MOTHERSON SUMI SYSTEMS LIMITED  
Notes to the financial statements

(All amounts in INR Million, unless otherwise stated)

3(a) Property, plant and equipment

Particulars	Leasehold Land Refer note (v)	Freehold Land	Leasehold Improvements	Buildings	Plant & Machinery Refer note (iv)	Furniture & fixtures	Office equipments	Computers	Vehicles	Total	Capital work in progress
<b>Year ended March 31, 2019</b>											
<b>Gross carrying amount</b>											
As at April 01, 2018	1,281	1,091	105	7,017	10,386	118	165	269	51	20,483	922
Additions	273	-	-	243	1,923	87	45	105	22	2,698	1,994
Disposals	-	-	-	-	(45)	-	(2)	-	(15)	(62)	-
Transfer / Other adjustment	104	(104)	-	746	1,192	-	-	-	-	1,938	(2,009)
Closing gross carrying amount	1,658	987	105	8,006	13,456	205	208	374	58	25,057	907
<b>Accumulated depreciation</b>											
As at April 01, 2018	41	-	48	727	4,721	62	80	136	21	5,839	-
Depreciation charge during the year	18	-	13	281	1,700	28	33	93	13	2,177	-
Disposals	-	-	-	-	(32)	-	(2)	(1)	(11)	(46)	-
Other adjustment	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	59	-	62	1,008	6,389	88	111	230	23	7,970	-
Net carrying amount	1,599	987	43	6,998	7,067	117	97	144	35	17,087	907
<b>Year ended March 31, 2020</b>											
<b>Gross carrying amount</b>											
As at April 01, 2019	1,658	987	105	8,006	13,456	205	208	374	58	25,057	907
Additions	-	-	4	683	827	24	31	57	10	1,636	1,004
Disposals	-	-	-	-	(31)	(1)	(8)	(21)	(27)	(88)	-
Reclassification on account of Ind AS 116	(1,658)	-	-	-	-	-	-	-	-	(1,658)	-
Transfer / Other adjustment	-	-	-	192	816	-	0	0	0	1,008	(1,008)
Closing gross carrying amount	-	987	109	8,881	15,068	228	231	410	41	25,955	903
<b>Accumulated depreciation</b>											
As at April 01, 2019	59	-	62	1,008	6,389	88	111	230	23	7,970	-
Depreciation charge during the year	-	-	13	324	1,799	32	33	89	15	2,305	-
Disposals	-	-	-	-	(26)	(1)	(8)	(21)	(24)	(80)	-
Reclassification on account of Ind AS 116	(59)	-	-	-	-	-	-	-	0	(59)	-
Closing accumulated depreciation	-	-	75	1,332	8,182	119	136	298	14	10,136	-
Net carrying amount	-	987	34	7,548	6,886	109	95	112	27	15,819	903

3(b) Right-of-use assets

Particulars	Land Refer note (vi)	Buildings	Vehicles	Total
<b>Year ended March 31, 2020</b>				
<b>Gross carrying amount</b>				
Recognised as at April 01, 2019	90	493	340	923
Reclassification on account of Ind AS 116	1,658	-	-	1,658
Additions (Refer note 40)	411	165	87	663
Disposals	-	-	(1)	(1)
Closing gross carrying amount	2,159	658	426	3,243
<b>Accumulated depreciation</b>				
Reclassification on account of Ind AS 116	59	-	-	59
Depreciation charge during the year	223	104	141	468
Disposals	-	-	-	-
Other adjustment	-	-	-	-
Closing accumulated depreciation	282	104	141	527
Net carrying amount	1,877	554	285	2,716

(i) Refer to note 44 for information on property plant and equipment pledged as security by the Company.

(ii) Contractual obligations: Refer to note 42 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

(iii) Capital work-in-progress: Capital work-in-progress mainly comprise plant & machinery, building and furniture.

(iv) Includes depreciation of INR 11 million ( March 31,2019: INR 9 million) capitalized during the year on assets used for the creation of self generated assets. (Refer Note. 32)

(v) Leasehold land represents land obtained on long term lease from various government authorities and considered as finance lease. (Refer note 45).

(vi) The Company has recognised impairment loss amounting to INR 200 million. The impairment losses are included under 'Depreciation expense'.

4 Investment property

	March 31, 2020	March 31, 2019
<b>Gross carrying amount</b>		
Opening gross carrying amount	979	909
Add: Additions during the year	-	70
Less: Deletions during the year	7	-
<b>Closing gross carrying amount</b>	<b>972</b>	<b>979</b>
<b>Accumulated depreciation:</b>		
Opening balance	107	87
Add: Depreciation for the year <sup>1</sup>	122	20
Less: Deletions during the year	(4)	-
<b>Closing accumulated depreciation</b>	<b>225</b>	<b>107</b>
<b>Net carrying amount</b>	<b>747</b>	<b>872</b>

<sup>1</sup> The Company has recognised impairment loss amounting to INR 100 million. The impairment losses are included under 'Depreciation expense'.

(i) Amounts recognised in profit or loss for investment property:

	March 31, 2020	March 31, 2019
Rental Income	19	25
Direct operating expenses from property that did not generate rental income	(1)	(1)
<b>Profit from investment property before depreciation</b>	<b>18</b>	<b>24</b>
Depreciation	122	20
<b>Profit / (loss) from investment property</b>	<b>(104)</b>	<b>5</b>

(ii) Contractual obligations:

Refer note 42 for disclosure of contractual obligation towards purchase of investment property.

(iii) Leasing arrangements:

Certain investment properties are leased to tenants under long-term and short-term cancellable operating leases with rentals payable monthly.

(iv) Fair value:

	March 31, 2020	March 31, 2019
Investment property	1,912	1,862

**Estimation of fair value**

The fair values of investment properties have been determined by independent valuer. The fair valuation is based on prevailing market prices/ price trend of the property in that locality/ city considering the location, size of plot, approach road, amenities, locality etc.

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**MOTHERSON SUMI SYSTEMS LIMITED**

**Notes to the financial statements**

(All amounts in INR Million, unless otherwise stated)

**5 Intangible assets**

**Software**

**Year ended March 31, 2019**

**Gross carrying amount**

As at April 01, 2018

17

Closing gross carrying amount

17

**Accumulated amortisation**

Opening accumulated amortisation as at April 01, 2018

13

Amortisation charge during the year

4

Closing accumulated amortisation

17

**Net carrying amount**

0

**Year ended March 31, 2020**

**Gross carrying amount**

As at April 01, 2019

17

Closing gross carrying amount

17

**Accumulated amortisation**

As at April 01, 2019

17

Amortisation charge during the year

-

Closing accumulated amortisation

17

**Net carrying amount**

0

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6 (a) Non-Current investments

	March 31, 2020	March 31, 2019
<b>Investment in subsidiaries, joint ventures and associate</b> (Unquoted instruments valued at cost unless stated otherwise)		
<b>Investment in Subsidiaries :</b>		
<b>MSSL Mauritius Holdings Limited</b>		
37,820,080 (March 31, 2019: 37,820,080) equity shares of EUR 1 each fully paid-up	2,284	2,284
Net of provision for other than temporary diminution aggregating to INR 70 million (March 31, 2019 : INR 70 million)		
<b>MSSL Mideast (FZE)</b>		
1 (March 31, 2019: 1) equity share of AED 150,000 equivalent to EUR 46,875 each fully paid-up	2	2
44,170,000 (March 31, 2019: 44,170,000) equity shares of EUR 1 each fully paid-up	3,111	3,111
50,000,000 (March 31, 2019: 50,000,000) equity shares of EUR 1 each fully paid-up at a premium of EUR 2.60 per share	12,719	12,719
Add: Effective portion of fair value hedge (refer note 37)	1,885	1,092
<b>Motherson Electrical Wires Lanka Private Limited</b>		
1,456,202 (March 31, 2019: 1,456,202) equity shares of LKR 10 each fully paid-up	7	7
<b>MSSL (S) PTE Limited</b>		
20,554,700 (March 31, 2019: 20,554,700) equity shares of SGD 1 each fully paid-up	960	960
<b>Samvardhana Motherson Polymers Limited</b>		
522,750 (March 31, 2019: 522,750) equity shares of INR 10 each fully paid-up	5	5
1,351,500 (March 31, 2019: 1,351,500) equity shares of INR 10 each fully paid-up at a premium of INR 190 per share	270	270
46,920 (March 31, 2019: 46,920) equity shares of INR 10 each fully paid-up at a premium of INR 2,300 per share	108	108
510 (March 31, 2019: Nil) equity shares of INR 10 each fully paid-up at a premium of INR 4,990 per share	3	-
<b>SMR Automotive Systems India Limited</b>		
6,712,990 (March 31, 2019: 6,712,990) equity shares of INR 10 each fully paid-up	67	67
<b>Motherson Innovations Tech Limited (formerly known as MSSL Automobile Component Limited)</b>		
50,000 (March 31, 2019: 50,000) equity shares of INR 10 each fully paid-up	1	1
<b>MSSL (GB) Limited</b>		
203,422,924 (March 31, 2019: 203,422,924) equity shares of GBP 1 each fully paid-up at a premium of GBP 0.50 per share. (These shares are pledged against borrowings, for further details refer note 17(a) and note 44)	24,705	24,705
<b>Motherson Polymers Compounding Solution Limited</b>		
9,000,000 (March 31, 2019: 9,000,000) equity shares of INR 10 each fully paid-up	8	8
	<b>(A) 46,135</b>	<b>45,339</b>
<b>Investment in Joint ventures :</b>		
<b>Kyungshin Industrial Motherson Limited</b>		
17,200,000 (March 31, 2019: 17,200,000) equity shares of INR 10 each fully paid-up	86	86
<b>Calsonic Kansei Motherson Auto Products Limited</b>		
30,930,836 (March 31, 2019: 30,930,836) equity shares of INR 10 each fully paid-up	400	400
	<b>(B) 486</b>	<b>486</b>
<b>Investment in Associate :</b>		
<b>Saks Ancillaries Limited</b>		
1,000,000 (March 31, 2019: 1,000,000) equity shares of INR 10 each fully paid-up	11	11
	<b>(C) 11</b>	<b>11</b>
<b>Total investment in subsidiaries, joint ventures and associate (A+B+C)</b>	<b>46,632</b>	<b>45,836</b>
<b>Equity Investments at FVOCI</b>		
<b>Unquoted</b>		
<b>Motherson Sumi Infotech &amp; Designs Limited</b>		
1,200,000 (March 31, 2019: 1,200,000) equity shares of INR 10 each fully paid-up	185	185
<b>Echanda Urja Private Limited</b>		
120,645 (March 31, 2019: 120,645) equity shares of INR 10 each fully paid-up	1	1
<b>Tulsyan NEC Limited</b>		
Nil (March 31, 2019: 63,750) equity shares of INR 30 each fully paid-up	-	2
	<b>(D) 186</b>	<b>188</b>
<b>TOTAL (A+B+C+D)</b>	<b>46,818</b>	<b>46,024</b>
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	46,888	46,094
Aggregate amount of impairment in the value of investments	70	70

6 (b) Current Investments

Investment in equity instruments at FVOCI

Quoted

<b>HDFC Bank Limited</b>		
4,070 (March 31, 2019: 2,035) equity shares of INR 2 each fully paid up		
<b>Balrampur Chini Mills Limited</b>		
1,200 (March 31, 2019: 1,200) equity shares of INR 1 each fully paid up		
<b>JD Orgochem Ltd</b>		
100 (March 31, 2019: 100) equity shares of INR 10 each fully paid up		
<b>Meyer Apparel Limited</b>		
28,475 (March 31, 2019: 28,475) equity shares of INR 3 each fully paid up		
<b>Mahindra &amp; Mahindra Limited</b>		
7,288 (March 31, 2019: 7,288) equity shares of INR 5 each fully paid up		
<b>Arcotech Limited</b>		
1,000 (March 31, 2019: 1,000) equity shares of INR 2 each fully paid up		

Unquoted

<b>Pearl Engineering Polymers Limited</b>		
3,160 (March 31, 2019: 3,160) equity shares of INR 10 each fully paid up		
<b>Daewoo Motors Limited</b>		
6,150 (March 31, 2019: 6,150) equity shares of INR 10 each fully paid up		
<b>Athena Financial Services Limited</b>		
66 (March 31, 2019: 66) equity shares of INR 10 each fully paid up		
<b>Inox Leasing &amp; Finance Limited</b>		
100 (March 31, 2019: 100) equity shares of INR 10 each fully paid up		

Total current investments

Aggregate amount of quoted investments and market value thereof		
Aggregate amount of unquoted investments		
Aggregate amount of impairment in the value of investments		

March 31, 2020 March 31, 2019

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**MOTHERSON SUMI SYSTEMS LIMITED**  
**Notes to the financial statements**

(All amounts in INR Million, unless otherwise stated)

**7 Loans**

	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loans to related parties (Refer note 40 & 49)	0	125	14	-
Loans to employees	89	51	96	58
<b>Total</b>	<b>89</b>	<b>176</b>	<b>110</b>	<b>58</b>

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8 Trade receivables

	March 31, 2020	March 31, 2019
Unsecured, considered good	5,951	6,666
Trade receivables from related parties <sup>1</sup> (Refer note 40)	2,724	1,424
Unsecured, credit impaired	25	37
	<b>8,700</b>	<b>8,127</b>
Less: Allowances for credit loss	25	37
<b>Total</b>	<b>8,675</b>	<b>8,090</b>

<sup>1</sup> Includes receivables from companies in which Director of the Company is also a Director

194 276

Note 1: The Company has derecognised trade receivables amounting INR 1,010 million (March 31, 2019: INR 1,326 million) as it had transferred the contractual right and substantially transferred all risks and rewards of ownership of these receivables to various financial institutions.

9 (a) Other financial assets - Non Current

	March 31, 2020	March 31, 2019
<b>Unsecured, considered good</b>		
Security deposits	138	-
<b>Total</b>	<b>138</b>	<b>-</b>

9 (b) Other financial assets - Current

	March 31, 2020	March 31, 2019
<b>Unsecured, considered good</b>		
Security deposits <sup>1</sup>	580	690
Other advances receivable in cash (Refer note 40)	5	0
Unbilled revenue (Refer note 45)	423	1,214
Receivable from related parties (Refer note 40)	42	31
Others	0	4
<b>Total</b>	<b>1,050</b>	<b>1,939</b>

<sup>1</sup> Includes security deposit given to a partnership firm namely M/S Motherson in which Director of the Company is Partner

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**MOTHERSON SUMI SYSTEMS LIMITED**  
Notes to the financial statements

(All amounts in INR Million, unless otherwise stated)

**10 Deferred tax assets (net)**

	March 31, 2020	March 31, 2019
<b>Deferred tax assets</b>		
Derivatives designated as hedges	220	232
Provision for employee benefit obligations	268	274
Provision for doubtful debts and advances	6	13
Government grants	31	44
Others	14	(5)
<b>Deferred tax liabilities</b>		
FVOCI equity instruments	(41)	(42)
Property, plant and equipment and intangible assets & investment property and net of Right-of-use assets & lease liability	(48)	(220)
<b>Total</b>	<b>450</b>	<b>296</b>

**Movement In Deferred tax assets**

	Property, plant and equipments and Intangible assets & Investment property and net of Right-of-use assets & lease liability	Derivatives designated as hedges	Provision for employee benefits	Provisions for doubtful debts and advances	Government grants	FVOCI equity instruments	Other Items	Total
<b>At April 01, 2018</b>	336	599	207	14	41	(38)	87	1,246
<b>(Charged)/ credited:</b>								
to profit or loss	(556)	(367)	36	(1)	3	(4)	(92)	(981)
to other comprehensive income	-	-	31	-	-	0	-	31
<b>At March 31, 2019</b>	<b>(220)</b>	<b>232</b>	<b>274</b>	<b>13</b>	<b>44</b>	<b>(42)</b>	<b>(5)</b>	<b>296</b>
<b>(Charged)/ credited:</b>								
to profit or loss	172	(12)	(43)	(7)	(13)	(0)	19	116
to other comprehensive income	-	-	37	-	-	1	-	38
<b>At March 31, 2020</b>	<b>(48)</b>	<b>220</b>	<b>268</b>	<b>6</b>	<b>31</b>	<b>(41)</b>	<b>14</b>	<b>450</b>

11 Other non-current assets

	March 31, 2020	March 31, 2019
<b>Unsecured, considered good, unless otherwise stated</b>		
Capital advances	195	238
Prepaid expenses	86	104
Subsidy receivable	106	-
<b>Total</b>	<b>387</b>	<b>342</b>

12 Inventories

	March 31, 2020	March 31, 2019
Raw materials	6,566	6,690
Work-in-progress	1,905	1,922
Finished goods	1,440	1,908
Stores and spares	20	31
<b>Total</b>	<b>9,931</b>	<b>10,551</b>

Inventory include inventory in transit of:

Raw materials	1,451	1,640
Finished goods	249	369

**Amount recognised in profit or loss:**

During the year ended March 31, 2020 write-back of inventories on account of provision in respect of obsolete/ slow moving items amounted to INR 53 million (March 31, 2019: INR 20 million). These were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods in statement of profit or loss.

13 (a) Cash and cash equivalents \*

	March 31, 2020	March 31, 2019
Balances with banks:		
- in current accounts	2,231	1,319
- Deposits with original maturity of less than three months	54	-
Cheques/ drafts on hand	5	6
Cash on hand	10	8
<b>Total</b>	<b>2,300</b>	<b>1,333</b>

\* There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior period. For asset pledged refer note 44.

**Changes in liabilities arising from financing activities**

	March 31, 2019	Cash Flow	Non cash		March 31, 2020
			Foreign exchange movements	Fair value changes	
Non current borrowings	11,354	94	512	(45)	11,915
Current borrowings	2	2,277	-	-	2,279
<b>Total liabilities from financing activities</b>	<b>11,356</b>	<b>2,371</b>	<b>512</b>	<b>(45)</b>	<b>14,194</b>

13 (b) Other bank balances

	March 31, 2020	March 31, 2019
Deposits with remaining maturity of more than three months but less than 12 months	5	5
Unpaid dividend account	61	44
<b>Total</b>	<b>66</b>	<b>49</b>

14 Other current assets

	March 31, 2020	March 31, 2019
<b>Unsecured, considered good, unless otherwise stated</b>		
Advances recoverable	371	381
Prepaid expenses	60	243
Balances with government authorities	504	1,119
Subsidy receivable	229	296
<b>Total</b>	<b>1,164</b>	<b>2,039</b>

15 Share Capital

	March 31, 2020	March 31, 2019
<b>Authorised:</b>		
6,050,000,000 (March 31, 2019 : 6,050,000,000) Equity shares of INR 1 each	6,050	6,050
25,000,000 (March 31, 2019 : 25,000,000) 8% Convertible Cumulative Preference Shares of INR 10 each	250	250
<b>Issued, subscribed and Paid up:</b>		
3,157,934,237 <sup>1</sup> ( March 31, 2019 : 3,157,934,237 <sup>1</sup> ) Equity Shares of INR 1 each	3,158	3,158

a. Movement in equity share capital

	Numbers	Amount
As at April 01, 2018	2,105,289,491	2,105
Add: Bonus shares issued by capitalisation of securities premium account <sup>1</sup>	1,052,644,746	1,053
<b>As at March 31, 2019</b>	<b>3,157,934,237</b>	<b>3,158</b>
Add: Changes during the year	-	-
<b>As at March 31, 2020</b>	<b>3,157,934,237</b>	<b>3,158</b>

<sup>1</sup> During the year ended March 31, 2019, the Company allotted 1,052,644,746 equity shares of INR 1 each as bonus shares in proportion of one equity share for every two equity shares held by capitalisation of Securities Premium Account.

b. Rights, preferences and restrictions attached to shares

Equity Shares:

The Company has only one class of equity shares having a par value of INR 1 per share. Each holder of equity is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

c. Aggregate number of Shares allotted as fully paid up by way of bonus shares (during 5 years immediately preceding March 31, 2020)

	Aggregate No of Shares issued in five years	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Equity shares allotted as fully paid bonus shares by capitalisation of Securities Premium Account	2,195,367,590	-	1,052,644,746	701,763,164	-	440,959,680

d. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

	March 31, 2020		March 31, 2019	
	Nos.	%	Nos.	%
<b>Equity shares:</b>				
Samvardhana Motherson International Limited	1,055,750,653	33.43%	1,055,750,653	33.43%
Sumitomo Wiring Systems Limited	792,637,291	25.10%	792,637,291	25.10%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

16 (a) Reserves and surplus

	March 31, 2020	March 31, 2019
Reserve on amalgamation	1,663	1,663
Securities premium	26,226	26,226
General reserve	3,363	3,363
Retained earnings	27,901	29,836
<b>Total reserves and surplus</b>	<b>59,153</b>	<b>61,088</b>

(i) Reserve on amalgamation

	March 31, 2020	March 31, 2019
Opening balance	1,663	1,663
<b>Closing balance</b>	<b>1,663</b>	<b>1,663</b>

(ii) Securities premium

	March 31, 2020	March 31, 2019
Opening balance	26,226	27,279
Utilisation during the year - issue of bonus shares	-	(1,053)
<b>Closing balance</b>	<b>26,226</b>	<b>26,226</b>

(iii) General reserve

	March 31, 2020	March 31, 2019
Opening balance	3,363	3,363
<b>Closing balance</b>	<b>3,363</b>	<b>3,363</b>

(iv) Retained earnings

	March 31, 2020	March 31, 2019
Opening balance	29,836	27,258
Additions during the year	8,988	8,138
Remeasurements of post-employment benefit obligation, net of tax	(109)	(57)
Dividend paid <sup>1</sup>	(9,474)	(4,737)
Tax on dividend <sup>1</sup>	(1,340)	(766)
<b>Closing balance</b>	<b>27,901</b>	<b>29,836</b>

<sup>1</sup> During the year ended March 31, 2020, the Company has paid final cash dividend for the year ended on March 31, 2019: INR 1.5 (March 31, 2019: INR 2.25) per share and Interim dividend for the year ended on March 31, 2020: INR 1.5 (March 31, 2019: Nil) per share to its share holders. This has resulted in payment of dividend distribution tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authorities on behalf of shareholders. Hence DDT paid is charged to equity.

16 (b) Other reserves

	FVOCI equity investments
<b>As at April 01, 2018</b>	<b>134</b>
Change in fair value of FVOCI equity instruments	2
<b>As at March 31, 2019</b>	<b>136</b>
Change in fair value of FVOCI equity instruments	(3)
<b>As at March 31, 2020</b>	<b>133</b>

**Reserve on amalgamation**

This reserve was created at the time of amalgamation and mergers carried out in earlier years. The reserve is utilised in accordance with the provisions of the Act.

**Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the

**General reserve**

General reserve is the retained earnings of the Company which are kept aside out of the Company's profits to meet future (known or unknown) obligations.

**FVOCI equity investments**

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investment reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

17 (a) Non-current borrowings

	Non Current Portion		Current Maturities	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Secured <sup>(i)</sup></b>				
Term Loans				
Foreign currency loans from banks	6,039	5,524	-	-
Indian rupee loan from banks	5,750	5,750	-	-
Indian rupee loan from other than banks	-	-	0	18
<b>Unsecured <sup>(ii)</sup></b>				
Term Loans				
Indian rupee loan from other than banks	126	63	-	-
Less : Disclosed under Other current financial liabilities (Refer Note 18)	-	-	(0)	(18)
<b>TOTAL</b>	<b>11,915</b>	<b>11,337</b>	<b>-</b>	<b>-</b>

(i) Secured Loans<sup>1</sup>

Nature of Security (In case of Secured Loans)	Principal Terms and Conditions
Foreign currency loan from banks is secured by creating a charge on Investment in shares of one of the subsidiary, MSSL (GB) Ltd on pari passu basis	INR 6,039 million (March 31, 2019 :INR 5,524 million) repayable in March 2022 entirely in one instalment.  The applicable rate of interest in respect of foreign currency loans from banks is 0.52% p.a. (March 31, 2019 : 0.62% p.a.) over 6 months in respect of loans hedged for swap contracts.
Indian Rupee loan from banks is secured by creating a charge on Investment in shares of one of the subsidiary, MSSL (GB) Ltd on pari passu basis	INR 5,750 million (March 31, 2019 : INR 5,750 million) repayable in March 2022 entirely in one instalment carrying Interest rate of 8.0% p.a.
Indian Rupee loan from other than banks for the purchase of investment property and is secured by the capital advance given for the purchase of investment property.	INR 0 million (March 31, 2019 : INR 18 million) repayable in remaining 12 monthly instalments till April 2020 carrying Interest rate of 10.2% p.a.

(ii) Unsecured Loans

Particulars	Terms of Repayment
Indian Rupee Loan from other than banks	Interest free loan of INR 126 million (March 31, 2019 : INR 63 million) repayable in 3 tranches on November 2022, March 2023 and December 2026 against each disbursements. Bank guarantee is furnished by the Company.

<sup>1</sup> The carrying amount of financials and non financial assets pledged as security for long term borrowings is disclosed in Note 44

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**MOTHERSON SUMI SYSTEMS LIMITED**  
**Notes to the financial statements**

(All amounts in INR Million, unless otherwise stated)

**17 (b) Current borrowings**

**Secured**<sup>2,3</sup>

Working capital loans repayable on demand- from banks<sup>1</sup>  
 Indian rupee loan

	March 31, 2020	March 31, 2019
	2,279	2
<b>TOTAL</b>	<b>2,279</b>	<b>2</b>

<sup>1</sup> Working capital loans are secured by first pari passu charge on entire current assets of the Company including receivables, both present and future and second pari passu charge over the fixed assets of the Company including equitable mortgage of specified properties and are repayable on demand.

<sup>2</sup> The carrying amount of financials and non financial assets pledged as security for short term borrowings is disclosed in Note 44

<sup>3</sup> Short term borrowings carry interest rate ranging from 3% to 8% p.a.

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**MOTHERSON SUMI SYSTEMS LIMITED**  
**Notes to the financial statements**

(All amounts in INR Million, unless otherwise stated)

**18 Other financial liabilities**

	<b>March 31, 2020</b>	March 31, 2019
<b>Non-current</b>		
Retention money	76	33
Security deposit received (Refer note 40)	52	54
Recovery against Vehicle Loan	98	77
<b>Total</b>	<b>226</b>	<b>164</b>
<b>Current</b>		
Current maturities of long term borrowings (Refer note 17(a))	0	18
Interest accrued but not due on borrowings	4	4
Unpaid dividends <sup>1</sup>	61	44
Payables relating purchase of property, plant & equipments	342	761
Security deposit received	4	2
Employee benefits payable	1,169	1,103
Accrued expenses	75	-
Derivatives designated as hedges	873	665
Recovery against Vehicle Loan	56	101
<b>Total</b>	<b>2,584</b>	<b>2,698</b>

<sup>1</sup> There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

**19 Trade payables**

	<b>March 31, 2020</b>	March 31, 2019
Total outstanding dues of micro, small and medium enterprises (Refer note 48) and	155	202
Total outstanding dues of creditors other than micro, small and medium enterprises	5,951	6,331
Trade payable to related parties (Refer note 40)	2,950	2,416
<b>Total</b>	<b>9,056</b>	<b>8,949</b>

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20 Provisions

	March 31, 2020	March 31, 2019
For warranties	10	7
For contingencies	1	1
<b>Total</b>	<b>11</b>	<b>8</b>

**Warranty**

Provision for warranty relates to the estimated outflow in respect of warranty for products sold by the Company. Due to the very nature of such costs, it is not possible to estimate the timing/ uncertainties relating to the outflows of economic benefits.

**Contingencies**

Provision for contingencies relates to excise, entry tax and octroi demands including interest thereon, where applicable, being contested by the Company. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings.

The Company has following provisions in the books of account as at year end:

	Warranty		Contingencies	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Opening Balance</b>	7	19	1	6
<b>Additions/(deletion) during the year</b>	3	(12)	-	(5)
<b>Closing Balance</b>	<b>10</b>	<b>7</b>	<b>1</b>	<b>1</b>

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21 Employee benefit obligations

	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Gratuity	414	-	224	-
Compensated absences	164	485	135	424
for Provident fund scheme	1	-	1	-
<b>Total</b>	<b>579</b>	<b>485</b>	<b>360</b>	<b>424</b>

The long term defined employee benefits and contribution schemes of the Company are as under:

A. Defined Benefit Schemes

Gratuity

The Company operates a gratuity plan administered through Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme. Every employee is entitled to a benefit equivalent to fifteen days' salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. The Company pays contribution to Life Insurance Corporation of India to fund its plan.

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

(i) Present Value of Defined Benefit Obligation

	For the year ended	
	March 31, 2020	March 31, 2019
<b>Obligations at year beginning</b>	<b>1,454</b>	<b>1,212</b>
Service Cost - Current	140	120
Interest expense	106	91
<b>Amount recognised in profit or loss</b>	<b>246</b>	<b>211</b>
<b>Remeasurements</b>		
Actuarial (gain)/ loss from change in financial assumption	121	25
Experience (gain)/loss	22	57
<b>Amount recognised in other comprehensive income</b>	<b>143</b>	<b>82</b>
Payment from plan:		
Benefit payments	(64)	(48)
Addition/ (deletion) due to transfer of employee	(7)	(3)
<b>Obligations at year end</b>	<b>1,772</b>	<b>1,454</b>

(ii) Fair Value of Plan Assets

	For the year ended	
	March 31, 2020	March 31, 2019
<b>Plan assets at year beginning, at fair value</b>	<b>1,230</b>	<b>1,087</b>
Interest income	92	85
<b>Amount recognised in profit or loss</b>	<b>92</b>	<b>85</b>
<b>Remeasurements</b>		
Actuarial (gain)/ loss from change in financial assumption	(3)	(4)
Return on plan assets, excluding amount included in interest income	0	(2)
<b>Amount recognised in other comprehensive income</b>	<b>(3)</b>	<b>(6)</b>
Payment from plan:		
Benefit payments	(4)	(6)
Contributions:		
Employers	43	70
<b>Plan assets at year end, at fair value</b>	<b>1,358</b>	<b>1,230</b>

(iii) Assets and Liabilities recognized in the Balance Sheet

	For the year ended	
	March 31, 2020	March 31, 2019
Present Value of the defined benefit obligations	1,772	1,454
Fair value of the plan assets	1,358	1,230
<b>Amount recognized as Liability</b>	<b>414</b>	<b>224</b>

(iv) Defined benefit obligations cost for the year:

	For the year ended	
	March 31, 2020	March 31, 2019
Service Cost - Current	140	120
Interest Cost (Net)	14	6
Actuarial (gain)/ loss	146	88
<b>Net defined benefit obligations cost</b>	<b>300</b>	<b>213</b>

(v) Investment details of Plan Assets

The details of investments of plan assets are as follows:

	For the year ended	
	March 31, 2020	March 31, 2019
LIC of India	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Note: In respect of Employees Gratuity Fund, composition of plan assets is not readily available from LIC of India. The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

(vi) Actuarial assumptions:

	March 31, 2020	March 31, 2019
Discount Rate per annum	6.6%	7.4%
Future salary increases	8.0%	8.0%

Note: Estimate of future increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(vii) Amount recognized in current year and previous four years:

	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Defined benefit obligations	1,772	1,454	1,212	1,026	789
Plan assets	(1,358)	(1,230)	(1,087)	(808)	(650)
<b>Deficit/(Surplus)</b>	<b>414</b>	<b>224</b>	<b>125</b>	<b>218</b>	<b>139</b>

(viii) Expected Contribution to the Fund in the next year

	For the year ended	
	March 31, 2020	March 31, 2019
Gratuity	399	228

ix) Sensitivity Analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:

	Change in Assumption		Impact	Increase in Assumption		Impact	Decrease in Assumption	
	March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019
Discount Rate per annum	0.50%	0.50%	Decrease by	(74)	(62)	Increase by	80	66
Future salary increases	1.0%	1.0%	Increase by	167	139	Decrease by	(147)	(123)

Above sensitivity analysis is based on a change in assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in balance sheet.

x) Risk exposure

The gratuity scheme is a salary Defined Benefit Plan that provides for lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

(a) **Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds, if bond yield fall, the defined benefit obligation will tend to increase.

(b) **Salary inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation.

(c) **Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

xi) Defined benefit liability and employer contributions

Weighted average duration of the defined benefit obligation is 9 years (March 31, 2019: 9 years)

Expected benefit payments are as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2020 Defined benefit obligation (gratuity)	107	88	387	847	1,429
March 31, 2019 Defined benefit obligation (gratuity)	93	114	371	1,067	1,644

B. Defined Contribution Schemes

The Company deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident Fund, Employee State Insurance (ESI) and Social Insurance for the benefit of the employees.

Amount recognised in the Statement of Profit & Loss is as follows (Refer note 29):

	For the year ended	
	March 31, 2020	March 31, 2019
Provident fund paid to the authorities	444	417
Employee state insurance paid to the authorities	83	107
Contribution to other funds (Employee welfare etc.)	4	2
	<b>531</b>	<b>526</b>

**MOTHERSON SUMI SYSTEMS LIMITED**  
**Notes to the financial statements**

(All amounts in INR Million, unless otherwise stated)

**22 Government grants**

	March 31, 2020	March 31, 2019
Opening balance	104	116
Grants received during the year	258	-
Released to profit and loss (Refer note 26)	(53)	(12)
<b>Closing balance</b>	<b>309</b>	<b>104</b>
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Current portion	34	12
Non-current portion	275	92
<b>Total</b>	<b>309</b>	<b>104</b>

The Company has received an interest free loan from Pradeshiya Industrial & Investment Corporation of U.P. Ltd. (PICUP) which is amortised based on the effective interest rate method and the amortised portion is treated as government grant.

The Company has also received Government grants relating to the purchase of property, plant and equipment and has presented the grant as deferred income which is credited to profit or loss on a straight-line basis over the expected lives of the related assets.

**23 Current tax liabilities/ Non-current tax assets (net)**

	March 31, 2020	March 31, 2019
<b>Tax assets</b>		
Non-current tax assets (net)	594	725
<b>Tax liabilities</b>		
Current tax liabilities (net)	-	-
<b>Net tax liabilities/ (assets)</b>	<b>(594)</b>	<b>(725)</b>

**24 Other current liabilities**

	March 31, 2020	March 31, 2019
Statutory dues including provident fund and tax deducted at source	368	986
Advances received from customers (Refer note 45)	838	1,010
Unearned revenue	7	8
<b>Total</b>	<b>1,213</b>	<b>2,004</b>

		For the year ended	
		March 31, 2020	March 31, 2019
25 (a)	Revenue from contract with customers		
	Sales of products		
	Finished goods		
	Within India	55,256	63,203
	Outside India	9,778	9,731
	Traded goods	1,287	1,025
	<b>Total gross sales</b>	<b>66,321</b>	<b>73,959</b>
	Sale of services	1,821	1,148
	<b>Total revenue from contract with customers (Refer note 45)</b>	<b>68,142</b>	<b>75,107</b>
25 (b)	Other operating revenue:		
	Scrap sales	255	334
	Job work income	16	13
	Export incentives	191	194
	Liabilities written back to the extent no longer required	36	17
	Miscellaneous other operating income	98	148
	<b>Total</b>	<b>596</b>	<b>706</b>
26	Other income		
	Interest income from financial assets at amortised cost	23	19
	Dividend Income		
	- From subsidiaries	2,992	1,055
	- From joint ventures	101	172
	- From equity investments designated at fair value through OCI	2	0
	Rent	60	69
	Exchange fluctuation (net)	460	500
	Gain on disposal of property, plant and equipment & investment property (net)	39	6
	Government grants & subsidies (Refer note 22)	53	12
	Miscellaneous income	54	32
	<b>Total</b>	<b>3,784</b>	<b>1,865</b>
27	Cost of materials consumed		
	Opening stock of raw materials	5,050	4,636
	Add : Purchases of raw materials	35,759	42,416
	Less: Closing stock of raw materials	5,115	5,050
	<b>Total</b>	<b>35,694</b>	<b>42,002</b>
28	Changes in inventory of finished goods, work in progress and stock in trade		
	(Increase)/ decrease in stocks		
	Stock at the opening of the year:		
	Finished goods	1,908	1,540
	Work-in-progress	1,922	1,768
	<b>Total A</b>	<b>3,830</b>	<b>3,308</b>
	Stock at the end of the year:		
	Finished goods	1,440	1,908
	Work-in-progress	1,905	1,922
	<b>Total B</b>	<b>3,345</b>	<b>3,830</b>
	<b>(Increase)/ decrease in stocks (A-B)</b>	<b>485</b>	<b>(522)</b>
29	Employee benefit expense		
	Salary, wages & bonus	10,417	9,975
	Contribution to provident & other fund (Refer note 21)	531	526
	Gratuity (Refer note 21)	154	126
	Staff welfare expenses	1,074	1,158
	<b>Total</b>	<b>12,176</b>	<b>11,785</b>

30 Other expenses	For the year ended	
	March 31, 2020	March 31, 2019
Electricity, water and fuel	1,309	1,400
Repairs and maintenance:		
Machinery	620	996
Building	420	479
Others	272	316
Consumption of stores and spare parts	569	699
Conversion charges	196	229
Lease rent (Refer note 46)	455	751
Rates & taxes	48	45
Insurance	215	137
Donation	21	19
Travelling	455	640
Freight & forwarding	1,218	1,331
Royalty	315	90
Cash Discount	-	1
Commission	54	58
Provision for diminution in value of investments	-	20
Bad debts/ advances written off	1	0
Provision for doubtful debts/advances	4	-
Legal & professional expenses (Refer note (a) below)	1,164	1,083
Expenditure towards corporate social responsibility (CSR) activities (Refer note (b) below)	37	130
Miscellaneous expenses	1,006	777
<b>Total</b>	<b>8,379</b>	<b>9,201</b>

(a): Payment to auditors:

As Auditor:

	For the year ended	
	March 31, 2020	March 31, 2019
Audit fees (including limited review)	40	37
Other services	2	0
Reimbursement of expenses	4	3
<b>Total</b>	<b>46</b>	<b>40</b>

(b): Corporate social responsibility expenditure

	For the year ended	
	March 31, 2020	March 31, 2019
(i) Contribution to Swarn Lata Motherson Trust	35	127
(ii) Contribution towards welfare of the society	2	3
	<b>37</b>	<b>130</b>
Amount required to be spent as per Section 135 of the Act	230	209
Amount spent during the year on:		
(i) Construction/acquisition of asset	-	-
(ii) Purpose other than (i) above	37	130
	<b>37</b>	<b>130</b>

31 Finance costs

	For the year ended	
	March 31, 2020	March 31, 2019
Interest on long term borrowings	92	105
Exchange differences regarded as an adjustment to borrowing costs <sup>1</sup>	(73)	(175)
Interest on lease liabilities	88	-
Other finance costs	199	246
<b>Total</b>	<b>306</b>	<b>176</b>

<sup>1</sup> Includes foreign exchange loss/ (gain) on long term loan facilities of INR 512 million (March 31, 2019 : INR 369 million) and Mark to Market (gain)/ loss on derivatives of INR (585) million (March 31,2019: INR (543) million )

32 Depreciation and amortization expense	For the year ended	
	March 31, 2020	March 31, 2019
Depreciation on property, plant and equipment	2,305	2,178
Depreciation on right of use assets <sup>1</sup>	468	-
Amortization on intangible assets	0	4
Depreciation on investment Property <sup>1</sup>	121	20
Less: Capitalised during the year <sup>2</sup>	(11)	(9)
<b>Total</b>	<b>2,883</b>	<b>2,193</b>

<sup>1</sup> Includes impairment loss amounting to INR 200 million (March 31, 2019 : Nil) on Right-of-use assets and INR 100 million (March 31, 2019 : Nil) on investment property during the year.

<sup>2</sup> Includes depreciation of INR 11 million (March 31, 2019 : INR 9 million) capitalised during the year on assets used for creation of self generated assets (Refer note 3).

33 Income tax expense	For the year ended	
	March 31, 2020	March 31, 2019
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current income tax charged	2,729	3,463
Adjustments for current tax of prior years	13	(357)
<b>Total current tax expense</b>	<b>2,742</b>	<b>3,106</b>
<b>Deferred tax (Refer note 10)</b>		
Decrease/ (increase) in deferred tax assets (net)	(116)	980
<b>Total deferred tax expense / (benefit)</b>	<b>(116)</b>	<b>980</b>
<b>Income tax expense</b>	<b>2,626</b>	<b>4,086</b>
Income tax expense is attributable to:		
Profit from continuing operations	2,626	4,086
	<b>2,626</b>	<b>4,086</b>

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax for the year and re-measured its deferred tax asset (or/and deferred tax liability) basis the rate prescribed in the said section. Accordingly, deferred tax asset has increased by INR 18 million. The tax charge for the year has decreased by INR 665 million.

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**

	For the year ended	
	March 31, 2020	March 31, 2019
Profit before income tax expense	11,614	12,224
<b>Tax at India's tax rate of 25.168% (March 2019: 34.944%)</b>	<b>2,923</b>	<b>4,271</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax effect of amounts which are not deductible in calculating taxable income (net off exempt income)	(263)	(376)
Tax impact on impairment loss recognised	52	-
Impact of tax rate change on opening deferred tax	50	-
Weighted deduction for expenditure incurred on research and development	-	(62)
Adjustments for tax of prior periods	13	155
Tax deductions under Chapter VIA	-	(61)
Tax impact on effective portion of fair value hedge	(200)	171
Other adjustments	51	(12)
<b>Income tax expense</b>	<b>2,626</b>	<b>4,086</b>

34 Earnings per share	For the year ended	
	March 31, 2020	March 31, 2019
<b>a) Basic</b>		
Net profit after tax available for equity Shareholders	8,988	8,138
Equity shares outstanding at the beginning of the year	3,157,934,237	2,105,289,491
Add: Bonus shares issued by capitalisation of securities premium	-	1,052,644,746
Weighted average number of equity shares used to compute basic earnings per share	3,157,934,237	3,157,934,237
Basic earnings (in INR) per Share of INR 1 each. (March 31, 2019 : INR 1 each )	<b>2.85</b>	<b>2.58</b>
<b>b) Diluted (Refer note (i) below)</b>		
Net profit after tax available for equity Shareholders	8,988	8,138
Weighted average number of Equity Shares of INR 1 each (March 31, 2019 : INR 1 each )	3,157,934,237	3,157,934,237
Diluted earnings (in INR) per share of INR 1 each. (March 31, 2019 : INR 1 each )	<b>2.85</b>	<b>2.58</b>

(i) The Company does not have any potential equity shares and thus, weighted average number of shares for computation of basic EPS and diluted EPS remains same.

35 The following expenses incurred on Research and Development is included under respective account heads:	For the year ended	
	March 31, 2020	March 31, 2019
Employee benefit expenses	210	178
Other expenses	51	60
Capital expenditure	1	39

36 Fair value measurements  
Financial instruments by category

	March 31, 2020			March 31, 2019		
	FVPL	FVOCI	Amortised Cost*	FVPL	FVOCI	Amortised Cost*
<b>Financial assets</b>						
Investments	-	192	-	-	198	-
Trade receivables	-	-	8,675	-	-	8,090
Loans	-	-	265	-	-	168
Cash and cash equivalents	-	-	2,366	-	-	1,382
Other financial assets	-	-	1,188	-	-	1,939
<b>Total financial assets</b>	-	<b>192</b>	<b>12,494</b>	-	<b>198</b>	<b>11,579</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	14,194	-	-	11,357
Trade payables	-	-	9,056	-	-	8,948
Other financial liabilities	873	-	1,937	665	-	2,180
<b>Total financial liabilities</b>	<b>873</b>	-	<b>25,187</b>	<b>665</b>	-	<b>22,485</b>

i. Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2020

	Level 1	Level 2	Level 3	Total
<b>Financial asset</b>				
<b>Financial Investments at FVOCI</b>				
Listed equity investments	6	-	-	6
Unquoted equity investments	-	-	186	186
<b>Total</b>	<b>6</b>	-	<b>186</b>	<b>192</b>
<b>Financial liabilities</b>				
Borrowings	-	-	14,194	14,194
Other financial liabilities	-	873	226	1,099
<b>Total financial liabilities</b>	-	<b>873</b>	<b>14,420</b>	<b>15,293</b>

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2019

	Level 1	Level 2	Level 3	Total
<b>Financial asset</b>				
<b>Financial Investments at FVOCI</b>				
Listed equity investments	10	-	-	10
Unquoted equity investments	-	-	188	188
<b>Total</b>	<b>10</b>	-	<b>188</b>	<b>198</b>
<b>Financial liabilities</b>				
Borrowings	-	-	11,357	11,357
Other financial liabilities	-	665	164	830
<b>Total financial liabilities</b>	-	<b>665</b>	<b>11,521</b>	<b>12,187</b>

\*The carrying amounts of trade receivables, borrowings, cash and cash equivalents, other financial assets, trade payables and other financial liabilities are considered to be the same as their face values.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

ii. Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.
- the fair value of the remaining financial instruments covered under level 3 is determined using discounted cash flow analysis.

iii. Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2020 and March 31, 2019:

	Unquoted equity instruments
As at March 31, 2018	186
Additions during the year	-
Disposals during the year	-
Gains/(losses) recognised in other comprehensive income	2
<b>As at March 31, 2019</b>	<b>188</b>
Additions during the year	-
Disposals during the year	-
Gains/(losses) recognised in other comprehensive income	(2)
<b>As at March 31, 2020</b>	<b>186</b>

iv. Fair value of non current financial assets and liabilities measured at amortised cost

	March 31, 2020		March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Loan to related party <sup>1</sup>	125	125	-	-
Loan to employees <sup>1</sup>	51	51	58	58
	<b>176</b>	<b>176</b>	<b>58</b>	<b>58</b>
<b>Financial liabilities</b>				
Borrowings <sup>2</sup>	11,915	11,915	11,337	11,337
Other financial liabilities <sup>1</sup>	226	226	164	164
	<b>12,141</b>	<b>12,141</b>	<b>11,501</b>	<b>11,501</b>

<sup>1</sup> The fair value of non-current financial assets and financial liabilities carried at amortized cost is substantially same as their carrying amount.

<sup>2</sup> During financial year 2016-17 loan amounting to INR 10,975 million was taken at market rates. Loan amounting to INR 6,039 million as at March 31, 2020 (March 31, 2019: INR 5,524 million) carries floating rate of interest and hence are adjusted to current market rates. The Company has taken interest rate swap for the borrowing with fixed interest rate amounting to INR 5,750 million, because of this, effective finance cost to the company is at current market rate.

Note: The carrying amounts of current financial assets and current financial liabilities i.e. trade receivables, loans, other financial assets, trade payables, short term borrowings and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

v. Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted:

	Fair Value as at	
	March 31, 2020	March 31, 2019
Unquoted equity instruments	186	188
<b>Significant unobservable inputs<sup>1</sup></b>		
Earnings growth rate	4%	4%
Risk adjusted discount rate	16%	16%
<b>Sensitivity</b>		
<b>Impact of change in risk adjusted discount rate<sup>2</sup></b>		
Decrease in discount rate by 0.50%	19	19
Increase in discount rate by 0.50%	(17)	(17)
<b>Impact of change in earnings growth rate<sup>2</sup></b>		
Decrease in growth rate by 0.50%	(14)	(14)
Increase in growth rate by 0.50%	16	16

<sup>1</sup> There were no significant inter-relationships between unobservable inputs that materially affect fair values

<sup>2</sup> Holding all the other variables constant



37 (a) Financial risk management

The Company in its capacity as an internationally active supplier for the automobile industry is exposed to various risks i.e., market risk, liquidity risk and credit risk. The company has global presence and decentralized management structure. Concentrating on the plants make it necessary for implementing an organized risk management system. The Company is therefore exposed to risks associated with global organizations and automotive industry in particular.

The Company has set up a Risk Management Committee (RMC) at the board level to periodically review operating, financial and strategic risks in the business and their mitigating factors. RMC has formulated Risk Management Policy for the Company which outlines the risk management framework to help minimize the impact of uncertainty on the Company's strategic goals. The framework enables a structured and disciplined approach to risk management. The Company has developed guidelines on risk controlling and the use of financial instruments. These guidelines contain a clear allocation of duties. Risks are controlled and monitored by means of operational and financial measures.

Below are the major risks which can impact the Company:

A Market risk:

Market risk is the risk that the fair value of future cashflows of a financial instruments will fluctuate because of changes in market price/rate. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables/ receivables in foreign currencies.

a. Price risk:

Fluctuation in commodity price in global market affects directly and indirectly the price of raw material and components used by the Company in its various products segment. Substantial pricing pressure from major OEMs to give price cuts and inability to pass on the increased cost to customers may also affect the profitability of the Company. The Group has set up Global Sourcing Procurement (GSP) at Sharjah which gives leverage of bulk buying and helps in controlling prices to a certain extent.

The key raw material for the Company's wiring harness business is copper. There is substantial fluctuations in prices of copper. The Company has arrangements with its major customers for passing on the price impact.

The major raw materials used by Polymer Division of the Company are polypropylenes, polycarbonates and various grades of nylons and resins. The Company is having arrangement with major customers for actualization of raw material price variations periodically. Motherson Polymer Solutions, compounding unit has been established with a view of taking leverage on group's bulk consumption on major grades. The setting up of GSP further strengthens the procurement function.

The Company is regularly taking initiatives like VA-VE (value addition, value engineering) to reduce its raw material costs to meet targets set up by its customers for cost downs. In respect of customer nominated parts, the Company has back to back arrangements for cost savings with its suppliers.

b. Foreign currency risk:

The exchange variations in India has mainly impacted the imports, but however the Company has arrangements with its major domestic customers for passing on the exchange impact on import purchase and has considerably increased its export sales during last few years to attain natural hedge. The Company also does selective hedging to hedge its risks associated with foreign currency.

The hedged and unhedged foreign currency exposure is as follows:

(i) Derivatives outstanding as at the reporting date

Particulars/ Purpose	Currency (Amount in million)	As At	
		March 31, 2020	March 31, 2019
Cross currency swap	USD : EUR	USD 80; EUR 74	USD 80; EUR 74
	INR : EUR	INR 5,750; EUR 81	INR 5,750; EUR 81

(ii) Particular of unhedged foreign exposure as at the reporting date (Net exposure to foreign currency risk)

	March 31, 2020		March 31, 2019	
	Payable / (Receivable)		Payable / (Receivable)	
	Amount in Foreign currency in million	Amount in INR	Amount in Foreign currency in million	Amount in INR
AUD	(0)	(12)	(0)	(7)
CHF	0	17	0	11
CNY	8	85	19	191
EUR	(9)	(768)	(4)	(297)
GBP	(0)	(19)	0	27
JPY	1,881	1,329	2,294	1,433
KRW	(1,431)	(89)	-	-
SEK	0	1	0	1
SGD	0	2	0	2
THB	15	36	14	30
USD	(0)	(20)	92	6,389
ZAR	-	-	0	0

Foreign currency sensitivity on unhedged exposure

1% increase / decrease in foreign exchange rates will have the following impact on profit before tax:

	Impact on profit before tax	
	March 31, 2020	March 31, 2019
Increase by 1% in forex rate	(6)	(78)
Decrease by 1% in forex rate	6	78

(iii) Mark to market losses / (gain) on cross currency interest rate swaps

	For the year ended	
	March 31, 2020	March 31, 2019
Mark to Market losses/(gain) on cross currency interest rate swaps	208	(1,031)

c. Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. During March 31, 2020 and March 31, 2019, the Company's borrowings at variable rate were mainly denominated in INR and USD.

(i) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2020	March 31, 2019
Variable rate borrowings	8,318	5,544
Fixed rate borrowings	5,876	5,813
<b>Total borrowings</b>	<b>14,194</b>	<b>11,357</b>

An analysis by maturities is provided in Note [C (ii)] Maturities of financial liabilities below.

(ii) Sensitivity analysis

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

	Impact on profit before tax	
	March 31, 2020	March 31, 2019
Interest rates-increase by 50 basis points*	(42)	(28)
Interest rates-decrease by 50 basis points*	42	28

\* Holding all other variables constant

B Credit risk:

The credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions.

Trade receivables

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major Indian automobile manufacturers (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default and impairment.

Financial instruments and cash deposits

The Company has deposited liquid funds at various banking institutions. Primary banking institutions are major Indian and foreign banks. In long term credit ratings these banking institutions are considered to be investment grade. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due.

C Liquidity risk:

The liquidity risk encompasses any risk that the Company cannot fully meet its financial obligations. To manage the liquidity risk, cash flow forecasting is performed in the operating divisions of the Company and aggregated by Company finance. The Company's finance monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities / overdraft facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

	March 31, 2020	March 31, 2019
Floating rate		
- Expiring within one year (cash credit and other facilities)	5,221	5,998

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative and derivative financial liabilities:

Year Ended March 31, 2020	Upto 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowings	2,351	12,059	-	14,410
Trade payables	9,056	-	-	9,056
Other financial liabilities	1,710	226	-	1,936
Lease liabilities	219	690	645	1,554
<b>Total non-derivative liabilities</b>	<b>13,336</b>	<b>12,975</b>	<b>645</b>	<b>26,956</b>

Derivatives

Foreign exchange forward contracts	873	-	-	873
<b>Total derivative liabilities</b>	<b>873</b>	<b>-</b>	<b>-</b>	<b>873</b>

Year Ended March 31, 2019	Upto 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowings	92	11,516	-	11,608
Trade payables	8,949	-	-	8,949
Other financial liabilities	2,015	164	-	2,179
<b>Total non-derivative liabilities</b>	<b>11,056</b>	<b>11,680</b>	<b>-</b>	<b>22,736</b>

Derivatives

Foreign exchange forward contracts	665	-	-	665
<b>Total derivative liabilities</b>	<b>665</b>	<b>-</b>	<b>-</b>	<b>665</b>

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(All amounts in INR Million, unless otherwise stated)

37 (b) Details related to hedging instrument

Fair value hedge	Nominal amount of the hedging instrument (in million)	Carrying amount of hedging instrument		Line item in balance sheet where hedging instrument is disclosed	Change in fair value for calculating hedge ineffectiveness
		Assets	Liabilities		
<b>March 31, 2020</b>					
(i) Cross currency interest rate swap	USD 80; EUR 74	-	67	Other financial liabilities	(142)
	INR 5,750; EUR 81	-	808		351
(ii) Loan	USD 80	-	6,044	Non-current borrowings	512
	INR 5,750	-	5,750		-
<b>March 31, 2019</b>					
(i) Cross currency interest rate swap	USD 80; EUR 74	-	209	Other financial liabilities	(596)
	INR 5,750; EUR 81	-	456		(435)
(ii) Loan	USD 80	-	5,532	Non-current borrowings	318
	INR 5,750	-	5,750		-

(c) Details related to hedged item

Fair value hedge	Carrying amount of hedged item	Accumulated amount of fair value adjustments on the hedged item included in the carrying amount of the hedged item		Line item in balance sheet where hedging item is disclosed	Change in value used for calculating hedge ineffectiveness	Accumulated amount of fair value adjustments on the hedged item included in the carrying amount of hedged item that have ceased to be adjusted for hedging gains and losses
		Assets	Liabilities			
<b>For March 31, 2020:</b>						
(i) Investment	14,604	1,885	-	Non-current investments	793	-
<b>For March 31, 2019:</b>						
(i) Investment	13,810	1,092	-	Non-current investments	(487)	-

Details of impact of fair value hedge on statement of profit and loss

Fair value hedge	Ineffectiveness recognized in profit or loss	Line items in profit and loss
<b>For year ended on 31 March 2020:</b>		
(i) Investment	(72)	Finance cost
<b>For year ended on 31 March 2019:</b>		
(i) Investment	(226)	Finance cost

### 38 Capital management

#### (a) Risk management

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors NET Debt to EBITDA ratio i.e. Net debt (total borrowings net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance costs).

The Company's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

	March 31, 2020	March 31, 2019
Net Debt*	11,888	10,019
EBITDA	14,803	14,592
<b>Net Debt to EBITDA</b>	<b>0.80</b>	<b>0.69</b>

\*Lease liabilities recognised as per Ind AS 116 is not included in Net Debt (Refer Note 46)

#### (b) Loan covenants

Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants and the Company has complied with those covenants throughout the reporting period.

#### (c) Dividends

	March 31, 2020	March 31, 2019
<b>On Equity shares of INR 1 each</b>		
<b>Final dividend</b>		
Amount of dividend paid (pertains to previous financial year)	4,737	4,737
Dividend per equity share	1.50	2.25
<b>Interim Dividend</b>		
Amount of dividend paid	4,737	-
Dividend per equity share	1.50	-

### 39 Distribution made and proposed

	March 31, 2020	March 31, 2019
<b>Cash dividends on equity shares declared and paid</b>		
Final cash dividend for the year ended on March 31, 2019: INR 1.5 (March 31, 2018: INR 2.25) per share	4,737	4,737
DDT on final dividend*	915	766
Interim dividend for the year ended on March 31, 2020: INR 1.5 per share (March 31, 2019: Nil per share)	4,737	-
DDT on interim dividend	425	-
	<b>10,814</b>	<b>5,503</b>
<b>Proposed dividends on Equity shares</b>		
Final cash dividend for the year ended on March 31, 2020: Nil (March 31, 2019: INR 1.5 per share)	-	4,737
DDT on proposed dividend	-	974
	<b>-</b>	<b>5,711</b>

\* Actual amount of dividend distribution tax (DDT) deposited is in accordance with provision of Income Tax Act.

40 Related Party Disclosures

I. Related party disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below:

a. Promoters / Entities with joint control over the Company

Name	Place of incorporation	Ownership interest	
		March 31, 2020	March 31, 2019
1 Samvardhana Motherson International Limited	India	33.43%	33.43%
2 Sumitomo Wiring Systems Limited, Japan	Japan	25.10%	25.10%

Relationship where control exists

b. Subsidiaries of the Company

- 1 MSSL Mauritius Holdings Limited
- 2 Motherson Electrical Wires Lanka Private Limited
- 3 MSSL Mideast (FZE)
- 4 MSSL (S) Pte Limited
- 5 Motherson Innovations Tech Limited (esrt MSSL Automobile Component Limited)
- 6 Samvardhana Motherson Polymers Limited
- 7 Motherson Polymers Compounding Solution Limited
- 8 MSSL (GB) Limited
- 9 Motherson Wiring System (FZE)
- 10 MSSL Tooling (FZE)
- 11 MSSL GmbH
- 12 Samvardhana Motherson Invest Deutschland GmbH
- 13 MSSL Advanced Polymers s.r.o.
- 14 Motherson Techno Precision GmbH
- 15 MSSL s.r.l. Unipersonale
- 16 Motherson Techno Precision México, S.A. de C.V.
- 17 MSSL Manufacturing Hungary Kft
- 18 Motherson Air Travel Pvt Ltd
- 19 MSSL Australia Pty Limited
- 20 Motherson Elastomers Pty Limited
- 21 Motherson Investments Pty Limited
- 22 MSSL Ireland Private Limited
- 23 MSSL Global RSA Module Engineering Limited
- 24 MSSL Japan Limited
- 25 Vacuform 2000 (Proprietary) Limited
- 26 MSSL México, S.A. De C.V.
- 27 MSSL WH System (Thailand) Co., Ltd
- 28 MSSL Korea WH Limited
- 29 MSSL Consolidated Inc.
- 30 MSSL Wiring System Inc
- 31 Alphabet de Mexico, S.A. de C.V.
- 32 Alphabet de Mexico de Monclova, S.A. de C.V.
- 33 Alphabet de Saltillo, S.A. de C.V.
- 34 MSSL Wirings Juarez, S.A. de C.V.
- 35 Samvardhana Motherson Global Holdings Ltd.
- 36 Samvardhana Motherson Automotive Systems Group B.V. (SMRPBV)
- 37 Samvardhana Motherson Reflectec Group Holdings Limited (SMR)
- 38 SMR Automotive Technology Holding Cyprus Limited
- 39 SMR Automotive Mirror Parts and Holdings UK Ltd
- 40 SMR Automotive Holding Hong Kong Limited
- 41 SMR Automotive Systems India Limited
- 42 SMR Automotive Systems France S.A.
- 43 SMR Automotive Mirror Technology Holding Hungary KFT
- 44 SMR Patents S.à.r.l.
- 45 SMR Automotive Technology Valencia S.A.U.
- 46 SMR Automotive Mirrors UK Limited
- 47 SMR Automotive Mirror International USA Inc.
- 48 SMR Automotive Systems USA Inc.
- 49 SMR Automotive Beijing Company Limited
- 50 SMR Automotive Yancheng Co. Limited
- 51 SMR Automotive Mirror Systems Holding Deutschland GmbH
- 52 SMR Holding Australia Pty Limited
- 53 SMR Automotive Australia Pty Limited
- 54 SMR Automotive Mirror Technology Hungary BT

- 55 SMR Automotive Modules Korea Ltd.
- 56 SMR Automotive Beteiligungen Deutschland GmbH
- 57 SMR Hyosang Automotive Ltd.
- 58 SMR Automotive Mirrors Stuttgart GmbH
- 59 SMR Automotive Systems Spain S.A.U.
- 60 SMR Automotive Vision Systems Mexico S.A. de C.V.
- 61 SMR Grundbesitz GmbH & Co. KG
- 62 SMR Automotive Brasil Ltda.
- 63 SMR Automotive System (Thailand) Limited
- 64 SMR Automotives Systems Macedonia Dooel Skopje
- 65 SMR Automotive Operations Japan K.K.
- 66 SMR Automotive (Langfang) Co. Ltd
- 67 SMR Automotive Vision System Operations USA INC
- 68 SMR Mirror UK Limited
- 69 Motherson Innovations Company Limited
- 70 Motherson Innovations Deutschland GmbH
- 71 Samvardhana Motherson Global (FZE)
- 72 SMR Automotive Industries RUS Limited Liability Company
- 73 Re-time Pty Limited
- 74 Samvardhana Motherson Peguform GmbH (SMP)
- 75 SMP Automotive Interiors (Beijing) Co. Ltd.
- 76 SMP Deutschland GmbH
- 77 SMP Logistik Service GmbH
- 78 SMP Automotive Solutions Slovakia s.r.o.
- 79 Changchun Peguform Automotive Plastics Technology Co., Ltd.
- 80 Foshan Peguform Automotive Plastics Technology Co. Ltd.
- 81 Shenyang SMP Automotive Plastic Component Co. Ltd.
- 82 Tianjin SMP Automotive Component Company Limited
- 83 SMP Automotive Technology Management Services (Changchun) Co. Ltd.
- 84 SMP Automotive Technology Iberica S.L.
- 85 Samvardhana Motherson Peguform Barcelona S.L.U
- 86 SMP Automotive Technologies Teruel Sociedad Limitada
- 87 Samvardhana Motherson Peguform Automotive Technology Portugal S.A.
- 88 SMP Automotive Systems Mexico S.A. de C.V.
- 89 SMP Automotive Produtos Automotivos do Brasil Ltda.
- 90 SMP Automotive Exterior GmbH
- 91 Samvardhana Motherson Innovative Autosystems B.V. & Co. KG
- 92 Samvardhana Motherson Innovative Autosystems Holding Company BV
- 93 SM Real Estate GmbH
- 94 Samvardhana Motherson Innovative Autosystems de México, S.A. de C.V.
- 95 SMP Automotive Systems Alabama Inc.
- 96 Celulosa Fabril S.A.
- 97 Modulos Ribera Alta S.L.Unipersonal
- 98 Motherson Innovations Lights GmbH & Co KG
- 99 Motherson Innovations Lights Verwaltungs GmbH
- 100 MSSL Estonia WH OÜ
- 101 PKC Group Plc
- 102 PKC Wiring Systems Oy
- 103 PKC Group Poland Sp. z o.o.
- 104 PKC Wiring Systems Llc
- 105 PKC Group APAC Limited
- 106 PKC Group Canada Inc.
- 107 PKC Group USA Inc.
- 108 PKC Group Mexico S.A. de C.V.
- 109 Project del Holding S.a.r.l.
- 110 PK Cables do Brasil Ltda
- 111 PKC Eesti AS
- 112 TKV-sarjat Oy
- 113 PKC SEGU Systemelektrik GmbH
- 114 Groclin Luxembourg S.à r.l.
- 115 PKC Vehicle Technology (Suzhou) Co., Ltd.
- 116 AEES Inc.
- 117 PKC Group Lithuania UAB
- 118 PKC Group Poland Holding Sp. z o.o.
- 119 OOO AEK
- 120 Kabel-Technik-Polska Sp. z o.o.
- 121 T.I.C.S. Corporation

- 122 AEES Power Systems Limited partnership
- 123 Fortitude Industries Inc.
- 124 AEES Manufactuera, S. De R.L de C.V.
- 125 Cableodos del Norte II, S. de R.L de C.V.
- 126 Manufacturas de Componentes Electricos de Mexico S. de R.L de C.V.
- 127 Arnese y Accesorios de México, S. de R.L de C.V.
- 128 Asesoria Mexicana Empresarial, S. de R.L de C.V.
- 129 Arnese de Ciudad Juarez, S. de R.L de C.V.
- 130 PKC Group de Piedras Negras, S. de R.L. de C.V.
- 131 PKC Group AEES Commercial S. de R.L de C.V
- 132 Jiangsu Huakai-PKC Wire Harness Co., Ltd.
- 133 PKC Vechicle Technology (Hefei) Co, Ltd.
- 134 Shangdong Huakai-PKC Wire Harness Co., Ltd.
- 135 Motherson Rolling Stock Systems GB Limited
- 136 Motherson PKC Harness Systems FZ-LLC (incorporated on July 7, 2019)
- 137 Wisetime Oy (become subsidiary w.e.f March 6, 2020)
- 138 Global Environment Management (FZC)
- 139 SMRC Automotive Interiors Management B.V.
- 140 SMRC Automotive Holdings B.V.
- 141 SMRC Automotive Holdings Netherlands B.V.
- 142 SMRC Automotives Techno Minority Holdings B.V.
- 143 SMRC Smart Automotive Interior Technologies USA, LLC
- 144 SMRC Automotive Modules France SAS
- 145 Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U.
- 146 SMRC Automotive Interiors Spain S.L.U.
- 147 SMRC Automotive Interior Modules Croatia d.o.o
- 148 Samvardhana Motherson Reydel Autotecc Morocco SAS
- 149 SMRC Automotive Technology RU LLC
- 150 SMRC Smart Interior Systems Germany GmbH
- 151 SMRC Automotive Interiors Products Poland SA
- 152 SMRC Automotive Solutions Slovakia s.r.o.
- 153 SMRC Automotive Holding South America B.V.
- 154 SMRC Automotive Modules South America Minority Holdings B.V.
- 155 SMRC Automotive Tech Argentina S.A.
- 156 SMRC Fabricacao e Comercio de Produtos Automotivos do Brasil Ltda
- 157 SMRC Automotive Products India Private Limited
- 158 SMRC Automotive Smart Interior Tech (Thailand) Ltd.
- 159 SMRC Automotive Interiors Japan Ltd.
- 160 Shanghai Reydel Automotive Technology Consulting Co., Ltd
- 161 PT SMRC Automotive Technology Indonesia
- 162 Yujin SMRC Automotive Techno Corp.
- 163 SMRC Automotives Technology Phil Inc.
- 164 Motherson Innovations LLC
- 165 Samvardhana Motherson Corp Management Shanghai Co Ltd.
- 166 Motherson Osia Innovation llc.
- 167 MSSL M Tooling Ltd
- 168 Samvardhana Motherson Polymers Management Germany GmbH (merged with MSSL GmbH on August 30, 2019)
- 169 PKC Netherlands Holding B.V. (Liquidated on July 31, 2019)
- 170 PK Cables Nederland B.V. (Liquidated on July 31, 2019)
- 171 SMR Automotive Servicios Mexico S.A. de C.V. (liquidated on July 2, 2019)
- 172 Global Environment Management Australia Pty Limited (liquidated on April 20, 2018)
- 173 MSSL Overseas Wiring System Ltd. (liquidated on January 29, 2019)

**c. Joint Ventures:**

- 1 Kyungshin Industrial Motherson Private Limited
- 2 Calsonic Kansei Motherson Auto Products Private Limited
- 3 Ningbo SMR Huaxiang Automotive Mirrors Co. Limited (Indirectly through Subsidiary)
- 4 Chongqing SMR Huaxiang Automotive Products Limited (Indirectly through Subsidiary)
- 5 Tianjin SMR Huaxiang Automotive Part Co. Limited (Indirectly through Subsidiary)
- 6 Eissmann SMP Automotive Interieur Slovensko s.r.o (Indirectly through Subsidiary)

**d. Associate Companies:**

- 1 Saks Ancillaries Limited
- 2 Hubei Zhengao PKC Automotive Wiring Company Ltd.

**MOTHERSON SUMI SYSTEMS LIMITED**  
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**II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 40 (f) above:**

**(a) Key management personnel compensation**

	March 31, 2020	March 31, 2019
Short-term employee benefits	61	55
Directors commission/sitting fees	18	21
Post-employment benefits payable	48	40
Long-term employee benefits payable	16	14

**(b) Transactions with related parties**

S. No.	Particulars	Subsidiaries		Joint ventures		Key Management personnel		Joint control over the entity		Other related parties	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1	Sale of products	5,808	5,711	1,879	1,190	-	-	1	4	315	344
2	Sales of services	963	126	480	691	-	-	0	14	8	8
3	Rent income	-	-	23	29	-	-	-	-	34	26
4	Sale of property, plant and equipment	-	-	-	-	-	-	0	0	-	1
5	Purchase of goods	1,230	1,670	4	6	-	-	5,761	6,319	1,805	1,353
6	Purchase of property, plant and equipment & Right-of-use assets	30	10	-	-	-	-	84	44	1,713	1,830
7	Purchase of services	291	246	1	0	-	-	31	55	1,140	1,265
8	Rent expense	-	-	-	-	5 *	5 *	30	31	324	457
9	Payment of lease liability	-	-	-	-	-	-	-	-	189	-
10	Reimbursement made	116	130	0	0	0	0	17	7	30	26
11	Reimbursement received	75	53	0	2	-	-	1	8	5	5
12	Royalty	-	-	-	-	-	-	310	91	-	-
13	Dividend paid	-	-	-	-	270 **	135 **	5,545	2,773	10	5
14	Dividend received	2,991	1,055	101	172	-	-	-	-	2	-
15	Investment made	3	-	-	-	-	-	-	-	-	-
16	Guarantee given during the year	411	13,748	-	-	-	-	-	-	-	-

**(c) Outstanding balances arising from sales / purchases of goods and services**

S. No.	Particulars	Subsidiaries		Joint ventures		Associate Companies		Joint control over the entity		Other related parties	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1	Trade Payable	295	336	0	0	-	-	2,044	1,512	611	566
2	Trade Receivable	2,494	1,106	146	223	-	-	1	1	83	94
3	Other financial assets	42	31	-	-	-	-	-	-	-	-
4	Advances recoverable	3	2	-	0	-	-	-	0	134	178
5	Advances from customer	37	110	-	-	-	-	1	0	0	1
6	Investments	44,320	44,317	486	486	11	11	-	-	14	14
7	Guarantees given	13,127	19,953	-	-	-	-	-	-	-	-



**MOTHERSON SUMI SYSTEMS LIMITED**  
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**(d) Loans & advances to / from related parties**

S. No.	Particulars	Subsidiaries		Joint ventures		Other related parties	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
i.	Security deposits given:						
	Beginning of the year	-	-	-	-	464	427
	Security deposit given	-	-	-	-	75	68
	Security deposits received back	-	-	-	-	(51)	(31)
	End of the year	-	-	-	-	488	464
ii.	Security Deposit Received:						
	Beginning of the year	-	-	35	35	14	16
	Security deposits received	-	-	-	-	-	-
	Security deposits repaid	-	-	-	-	-	(2)
	End of the year	-	-	35	35	14	14
iii.	Loans given						
	Beginning of the year	14	11	-	-	-	-
	Loans given	-	2	-	-	125	-
	Interest charged	1	1	-	-	8	-
	Interest received	-	-	-	-	-	-
	Loans received back	(13)	-	-	-	-	-
	End of the year	1	14	-	-	131	-

\* Rent of INR 5 million (March 31, 2019: INR 5 million) paid to Mr. V.C Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, and Ms. Vidhi Sehgal.

\*\*Dividend of INR 270 million (March 31, 2019 : INR 135 million) paid to Mr. V. C. Sehgal, Mr. Laksh Vaamen Sehgal, Ms. Renu Sehgal, Ms. Neelu Mehra, Ms. Geeta Soni, Mr. Pankaj Mital, Mr. G.N. Gauba, Ms. Geeta Mathur, Mr Naveen Ganzu, Arjun Puri, Abok Goel and Mr. Gaulam Mukherjee.

41 Segment Information:

Description of segments and principal activities

The Company is primarily in the business of manufacture and sale of components to automotive original equipment manufacturers.

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments. The Company has monthly review and forecasting procedure in place and CODM reviews the operations of the Company as a whole, hence there are no reportable segments as per Ind AS 108 "Operating Segments"

A. Disaggregated revenue information

i) Revenue from external customers

India  
Outside India

March 31, 2020	March 31, 2019
57,926	65,868
10,812	9,944
<b>68,738</b>	<b>75,813</b>

Type of goods or Services

Sales of Components  
Tool development  
Others operating revenue  
Total revenue from contracts with customers

March 31, 2020	March 31, 2019
65,034	72,934
1,287	1,025
1,821	1,148
<b>68,142</b>	<b>75,107</b>

Timing of revenue recognition

As a point in time  
Over a period of time  
Total revenue from contracts with customers

March 31, 2020	March 31, 2019
66,855	74,082
1,287	1,025
<b>68,142</b>	<b>75,107</b>

ii) Segment Assets

Total of non-current assets other than financial instruments, investment in subsidiaries, joint ventures and associate and deferred tax assets broken down by location of the assets, is shown below:

India  
Outside India

March 31, 2020	March 31, 2019
20,572	19,208
-	0
<b>20,572</b>	<b>19,208</b>

iii) Capital expenditure

March 31, 2020	March 31, 2019
3,471	3,976

iv) Revenues from transactions with a single external customer amounting to 10 per cent or more of the Company's revenues is as follows

Customer 1

March 31, 2020	March 31, 2019
22,690	25,171

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**42 Capital and Other Commitments**

Capital expenditure contracted at the end of the reporting period but not recognised as liabilities is as follows:

	March 31, 2020	March 31, 2019
<b>Property, plant and equipment</b>		
Estimated value of contracts in capital account remaining to be executed, (net of advances of INR 85 million (March 31, 2019: INR 97 million))	534	997
<b>Investment property</b>		
Estimated value of purchase consideration outstanding, (net of advances of INR 110 million (March 31, 2019: INR 107 million))	-	3
<b>Total</b>	<b>534</b>	<b>1,000</b>

**43 Contingent liabilities:**

**Claims against the Company not acknowledged as debts**

	March 31, 2020	March 31, 2019
a) Excise, sales tax and service tax matters*	65	94
b) Claims made by workmen	44	41
c) Income tax matters	152	120

\* Against which Company has given bank guarantees amounting to INR 2 million (March 31, 2019 : INR 6 million)

- a) The Company does not expect any reimbursements in respect of the above contingent liabilities.  
b) The Company has assessed that it is only possible but not probable that outflow of economic resources will be required.

**44 Assets pledged as security**

The carrying amount of assets pledged as security for current and non-current borrowings are as follows:

	Notes	March 31, 2020	March 31, 2019
<b>Current:</b>			
<b>Financial assets</b>			
<b>First charge</b>			
Cash and cash equivalents	13(a)	2,300	1,333
Trade receivables	8	8,675	8,090
Inventory	12	9,931	10,551
Other current assets		2,315	3,902
<b>Total current assets pledged as security</b>		<b>23,220</b>	<b>23,876</b>
<b>Non Current:</b>			
<b>Second charge</b>			
Freehold and leasehold land	3	987	2,586
Buildings and leasehold improvements	3	7,583	7,041
Plant & Machinery	3	6,906	7,067
Other items of PPE	3	343	393
Investment property	4	747	872
Non current investment	6(a)	24,705	24,705
Capital advance	11	110	-
<b>Total non-current assets pledged as security</b>		<b>41,380</b>	<b>42,664</b>
<b>Total assets pledged as security</b>		<b>64,600</b>	<b>66,540</b>

**45 Ind AS 115 Revenue from contracts with customers**

Effective April 1, 2018, the Company has adopted Ind AS 115, 'Revenue from Contracts with Customers', with a modified retrospective approach. The management has evaluated the implications of implementation of new standard on its revenue and has made appropriate adjustments to these results where significant. In certain contracts, it has been assessed that the Company is acting as an agent and therefore, revenue has been recognised excluding the cost of components sold.

The transaction price allocated to the remaining performance obligations related to tool development (unsatisfied or partially unsatisfied) are, as follows:

	March 31, 2020	March 31, 2019
Within one year	265	496
More than one year	1	-
<b>Total</b>	<b>266</b>	<b>496</b>

Table below provides information on revenue recognised from :

	March 31, 2020	March 31, 2019
Amounts included in contract liabilities at the beginning of the year	352	285
Performance obligations partly satisfied in previous years	289	216

(All amounts in INR Million, unless otherwise stated)

The table below represents summary of contract assets and liabilities relating to contracts with customers :

	March 31, 2020	March 31, 2019
Receivables	8,675	8,090
Contract assets	423	1,214
Contract liabilities (Refer note 24)	838	1,010

#### 46 Leases

The Company elected to apply Indian Accounting Standard 116 ('Ind AS 116'), Leases, with effect from April 01, 2019, using the modified retrospective method. Accordingly, comparatives for the year ended March 31, 2019 have not been restated. The Company assesses each lease contract and if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the Company recognised right to use assets and lease liabilities for those lease contracts except for short-term lease and lease of low-value assets.

The Company has leases contracts for land, premises, plant & machinery and vehicles. These lease arrangements for land are for a period upto 99 years, for premises are for a period upto 10 years, plant & machinery are for a period upto 5 years and vehicles are for a period upto 5 years. The Company also has certain leases of machinery, computers, vehicles with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

As at March 31, 2019, the Company had minimum lease payment commitment under non-cancellable operating leases of INR 18 million. Pursuant to adoption of Ind AS 116, lease liabilities of INR 806 million were recognised on April 01, 2019, the transition date. The difference between the operating lease commitments under Ind AS 17 and lease liabilities recognised under Ind AS 116 is largely due to discounting of lease commitments and adoption of practical expedients on exclusion of short-term leases and leases of lowvalue and other adjustments due to reassessment of terms of the contracts.

As at the transition date April 01, 2019 following impacts were recognised in financial position on account of recognition of right of use assets, lease liabilities and reclassification of existing finance lease assets and liabilities.

	March 31, 2019	April 01, 2019	Change
Property, plant & equipment (Refer note 3)	17,087	16,280	(806)
Right-of-use assets (Refer note 3)	-	923	923
Other receivables and assets (non-current and current)	2,381	2,265	(116)
Borrowings (non-current and non current, including current maturity of long term borrowing)	14,194	14,194	-
Lease Liabilities	-	806	806

The carrying amounts of lease liabilities and the movements during the period is given below:

	March 31, 2020
Recognised as at April 01, 2019 on account of adoption of ind AS 116	806
	806
	March 31, 2020
Current lease liabilities	137
Non-current lease liabilities	791
	928

#### Amount recognised in statement of profit and loss during the year on account of Ind AS 116

	March 31, 2020
Interest expense on lease liabilities (included in finance cost)	88
Depreciation of Right of Use assets	248
Lease expense derecognised	289
<b>Other items included in statement of profit and loss during the year:</b>	
Short term and low value lease payments	455

#### 47 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to fulfil its performance obligations under the contract with customers;(ii) revision of estimations of costs to complete the contract because of additional efforts; (iii) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Investments and other financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future demand of its products. The Company has performed analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

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48 Dues to micro, small and medium enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act is as follows:

	March 31, 2020	March 31, 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	155	202
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	(0)	3
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1,767	1,864
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	5	14
Further interest remaining due and payable for earlier years	-	-

49 During the year, the Company has recognised an expense of INR 56 million (31 March 2019: Nil) toward its proportionate share of costs allocated by the Samvardhana Employees Welfare Trust ('the Trust') constituted by Samvardhana Motherson International Limited for providing share scheme and other benefits to the employees of the participating companies. The trust helps the employees of participating companies to dispose off shares at fair value.

The Company has also given a loan amounting to INR 125 million (31 March 2019: Nil) to the Trust and is outstanding as on March 31, 2020. The loan carries interest @ rate of 9.5% p.a. and is repayable after 5 years from the date of loan.

50 Disclosure pursuant to the Regulation 34(3) read with para A of Schedule V to Securities and Exchange Board of India (Listing Obligations And Disclosures Requirements) Regulation, 2015:

a) Loans and advances in the nature of loans to subsidiaries and associates

	March 31, 2020	March 31, 2019
Loan to Subsidiary : Samvardhana Motherson Polymer Limited		
Balance as at year end	-	2
Maximum amount outstanding at any time during the year	2	2
Loan to Subsidiary: Motherson Polymers Compounding Solution Limited		
Balance as at year end	-	12
Maximum amount outstanding at any time during the year	12	12

b) Investment by the loanees in the shares of the Company: The loanees have not made any investment in the shares of the Company.

51 The Board of Directors in its meeting dated January 30, 2020, has constituted Sub Committee to examine and submit proposal to the Board for reorganization of business within the group which will, inter alia, demerge domestic wiring harness business of the Company into a newly formed legal entity with mirror shareholding, which shall be listed and consolidating shareholding in Samvardhana Motherson Automotive Systems Group B.V. ("SMRP BV") in MSSL through a process of merger to bring 49% stake held by Samvardhana Motherson International Limited ("SAMIL") in SMRP BV into MSSL. The sub-committee as formed by the Board of directors is currently evaluating all options which will be submitted to the board for their final approval and necessary actions thereafter.

52 Amounts appearing as zero "0" in financial are below the rounding off norm adopted by the Company

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

**PANKAJ CHADHA**  
per PANKAJ CHADHA  
Partner  
Membership No.: 091813

Place: Gurugram  
Date: June 02, 2020

For and on behalf of the Board

VIVEK CHAAND SEHGAL  
V.C. SEHGAL  
Chairman

Gaya Nand Gauba  
G.N. GAUBA  
Chief Financial Officer

Place: Noida  
Date: June 02, 2020

PANKAJ KUMAR MITAL  
PANKAJ MITAL  
Whole-time Director/  
Chief Operating Officer

Alok Goel  
ALOK GOEL  
Company Secretary

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Motherson Sumi Systems Limited

### **Report on the Audit of the Consolidated Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated Ind AS financial statements of Motherson Sumi Systems Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them to us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Impairment assessment of Property, Plant and Equipment (PPE) with particular reference to greenfield locations and Goodwill arising out of one of the business combinations</b> <i>(as described in note 3a, and 5 of the consolidated Ind AS financial statements)</i></p> <p>The Group has a total balance of PPE as at March 31, 2020 of INR 147,138 million out of which INR 24,997 million relates to green field locations which are incurring losses and were tested for impairment assessments.</p> <p>Further, consolidated balance sheet also includes the goodwill resulting from one of the earlier business acquisitions amounting to INR 19,964 million as on March 31, 2020.</p> <p>The impairment assessment of PPE belonging to these green field facilities and the Goodwill resulting from earlier acquisition was complex and highly judgmental due to the significant estimation required to determine the Value-In-Use (VIU). In particular, the determination of the VIU is sensitive to significant assumptions, such as changes in the discount rate, revenues (pricing and volume growth), operating margin and terminal value, which are affected by expectations about future market or economic conditions, particularly those related to the greenfield projects.</p> <p>Accordingly, the matter has been identified as KAM.</p>	<p>The procedures performed by us and other auditors includes following:</p> <ul style="list-style-type: none"> <li>• Assessed the process followed, impairment methodology applied by the Group and obtained an understanding of the analysis performed by management for the purposes of the impairment assessment;</li> <li>• Evaluated through an analysis of internal and external factors impacting the Group, whether there were any indicators of impairment in accordance with Ind AS 36;</li> <li>• Assessed the operating margins, discount rates and revenue growth applied within the model, with the support of valuation specialists and sensitivity analysis;</li> <li>• Obtained and evaluated reasonableness of the future growth considering historical trend and industry benchmark;</li> <li>• Read and assessed the disclosure made in the financial statements for assessing compliance with disclosure requirements, including those related to reasonably possible changes in key assumptions that could lead to an impairment of Property, plant and equipment.</li> </ul>
<p><b>De-recognition of trade receivables under factoring facilities</b> <i>(as described in note 2.1 q and 8 of the consolidated Ind AS financial statements)</i></p> <p>The Group enters into non-recourse factoring arrangements for its trade receivables with various banks/financial institutions.</p> <p>As at 31 March 2020 the Group had factoring facilities in place for trade receivables amounting to INR 42,813 million which were de-recognized in the financial statements.</p> <p>The Group derecognizes the receivables from its books if it transfers substantially all the risks and rewards of ownership of the financial asset (i.e. receivables).</p> <p>The assessment of de-recognition of trade receivables under the factoring facilities is complex and requires judgement.</p>	<p>The procedures performed by us and other auditors includes following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the process related to de-recognition of trade receivables;</li> <li>• Evaluated the assessment made by management covering significant factoring contracts;</li> <li>• For certain new contracts entered during the year, tested their nature and evaluated whether key terms and conditions thereof are in line with the guidance prescribed under Ind AS 109, “Financial Instruments”;</li> </ul>

Key audit matters	How our audit addressed the key audit matter
Accordingly, the matter has been identified as KAM.	<ul style="list-style-type: none"><li>• Read and assessed the disclosure made in the financial statements for assessing compliance with disclosure requirements.</li></ul>

**Emphasis of Matter- Corona developments**

The developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society as a whole, as well as on the operational and financial performance of organizations. The situation changes on a daily basis giving rise to inherent uncertainty. The Group is confronted with this uncertainty as well, which has been disclosed in the note 52 to the Ind AS financial statements, together with its evaluation thereof. We draw attention to these disclosures. Our opinion is not modified in respect of this matter.

**Other Information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of



the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

#### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

- (a) We did not audit the financial statements and other financial information, in respect of 79 subsidiaries, whose Ind AS financial statements include total assets of Rs.753,579 million as at March 31, 2020, and total revenues of Rs.505,861 million and net cash inflows of Rs.12,195 million for the year ended on that date. These Ind AS financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs.631 million for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of 3 joint ventures, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of such other auditors.
- (b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 63 subsidiaries, whose financial statements and other financial information reflect total assets of Rs.72,500 million as at March 31, 2020, and total revenues of Rs.9,524 million and net cash inflows of Rs.178 million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs.161 million for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of 2 associates and 2 joint venture, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance

on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought except and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures, none of the directors of the Group's companies, its associates and joint ventures incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its

consolidated Ind AS financial statements – Refer Note 20 and 43 to the consolidated Ind AS financial statements;

- ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 37 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group, its associates and joint ventures and (b) the Group's share of net profit in respect of its associates;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India during the year ended March 31, 2020.

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

**PANKAJ CHADHA**  
Digitally signed by PANKAJ CHADHA  
DN: cn=PANKAJ CHADHA, c=IN,  
o=Personal,  
email=pankaj.chadha@erb.in  
Reason: I am approving this document  
Date: 2020.06.03 19:56:08 +0530'

per **Pankaj Chadha**  
Partner  
Membership Number: 091813  
UDIN: 20091813AAAACI5488  
Place of Signature: Gurugram  
Date: June 02, 2020

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF MOTHERSON SUMI SYSTEMS LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of Motherson Sumi Systems Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Motherson Sumi Systems Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Ind AS Financial Statements**

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are

being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to these 5 subsidiary companies, 2 joint ventures and 1 associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary, joint ventures and associate companies incorporated in India.

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

**PANKAJ CHADHA**  
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per **Pankaj Chadha**  
Partner  
Membership Number: 091813

UDIN: 20091813AAAACI5488

Place of Signature: Gurugram  
Date: June 02, 2020



# Motherson Sumi Systems Limited Consolidated Financial Statements 2019-20

(All amounts in INR Million, unless otherwise stated)

	Notes	As At	
		March 31, 2020	March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	147,138	140,539
Right-to-use assets	3(b)	15,596	-
Capital work-in-progress		8,154	10,463
Investment property	4	1,197	1,304
Goodwill	5	24,060	22,118
Other intangible assets	5	19,510	20,266
Intangible assets under development		364	205
Investments accounted for using the equity method	48	6,341	6,155
Financial assets			
i. Investments	6 (a)	1,614	2,389
ii. Loans	7	177	58
iii. Trade receivables	8	13,998	11,629
iv. Other financial assets	9	1,228	680
Deferred tax assets (net)	10 (a)	5,030	6,123
Other non-current assets	11	12,165	9,353
Non-current tax assets (net)	23	3,732	2,524
<b>Total non-current assets</b>		<b>260,304</b>	<b>233,806</b>
<b>Current assets</b>			
Inventories	12	51,566	46,634
Financial assets			
i. Investments	6 (b)	6	10
ii. Trade receivables	8	51,784	61,663
iii. Cash and cash equivalents	13(a)	48,688	35,399
iv. Bank balances other than (iii) above	13(b)	101	70
v. Loans	7	313	217
vi. Other financial assets	9	30,882	42,167
Other current assets	14	11,314	13,336
<b>Total current assets</b>		<b>194,654</b>	<b>199,496</b>
<b>Total assets</b>		<b>454,958</b>	<b>433,302</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	3,158	3,158
Other equity			
Reserves and surplus	16 (a)	103,958	102,937
Other reserves	16 (b)	5,493	3,533
<b>Equity attributable to owners of the Company</b>		<b>112,609</b>	<b>109,628</b>
Non controlling interests		35,650	34,797
<b>Total equity</b>		<b>148,259</b>	<b>144,425</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Financial Liabilities			
i. Borrowings	17 (a)	82,612	80,995
ii. Lease liabilities	46	10,300	-
iii. Other financial liabilities	18	3,794	4,688
Provisions	20	753	886
Employee benefit obligations	21	4,801	4,465
Deferred tax liabilities (net)	10 (b)	4,627	5,762
Government grants	22	2,433	1,956
Other non-current liabilities	24 (a)	1,671	1,220
<b>Total non-current liabilities</b>		<b>110,991</b>	<b>99,972</b>
<b>Current liabilities</b>			
Financial Liabilities			
i. Borrowings	17 (b)	34,079	28,433
ii. Lease liabilities	46	3,363	-
iii. Trade payables	19	103,091	106,613
iv. Other financial liabilities	18	33,082	32,628
Provisions	20	2,052	1,579
Employee benefit obligations	21	2,283	2,270
Government grants	22	357	472
Current tax liabilities (net)	23	3,623	4,148
Other current liabilities	24 (b)	13,778	12,763
<b>Total current liabilities</b>		<b>195,708</b>	<b>188,906</b>
<b>Total liabilities</b>		<b>306,699</b>	<b>288,878</b>
<b>Total equity and liabilities</b>		<b>454,958</b>	<b>433,303</b>

Summary of significant accounting policies

This is the consolidated Balance Sheet referred to in our report of even date

The above consolidated balance sheet should be read in conjunction with the accompanying notes

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

per PANKAJ CHADHA  
Partner  
Membership No.: 091813

Place: Gurugram  
Date: June 02, 2020

For and on behalf of the Board

VIVEK CHAAND  
SEHGAL  
V.C. SEHGAL  
Chairman

Gaya Nand  
Gaubha  
G.N. GAUBA  
Chief Financial Officer

Place: Noida  
Date: June 02, 2020

PANKAJ  
KUMAR MITAL  
PANKAJ MITAL  
Whole-time Director/  
Chief Operating Officer

Alok Goel  
ALOK GOEL  
Company Secretary



MOTHERSON SUMI SYSTEMS LIMITED  
Consolidated statement of profit and loss



	Notes	(All amounts in INR Million, unless otherwise stated) For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Revenue</b>			
Revenue from contract with customers	25 (a)	630,705	631,575
Other operating revenue	25 (b)	4,653	3,654
<b>Total revenue from operations</b>		<b>635,368</b>	<b>635,229</b>
Other income	26	2,307	2,202
<b>Total Income</b>		<b>637,675</b>	<b>637,431</b>
<b>Expenses</b>			
Cost of materials consumed	27	355,470	363,694
Purchase of stock-in-trade		7,100	5,340
Change in inventories of finished goods, work-in-progress and stock in trade	28	145	(1,651)
Employee benefit expense	29	150,769	141,694
Depreciation and amortisation expense	32	27,780	20,582
Finance costs	31	5,986	4,232
Other expenses	30	69,871	72,668
<b>Total expenses</b>		<b>617,121</b>	<b>606,559</b>
<b>Profit before exceptional items, share of net profit of investments accounted for using equity method and tax</b>		<b>20,554</b>	<b>30,872</b>
Group's share in net profit / (loss) of associates and joint ventures accounted for using the equity method		575	1,131
<b>Profit before tax</b>		<b>21,129</b>	<b>32,003</b>
<b>Tax expenses</b>			
Current tax	33	9,043	11,860
Deferred tax expense/ (credit)	33	(859)	(838)
<b>Total tax expense</b>		<b>8,184</b>	<b>11,022</b>
<b>Profit for the year</b>		<b>12,945</b>	<b>20,981</b>
<b>Other comprehensive Income</b>			
<b>Items to be reclassified to profit or loss</b>			
Exchange gain/(losses) on translation of foreign operations		5,940	(1,149)
Deferred gain / (losses) on cash flow hedges		(2,707)	1,027
		<b>3,233</b>	<b>(122)</b>
Income tax on items that may be reclassified to profit or loss		353	172
		<b>3,586</b>	<b>50</b>
<b>Items not to be reclassified to profit or loss</b>			
Changes in fair value of FVOCI equity instruments		(834)	(14)
Remeasurements of post-employment benefit obligations		(185)	(280)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		(5)	0
		<b>(1,024)</b>	<b>(304)</b>
Income tax relating to items that will not be reclassified to profit or loss		64	71
		<b>(960)</b>	<b>(233)</b>
<b>Other comprehensive Income for the year, net of tax</b>		<b>2,626</b>	<b>(183)</b>
<b>Total comprehensive Income for the year, net of tax</b>		<b>15,571</b>	<b>20,798</b>
<b>Profit attributable to:</b>			
Owners		11,701	16,131
Non-controlling interest		1,244	4,850
		<b>12,945</b>	<b>20,981</b>
<b>Other comprehensive Income attributable to:</b>			
Owners		1,804	(353)
Non-controlling interest		822	170
		<b>2,626</b>	<b>(183)</b>
<b>Total comprehensive Income attributable to:</b>			
Owners		13,505	15,778
Non-controlling interest		2,066	5,020
		<b>15,571</b>	<b>20,798</b>
<b>Earnings per share</b>	34		
Nominal value per share: INR 1 (Previous year : INR 1)			
Basic		3.71	5.11
Diluted		3.71	5.11
Summary of significant accounting policies	2		

This is the consolidated Statement of Profit and Loss referred to in our report of even date

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes

For S.R. Batilbol & Co. LLP  
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per PANKAJ CHADHA  
Partner  
Membership No.: 091813

Place: Gurugram  
Date: June 02, 2020

**PANKAJ CHADHA**

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email=pankaj.chadha@srb.in  
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For and on behalf of the Board

VIVEK CHAAND SEHGAL  
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Date: 2020.06.02 16:52:45 +05'30'

V.C. SEHGAL  
Chairman

Gaya Nand Gauba  
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Date: 2020.06.02 16:52:07 +05'30'

G.N. GAUBA  
Chief Financial Officer

Place: Noida  
Date: June 02, 2020

PANKAJ KUMAR MITAL  
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PANKAJ MITAL  
Whole-time Director/  
Chief Operating Officer

Alok Goel  
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Date: 2020.06.02 16:52:07 +05'30'

ALOK GOEL  
Company Secretary

MOTHERSON SUMI SYSTEMS LIMITED  
Consolidated statement of changes in equity



(All amounts in INR Million, unless otherwise stated)

A. Equity share capital		Notes	Amount										
As at April 01, 2018				2,105									
Issue of equity share capital		15		1,053									
As at March 31, 2018				3,168									
Issue of equity share capital		15		-									
As at March 31, 2020				3,168									
B. Other equity		Notes	Capital reserve on consolidation	Reserves and Surplus	General Reserve	Retained Earnings	FVOCI equity instrument	Foreign currency translation reserve	Cash flow hedging reserve	Total attributable to Owners	Non Controlling Interests	Total	
Balance as at April 01, 2018			1,265	27,356	1,663	3,430	59,338	100	4,832	(1,244)	96,738	29,600	126,338
Profit for the year		16(a)	-	-	-	-	16,131	-	-	-	16,131	4,850	20,981
Other comprehensive Income		16(a)&(b)	-	-	-	-	(192)	8	(1,122)	953	(353)	170	(183)
Total comprehensive income for the year			-	-	-	-	15,939	8	(1,122)	953	15,778	5,020	20,798
Bonus Issue		16	-	(1,053)	-	-	-	-	-	-	(1,053)	-	(1,053)
Dividend paid		16 (a)	-	-	-	-	(4,737)	-	-	-	(4,737)	-	(4,737)
Tax on Dividend		16 (a)	-	-	-	-	(842)	-	-	-	(842)	-	(842)
Addition on account of business combination (Refer note 50)		16 (a)	494	-	-	-	-	-	-	-	494	1,539	2,033
Dividend to non controlling interest		48 B	-	-	-	-	-	-	-	-	-	(1,413)	(1,413)
Additional contribution by Non controlling interest			-	-	-	-	-	-	-	-	-	181	181
Hyperinflation adjustment (Refer note 47)			-	-	-	-	94	-	-	-	94	91	185
Other addition / (deletion)			-	-	-	-	-	-	-	-	-	(200)	(200)
Balance at March 31, 2019			1,749	26,303	1,663	3,430	68,792	114	3,710	(281)	109,470	34,788	144,258
Profit for the year		16(a)	-	-	-	-	11,701	-	-	-	11,701	1,244	12,945
Other comprehensive Income		16(a)&(b)	-	-	-	-	(156)	(420)	4,343	(1,553)	1,804	622	2,626
Total comprehensive income for the year			-	-	-	-	11,545	(420)	4,343	(1,963)	13,965	2,066	15,571
Dividend paid		16 (a)	-	-	-	-	(9,474)	-	-	-	(9,474)	-	(9,474)
Tax on Dividend		16 (a)	-	-	-	-	(1,370)	-	-	-	(1,370)	-	(1,370)
Addition on account of business combination (Refer note 50)		16 (a)	171	-	-	-	-	-	-	-	171	8	179
Dividend to non controlling interest		48 B	-	-	-	-	-	-	-	-	-	(1,381)	(1,381)
Hyperinflation adjustment (Refer note 47)			-	-	-	-	149	-	-	-	149	143	292
Other addition / (deletion)			-	-	-	-	-	-	-	-	-	16	16
Balance at March 31, 2020			1,920	26,303	1,663	3,430	70,642	(306)	8,053	(2,254)	109,451	35,650	145,101

Summary of significant accounting policies

This is the consolidated Statement of changes in equity referred to in our report of even date

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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

For and on behalf of the Board

per PANKAJ CHADHA  
Partner  
Membership No.: 091813

VIVEK CHAAND SEHGAL

V.C. SEHGAL  
Chairman

G.N. GAUBA

G.N. GAUBA  
Chief Financial Officer

Place: Noida  
Date: June 02, 2020

PANKAJ KUMAR MITAL

PANKAJ MITAL  
Whole-time Director/  
Chief Operating Officer

ALOK GOEL Alok Goel  
Company Secretary

(All amounts in INR Million, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash flow from operating activities:</b>		
Profit before tax	21,129	32,003
<b>Adjustments for:</b>		
Share of (profit)/loss in associates and joint ventures accounted for using the equity method	(575)	(1,131)
Depreciation and amortisation expense	27,780	20,582
Finance cost	5,986	4,232
Interest income	(361)	(354)
Dividend income	(6)	(8)
Loss/ (gain) on disposal of property, plant & equipment	(41)	(96)
Bad debts / advances written off	67	103
Provision for doubtful debts / advances	42	20
Liability no longer required written back	(497)	(130)
Unrealised foreign currency loss/(gain)	4,571	(641)
<b>Operating profit before working capital changes</b>	<b>58,095</b>	<b>54,580</b>
<b>Changes in working capital:</b>		
Increase/(decrease) in trade and other payables	(1,511)	(543)
Increase/(decrease) in other financial liabilities	2,724	7,816
(Increase)/decrease in trade receivables	8,146	4,284
(Increase)/decrease in inventories	(4,360)	(4,826)
(Increase)/decrease in other receivables	307	(2,165)
(Increase)/decrease in other financial assets	10,895	(5,524)
<b>Cash generated from operations</b>	<b>74,296</b>	<b>53,622</b>
Taxes (paid) / received	(10,776)	(10,498)
<b>Net cash generated from operating activities</b>	<b>63,520</b>	<b>43,124</b>
<b>B. Cash flow from Investing activities:</b>		
Payments for purchase of property, plant & equipment and other intangible assets (including capital work-in-progress and intangible assets under development)	(22,741)	(27,627)
Proceeds from sale of property, plant & equipment and other Intangible assets	799	774
Proceeds from sale / (payment for purchase) of investments	33	(13)
Loan (to)/repaid by related parties (net)	(199)	215
Interest received	387	349
Dividend received	6	8
Dividend received from associates & joint venture entities	559	406
(Investment)/Proceeds from maturity of deposits with remaining maturity for more than 12 months	(15)	-
Consideration paid on acquisition of subsidiaries (Refer Note 50)	(1,228)	(7,217)
<b>Net cash (used) In Investing activities</b>	<b>(22,399)</b>	<b>(33,105)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from minority shareholders	-	161
Dividend paid	(9,457)	(4,140)
Dividend distribution tax	(1,370)	(842)
Dividend paid to minority share holders	(1,967)	(1,413)
Interest paid	(5,667)	(4,159)
Proceeds from long term borrowings	355	7,589
Proceeds from short term borrowings	33,869	45,995
Proceeds of loans from other related parties	4,182	5,947
Repayment of long term borrowings	(5,809)	(13,226)
Repayment of short term borrowings	(30,871)	(38,158)
Repayment of loans to other related parties	(7,940)	-
Payment of leased liability	(3,354)	-
<b>Net cash (used) In financing activities</b>	<b>(28,029)</b>	<b>(2,246)</b>

(All amounts in INR Million, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Increase/(Decrease) in Cash & Cash Equivalents	13,092	7,773
Net foreign exchange difference on balance with banks in foreign currency	197	(80)
Net Cash and Cash equivalents at the beginning of the year	35,399	27,706
<b>Cash and cash equivalents as at year end</b>	<b>48,688</b>	<b>35,399</b>
Cash and cash equivalents comprise		
Cash on hand	37	20
Cheques / drafts on hand	11	96
Balance with Banks	48,640	35,283
<b>Cash and cash equivalents as per Balance Sheet (restated)</b>	<b>48,688</b>	<b>35,399</b>
Summary of significant accounting policies (Note 2)		

i) The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

This is the Consolidated Cash Flow Statement referred to in our report of even date

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

**PANKAJ  
CHADHA**

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email=pankaj.chadha@srb.in  
Reason: I am approving the document  
Date: 2020.06.03 19:45:00 +05'30'

per PANKAJ CHADHA  
Partner  
Membership No.: 091813

Place: Gurugram  
Date: June 02, 2020

For and on behalf of the Board

VIVEK  
CHAAND  
SEHGAL

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VIVEK CHAAND  
SEHGAL  
Date: 2020.06.03  
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V.C. SEHGAL  
Chairman

PANKAJ  
KUMAR MITAL

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PANKAJ KUMAR MITAL  
Date: 2020.06.03  
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PANKAJ MITAL  
Whole-time Director/  
Chief Operating Officer

Gaya Nand  
Gauga

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Gaya Nand Gauga  
Date: 2020.06.03  
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G.N. GAUBA  
Chief Financial Officer

Alok  
Goel

Digitally signed  
by Alok Goel  
Date: 2020.06.03  
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ALOK GOEL  
Company Secretary

Place:Noida  
Date: June 02, 2020

# MOTHERSON SUMI SYSTEMS LIMITED

## Notes to the consolidated financial statements

(All amounts are in INR Million, unless otherwise stated)

### 1. Corporate Information

The consolidated financial statements comprise financial statements of Motherson Sumi Systems Limited (MSSL or 'the Company') and its subsidiaries (hereinafter collectively referred to as 'the Group') for the year ended March 31, 2020. The Company was incorporated and domiciled in India on December 19, 1986 and is engaged primarily in the manufacture and sale of components to automotive original equipment manufacturers. The address of its registered office is Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra. The Company is a public limited company and is listed in the Bombay Stock Exchange and National Stock Exchange. The Company is a joint venture entity between Samvardhana Motherson International Limited (SMIL) and Sumitomo Wiring Systems Limited, Japan. The Group comprises MSSL and its directly and indirectly held 167 subsidiaries (including stepdown subsidiaries) and exercises joint control over 6 joint ventures and significant influence over 2 associates. The Group has manufacturing plants in India, Sri Lanka, Thailand, United Arab Emirates (UAE), Australia, United Kingdom (UK), Germany, Hungary, Portugal, Spain, France, Slovakia, China, South Korea, USA, Brazil, Mexico, Czech Republic, South Africa, Serbia, Lithuania, Poland, Russia, Morocco, Philippines, Argentina and Croatia.

### 2.1 Significant accounting policies

#### a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statement.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments, Refer Note 37
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and distribution liability, Refer Note 36
- Defined benefit pension plans – plan assets measured at fair value. Refer Note 21

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The consolidated financial statements are presented in INR and all values are rounded to the nearest millions (INR 000,000), except when otherwise indicated.

#### b) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like item of assets, liabilities, equity, income expense and cashflows. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Business combinations policy explains how to account for any related goodwill.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that

# MOTHERSON SUMI SYSTEMS LIMITED

## Notes to the consolidated financial statements

(All amounts are in INR Million, unless otherwise stated)

subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### c) *Investment in associates and joint ventures*

Associates are all entities over which the Group has significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The financial statements of the associates are prepared for the same reporting period as the Group to enable the parent to consolidate the financial information of the associates. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The group applies Ind AS 111 to all joint arrangements. Under Ind AS 111 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries

Investments in associates and joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the other entity.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit and loss.

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### d) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of MSSL.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

### e) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker "CODM". The CODM is responsible for allocating resources and assessing performance of the operating segments. The Group has monthly review and forecasting procedure in place. (refer Note 41)

### f) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### g) Foreign currencies

#### i. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

#### ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and

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qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Foreign exchange differences on foreign currency borrowings are presented in the Statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in foreign currencies are translated into functional currency using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments (other than investment in subsidiaries, joint ventures and associates) held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments (other than investment in subsidiaries, joint ventures and associates) classified as FVOCI are recognised in other comprehensive income.

### iii. Group companies

The results and financial position of foreign operations (except one of the subsidiary in Argentina which has currency of hyperinflation (refer policy described in note aa below), none of the Group's subsidiary, joint venture and associates has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. All resulting exchange differences are recognised in other comprehensive income.

### h) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

#### Revenue from sale of components

Revenue from sale of components is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

#### Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Contracts for the sale of components provide customers with a customary right of return in case of defects, quality issues etc. The rights of return give rise to variable consideration.



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The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

### Warranty obligations

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

### Revenue from assembly of components

The Group has contracts with customers to assemble, on their behalf, customised components from various parts procured from suppliers identified by the customer. The Group is acting as an agent in these arrangements.

When another party is involved in providing goods or services to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Group's role is only to arrange for another entity to provide the goods or services, then the Group is an agent and will need to record revenue at the net amount that it retains for its agency services.

### Revenue from development of tools

The Group develops customised tooling for its customers and recognises its revenue over time using an input method to measure progress towards complete satisfaction of the tool development.

The Group recognises revenue from development of tools over time if it can reasonably measure its progress towards complete satisfaction of the performance obligation.

Where the Group cannot reasonably measure the outcome of a performance obligation, but the Group expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Group recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

### Costs to obtain a contract

Such costs are recognised as an asset if there are future economic benefits associated with such costs. These are amortised systematically to match the benefits and such amortisation is netted off with revenue. Such assets are presented as Deferred Revenue Expenditure in Note 45 and classified as current and non-current based on the expected amortisation period. In cases where future economic benefits cannot be determined such costs are expensed off as incurred and are netted off with the revenues.

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

#### Determining the timing of satisfaction of tooling development

The Group concluded that revenue for development of tooling is to be recognised over time because the Group's performance does not create asset with an alternative use to the Group since the tools are customised for each customer and the Group has a legally enforceable right to payment for fair value of performance completed to date.

The Group determined that the input method is the best method in measuring progress of the tooling development because there is a direct relationship between the Group's effort (i.e., costs incurred) and the transfer of tooling to the customer. The Group recognises revenue on the basis of the total costs incurred relative to the total expected costs to complete the tool.

#### Principal versus agent considerations

The Group enters into contracts with its customers to assemble, on their behalf, customised components using various parts procured from suppliers identified by the customer. Under these contracts, the Group provides assembly services (i.e., coordinating the procurement of various parts from the identified suppliers and combining or assembling them into components as desired by the customer). The Group determined that it does not control the goods before they are transferred to customers, and it does not have the ability to direct the use of the component or obtain benefits from the

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component. The following factors indicate that the Group does not control the goods before they are being transferred to customers. Therefore, the Group determined that it is an agent in these contracts.

- The Group is not primarily responsible for fulfilling the promise to provide the specified equipment.
- The Group does not have inventory risk before or after the specified component has been transferred to the customer as it purchases various parts on just-in-time basis and only upon contract of the customer.
- The Group has no discretion in establishing the price for the specified component. The Group's consideration in these contracts is only based on the difference between the maximum purchase price quoted by the customer and the cost of various parts purchased from the suppliers.
- In addition, the Group concluded that it transfers control over its services (i.e., assembling the component from various parts), at a point in time, upon receipt by the customer of the component, because this is when the customer benefits from the Group's agency service.

### Consideration of significant financing component in a contract

The Group develops customised tooling and secondary equipment's for which the manufacturing lead time after signing the contract is usually more than one year. This type of contract includes two payment options for the customer, i.e., payment of the transaction price equal to the cash selling price upon delivery of the tooling or payment of the transaction price as part of the component's selling price. The Group concluded that there is a significant financing component for those contracts where the customer elects to pay along with the component's selling price considering the length of time between the transfer of tooling and secondary equipment and the recovery of transaction price from the customer, as well as the prevailing interest rates in the market.

In determining the interest to be applied to the amount of consideration, the Group concluded that the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance) is appropriate because this is commensurate with the rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception.

### Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Trade receivables are disclosed in Note 8.

### Contract Assets

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables. The Group's contract assets are disclosed in Note 45 as Unbilled Receivables.

### Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract. Contract Liabilities are disclosed in Note 45 as Advances received from customers.

### Impairment

An impairment is recognised to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which such asset relates; less (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

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### i) Other income

#### Interest

Interest is recognised using the effective interest rate (EIR) method, as income for the period in which it occurs. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

#### Rental Income

Rental income arising from investment properties given on leases is accounted for on a straight-line basis over the lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and is included in other income in the statement of profit and loss.

#### Dividend

Dividend income is recognised when the right to receive payment is established, which is generally when shareholders approve the dividend.

#### Duty drawback and export incentives

Income from duty drawback and export incentives is recognized on an accrual basis.

#### Royalty income

Royalty income is recognized in Other operating income on an accrual basis in accordance with the substance of the relevant agreements.

### j) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected useful lives of the related assets and presented within other income.

When government grants relating to loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

### k) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax liabilities are not recognised:

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- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences ("outside-basis differences") can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

### l) Leases

Pursuant to the notification by the Ministry of Corporate Affairs, The Group adopted IND AS 116 effective from April 1, 2019, prospectively using the modified retrospective method as mandated by Para C5(b) and Para C8(c)(ii) of IND AS 116. Accordingly, the Group has not restated comparative information and there is no cumulative effect of initially applying this Standard to be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in *section (n)* Impairment of non-financial assets.

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### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Lease liabilities, which separately shown in the financial statement are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing (while affecting other comprehensive income) the carrying amount to reflect the lease payments made.

### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### Key assumptions that the Group is applying for implementing the standard are as follows:

**Terms:** For each contract, the Group reviewed the renewal and the early termination options within the term of the arrangement and determined, after taking into account all the relevant facts and circumstances, what would be the date at which the Group reasonably expects the contract to be terminated. For certain categories of leased assets, (mainly vehicles), the Group assesses that there is no reasonably certain extension option, consequently the duration selected coincides with the first term of the lease contract. For real estate lease arrangements, the Group defines the reasonable end date of the contracts, while taking into account the renewal and early termination options stated in the agreements, in line with the asset's expected period of use.

**Discount rates:** The Group determined discount rates reflecting each subsidiary's specific credit risk, the currency of the contract and the weighted average maturity of the reimbursement of the lease liability. For the transition the incremental borrowing rate used is the rate applicable to the residual terms of the contracts. For contracts previously classified as finance leases the Group has recognised the carrying amount of the right of use assets and lease liability at the date of initial application.

### As a Lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate the lessor for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their respective nature.

### m) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

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When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured at fair value at each reporting date with changes in fair value recognised in statement of profit and loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

#### **n) Impairment of non-financial assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term

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average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Goodwill is tested for impairment annually as on March 31 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

### **o) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash at banks and short term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### **p) Inventories**

Raw materials, stores and spares, work in progress, stock in trade and finished goods are stated at the lower of cost and net realisable value.

Cost of raw material and traded goods comprise cost of purchase and is determined after rebate and discounts. Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are determined on weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### **q) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial assets**

##### **Initial recognition and measurement**

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (h) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not

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contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under Ind AS 115.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

### **Debt instruments at amortised cost**

This category is the most relevant to the Group. A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

### **Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### **Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. The Group elected to classify irrevocably its non-listed equity investments under this category.



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If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

### **Impairment of financial assets**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Lease receivables under Ind AS 116
- d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- e. Loan commitments which are not measured as at FVTPL
- f. Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The

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allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount'

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

#### Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

#### Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of

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the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

### Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

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### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of The Group or the counterparty.

### r) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 2.2, 36 and 37)
- Quantitative disclosures of fair value measurement hierarchy (note 36)
- Investment properties (note 4)
- Financial instruments (including those carried at amortised cost) (note 6, 7, 8, 9, 13, 17, 18, 19, 36 and 37 )

### s) Derivative financial instruments and hedge accounting

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### Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At inception of the hedge relationship, the Company documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking its hedge transactions.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

#### i. Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

The Group has an interest rate swap that is used as a hedge for the exposure of changes in the fair value. See Note 37 for more details.

#### ii. Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

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If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

### iii. Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).

The Group uses a loan as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

### t) Property, plant and equipment

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

On transition to Ind AS, the Group elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

The cost of self-generated assets comprises of raw material, components, direct labour, other direct cost and related production overheads.

#### Depreciation methods and useful lives

Depreciation is calculated using the straight-line method over estimated useful lives of the assets:

Assets	Indian entities*	Overseas entities
	Useful lives(years)	Useful lives(years)
Leasehold improvements	Over the period of lease or useful life, whichever is lower	
Buildings	30 years	5 to 61 years
Plant & Machinery:		
Plant & Machinery	7.5 years	3 to 15 years
Die & Moulds	6.17 years	3 to 15 years
Electric Installation	10 years	3 to 15 years
Furniture & fixtures	6 years	3 to 15 years
Office equipment	5 years	3 to 10 years
Computers:		
Server & Networks	3 years	3 to 15 years
End user devices, such as desktops, laptops, etc.	3 years	3 to 15 years
Vehicles	4 years	3 to 12 years
Aircraft	-	8 Years

\*Useful life of certain assets are different than the life prescribed under Schedule II to the Companies Act, 2013 and those has been determined based on technical evaluation by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the

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asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### u) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Group depreciates building component of investment property over 30 years.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in notes 4.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

# MOTHERSON SUMI SYSTEMS LIMITED

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(All amounts are in INR Million, unless otherwise stated)

### **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

On transition to Ind AS, the Group elected to continue with the carrying value of all its intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### **Goodwill**

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill has indefinite useful life. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments

### **Business, commercial and other rights**

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

### **Customer relationships**

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

### **Software**

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Separately acquired software are shown at transaction cost, software acquired in a business combination are recognised at fair value at the acquisition date. They are subsequently carried at cost less accumulated amortisation.

### **Research and development costs**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development



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Currently, research costs incurred by the Group do not meet the recognition criteria and accordingly such research costs are expensed of in the statement of profit and loss as and when these are incurred.

Amortisation methods and periods:

Asset	Useful lives (years)
Technical Knowhow fees	3 to 13 years
Business & Commercial rights	3 to 11 years
Intellectual property rights	1 to 3 years
Software	2 to 5 years
Customer relationships	3 to 15 years

The amortisation methods, the usual useful lives and the residual values of intangible assets are checked annually.

### v) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### w) Provisions and contingent liabilities

#### Provisions

Provisions for legal claims, product warranties and other obligations are recognised when the Group has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### Provision for onerous contracts

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Group at the end of every reporting period conducts the onerous contract test per the provisions of Ind AS 37 by comparing the remaining costs to be incurred under the contract with the related revenue of the contract. Where the costs of a contract increase the related revenue of the contract, the Group makes a provision for the difference.

#### Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

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(All amounts are in INR Million, unless otherwise stated)

### x) Employee benefits

#### Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### *In respect of the companies incorporated in India*

#### Provident Fund & Employee State Insurance

Contribution towards provident fund and employee state insurance for employees is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis.

#### Superannuation fund

The Group has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The Group contributes up to 12% of the eligible employees' salary or INR 100,000 / 150,000, whichever is lower, every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligations beyond this contribution.

#### Gratuity

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity plan in Company is funded through annual contributions to Life Insurance Corporation of India (LIC) under its Company's Gratuity Scheme whereas others are not funded.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in statement of profit and loss.

#### Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss in the period in which they arise. Past-service costs are recognised immediately in statement of profit and loss.

#### *In respect of the companies incorporated outside India*

#### Pension provisions

Companies within the Group operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an

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## Notes to the consolidated financial statements

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employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in statement of profit or loss.

When a settlement or a curtailment occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the statement of profit or loss during the period in which the settlement or curtailment occurs.

The value of a net pension benefit asset is restricted to the present value of any amount the Group expects to recover by way of refunds from the plan or reductions in the future contributions after considering any legal or contractual minimum funding requirements. The minimum funding requirements stipulate a minimum amount or level of contributions that must be made to a plan over a given period and may limit the ability of the entity to reduce future contributions and considered respectively in determining the economic benefit from the plan.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### Other Long term benefits

**Jubilee Bonus:** In certain Group entities, the employees are entitled to bonus after completion of certain year of services which are based on the wage agreement or otherwise as per terms of employment. The Group recognizes as an expenditure the present value of such long term jubilee bonuses, where applicable based on the expected amounts to pay by considering expectancies of employee turnover and expected future salary increase.

### Termination Benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

### Other long-term employee benefit obligations

In some countries, the group also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

### y) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

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## Notes to the consolidated financial statements

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### z) Earnings per share

#### i. Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

#### ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### aa) Hyperinflation

The financial statements (including comparative amounts, if applicable) of the group entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period.

### bb) Changes in Accounting policies

#### Ind AS 116 Lease

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 01, 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The Group as lessee uses the following practical expedients of IND AS 116 at the date of initial application:

- With leases previously classified as operating leases according to IND AS 17, the lease liability is measured at the present value of the outstanding lease payments, discounted by incremental borrowing rate at April 1, 2019. The respective right-of-use asset is generally recognized at an amount equal to the lease liability.
- An impairment review is not performed. Instead, a right-of-use asset is adjusted by the amount of any provision for onerous leases recognized in the Statement of Financial Position at March 31, 2019.
- Regardless of their original lease term, leases for which the lease term ends at the latest on March 31, 2020 were recognized as short-term leases.
- At the date of initial application, the measurement of a right-of-use asset excludes the initial direct costs.
- Current knowledge is given due consideration when determining the lease term if the contract contains options to extend or terminate the lease.

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### Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Appendix had an impact on its consolidated financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

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## Notes to the consolidated financial statements

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### 2.2 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Judgements

In the process of applying the Group's accounting policies, there are no significant judgements established by the management.

#### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

##### (i) Useful life of property, plant and equipment and investment properties

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

##### (ii) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment defined benefits are determined using actuarial valuations. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about gratuity obligations are given in **Note 21**

##### (iii) Fair valuation of unlisted securities

When the fair value of unlisted securities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer **Note 36 of the financials**.

##### (iv) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

##### (v) Percentage completion of recognition of revenue

The Group uses the percentage-of-completion method in accounting for 'development of tools' contracts. Use of the percentage-of-completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

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### (vi) Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts. Refer note 50.

### (vii) Impairment of goodwill

Market related information and estimates are used to determine the recoverable amount of a cash generating unit. Key assumptions on which the management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments

3(a) Property, plant and equipment

Particulars	Own Assets									Assets Taken on Finance Lease					Total	
	Freehold Land	Leasehold Improvements	Buildings	Plant & Machinery	Furniture & fixtures	Office equipments	Computers	Vehicles	Aircraft	Leasehold Land	Buildings	Plant & Machinery	Furniture & fixtures	Computers		Vehicles
<b>Year ended March 31, 2019</b>																
<b>Gross carrying amount</b>																
As at April 01, 2018	5,716	845	38,586	84,303	4,531	1,192	2,262	352	1,274	2,188	758	1,084	26	4	14	143,135
Additions	-	141	12,542	29,511	3,317	1,219	596	93	-	377	7	53	3	0	4	47,863
Additions on account of business combination <sup>4</sup>	1,032	-	2,348	7,691	-	-	398	-	24	-	-	-	-	-	-	11,388
Disposals	(11)	(1)	(57)	(1,376)	(127)	(14)	(13)	(44)	-	-	-	(54)	(1)	-	(5)	(1,703)
Exchange differences	(178)	(12)	(1,057)	(1,567)	(216)	(70)	(31)	(6)	(43)	(18)	(4)	(23)	-	(0)	-	(3,225)
Other adjustment / transfers	45	-	157	1,401	-	-	1	0	-	-	-	(272)	-	-	-	1,331
Closing gross carrying amount	6,604	973	52,519	119,863	7,505	2,720	2,815	419	1,231	2,547	489	1,060	28	4	13	196,789
<b>Accumulated depreciation and impairment</b>																
As at April 01, 2018	-	463	4,665	31,689	2,993	590	1,211	146	66	110	46	462	10	1	8	41,770
Depreciation charge during the year <sup>1</sup>	-	151	2,019	12,617	838	385	619	74	23	37	20	172	5	1	2	17,673
Disposals	-	-	(8)	(813)	(118)	(6)	(12)	(27)	-	-	-	(49)	(1)	-	(4)	(1,028)
Exchange differences	-	(6)	(290)	(734)	(133)	(20)	(23)	(5)	(3)	(2)	-	(14)	-	(0)	-	(1,277)
Other adjustment / transfers	0	(49)	224	1,471	32	22	10	14	-	15	(74)	(1)	(3)	(1)	2	1,592
Closing accumulated depreciation and impairment	0	559	6,630	44,231	3,014	979	1,805	204	86	160	(8)	569	11	1	9	58,250
<b>Net carrying amount</b>	6,604	414	45,889	75,632	4,491	1,741	1,010	215	1,145	2,387	497	491	17	3	4	140,539
<b>Year ended March 31, 2020</b>																
<b>Gross carrying amount</b>																
As at April 01, 2019	6,604	973	52,610	119,863	7,505	2,720	2,815	419	1,231	2,547	489	1,060	28	4	13	198,790
Reclassification on account of Ind AS 116	-	-	-	-	-	-	-	-	-	(2,547)	(489)	(1,060)	(28)	(4)	(13)	(4,141)
Additions	332	193	5,002	14,748	1,623	472	461	60	-	-	-	-	-	-	-	22,891
Additions on account of business combination <sup>4</sup>	-	-	-	60	10	-	10	-	-	-	-	-	-	-	-	89
Disposals	(68)	(23)	(96)	(1,160)	(152)	(58)	(55)	(50)	-	-	-	-	-	-	-	(1,664)
Reclassification	-	-	446	82	-	-	-	-	-	-	-	-	-	-	-	528
Exchange differences	219	(13)	2,588	5,704	471	127	163	15	91	-	-	-	-	-	-	9,365
Other adjustment / transfers <sup>2</sup>	-	-	92	234	-	-	-	-	-	-	-	-	-	-	-	329
Closing gross carrying amount	7,087	1,130	60,548	138,631	9,487	3,261	3,384	454	1,322	-	-	-	-	-	-	226,175
<b>Accumulated depreciation and impairment</b>																
As at April 01, 2019	-	559	6,630	44,231	3,014	979	1,806	204	86	160	(8)	569	11	1	9	58,250
Reclassification on account of Ind AS 116	-	-	-	-	-	-	-	-	-	(160)	8	(569)	(11)	(1)	(9)	(742)
Depreciation charge during the year <sup>1,2</sup>	-	163	2,388	15,040	1,223	480	607	77	62	-	-	-	-	-	-	20,040
Disposals	-	(22)	(59)	(831)	(150)	(60)	(52)	(42)	-	-	-	-	-	-	-	(1,202)
Reclassification	-	-	154	58	-	-	-	-	-	-	-	-	-	-	-	212
Exchange differences	-	(20)	252	1,923	139	34	98	9	10	-	-	-	-	-	-	2,445
Other adjustment / transfers <sup>2</sup>	-	(11)	13	32	-	-	-	-	-	-	-	-	-	-	-	34
Closing accumulated depreciation and impairment	-	688	9,382	60,453	4,226	1,443	2,458	248	196	-	-	-	-	-	(0)	78,037
<b>Net carrying amount</b>	7,087	461	51,167	79,078	5,261	1,818	926	206	1,184	-	-	-	-	-	0	147,138

(i) Property, plant and equipment pledged as security. Refer note 44 for information on property plant and equipment pledged as security by the group.

(ii) Contractual obligations. Refer note 42 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

(iii) During the year ended March 31, 2019, the group has capitalised borrowing costs amounting to INR 188 million as qualifying assets. Borrowing costs were capitalised at weighted average rate of its general borrowings March 31, 2019: 3.43%.

(iv) The recorded values of property, plant and equipment as at March 31, 2020 comprises of INR 25,039 million in respect of the greenfield locations. These amounts have primarily been allocated to the group's cash generating units (CGU) that align with the operating segments. Based on the Greenfield's five years forecast, management determined the Value-in-Use (VIU) of the CGUs and no impairment was deemed necessary as at March 31, 2020.

The forecasts include future projected revenues, cost reductions and other capital expenditures, which are based on past experiences and expectations about the future. Estimates relating to the future are inherently uncertain and actuals may differ as a result.

<sup>1</sup> Includes depreciation of INR 11 million (March 31, 2019: INR 9 million) capitalised during the year on assets used for creation of self generated assets.

<sup>2</sup> The Group has recognised impairment loss amounting to INR 437 million. The impairment losses are included under 'Depreciation expense'.

<sup>3</sup> Includes impact of Hyperinflationary adjustment in gross block amounting to INR 308 million (March 31, 2019: INR 241 million) and accumulated depreciation amounting to INR 43 million (March 31, 2019: INR 82 million) in respect of one of the step down subsidiary in Argentina. Refer Note 47.

<sup>4</sup> Refer note 50 for additions on account of business combination.



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(All amounts in INR Million, unless otherwise stated)

3(b) Right-to-use assets

Particulars	Land	Buildings	Plant & Machinery	Furniture & fixtures	Office equipments	Computers	Vehicles	Total
<b>Year ended March 31, 2020</b>								
<b>Gross carrying amount</b>								
Recognised on April 01, 2019 <sup>1</sup>	226	10,498	408	597	261	40	1,128	<b>13,158</b>
Reclassification on account of Ind AS 116	2,387	498	491	17	-	3	4	<b>3,400</b>
Additions	138	1,654	56	417	34	47	423	<b>2,769</b>
Reclassification	-	(446)	(82)	-	-	(6)	-	<b>(534)</b>
Deletion	-	(285)	(27)	-	-	-	(23)	<b>(335)</b>
Exchange differences	26	770	58	64	21	4	64	<b>1,007</b>
<b>Closing gross carrying amount</b>	<b>2,777</b>	<b>12,689</b>	<b>904</b>	<b>1,095</b>	<b>316</b>	<b>88</b>	<b>1,596</b>	<b>19,465</b>
<b>Accumulated depreciation and impairment</b>								
Depreciation charge during the year <sup>2</sup>	259	2,446	299	298	97	41	595	<b>4,035</b>
Deletion	-	(1)	(27)	-	-	-	(8)	<b>(36)</b>
Exchange differences	6	14	22	16	5	(0)	25	<b>88</b>
Reclassification	-	(154)	(58)	(0)	0	(6)	-	<b>(218)</b>
<b>Closing accumulated depreciation and impairment</b>	<b>265</b>	<b>2,305</b>	<b>236</b>	<b>314</b>	<b>102</b>	<b>35</b>	<b>612</b>	<b>3,869</b>
<b>Net carrying amount</b>	<b>2,512</b>	<b>10,384</b>	<b>668</b>	<b>781</b>	<b>214</b>	<b>53</b>	<b>984</b>	<b>15,596</b>

<sup>1</sup>Right-to-use assets recognised as on April 01, 2019 includes prepaid rent amounting to INR 198 million related to asset taken on lease.

<sup>2</sup>The Group has recognised impairment loss amounting to INR 200 million. The impairment losses are included under 'Depreciation expense'.

4 Investment property

	March 31, 2020	March 31, 2019
<b>Opening gross carrying amount</b>	<b>1,516</b>	1,465
Add: Transfers / Additions during the year	-	70
Less: Deletions during the year	7	-
Add / (Less): Exchange differences	43	(19)
<b>Gross Block</b>	<b>1,552</b>	1,516
<b>Accumulated depreciation:</b>		
<b>Opening balance</b>	<b>212</b>	152
Add: Depreciation for the year*	137	64
Deletion during the year	(4)	-
Add / (Less): Exchange differences	10	(4)
<b>Closing accumulated depreciation</b>	<b>355</b>	212
<b>Net Investment Properties</b>	<b>1,197</b>	1,304

\*The Group has conducted an impairment analysis and recognised impairment loss amounting to INR 100 million. The impairment losses are included under 'Depreciation expense'.

(i) Amounts recognised in profit or loss for the investment properties

	March 31, 2020	March 31, 2019
Rental Income	106	113
Direct operating expenses arising from property that generated rental income	(39)	(52)
Direct operating expenses arising from property that did not generate rental income	(5)	(1)
<b>Profit from investment properties before depreciation</b>	<b>62</b>	60
Depreciation	137	64
Loss from investment properties	<b>(75)</b>	(4)

(ii) Contractual obligations

Refer note 42 for disclosure of contractual obligation towards purchase of investment property.

(iii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

	March 31, 2020	March 31, 2019
Within one year	88	90
Later than one year but not later than 5 years	334	356
	<b>422</b>	446

(iv) Fair value

	March 31, 2020	March 31, 2019
Investment properties	3,130	2,999

**Estimation of fair value**

The fair values of investment properties have been determined by independent valuer. The fair valuation is based on prevailing market prices/ price trend of the property in that locality/ city considering the location, size of plot, approach road, amenities, locality etc.

(All amounts in INR Million, unless otherwise stated)

5 Intangible assets

Particulars	Technical Knowhow Fees	Customer Relationships and Contracts	Business and commercial rights	Intellectual Property Rights	Software	Total Intangible assets other than goodwill	Goodwill <sup>2</sup>
<b>Year ended March 31, 2019</b>							
<b>Gross carrying amount</b>							
As at April 01, 2018	165	27,036	921	43	3,002	31,167	22,646
Additions	8	4	-	(5)	846	853	-
Additions on account of business combination <sup>1</sup>	-	-	-	1,083	505	1,588	-
Disposals	-	-	-	-	(58)	(58)	-
Exchange Difference	(6)	(506)	(50)	(27)	(91)	(680)	(525)
Other adjustment	-	(1,205)	-	-	73	(1,132)	-
Closing gross carrying amount	167	25,329	871	1,094	4,277	31,738	22,121
<b>Accumulated amortisation and Impairment</b>							
As at April 01, 2018	46	7,117	292	30	1,880	9,365	3
Amortisation charge during the year	29	2,514	96	122	693	3,454	-
Disposals	-	-	-	-	(56)	(56)	-
Exchange differences	(3)	(71)	(20)	(4)	(46)	(144)	-
Other adjustment	-	(1,205)	-	(15)	73	(1,147)	-
Closing accumulated amortisation and impairment	72	8,355	368	133	2,544	11,472	3
<b>Net carrying amount</b>	<b>95</b>	<b>16,974</b>	<b>503</b>	<b>961</b>	<b>1,733</b>	<b>20,266</b>	<b>22,118</b>
<b>Year ended March 31, 2020</b>							
<b>Gross carrying amount</b>							
As at April 01, 2019	167	25,329	871	1,094	4,277	31,738	22,121
Additions	141	36	-	-	762	939	-
Additions on account of business combination <sup>1</sup>	-	607	-	-	2	609	291
Disposals	-	-	-	-	(54)	(54)	-
Exchange difference	20	1,951	13	18	294	2,296	1,651
Other adjustment	-	1,014	-	(1,014)	-	-	-
Closing gross carrying amount	328	28,937	884	98	5,281	35,528	24,063
<b>Accumulated amortisation and Impairment</b>							
As at April 01, 2019	72	8,355	368	133	2,544	11,472	3
Amortisation charge during the year	61	2,657	92	1	768	3,579	-
Disposals	-	-	-	-	(53)	(53)	-
Exchange differences	9	795	(4)	4	216	1,020	-
Other adjustment	-	84	-	(84)	-	-	-
Closing accumulated amortisation and Impairment	142	11,891	456	54	3,475	16,018	3
<b>Net carrying amount</b>	<b>186</b>	<b>17,046</b>	<b>428</b>	<b>44</b>	<b>1,806</b>	<b>19,510</b>	<b>24,060</b>

<sup>1</sup> Refer Note 50 for Additions on account of business combination.

<sup>2</sup> Goodwill consist of the following

A segment-level summary of the goodwill is presented below. Refer note 41 for 'segment reporting'.

	March 31, 2020	March 31, 2019
SMR	577	537
SMP	3,361	3,129
PKC	19,964	18,306
Others	158	146
<b>Total</b>	<b>24,060</b>	<b>22,118</b>

The Group tests goodwill for impairment on an annual basis. The goodwill has been evaluated based on the cashflow forecasts of the related cash generating units (CGUs) and the recoverable amounts of these CGUs exceeded their carrying amounts. The estimated value in use of cash generating units (CGU) is based on the future cash flows using annual growth rate of upto 4% for periods subsequent to the forecast period of 5-10 years and weighted average cost of capital between 8% to 15%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount for any segment. The discount rate was estimated based on past experience and company's average weighted average cost of capital. The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external factors

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(All amounts in INR Million, unless otherwise stated)

6 (a) Non-Current Investments	March 31, 2020	March 31, 2019
<b>Investment in equity Instruments</b>		
<b>Equity Instruments at FVOCI</b>		
<u>Quoted:</u>		
Ssangyong Motor Corporation 18,040 (March 31, 2019 : 18,040 ) equity shares of EUR 3.394 each fully paid up	2	6
<u>Unquoted:</u>		
<b>Motherson Sumi Infotech &amp; Designs Limited</b> 1,200,000 (March 31, 2019: 1,200,000) equity shares of INR 10 each fully paid up	185	185
<b>Echanda Urja Private Limited</b> 120,645 (March 31, 2019: 120,645 ) equity shares of INR 10 each fully paid-up	1	1
<b>Tulsyan NEC Limited</b> Nil (March 31, 2019: 63,750 ) equity shares of INR 30 each fully paid-up	-	2
<b>N H 2 Limited</b> 7,918,702 (March 31, 2019: 7,918,702) units of GBP 0.1 each (net of impairment provision)	-	419
<b>Wisetime Oy</b> Nil (March 31, 2019: 19) shares (Refer Note 50)	-	52
<b>Purpurin Grundstücksverwaltungsgesellschaft GmbH &amp; Co. Vermietungs KG</b> 94 (March 31, 2019: 94) equity shares of EUR 51.129 each fully paid up	0	0
<b>Mytrah Vayu (Manjira) Private Limited</b> Nil (March 31, 2019: 40,000) equity shares of INR 10 each fully paid up	-	0
<b>OSSIA Inc.</b> 714,976 (March 31, 2019: 714,976) Series D Preferred Stock	972	905
<b>Quanergy Systems Inc.</b> 171,528 (March 31, 2019: 171,528) Series B Preferred Stock (net of impairment provision)	426	792
<b>Investment in preference shares at FVOCI</b>		
<u>Unquoted:</u>		
<b>Comunidad de Vertidos, "Les Carrases"</b> 9.98% preference share of EUR 61,334 (March 31, 2019 : EUR 61,334) fully paid up	5	5
<b>Investment in bonds and promissory notes at FVTPL</b>		
<u>Unquoted:</u>		
<b>Naya Health</b> 1% Convertible Promissory Note	-	-
<b>OSSIA Inc.</b> 1 Convertible Promissory Note of USD 250,000	19	18
<b>Others at FVOCI</b>		
Investment in antique arts (unquoted)	4	4
<b>Total non current Investments</b>	<b>1,614</b>	<b>2,389</b>
Aggregate amount of quoted investments and market value thereof	2	6
Aggregate amount of unquoted investments	1,612	2,383
Aggregate amount of impairment in the value of investments	828	-

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(All amounts in INR Million, unless otherwise stated)

6 (b) Current Investments

	March 31, 2020	March 31, 2019
<b>Investment in equity Instruments at FVOCI</b>		
<b>Quoted:</b>		
HDFC Bank Limited	4	5
4,070 (March 31, 2019: 2,035) equity shares of INR 2 each fully paid up		
Balrampur Chini Mills Limited	0	0
1,200 (March 31, 2019: 1,200) equity shares of INR 1 each fully paid up		
Jaysynth Dyestuff (India) Limited	0	0
100 (March 31, 2019: 100) equity shares of INR 10 each fully paid up		
Meyer Apparel Limited	0	0
28,475 (March 31, 2019: 28,475) equity shares of INR 3 each fully paid up		
Mahindra & Mahindra Limited	2	5
7,288 (March 31, 2019: 7,288) equity shares of INR 5 each fully paid up		
Arcotech Limited	0	0
1,000 (March 31, 2019: 1,000) equity shares of INR 2 each fully paid up		
<b>Unquoted:</b>		
Pearl Engineering Polymers Limited	-	-
3,160 (March 31, 2019: 3,160) equity shares of INR 10 each fully paid up		
Daewoo Motors Limited	-	-
6,150 (March 31, 2019: 6,150) equity shares of INR 10 each fully paid up		
Athena Financial Services Limited	-	-
66 (March 31, 2019: 66) equity shares of INR 10 each fully paid up		
Inox Leasing & Finance Limited	-	-
100 (March 31, 2019: 100) equity shares of INR 10 each fully paid up		
<b>Total current Investments</b>	<b>6</b>	<b>10</b>
Aggregate amount of quoted investments and market value thereof	6	10
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-

(All amounts in INR Million, unless otherwise stated)

7 Loans

	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Loans to related parties (Refer note 40 & 51)	222	125	34	-
Loans to employees and others	91	52	183	58
<b>Total</b>	<b>313</b>	<b>177</b>	<b>217</b>	<b>58</b>

8 Trade Receivables

	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Other trade receivables	50,754	13,998	60,729	11,629
Trade receivables from related parties (Refer note 40)	1,030	-	934	-
<b>Unsecured, credit impaired</b>				
Other trade receivables	965	-	916	-
	<b>52,749</b>	<b>13,998</b>	<b>62,579</b>	<b>11,629</b>
Less: Allowances for credit loss	965	-	916	-
<b>Total</b>	<b>51,784</b>	<b>13,998</b>	<b>61,663</b>	<b>11,629</b>

Note 1: The Group has derecognised trade receivables amounting to INR 42,813 million (March 31, 2019: INR 47,288 million) as it had transferred the contractual right and substantially transferred all risks and rewards of ownership of these receivables to various financial institutions.

Note 2: In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on past provision. Past Provision takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due.

9 Other financial assets

	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Security deposits to related parties (Refer note 40)	338	142	504	5
Security deposits to others	569	378	456	487
	<b>907</b>	<b>520</b>	<b>960</b>	<b>492</b>
Derivatives designated as hedge (Refer note 37)	262	611	590	162
Derivatives not designated as hedge	87	-	10	-
Interest receivable	7	-	33	0
Unbilled Revenue (Refer Note 45)	28,402	70	39,581	-
Deposits with original maturity for more than 12 months	-	27	-	26
Others	1,217	-	993	-
<b>Total</b>	<b>30,882</b>	<b>1,228</b>	<b>42,167</b>	<b>680</b>

(All amounts in INR Million, unless otherwise stated)

10 (a) Deferred tax assets (net)

	March 31, 2020	March 31, 2019
<b>Deferred tax assets</b>		
Unabsorbed depreciation and Tax losses	1,963	3,064
Property, plant and equipments, investment property and intangible assets	479	528
Employee benefits	640	550
Provision for Doubtful debts/Advances/inventory	1,355	1,400
Others	593	581
<b>Total</b>	<b>5,030</b>	<b>6,123</b>

Movement in Deferred tax assets

	Unabsorbed depreciation and Tax losses	Property, plant and equipments, investment property and intangible assets	Employee benefits	Provision for Doubtful debts / Advances / Inventory	Others	Total
<b>As at April 01, 2018</b>	2,371	600	471	1,827	997	6,266
(Charged) / credited:						
to profit or loss	1,361	(319)	(84)	35	(651)	342
to other comprehensive income	-	-	71	-	172	243
Addition due to business combination	176	- 228	26	46	11	487
Exchange translation & reclassification adjustments*	(844)	19	66	(508)	52	(1,215)
<b>As at March 31, 2019</b>	3,064	528	550	1,400	581	6,123
(Charged) / credited:						
to profit or loss	2	(154)	(151)	26	(282)	(559)
to other comprehensive income	-	-	64	-	354	418
Exchange translation & reclassification adjustments*	(1,103)	105	177	(71)	(60)	(952)
<b>As at March 31, 2020</b>	<b>1,963</b>	<b>479</b>	<b>640</b>	<b>1,355</b>	<b>593</b>	<b>5,030</b>

10 (b) Deferred tax liabilities (net)

	March 31, 2020	March 31, 2019
<b>Deferred tax liabilities</b>		
Property, Plant and equipment, investment property and intangible assets	3,317	3,270
Others	1,310	2,492
<b>Total</b>	<b>4,627</b>	<b>5,762</b>

Movement in Deferred tax liabilities

	Property, Plant and equipment, investment property and intangible assets	Others	Total
<b>As at April 01, 2018</b>	3,042	2,194	5,236
(Charged) / credited:			
to profit or loss	(449)	(47)	(496)
Acquisition due to business combination	785	450	1,235
Exchange translation & reclassification adjustments*	(108)	(105)	(213)
<b>As at March 31, 2019</b>	3,270	2,492	5,762
(Charged) / credited:			
to profit or loss	(82)	(1,336)	(1,418)
Acquisition due to business combination	(122)	-	(122)
Exchange translation & reclassification adjustments*	251	154	405
<b>As at March 31, 2020</b>	<b>3,317</b>	<b>1,310</b>	<b>4,627</b>

Deferred tax assets and deferred tax liabilities have been offset to the extent they relate to the same governing taxation laws.

\* Reclassifications generally represents netting off between deferred tax assets and liabilities in respective jurisdictions, transfers out of deferred tax pursuant to change in tax positions in filed tax returns

11. Other non-current assets

	March 31, 2020	March 31, 2019
Capital advances	997	645
Advances recoverable	28	60
Unamortised expenditure	8,819	6,889
Prepaid expenses	133	203
Balances with government authorities	1,924	1,173
Others	264	383
<b>Total</b>	<b>12,165</b>	<b>9,353</b>

12. Inventories

	March 31, 2020	March 31, 2019
Raw materials	31,365	27,545
Work-in-progress	7,390	7,252
Finished goods	9,496	8,736
Stock-in-trade	295	324
Stores and spares	3,020	2,777
<b>Total</b>	<b>51,566</b>	<b>46,634</b>
Inventory include inventory in transit of:		
Raw materials	1,918	2,126
Finished goods	557	605

Amount recognised in profit or loss:

During the year ended March 31, 2020, the group has written down inventories to net realisable value (net of reversal of written down related to goods sold during the year at price equal to or above cost) and also made provision in respect of obsolete / slow moving items amounted to INR 271 million (March 31, 2019: INR 305 million). These were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods in consolidated statement of profit or loss.

13.(a) Cash and cash equivalents

	March 31, 2020	March 31, 2019
Balances with banks:		
- in current accounts	47,554	34,230
- Deposits with original maturity of less than three months	1,086	1,053
Funds in transit & cheques and drafts on hand	11	96
Cash on hand	37	20
<b>Total</b>	<b>48,688</b>	<b>35,399</b>

There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior period. For asset pledged refer note 44

Changes in liabilities arising from financing activities

	March 31, 2019	Cash Flow	Non cash Items	March 31, 2020
Long term borrowings*	86,616	(9,212)	6,218	83,622
Short term borrowings	28,433	2,998	2,648	34,079
<b>Total liabilities from financing activities</b>	<b>115,049</b>	<b>(6,214)</b>	<b>8,866</b>	<b>117,701</b>

Borrowings as on March 31, 2019, excludes finance lease liabilities, which is classified as lease liabilities on transition to Ind AS 116 effective from April 01, 2019

13.(b) Other bank balances

	March 31, 2020	March 31, 2019
Deposits with remaining maturity of more than three months but less than 12 months	40	26
Unpaid dividend account	61	44
<b>Total</b>	<b>101</b>	<b>70</b>

Unpaid dividend accounts are restricted in use as it relates to unclaimed or unpaid dividend.

14. Other current Assets

	March 31, 2020	March 31, 2019
Advances recoverable	3,637	4,481
Unamortised expenditure	486	365
Prepaid expenses	2,202	1,966
Balances with government authorities	4,759	6,228
Others	230	296
<b>Total</b>	<b>11,314</b>	<b>13,336</b>



15. Share Capital

	March 31, 2020	March 31, 2019
<b>Authorised:</b>		
6,050,000,000 ( March 31, 2019 : 6,050,000,000) Equity shares of INR 1 each )	6,050	6,050
25,000,000 ( March 31, 2019 : 25,000,000) 8% Convertible Cumulative Preference Shares of INR 10 each)	250	250
<b>Issued, subscribed and Paid up:</b>		
3,157,934,237 <sup>1</sup> ( March 31, 2019 : 3,157,934,237 <sup>1</sup> ) Equity Shares of INR 1 each	3,158	3,158

a. Movement in equity share capital

Equity Shares:	Numbers	Amount
As at April 01, 2018	2,105,289,491	2,105
Add: Bonus shares issued by capitalisation of securities premium account <sup>1</sup>	1,052,644,746	1,053
<b>As at March 31, 2019</b>	<b>3,157,934,237</b>	<b>3,158</b>
Add: Changes during the year	-	-
<b>As at March 31, 2020</b>	<b>3,157,934,237</b>	<b>3,158</b>

<sup>1</sup> During the year ended March 31, 2019, the Company allotted 1,052,644,746 equity shares of INR 1 each as bonus shares in proportion of one equity share for every two equity shares held by capitalisation of Securities Premium Account.

b. Rights, preferences & restrictions attached to shares

Equity Shares:

The Company has only one class of equity shares having a par value of INR 1 per share. Each holder of equity is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their share holding.

c. Aggregate number of Shares allotted as fully paid up by way of bonus shares (during 5 years immediately preceding March 31, 2020)

	Aggregate No of Shares issued in five years	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Equity shares allotted as fully paid bonus shares by capitalization of Securities Premium Account	2,195,367,590	-	1,052,644,746	701,763,164	-	440,959,680

d. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

Equity shares:	March 31, 2020		March 31, 2019	
	Nos.	%	Nos.	%
Samvardhana Motherson International Limited	1,055,750,653	33.43%	1,055,750,653	33.43%
Sumitomo Wiring Systems Limited	792,637,291	25.10%	792,637,291	25.10%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

16. (a) Reserves and surplus

	March 31, 2020	March 31, 2019
Capital reserve on consolidation	1,920	1,749
Securities premium	26,303	26,303
Reserve on amalgamation	1,663	1,663
General Reserve	3,430	3,430
Retained earning	70,642	69,792
<b>Total reserves and surplus</b>	<b>103,958</b>	<b>102,937</b>

Capital reserve on consolidation

	March 31, 2020	March 31, 2019
Opening balance	1,749	1,255
Addition on account of business combination (Refer Note 50)	171	494
<b>Closing balance</b>	<b>1,920</b>	<b>1,749</b>

Securities premium

	March 31, 2020	March 31, 2019
Opening Balance	26,303	27,356
Bonus Issue	-	(1,053)
<b>Closing balance</b>	<b>26,303</b>	<b>26,303</b>

Reserve on amalgamation

	March 31, 2020	March 31, 2019
Opening balance	1,663	1,663
<b>Closing balance</b>	<b>1,663</b>	<b>1,663</b>

General reserve

	March 31, 2020	March 31, 2019
Opening balance	3,430	3,430
<b>Closing balance</b>	<b>3,430</b>	<b>3,430</b>

Retained earnings

	March 31, 2020	March 31, 2019
Opening balance	69,792	59,338
Additions during the year	11,701	16,131
Remeasurements of post-employment benefit obligation, net of tax	(151)	(192)
Share of OCI of associates and joint ventures, net of tax	(5)	0
Dividend paid (Refer note 39)	(9,474)	(4,737)
Tax on dividend (Refer note 39)	(1,370)	(842)
Hyperinflation adjustment (Refer note 47)	149	94
<b>Closing balance</b>	<b>70,642</b>	<b>69,792</b>

During the year ended March 31, 2020, the Company has paid final cash dividend for the year ended on March 31, 2019: INR 1.5 (March 31, 2019: INR 2.25) per share and Interim dividend for the year ended on March 31, 2020: INR 1.5 (March 31, 2019: Nil) per share to its shareholders. This has resulted in payment of dividend distribution tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authorities on behalf of shareholders. Hence DDT paid is charged to equity.

16. (b) Other reserves

	Foreign currency translation reserve	Cash flow hedging reserve	FVOCI equity investments	Total
As at April 01, 2018	4,832	(1,244)	106	3,694
Currency translation difference	(1,122)	-	-	(1,122)
Change in fair value of hedging instruments (net of tax)	-	953	-	953
Change in fair value of FVOCI equity instruments (net of tax)	-	-	8	8
<b>As at March 31, 2019</b>	<b>3,710</b>	<b>(291)</b>	<b>114</b>	<b>3,532</b>
Currency translation difference	4,343	-	-	4,343
Change in fair value of hedging instruments (net of tax)	-	(1,963)	-	(1,963)
Change in fair value of FVOCI equity instruments (net of tax)	-	-	(420)	(420)
<b>As at March 31, 2020</b>	<b>8,053</b>	<b>(2,254)</b>	<b>(306)</b>	<b>5,493</b>

**Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**Cash flow hedging reserve**

The group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale and inventory purchases and interest rate risk associated with variable interest rate borrowings. For hedging foreign currency risk, the group uses foreign currency forward contracts which are designated as cash flow hedges. For hedging interest rate risk, the group uses interest rate swaps which is also designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (e.g. sales and interest payments).

**Capital reserve on consolidation**

It represents capital reserve on acquisition of subsidiaries.

**Reserve on amalgamation**

This reserve was created at the time of amalgamation and mergers carried in earlier years. The reserve is utilised in accordance with the provisions of the Act.

**General Reserve**

This reserve comprises retained earnings of a company which are kept aside out of company's profits to meet future (known or unknown) obligations.

**Foreign currency translation reserve**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

**FVOCI equity investments**

The group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investment reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Bracket denotes appropriations / deductions.

17 (a) Non-current borrowings

	March 31, 2020	March 31, 2019
<b>Secured#:</b>		
i) 3.7% Senior Secured Notes Due 2025 (EUR 100 million (March 31, 2019 : EUR 100 million))	8,226	7,638
ii) 4 <sup>7/8</sup> % Senior Secured Notes Due 2021 (USD 400 million (March 31, 2019 : USD 400 million))	30,123	27,511
iii) 1.8% Senior Secured Notes Due 2024 (EUR 300 million (March 31, 2019 : EUR 300 million))	24,593	22,794
iv) Term loans:		
From Banks:		
- Rupee Loan	5,750	5,797
- Foreign currency loan	10,890	15,514
From others		
- Indian rupee loan	0	18
- Foreign Currency Loan	13	22
v) Finance lease liabilities (Refer note 46)	-	286
	<b>79,595</b>	<b>79,580</b>
<b>Unsecured:</b>		
i) Term loan:		
From Banks:		
- foreign currency loan	1,333	1,071
From others		
- Indian rupee loan	126	63
- Foreign currency loan	443	486
- Vehicle Loan	-	-
ii) Finance lease liabilities (Refer note 46)	-	7
iii) Deposits from related parties		
- Foreign currency loan - from related parties (Refer note 40)	2,125	5,701
- Indian rupee loan - from related parties (Refer note 40)	-	1
	<b>4,027</b>	<b>7,329</b>
<b>Total</b>	<b>83,622</b>	<b>86,909</b>
Less : Amounts disclosed under the head "other current financial liabilities" (Refer Note 18)		
Current maturities of long-term debt	1,010	5,797
Current maturities of finance lease obligations	-	117
	<b>82,612</b>	<b>80,995</b>

17 (b) Current borrowings

	March 31, 2020	March 31, 2019
<b>Secured#:</b>		
i) Loans repayable on demand from banks		
- Rupee Loan <sup>1</sup>	2,279	372
- Foreign Currency Loan <sup>2</sup>	11,263	13,319
	<b>13,542</b>	<b>13,691</b>
<b>Unsecured:</b>		
i) Loans repayable on demand from banks		
- Foreign Currency Loan	959	1,569
ii) Other short term loans from banks		
- Foreign Currency Loan	15,995	8,131
iii) Other short term loans - (Other than banks)		
- Foreign Currency Loan	3,583	5,042
	<b>20,537</b>	<b>14,742</b>
	<b>34,079</b>	<b>28,433</b>

**Non-current borrowings:**

**(a) Nature of Security and terms of repayment for secured borrowings:**

Nature of Security	Terms of Repayment
<p><b>3.7% Senior Secured Notes Due 2025</b> Loan amounting to INR 8,226 million (March 31, 2019: INR 7,638 million) secured by:</p> <p>a. Guarantee given by some of the material subsidiaries of Samvardhana Motherson Automotive Systems Group B.V. b. 100% share pledge of material subsidiaries of Samvardhana Motherson Automotive Systems Group B.V. c. Assets security given by some subsidiaries of Samvardhana Motherson Automotive Systems Group B.V.</p>	<p>The Notes bear interest at a rate of 3.70% payable annually on 18th June and will mature on 18th June, 2025. The Notes carry a prepayment option and as per the terms of the indenture the Subsidiary may at any time prior to June 18, 2025, redeem all or a portion of the Notes by paying 100% of the principal amount of such Notes, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption, plus a "make-whole" premium. In addition, prior to June 18, 2025, the subsidiary may redeem, at its option, up to 35% of the Notes with the net proceeds from certain equity offerings.</p>
<p><b>4<sup>7/8</sup>% Senior Secured Notes Due 2021</b> Loan amounting to INR 30,123 million (March 31, 2019: INR 27,511 million) secured by: The Notes are structured as senior secured obligations and will rank pari passu in right of payment with all the existing and future senior obligations of SMRP BV, including the obligations under the 2025 Notes, the 2021 Notes and the Revolving Credit Facilities. The Notes are guaranteed on a senior secured basis by certain subsidiaries of SMRP BV and are secured by share pledge and security interests granted over certain property and assets of SMRP BV and certain of its subsidiaries.</p>	<p>The Notes bear interest at a rate of 4.875% payable semi annually on June 16 &amp; December 16 each year and will mature on December 16, 2021. The Notes carry a prepayment option and as per the terms of the indenture, the subsidiary may at any time on or after June 16, 2019, redeem all or part of the Notes by paying the redemption prices set forth in the indenture. Prior to June 16, 2019, the subsidiary is entitled at its option, to redeem all or a portion of the Notes by paying 100% of the principal amount of such Notes, plus accrued and unpaid interest, if any, plus a "make-whole" premium. In addition, prior to June 16, 2019, the subsidiary may redeem, at its option, up to 35% of the principal amount of the Notes at a redemption price equal to 104.875% of the principal amount of the Notes, plus accrued and unpaid interest, if any, up to the redemption date.</p>
<p><b>1.8% Senior Secured Notes Due 2024</b> Loan amounting to INR 24,593 million (March 31, 2019: INR 22,794 million) secured by: The Notes are senior obligations of SMRP BV and rank pari passu in right of payment with all the SMRP BV's existing and future senior obligations that are not subordinated in right of payment to the Notes, including the SMRP BV's obligations under the existing Notes and the Revolving Credit Facilities. The Notes are guaranteed on a senior basis by SMRP BV and certain of its subsidiaries and are also secured by security interests granted over certain property and assets of the SMRP BV and certain of its subsidiaries.</p>	<p>The Notes were issued at 99.299% of the nominal value and carry coupon at a rate of 1.80% payable annually on July 06th each year and will mature on July 06, 2024. The Notes are listed on the Irish Stock Exchange and trade on the Global Exchange Market.</p>
<p><b>Long term Indian Rupee loans from Bank include:</b></p>	
<p>Loan amounting to INR 5,750 million (March 31, 2019: INR 5,750 million) secured by creating a pledge on Investment in shares of one of the subsidiary, MSSL (GB) Ltd on pari passu basis.</p>	<p>The principal amount to be paid to bank within period of 5 years from date of disbursement as a bullet payment. The loan carries interest rate of 8% p.a.</p>
<p>Loan amounting Nil million (March 31, 2019: INR 47 million) secured against all assets of SMRC Automotive Products India Private Limited</p>	<p>Fully repaid during financial year 2019-20 The loan carries interest rate based on base rate + 1.25% p.a.</p>
<p><b>Long term foreign currency loans from Bank include:</b></p>	
<p>i Loan amounting to INR 6 million (March 31, 2019: INR 12 million) secured by General Notarial Bond on assets of Vacuform 2000 Pty Ltd.</p>	<p>1) Nil (March 31, 2019: INR 1 million) fully repaid during financial year 2019-20. 2) INR 6 million (March 31, 2019: INR 11 million) is repayable in monthly instalments till December 2021. The applicable rate of interest in respect of these loans is Prime lending rate in South Africa minus 3%</p>
<p>ii Loan amounting to INR 74 million (March 31, 2019: INR 157 million) secured by specified assets located at Boetzingen plant of SMP Deutschland GmbH</p>	<p>Repayable in monthly instalments from January 2016 and ending in December 2020. The applicable rate of interest is 4.96 %</p>
<p>iii Loan amounting to INR 23 million (March 31, 2019: INR 22 million) secured against land and building of MSSL Japan.</p>	<p>Repayable in quarterly instalments from June 2015 till June 2029. The applicable rate of interest is 3 months Tibor + 0.95%</p>

<p>iv Loan amounting to Nil (March 31, 2019: INR 2 million) secured by pledge of the specific machinery by MSSL GMBH and future insurance receivables of debtors related to the same in favour of the Bank.</p> <p>v Loan amounting to INR 167 million (March 31, 2019: INR 155 million) secured by first mortgage on plant &amp; machinery of Samvardhana Motherson Invest Deutschland GmbH</p> <p>vi Loan amounting to INR 0 million (March 31, 2019: INR 2 million) secured against vehicle of Vacuform 2000 (Proprietary) Limited.</p> <p>vii INR 6,039 million (March 31, 2019 : INR 5,524 million) secured by creating a pledge on Investment in shares of one of the subsidiary, MSSL (GB) Ltd on pari passu basis.</p> <p>viii Nil (March 31, 2019 : INR 5,430 million) secured by creating a pledge on Investment in shares of one of the subsidiary, MSSL (GB) Ltd on pari passu basis.</p> <p>ix INR 90 million (March 31, 2019 : INR 122 million) secured against the land &amp; building &amp; current receivables.</p> <p>x Nil (March 31, 2019 : INR 2 million) secured against the plant &amp; machinery</p> <p>xi INR 4,488 million (March 31, 2019 : INR 4,086 million). Facility is guaranteed on a senior secured basis by certain subsidiaries of SMRP BV and are secured by share pledge and security interests granted over certain property and assets of SMRP BV and certain of its subsidiaries.</p> <p>xii INR 2 million (March 31, 2019: Nil). Facility is secured against the vehicle for which the loan is availed.</p> <p><b>Long term Indian Rupee Loans from Other than Banks include:</b></p> <p>i. Indian Rupee loan amounting to INR 0 million (March 31, 2019: INR 18 million) from other than banks for the purchase of Investment Property and is secured by the capital advance given for the purchase of investment property.</p> <p><b>Long term Foreign Currency Loans from Other than Banks include:</b></p> <p>i. INR 10 million (March 31, 2019 : INR 14 million) secured against the office equipments of MSSL GmbH for which this loan has been taken.</p> <p>ii. INR 3 million (March 31, 2019 : INR 8 million) secured against the office equipment of MSSL GmbH for which this loan has been taken.</p>	<p>Fully repaid during financial year 2019-20 The applicable rate of interest was Euribor + 0.975%</p> <p>Repayable in one bullet payment on September 30, 2025. The applicable rate of interest in respect of this loans is 2.2%</p> <p>Repayable in 60 instalments from November 01, 2015. The applicable rate of interest in respect of this loan is 10%</p> <p>Repayable as bullet payment in March 2022. The applicable rate of interest in respect of this loan is 6 months Libor + 120 basis points to be paid on half yearly basis.</p> <p>Fully repaid in March 2020. The applicable rate of interest in respect of this loan was 3 months Euribor + 39 basis points.</p> <p>Repayable as quarterly instalments upto bullet payment in June 2022. The applicable rate of interest in respect of this loans is 3M Euribor + 1.15%</p> <p>Fully repaid during financial year 2019-20. The applicable rate of interest in respect of this loans was 5%</p> <p>Repayable in one bullet payment on August 29, 2023. The applicable rate of interest in respect of this loans is Libor + 1.1%</p> <p>Repayable in monthly instalments till December 2023. The applicable rate of interest in respect of this loan is prime lending rate applicable in South Africa, which is 8.75%.</p> <p>Repayable in remaining 1 monthly instalments till April 2020 carrying Interest rate of 10.2% p.a.</p> <p>Repayable in monthly instalments until December 2021 The applicable rate of interest in respect of this loan is 4.309%</p> <p>Repayable in monthly instalments until October 2020. The applicable rate of interest in respect of this loan is 3.43%</p>
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**(b) Terms of repayment for unsecured borrowings:**

Unsecured Foreign Currency Term Loans from Banks -	Terms of Repayment
<p>i. Loan amounting to INR 619 million (March 31, 2019: INR 436 million).</p> <p>ii. Loan amounting to INR 7 million (March 31, 2019: INR 14 million).</p> <p>iii. Loan amounting to Nil (March 31, 2019: INR 2 million)</p> <p>iv. Loan amounting to 22 million (March 31, 2019: INR 42 million).</p> <p>v. INR 327 million (March 31, 2019 : INR 360 million)</p> <p>vi. Loan amounting to INR 346 million (March 31, 2019: INR 218 million).</p> <p>vii. Loan amounting to INR 12 million (March 31, 2019: Nil).</p>	<p>Repayable by October 2020. The applicable rate of interest is 5%</p> <p>Repayable in remaining 12 equal monthly instalments until March 2021.</p> <p>Applicable interest rate of 4.74%, fully repaid in April, 2019.</p> <p>Repayable in 12 equal monthly instalments until March 2021.</p> <p>Repayable as quarterly instalments upto July 2025. The applicable rate of interest in respect of this loans is 0.75%</p> <p>Repayable in 15 equal quarterly instalments commencing from April 2020 upto November 2023. The applicable rate of interest is BIBOR + 1.45% p.a</p> <p>Repayable in monthly instalments upto January 2023. The applicable rate of interest is 2.2%</p>
<p><b>Unsecured Indian Rupee Loan from Other than Banks -</b></p>	<p>Interest free loan of INR 126 million (March 31, 2019 : INR 63 million) repayable in 3 tranches in November 2022, March 2023 and December 2026 against each disbursements. Bank guarantee is furnished by the Company.</p>

**Unsecured Foreign Currency Loan from Other than Banks -**

Loan amounting to INR 53 million (March 31, 2019: INR 55 million) with no fixed repayments terms carrying Prime rate interest applicable in South Africa, which is 8.75%.

Loan amounting to INR 2 million (March 31, 2019: INR 2 million) interest free with no fixed repayments terms.

Loan amounting to INR 39 million (March 31, 2019: INR 44 million) repayable in half yearly instalments until March 2024.

Loan amounting to INR 40 million (March 31, 2019: INR 42 million) repayable in 10 yearly instalments commencing from 2074.

Loan amounting to INR 5 million (March 31, 2019: INR 20 million ) repayable in financial year 2020-21 carrying interest rate of 5%

Loan amounting to INR 5 million (March 31, 2019: INR 4 million) fully repayable in financial year 2020-21 carrying interest rate of 5%

Loan amounting to INR 30 million (March 31, 2019: INR 27 million) repayable in yearly instalments upto February 2026 carrying interest rate of 5%

Loan amounting to INR 2 million (March 31, 2019: INR 7 million) fully repayable during financial year 2020-21 carrying interest rate of 5%

Loan amounting to INR 12 million (March 31, 2019: Nil) to be repaid by September 2023 carrying interest rate of 5%

Loan amounting to INR 86 million (March 31, 2019: INR 92 million). Interest free loan to be repaid yearly upto July 2026.

Loan amounting to INR 45 million (March 31, 2019: INR 56 million) carrying interest rate of 3.95% to be repaid yearly upto November 2022.

Loan amounting to INR 125 million (March 31, 2019: INR 136 million). Interest free loan to be repaid in yearly instalments until 2025.

**Unsecured Foreign Currency Loans from Related Parties -**

Loan amounting to INR 2,125 million (March 31, 2019: INR 5,701 million) repayable in December 2026.

**Unsecured Indian Rupee Loans from Related Parties -**

Loan amounting to Nil (March 31, 2019: INR 1 million) fully repaid during financial year 2019-20

**Current borrowings:**

**Nature of Security for secured borrowings:**

1 INR 2,279 million (March 31, 2019: INR 1 million) repayable on demand, secured by first pari passu charge on entire current assets of the Company including receivables, both present and future and second pari passu charge over the fixed assets of the Company including equitable mortgage of specified properties. Nil (March 31, 2019: INR 370 million) repayable on demand, secured by first pari passu charge on entire current assets of the Company including receivables, both present and future and second pari passu charge over the fixed assets of the Company including equitable mortgage of specified properties of SMR Automotive Systems India Limited.

2 INR 997 million (March 31, 2019: INR 968 million) secured by charge on the inventory and receivables of MSSL Wiring System Inc. INR 227 million (March 31, 2019: INR 1,106 million ) secured by first pari passu charge on entire current assets SMP Automotive Systems Mexico S.A. de C.V. including receivables, both present and future and second pari passu charge over the fixed assets of SMP Automotive Systems Mexico S.A. de C.V. including equitable mortgage of specified properties. INR 10,015 million (March 31, 2019: 10,469 million) is secured against guarantee of Samvardhana Motherson Automotive Systems Group BV (SMRP BV) and certain subsidiaries and also against same collaterals as all the existing Senior Secured Notes issued by SMRP BV and reported under non-current borrowings. Nil (March 31, 2019: INR 776 million) is secured against pledge on the share of SMP Automotive Technology Iberica S.L.U.

INR 25 million (March 31, 2019: Nil) is secured against land & building of SMR Automotive (Langfang) Co. Limited

The rate of interest in respect of short term borrowing is applicable inter bank lending rate for loan currency / applicable base rate of commercial banks of the country of borrower plus spread of 0.0 % to 5.0%

\* The carrying amounts of financial and non financial assets pledged as security for current and non current borrowings are disclosed in Note 44

18. Other financial liabilities

Non-current

	March 31, 2020	March 31, 2019
- Retention Money	77	34
- Security Deposit Received (Refer Note 40)	204	211
- Recovery against Vehicle Loan	106	89
- Derivatives designated as hedges (Refer Note 37)	-	421
- Amounts payable to obtain contracts	385	346
- Accrued expenses	3,022	3,587
	<b>3,794</b>	<b>4,688</b>

Current

- Current maturities of long term debt (Refer Note 17 (a))	1,010	5,797
- Current maturities of finance lease obligations (Refer Note 17 (a) & 46)	-	117
- Interest accrued but not due on borrowings	1,288	969
- Unpaid dividends <sup>1</sup>	61	629
- Employee benefits payable	12,602	11,257
- Security deposit received	5	4
- Payables relating purchase of fixed assets	3,354	3,726
- Derivatives designated as hedges (Refer Note 37)	3,365	665
- Derivatives not designated as hedges	82	0
- Advance recovery from employee	55	101
- Amounts payable to obtain contracts	4,402	3,619
- Accrued expenses	3,194	2,124
- Others	3,664	3,620
<b>Total</b>	<b>33,082</b>	<b>32,628</b>

<sup>1</sup> There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

19. Trade Payables

	March 31, 2020	March 31, 2019
Total outstanding dues of creditors other than related parties	99,465	103,720
Trade payable to related parties (Refer note 40)	3,626	2,893
<b>Total</b>	<b>103,091</b>	<b>106,613</b>



20 Provisions

	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
For warranties	1,251	182	1,089	303
For litigation, disputes and other contingencies	801	571	490	583
<b>Total</b>	<b>2,052</b>	<b>753</b>	<b>1,579</b>	<b>886</b>

**Warranty**

A provision is recognized for expected warranty claims on products sold during the last year, based on past experience of the level of repairs and returns. Due to the very nature of such costs, it is not possible to estimate the uncertainties relating to the outflows of economic benefits.

**Litigation, disputes and other contingencies**

Provision for litigation, disputes and other contingencies represents claims against the Group not acknowledged as debts that are expected to materialise in respect of matters in litigation / disputes etc.

The group has the following provisions in the books of account:

	Warranty		Litigation, disputes and other contingencies	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening Balance	1,392	1,448	1,073	175
Additions during the year	407	235	543	753
Addition on account of business combination (Refer Note 50)	-	189	2	696
Utilised / reversed during the year	(431)	(455)	(278)	(581)
Exchange translation adjustment	65	(25)	34	30
<b>Closing Balance</b>	<b>1,433</b>	<b>1,392</b>	<b>1,374</b>	<b>1,073</b>

21 Employee benefit obligations

	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Gratuity and pensions	530	3,061	304	2,838
Compensated absences	1,668	591	1,633	518
Longevity / jubilee bonus	-	239	-	199
Restructuring / Severance costs	25	82	242	171
Others	60	828	91	739
<b>Total</b>	<b>2,283</b>	<b>4,801</b>	<b>2,270</b>	<b>4,465</b>

The long term defined employee benefits and contribution schemes of the group are as under:

A. Defined Benefit Schemes

**Gratuity / Pension Benefits**

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

(i) Present Value of Defined Benefit Obligation

	For the year ended	
	March 31, 2020	March 31, 2019
<b>Obligations at year beginning</b>	6,039	3,421
Current service cost	574	492
Interest expense	224	196
(Gains) and losses on curtailment and settlement	(11)	10
<b>Amount recognised in profit or loss</b>	<b>787</b>	<b>698</b>
<b>Remeasurements</b>		
Actuarial (gain) / loss from change in demographic assumption	10	(5)
Actuarial (gain) / loss from change in financial assumption	268	111
Experience (gains)/losses	(91)	160
<b>Amount recognised in other comprehensive income</b>	<b>187</b>	<b>266</b>
Effect of Exchange rate change	231	90
Payment from plan:		
Benefit payments	(308)	(255)
Contributions:		
Employers	(89)	(36)
Addition on account of business combination	-	1,859
Addition due to transfer of employee	(7)	(4)
<b>Obligations at year end</b>	<b>6,840</b>	<b>6,039</b>

(ii) Fair Value of Plan Assets

	For the year ended	
	March 31, 2020	March 31, 2019
<b>Plan assets at year beginning, at fair value</b>	2,897	1,910
Interest income	126	116
<b>Amount recognised in profit or loss</b>	<b>126</b>	<b>116</b>
<b>Remeasurements</b>		
Actuarial gain / (loss) from change in financial assumption	(4)	(4)
Return on plan assets, excluding amount included in interest income	(4)	(10)
Experience (gains)/losses	5	(9)
<b>Amount recognised in other comprehensive income</b>	<b>(3)</b>	<b>(23)</b>
Effect of Exchange rate change	33	3
Payment from plan:		
Benefit payments	(141)	(103)
Settlements	-	(45)
Contributions:		
Employers	337	441
Addition on account of business combination	-	598
<b>Plan assets at year end, at fair value</b>	<b>3,249</b>	<b>2,897</b>

(All amounts in INR Million, unless otherwise stated)

(iii) Assets and Liabilities recognized in the Balance Sheet

	For the year ended	
	March 31, 2020	March 31, 2019
Present Value of the defined benefit obligations	6,840	6,039
Fair value of the plan assets	3,249	2,897
<b>Amount recognized as Liability</b>	<b>3,591</b>	<b>3,142</b>

The group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions.

(iv) Defined benefit obligations cost for the year:

	For the year ended	
	March 31, 2020	March 31, 2019
Current service cost	574	492
Interest Cost	224	196
Interest income	(126)	(116)
(Gains) and losses on curtailment and settlement	(11)	10
Actuarial (gain) / loss	190	290
<b>Net defined benefit obligations cost</b>	<b>851</b>	<b>872</b>

(v) Investment details of Plan Assets

Companies within the Group operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds. In respect of the companies incorporated in India, 100% of the plan assets are lying in the Gratuity fund administered through Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme. In case of South Korea fund has been deposited with multiple financial institutions as required by local regulations and is guaranteed by government. In respect of other overseas entities, plan assets are funded through various institutions.

The details of investments of plan assets are as follows:

	For the year ended	
	March 31, 2020	March 31, 2019
LIC	997	1,309
Deposits with financial institution	2,252	1,588
<b>Total</b>	<b>3,249</b>	<b>2,897</b>

In respect of LIC plan assets are invested by LIC as per their guidelines and no further details are available with the company. Further in respect of deposits with financial institutions although they are low interest bearing investments but are guaranteed by government.

(vi) Actuarial assumptions:

	March 31, 2020		March 31, 2019	
	Indian Entities	Outside India Entities	Indian Entities	Outside India Entities
Discount Rate per annum	6.60%	1.70%- 8.90%	7.40%	1.70%- 8.90%
Future salary increases	8.00%	1% - 8%	8.00%	2% - 8%
Pension growth rate	-	1.50% - 2%	-	1.50% - 2%
Mortality table *	-	-	-	-

\* Due to the use of different tables at different locations, this information is not disclosed.

(vii) Expected Contribution to the Fund in the next year

	For the year ended	
	March 31, 2020	March 31, 2019
Gratuity	515	305

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(All amounts in INR Million, unless otherwise stated)

(viii) The following table shows breakdown of the defined benefit obligation and plan assets by country:

Plan Type	March 31, 2020			March 31, 2019		
	India	Outside India	Total	India	Outside India	Total
Present value of obligation	2,125	4,715	6,840	1,697	4,342	6,039
Fair value of plan asset	1,492	1,757	3,249	1,309	1,588	2,897
Net liability	633	2,958	3,591	388	2,754	3,142

(ix) Sensitivity Analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:

	Change in Assumption		Impact	Increase in Assumption		Impact	Decrease in Assumption	
	March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019
Discount Rate per annum	0.50%	0.50%	Decrease by	(79)	(64)	Increase by	85	69
Future salary increases	0.50%-1%	0.50%-1%	Increase by	176	145	Decrease by	(155)	(129)
Pension rate per annum	0.50%	0.50%	Increase by	9	11	Decrease by	(14)	(14)
Life expectancy	1 year	1 year	Increase by	(3)	6	Decrease by	3	(6)

The above sensitivity analyses are based on a change in assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in balance sheet.

The method and type of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

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(All amounts in INR Million, unless otherwise stated)

**(x) Risk exposure**

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility	The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. In respect of companies incorporated in India, 100% of plan assets are lying with LIC under its group gratuity scheme. LIC is a central government monitored entity and its investment norms ensure adequate returns for investors along with surety of plan assets. In respect of overseas subsidiaries in Korea, the amount has been deposited with multiple financial institutions as required by local regulations and is guaranteed by government.
Changes in bond yields	A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
Inflation risks	In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.
Life expectancy	The pension obligation is to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The liability recognised in the balance sheet in respect of defined benefit pension/gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries like India, there is no deep market in such bonds, therefore the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

**(xi) Defined benefit liability and employer contributions**

Weighted average duration of the defined benefit obligation is 2-14 years (March 31, 2019: 2-14 years)

Expected benefit payments are as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Between 6-14 years	Total
<b>March 31, 2020</b>					
Defined benefit obligation (pension & gratuity)	280	254	1,044	3,722	5,300
<b>March 31, 2019</b>					
Defined benefit obligation (pension & gratuity)	200	320	1,259	2,620	4,399

**B. Defined Contribution Schemes**

The Group deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident Fund, Employee State Insurance (ESI) and other funds for the benefit of the employees. Accordingly, the Group's contribution during the year that has been recognised in consolidated statement of profit and loss, amounting INR 14,475 million (March 31, 2019 : INR 13,650 million).

**22 Government grants**

	March 31, 2020	March 31, 2019
Opening balance	2,428	2,044
Grants received during the year	1,466	1,432
Released to profit or loss (Refer note 26)	(1,210)	(809)
Exchange differences	106	(239)
<b>Closing balance</b>	<b>2,790</b>	<b>2,428</b>
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Current portion	357	472
Non-current portion	2,433	1,956
<b>Total</b>	<b>2,790</b>	<b>2,428</b>

**23 Current tax liabilities / (Non-current tax assets) (net)**

Income tax assets and Income tax liabilities have been offset to the extent they relate to the same governing taxation laws.

	March 31, 2020	March 31, 2019
Non-Current tax assets (net)	3,732	2,524
Current tax liabilities (net)	3,623	4,148
<b>Net tax liabilities / (Assets)</b>	<b>(109)</b>	<b>1,624</b>

**24 (a) Other non-current liabilities**

	March 31, 2020	March 31, 2019
Advance from Customers (Refer Note 45)	21	87
Unearned Revenue (Refer Note 45)	1,418	326
Others	232	807
	<b>1,671</b>	<b>1,220</b>

**24 (b) Other current liabilities**

	March 31, 2020	March 31, 2019
Other current liabilities		
- Unearned Revenue (Refer Note 45)	1,173	1,326
- Statutory dues payable	6,400	6,881
- Advances received from customers (Refer Note 45)	2,730	1,618
- Other payables	3,475	2,938
	<b>13,778</b>	<b>12,763</b>

(All amounts in INR Million, unless otherwise stated)

		For the year ended	
		March 31, 2020	March 31, 2019
<b>25 (a)</b>	<b>Revenue from contract with customers</b>		
	<b>Sales of products</b>		
	<b>Finished goods</b>		
	Within India	64,895	72,942
	Outside India	551,411	547,680
	Traded goods	9,425	5,094
	<b>Total gross sales</b>	<b>625,731</b>	<b>625,716</b>
	Sales of services	4,974	5,859
	<b>Total revenue from contract with customers (Refer Note 45)</b>	<b>630,705</b>	<b>631,575</b>
<b>25 (b)</b>	<b>Other operating revenue:</b>		
	Scrap sales	496	797
	Recovery from customers	1,625	1,370
	Export incentives	191	194
	Liabilities written back to the extent no longer required	492	130
	Miscellaneous income	1,859	1,163
		<b>4,663</b>	<b>3,654</b>
<b>26</b>	<b>Other income</b>		
	Interest income	361	354
	Dividend income from equity investments designated at fair value through OCI	6	8
	Profit on sales of fixed assets	41	96
	Rent income (Refer Note 4)	179	196
	Government grants & subsidies (Refer Note 22)	1,210	809
	Foreign exchange gain (net)	510	490
	Miscellaneous income	0	249
	<b>Total</b>	<b>2,307</b>	<b>2,202</b>
<b>27</b>	<b>Cost of materials consumed</b>		
	Opening stock of raw materials	25,420	22,499
	Addition on account of business combination (Refer note 50)	369	741
	Add : Purchases of raw materials	356,935	365,988
	Less: Closing stock of raw materials	29,447	25,420
	Add: Exchange adjustment:		
	Exchange differences opening stock (gain)/loss	390	207
	Exchange differences closing stock (loss)/gain	1,803	(321)
	<b>Total</b>	<b>355,470</b>	<b>363,694</b>
<b>28</b>	<b>Changes in inventory of finished goods, work in progress and stock in trade</b>		
	<b>(Increase)/ decrease in stocks</b>		
	Stock at the opening of the year:		
	Finished goods	8,736	7,796
	Work-in-progress	7,252	5,931
	Stock in trade	324	128
	<b>Total A</b>	<b>16,312</b>	<b>13,855</b>
	Add: Addition on account of business combination (Refer note 50)		
	Finished goods	7	686
	Work-in-progress	194	250
	<b>Total B</b>	<b>201</b>	<b>936</b>
	Stock at the end of the year:		
	Finished goods	9,496	8,736
	Work-in-progress	7,390	7,252
	Stock in trade	295	324
	<b>Total C</b>	<b>17,181</b>	<b>16,312</b>
	Exchange adjustment:		
	Exchange differences opening stock (gain)/loss	202	149
	Exchange differences closing stock (loss)/gain	611	(279)
	<b>Total D</b>	<b>813</b>	<b>(130)</b>
	<b>(Increase)/ decrease in stocks (A+B-C+D)</b>	<b>145</b>	<b>(1,651)</b>

(All amounts in INR Million, unless otherwise stated)

29	Employee benefit expense	For the year ended	
		March 31, 2020	March 31, 2019
		Salary, wages & bonus	129,108
Contribution to provident, superannuation & other fund	14,475	13,650	
Gratuity & pension (Refer note 21)	661	582	
Staff welfare expenses	6,304	6,318	
Restructuring/ severance costs	221	498	
	<b>Total</b>	<b>150,769</b>	<b>141,694</b>

30	Other expenses	For the year ended	
		March 31, 2020	March 31, 2019
		Electricity, water and fuel	10,107
Repairs and Maintenance:			
Machinery	7,565	8,223	
Building	2,001	1,622	
Others	2,191	2,355	
Consumption of stores and spare parts	2,966	2,921	
Conversion charges	721	2,471	
Lease rent (Refer note 46)	3,113	7,353	
Rates & taxes	1,321	1,178	
Insurance	1,448	1,170	
Donation	94	50	
Travelling	3,517	4,100	
Freight & forwarding	8,051	8,149	
Royalty	317	91	
Commission	55	59	
Bad debts/advances written off	67	103	
Provision for doubtful debts/advances	42	20	
Legal & professional expenses (Refer note (a) below)	7,132	5,500	
Miscellaneous expenses	19,163	17,540	
	<b>Total</b>	<b>69,871</b>	<b>72,668</b>

(a): Payment to Group Auditors:

As Auditor:	For the year ended	
	March 31, 2020	March 31, 2019
	Audit fees (including limited review)	144
Other services	2	41
Reimbursement of expenses	8	6
<b>Total</b>	<b>154</b>	<b>150</b>

31	Finance costs	For the year ended	
		March 31, 2020	March 31, 2019
		Interest on long term borrowings	3,287
Interest on lease liabilities (Refer Note 46)	743	-	
Commitment charges on borrowings	137	107	
Other finance costs <sup>1</sup>	1,819	1,531	
	<b>Total</b>	<b>5,986</b>	<b>4,232</b>

<sup>1</sup> Includes foreign exchange loss/(gain) on long term loan facilities.

32	Depreciation and amortization expense	For the year ended	
		March 31, 2020	March 31, 2019
		Depreciation on Property, plant and equipment <sup>2</sup>	20,040
Depreciation of right to use assets <sup>2</sup>	4,035	-	
Amortization on Intangible assets	3,579	3,454	
Depreciation on Investment Property <sup>2</sup>	137	64	
Less: Capitalised during the year <sup>1</sup>	(11)	(9)	
	<b>Total</b>	<b>27,780</b>	<b>20,582</b>

<sup>1</sup> Depreciation on assets used for creation of self generated assets. (Refer Note 3)

<sup>2</sup> Depreciation includes impairment of property, plant and equipments, right-to-use assets and investment properties (Refer Note 3 & 4)



(All amounts in INR Million, unless otherwise stated)

33	Income tax expense	For the year ended	
		March 31, 2020	March 31, 2019
	(a) Income tax expense		
	Current tax		
	Current income tax charged	9,382	11,827
	Adjustments for current tax of prior years	(339)	33
	<b>Total current tax expense</b>	<b>9,043</b>	<b>11,860</b>
	Deferred tax (Refer note 10)		
	Decrease / (increase) in deferred tax assets	559	(342)
	(Decrease) / increase in deferred tax liabilities	(1,418)	(496)
	<b>Total deferred tax expense / (benefit)</b>	<b>(859)</b>	<b>(838)</b>
	<b>Income tax expense</b>	<b>8,184</b>	<b>11,022</b>

The Company elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The provision for taxation and deferred tax assets / liabilities has been re-measured basis the rates prescribed in the said Section. For certain other subsidiaries and joint venture entities incorporated in India, income tax is calculated at existing applicable tax rate.

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

	For the year ended	
	March 31, 2020	March 31, 2019
Profit before income tax expense	21,129	32,003
<b>Tax at India's tax rate of 25.168% (March 2019: 34.944%)</b>	<b>5,318</b>	<b>11,183</b>
Tax effect of amounts which are not deductible in calculating taxable income (net off exempt income)	957	(36)
Withholding Taxes	288	176
Utilisation of previously unrecognised tax losses	(2,138)	(1,058)
Adjustments for current tax of prior periods	(339)	33
Tax effect of losses on which deferred tax assets not recognised	3,117	1,177
Difference in overseas tax rates	350	(731)
Other adjustments	631	278
<b>Income tax expense</b>	<b>8,184</b>	<b>11,022</b>

Tax is calculated at domestic tax rates applicable in the respective countries. The weighted average applicable tax rate was 25% for the year ended March 31, 2020 (March 31, 2019: 34%). The movement in weighted average tax rate is mainly on account of variation in profitability of the Group's subsidiaries in the respective countries. There have been no significant changes in tax rates applicable to the Group's subsidiaries during the year.

(c) Tax losses

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The group did not recognise deferred income tax assets in respect of losses amounting to INR 44,486 million (March 31, 2019: INR 45,319 million) that can be carried forward against future taxable income. These losses can be carried-forward as below:

	March 31, 2020	March 31, 2019
Losses without expiration date	39,608	33,636
Losses with expiration date	4,878	11,683
	<b>44,486</b>	<b>45,319</b>

(d) Certain subsidiaries, joint ventures and associates of the group have undistributed retained earnings (excluding retained earnings for entities where there is no tax on dividend distribution) amounting to INR 25,609 million (March 31, 2019: INR 59,973 million), which if distributed out as dividend would result in tax liability of group. Keeping in view that, no profit is proposed to be distributed in the immediate future by way of dividend out of such undistributed retained earnings, no deferred tax liabilities has been recognised.

Temporary differences arose as a result of the translation of the financial statements of the group's subsidiaries outside India. However, deferred tax liability has not been recognised as the liability will only crystallise in the event of disposal of the subsidiary, and no such disposal is expected in the foreseeable future. Refer note 16 for Foreign currency translation reserve

34 Earnings per share

	March 31, 2020	March 31, 2019
<b>a) Basic</b>		
Net profit after tax available for equity Shareholders of parent entity	11,701	16,131
Equity shares outstanding at the beginning of the year	3,157,934,237	2,105,289,491
Add: Bonus shares issued by capitalisation of securities premium	-	1,052,644,746
Weighted Average number of equity shares used to compute basic earnings per share	3,157,934,237	3,157,934,237
Basic earnings (in INR) per share of INR 1 each (March 31, 2019: INR 1 each)	<u>3.71</u>	<u>5.11</u>
<b>b) Diluted</b>		
Net profit after tax available for equity Shareholders of parent entity	11,701	16,131
Weighted average number of Equity Shares of INR 1 each (March 31, 2019 : INR 1 each)	3,157,934,237	3,157,934,237
Diluted earnings (in INR) per share of INR 1 each (March 31, 2019: INR 1 each)	<u>3.71</u>	<u>5.11</u>

The Company does not have any potential equity shares and thus, weighted average number of shares for computation of basic EPS and diluted EPS remains same.

35 Offsetting Financial Assets and Financial Liabilities:

The following table present the Group's financial assets and liabilities that are subject to offsetting, enforceable master netting arrangements and similar agreements:

Trade Receivable	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the Balance sheet	Net amounts of financial assets presented in the balance sheet
As on March 31, 2020	69,277	3,495	65,782
As on March 31, 2019	74,816	1,524	73,292

Unbilled Revenue	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the Balance sheet	Net amounts of financial assets presented in the balance sheet
As on March 31, 2020	38,766	10,294	28,472
As on March 31, 2019	51,812	12,231	39,581

36 Fair value measurements  
Financial instruments by category

	March 31, 2020			March 31, 2019		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial assets</b>						
Investments	-	1,620	-	-	2,399	-
Trade receivables	-	-	65,782	-	-	73,292
Loans	-	-	490	-	-	275
Cash and cash equivalents	-	-	48,688	-	-	35,399
Bank balances other than above	-	-	101	-	-	70
Derivative financial assets	87	873	-	10	752	-
Other financial assets	-	-	31,150	-	-	42,085
<b>Total financial assets</b>	<b>87</b>	<b>2,493</b>	<b>146,211</b>	<b>10</b>	<b>3,151</b>	<b>151,121</b>
<b>Financial Liabilities</b>						
Borrowings including current maturities	-	-	117,701	-	-	115,342
Lease liabilities	-	-	13,663	-	-	-
Derivative financial liabilities	82	3,365	-	-	1,086	-
Trade payable	-	-	103,091	-	-	106,613
Other financial liabilities	-	-	32,419	-	-	30,316
<b>Total financial liabilities</b>	<b>82</b>	<b>3,365</b>	<b>266,874</b>	<b>-</b>	<b>1,086</b>	<b>252,271</b>

i. Fair value hierarchy

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2020

	Notes	Level 1	Level 2	Level 3	Total
<b>Financial asset</b>					
<b>Financial Investments at FVOCI</b>					
Listed equity investments	6(a), 6(b)	-	8	-	8
Unquoted equity investments	6(a), 6(b)	-	1,417	195	1,612
<b>Derivatives designated as hedges</b>					
Foreign exchange forward contracts	9	-	29	-	29
Cross currency interest rate swap	9	-	844	-	844
<b>Derivatives not designated as hedges</b>					
Foreign exchange forward contracts	9	-	-	87	87
<b>Total</b>		<b>8</b>	<b>2,290</b>	<b>282</b>	<b>2,580</b>
<b>Financial liabilities</b>					
<b>Derivatives designated as hedges</b>					
Cross currency interest rate swap	18	-	875	-	875
Foreign exchange forward contracts	18	-	2,490	-	2,490
<b>Total</b>		<b>-</b>	<b>3,365</b>	<b>-</b>	<b>3,365</b>

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2019

	Notes	Level 1	Level 2	Level 3	Total
<b>Financial asset</b>					
<b>Financial Investments at FVOCI</b>					
Listed equity investments	6(a), 6(b)	16	-	-	16
Unquoted equity investments	6(a), 6(b)	-	2,134	249	2,383
<b>Derivatives designated as hedges</b>					
Foreign exchange forward contracts	9	-	752	-	752
Derivatives not designated as hedges					
Cross currency interest rate swap	9	-	-	10	10
<b>Total</b>		<b>16</b>	<b>2,886</b>	<b>259</b>	<b>3,161</b>
<b>Financial liabilities</b>					
<b>Derivatives designated as hedges</b>					
Cross currency interest rate swap	18	-	1,086	-	1,086
<b>Total</b>		<b>-</b>	<b>1,086</b>	<b>-</b>	<b>1,086</b>

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	Level 1	Level 2	Level 3	Total
<b>At March 31, 2020</b>				
<b>Financial liabilities</b>				
Borrowings <sup>1 &amp; 2</sup>	48,596	-	61,974	110,570
<b>Total financial liabilities</b>	<b>48,596</b>	<b>-</b>	<b>61,974</b>	<b>110,570</b>
<b>At March 31, 2019</b>				
<b>Financial liabilities</b>				
Borrowings <sup>1 &amp; 2</sup>	48,214	-	64,573	112,787
<b>Total financial liabilities</b>	<b>48,214</b>	<b>-</b>	<b>64,573</b>	<b>112,787</b>

Other financial assets and liabilities which are measured at amortised cost are disclosed in sub-note iv below. Fair values for these financial assets and liabilities are Level 3 valuations.

Due to the short-term nature of cash and cash equivalents and the short-term maturities of trade receivables, loans, other current receivables, trade payables and other financial liabilities, their fair values are equal to their carrying amounts.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

<sup>1</sup> Includes 3.7% senior secured notes due 2025 amounting to EUR 100 million, [INR 7,214 million (March 31, 2019: INR 7,175 million)] which are held by limited set of investors and are not very actively traded on the stock exchange, as a result fair value of these notes is based on computed prices and hence fall in level 3 hierarchy.

<sup>2</sup> The Company has taken interest rate swap for the borrowing with fixed interest rate amounting to INR 5,750 million (March 31, 2019: INR 5,750 million), because of this, effective finance cost to the company is at current market rate.

ii. Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.
- the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

iii. Fair value measurements using significant unobservable inputs (level 3)

	Unquoted Equity securities
As at April 01, 2018	2,461
Addition / Addition on account of business combination (Refer Note 50)	18
Disposals	(5)
Exchange gain / (loss)	(77)
Gains / (losses) recognised in other comprehensive income	(14)
<b>As at March 31, 2019</b>	<b>2,383</b>
Converted as subsidiary (Refer note 50)	(52)
Disposals	(2)
Exchange gain / (loss)	111
Gains / (losses) recognised in other comprehensive income	(828)
<b>As at March 31, 2020</b>	<b>1,612</b>

iv. Fair value of financial assets and liabilities measured at amortised cost

	March 31, 2020		March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Loans	177	177	58	58
Trade receivables	13,998	13,998	11,629	11,629
Other financial assets	617	617	518	518
	<b>14,792</b>	<b>14,792</b>	<b>12,205</b>	<b>12,205</b>
<b>Financial liabilities</b>				
Borrowings	117,701	110,570	115,342	112,787
Lease liabilities	13,663	13,663	-	-
Other financial liabilities	3,794	3,794	4,267	4,267
	<b>135,158</b>	<b>128,027</b>	<b>119,609</b>	<b>117,054</b>

Note: The carrying amounts of current financial assets and current financial liabilities i.e. trade receivables, loans, other financial assets, trade payables, short term borrowings and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

v. Valuation Inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted:

Particulars	Fair value as at	
	March 31, 2020	March 31, 2019
Unquoted equity shares	195	249
<b>Significant unobservable inputs<sup>#</sup></b>		
Earnings growth rate	4%	4%
Risk adjusted discount rate	16%	16%
<b>Impact of change in risk adjusted discount rate*</b>		
Decrease in discount rate by 0.50%	19	19
Increase in discount rate by 0.50%	(17)	(17)
<b>Impact of change in earning growth rate*</b>		
Decrease in growth rate by 0.50%	(14)	(14)
Increase in growth rate by 0.50%	16	16

<sup>#</sup> There were no significant inter-relationships between unobservable inputs that materially affect fair values

\* Holding all the other variable constant, for other significant investment, fair valuation was not performed as at reporting date since the acquisition is made close to reporting period or there is recent investment by other investors and thus transaction value represents fair value, hence sensitivity analysis has not been considered.

### 37 Financial risk management

The Group, as an internationally active supplier for the automobile industry expose its business and products to various market risks, credit risk and liquidity risk. The group's global presence and decentralised management structure with the main activities in the plants make necessary organised risk management system. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risk in which the group is exposed to and how it manages the risk.

#### A. Market risk:

Market risk is the risk that the fair value of future cashflows of a financial instruments will fluctuate because of changes in market price/rate. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables/ receivables in foreign currencies.

##### a. Price risk:

Fluctuation in commodity price in global market affects directly and indirectly the price of raw material and components used by the group in its various products segment. Pricing pressure from major OEMs to give price cuts and inability to pass on the increased cost to customers may also affect the profitability of the group. The group has set up Global Sourcing Procurement (GSP) at Sharjah which gives leverage of bulk buying and helps in controlling prices to a certain extent.

The key raw material for the group's wiring harness business is copper. There is substantial fluctuations in prices of copper. The group has arrangements with its major customers for passing on the price impact. The group has also entered into forward contracts to hedge copper prices at the behest of the customers .

The major raw materials used by Polymer Division of the group are polypropylenes, polycarbonates and various grades of nylons and resins. The group is having arrangement with major customers for actualization of raw material price variations periodically. Motherson Polymer Solutions has been established with a view of taking leverage on group's bulk consumption on major grades. The group will further achieve operational synergies through the horizontal and vertical integration of SMP's operations and products, by sourcing raw materials, inputs like wiring harnesses and smaller plastic parts etc. from its group companies where possible. The setting up of GSP further strengthens the procurement function.

The main inputs for the group's mirror business are glass actuators, powerfolds, glass, electrochromatic glass ("EC glass"), wiring harnesses, electronics, electrical parts, die casting, plastic parts and resins. The group has arrangements with its major customers for passing on the price impact.

The group is regularly taking initiatives like VA-VE ( value Addition , value engineering ) to reduce its raw material costs to meet targets set up by the customers for cost downs. In respect of customer nominated parts, the group has back to back arrangements for cost savings with its suppliers .

##### b. Foreign currency risk:

Foreign currency risk arise from monetary receivables and obligations expressed in a currency other than functional currency of each entity in the group. The group has operations in 41 countries, largely catering domestic customers in the country of its operation. Primarily the group is catering to customers in their local currency resulting in natural hedge. However in certain geographies wherein there are certain foreign currency expenditure, the group companies obtain hedge against those material foreign currency risk exposures which aligns to group's risk management policies. The group's major exposure in foreign currency is in respect of borrowings which is availed based on consideration of optimisation of overall cost of borrowing. The group has entered into fixed cross currency interest rate swap to hedge said foreign currency exposure.

(All amounts in INR Million, unless otherwise stated)

The derivative instruments exposure is as follows:

(i) Derivatives outstanding as at the reporting date

Particulars/ Purpose	Currency	Amounts in million	
		March 31, 2020	March 31, 2019
Forward Contract (Buy)	HUF : EUR	HUF 19,466; INR 4,816	HUF 9,856; INR 2,327
	USD : INR	-	USD 3 ; INR 192
	EUR : INR	-	EUR 1 ; INR 66
	JPY : INR	-	JPY 49 ; INR 31
	EUR : USD	EUR 8 ; INR 685	EUR 3 ; INR 194
	USD : MXP	USD 77 ; INR 5,782	USD 158 ; INR 9,633
	MXP : USD	MXP 2,192; INR 7,970	MXP 613; INR 1,974
	CZK : EUR	-	CZK 5; INR 16
	CNY : INR	-	CNY 19; INR 195
	CNY : EUR	CNY 92; INR 949	CNY 93; INR 889
	EUR : CNY	EUR 0; INR 11	EUR 5; INR 39
	USD : AUD	-	USD 9; INR 638
	Forward Contract (Sell)	USD : MXP	-
CZK : EUR		-	CZK 10; INR 31
EUR : CNY		-	EUR 0 ; INR 0
EUR : THB		EUR 2 ; INR 198	-
USD : AUD		USD 15; INR 1,056	-
Cross currency swap	EUR : KRW	EUR 7 ; INR 601	EUR 5 ; INR 391
	USD : EUR	USD 80; INR 5,755	USD 80; INR 5,755
	INR : EUR	INR 5,750; EUR 81	INR 5,750; EUR 81
	USD : EUR	USD 295; INR 21,875	USD 295; INR 20,324
	USD : MXP	USD 15; INR 1,038	-
	USD : BRL	USD 5; INR 290	-
	USD : EUR	USD 2; INR 151	USD 25; INR 1,693
	CNY : BRL	CNY 5; INR 53	-
	EUR : USD	-	USD 2; INR 138

**Sensitivity**

Due to vary nature of our contracts with major OEMs any significant change in foreign currency on imported purchase are passed on to customers. In respect of borrowings the management expects natural hedge as earnings in foreign currency will be utilised for repayment of borrowings and thus no material impacts.

**c. Interest rate risk:**

Interest rate is the risk that fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long term debt obligation at floating interest rates.

The group's approximately 87% (previous year 82%) of long term debt (i.e. more than 60% of gross debt) is borrowed at a fixed rate of interest in a range of 0.6% p.a. to 8.75% p.a. (March 31, 2019 0.6% p.a. to 9.00% p.a.)

The exposure of the Group's borrowing to interest rate changes at the end of reporting period are as follows:

	March 31, 2020	March 31, 2019
Variable rate borrowings	40,399	43,406
Fixed rate borrowings	77,302	71,936
<b>Total borrowings</b>	<b>117,701</b>	<b>115,342</b>

Profit / loss is sensitive to higher / lower interest expense from borrowings as a results of changes in interest rates. Holding all other variable constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rate on floating portion of borrowings.

	Impact on profit before tax	
	March 31, 2020	March 31, 2019
Interest rates-increase by 50 basis points*	(202)	(217)
Interest rates-decrease by 50 basis points*	202	217

\* Holding all other variables constant

**B. Credit risk:**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Group and arises principally from the Group's receivables from customers and deposits with banking institutions.

**Trade receivables**

The Group has developed guidelines for the management of credit risk from trade receivables. The Group's primary customers are major automobile manufacturers (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default and impairment.

**Financial instruments and cash deposits**

The Group has deposited liquid funds at various banking institutions. Primary banking institutions are major international banks. In long term credit ratings these banking institutions are considered to be investment grade. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due over past years.

**C. Liquidity risk:**

The liquidity risk encompasses any risk that the Group cannot fully meet its financial obligations. To manage the liquidity risk, cash flow forecasting is performed in the operating entities of the group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements on the basis of future cashflow projections to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities / overdraft facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

(a) Financing arrangements

The Group has access to the following undrawn borrowing facilities, which are in nature of working capital loans, at the end of the reporting period.

	March 31, 2020	March 31, 2019
Floating rate	56,576	52,527

(b) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities

Contractual maturities of financial liabilities

Year Ending March 31, 2020	Less than 1 Year	Between 1 and 5 years	More than 5 Years	Total
<b>Non-derivatives</b>				
Borrowings	37,116	77,104	11,840	126,060
Lease liabilities	3,622	8,648	2,357	14,627
Trade payables	103,091	-	-	103,091
Other financial liabilities	28,625	3,794	-	32,419
<b>Total non-derivative liabilities</b>	<b>172,454</b>	<b>89,546</b>	<b>14,197</b>	<b>276,197</b>
<b>Derivatives (net settled)</b>				
Foreign exchange forward contracts	3,447	-	-	3,447
<b>Total derivative liabilities</b>	<b>3,447</b>	<b>-</b>	<b>-</b>	<b>3,447</b>

Year Ending March 31, 2019	Less than 1 Year	Between 1 and 5 years	More than 5 Years	Total
<b>Non-derivatives</b>				
Borrowings	36,332	50,653	38,539	125,524
Obligation under finance lease	128	187	3	318
Trade payables	106,613	-	-	106,613
Other financial liabilities	26,049	4,267	-	30,316
<b>Total non-derivative liabilities</b>	<b>169,122</b>	<b>55,107</b>	<b>38,542</b>	<b>262,771</b>
<b>Derivatives (net settled)</b>				
Foreign exchange forward contracts	665	421	-	1,086
<b>Total derivative liabilities</b>	<b>665</b>	<b>421</b>	<b>-</b>	<b>1,086</b>

Impact of hedging activities

a Disclosure of effects of hedge accounting on financial position

March 31, 2020								
Type of hedge and risks	Nominal value	Carrying amount of hedging instruments		Maturity date	Hedge ratio	Weighted average strike price / rate	Changes in fair value of hedging Instrument	Change in the value of hedged Item used as the basis for recognising hedge effectiveness
		Assets	Liabilities					
<b>Cash flow hedge</b>								
(i) Foreign exchange forward contracts	MXP 451		206	Apr'2020 - Mar'2021	1:1	USD:MXP : 20.91	(206)	206
	MXP 54		16	Apr'2020 - Mar'2021	1:1	USD:MXP : 21.816	(16)	16
	MXP 1,543		938	Apr'2020 - Mar'2021	1:1	USD:MXP : 20.16	(938)	938
	HUF 10,743		189	Apr'2020 - Mar'2021	1:1	EUR:HUF : 336.77	(189)	189
	HUF 8,722		141	Apr'2020 - Mar'2021	1:1	EUR:HUF : 338.01	(141)	141
	CNY 2	0		Apr'2020 - May'2020	1:1	EUR:CNY : 7.92	0	(0)
	CNY 90	24	0	Apr'2020 - Mar'2021	1:1	EUR:CNY : 8.07	24	(24)
	USD 15		48	Apr'2020 - Jun'2021	1:1	USD:AUD : 1.55	(48)	48
	MXP 480		240	Apr'2020 - Mar'2021	1:1	USD:MXP : 20.85	(240)	240
	MXP 1,215		710	Apr'2020 - Dec'2021	1:1	USD:MXP : 20.79	(710)	710
	EUR 2		2	Apr'2020 - Mar'2021	1:1	EUR:THB : 35.81	(2)	2
	EUR 8	4	0	Apr'2020 - Nov'2020	1:1	EUR:USD : 1.09	4	(4)
(ii) Cross currency interest rate swap	USD 15	119		May'2020	1:1	MXP:USD : 0.05	119	(119)
	EUR 158	270		Dec'2021	1:1	EUR:USD : 1.11	722	(735)
	EUR 53	115		Jun'2020	1:1	EUR:USD : 1.13	115	(115)
	EUR 51	341		Aug'2023	1:1	EUR:USD : 1.17	167	(180)
	USD 80	-	67	Mar'2022	1:1	EUR:USD : 1.0783	(142)	142
	INR 5,750	-	808	Mar'2022	1:1	EUR:INR : 64.4517	351	(351)
<b>March 31, 2019</b>								
Type of hedge and risks	Nominal value	Carrying amount of hedging instruments		Maturity date	Hedge ratio	Weighted average strike price / rate	Changes in fair value of hedging Instrument	Change in the value of hedged Item used as the basis for recognising hedge effectiveness
		Assets	Liabilities					
<b>Cash flow hedge</b>								
(i) Foreign exchange forward contracts	MXP 613	104		Apr'2019 - Mar'2020	1:1	USD:MXP : 20.84	104	(104)
	MXP 26	4		Apr'2019 - Aug'2019	1:1	USD:MXP : 20.52	4	(4)
	MXP 1,483	122		Apr'2019 - Nov'2019	1:1	USD:MXP : 20.36	122	(122)
	HUF 9,856	49		Apr'2019 - Mar'2020	1:1	EUR:HUF : 328.54	49	(49)
	CNY 4	3		Apr'2019 - Jun'2019	1:1	EUR:CNY : 8.13	3	(3)
	USD 9	(0)		Apr'2019 - Nov'2019	1:1	AUD:USD : 0.711	(0)	0
	MXP 218	54		Jun'2019 - Sep'2019	1:1	USD:MXP : 21.87	54	(54)
	MXP 417	17		Sep'2019 - Mar'2020	1:1	USD:MXP : 20.66	17	(17)
	EUR 3	0		Apr'2019	1:1	USD :EUR : 0.89	0	(0)
	CNY 93	55		Apr'2019 - Apr'2020	1:1	CNY:EUR : 8.12	55	(55)
	EUR 0		0	May'2019	1:1	CNY:EUR : 0.122	(0)	0
	USD 10	39		May'2020	1:1	MXP:USD : 0.046	39	(39)
	USD 5	10		Sep'2020	1:1	MXP:USD : 0.046	10	(10)
	USD 45	82		Sep'2019 - Mar'2020	1:1	MXP:USD : 0.048	82	(82)
(ii) Cross currency interest rate swap	EUR 158		421	Dec'2021	1:1	EUR:USD - 1.126	1,392	(1,392)
	EUR 26	96		Aug'2023	1:1	EUR:USD - 1.17	96	(96)
	EUR 26	66		Aug'2023	1:1	EUR:USD - 1.17	66	(66)
	EUR 26	26		Jun'2019	1:1	EUR:USD - 1.14	208	(208)
	EUR 26	26		Jun'2019	1:1	EUR:USD - 1.14	208	(208)
	USD 80	-	209	Mar'2022	1:1	EUR:USD : 1.0783	(596)	596
	INR 5,750	-	456	Mar'2022	1:1	EUR:INR : 64.4517	(435)	435



**38. Capital management**

**(a) Risk management**

The group's objectives when managing capital are to safeguard their ability to continue as a going concern and also their ability to fund inorganic growth, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the group monitors NET Debt to EBITDA ratio: Net debt (total borrowings net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance costs plus exceptional expense).

The group's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Net Debt*	68,973	79,917
EBITDA	50,333	55,686
<b>Net Debt to EBITDA</b>	<b>1.37</b>	<b>1.44</b>

\* During March 31, 2020, Lease liabilities recognised as per Ind AS 116 is not included in Net Debt and Lease rent expense amounting INR 3,988 million derecognised as per Ind AS 116 is reduced from EBITDA. (Refer Note 46)

**(i) Loan covenants**

Under the terms of the major borrowing facilities, the group is required to comply with certain financial covenants and the group has complied with those covenants throughout the reporting periods.

**(b) Dividends**

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
<b>On Equity shares of INR 1 each</b>		
<b>Dividend</b>		
Amount of dividend paid	9,474	4,737
Dividend per equity share	3.00	2.25

**39 Distribution made**

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
<b>Cash dividends on equity shares declared and paid</b>		
Final cash dividend for the year ended on March 31, 2019: INR 1.5 (March 31, 2018: INR 2.25) per share	4,737	4,737
DDT on final dividend*	915	766
Interim dividend for the year ended on March 31, 2020: INR 1.5 per share (March 31, 2019: Nil per share)	4,737	-
DDT on proposed dividend	425	-
	<u>10,814</u>	<u>5,503</u>
<b>Proposed dividends on Equity shares</b>		
Final cash dividend for the year ended on March 31, 2020: Nil per share (March 31, 2019: INR 1.5 per share)	-	4,737
DDT on proposed dividend	-	974
	<u>-</u>	<u>5,711</u>

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at March 31.

\* Amount of dividend distribution tax (DDT) is net of withholding tax credit on dividend received from subsidiary company

MOTHERSON SUMI SYSTEMS LIMITED  
Notes to the consolidated financial statements

(All amounts in INR Million, unless otherwise stated)

40 Related Party Disclosures

I. Related party disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below:

a. Promoters / Entities with joint control over the Company

Name	Place of Incorporation	Ownership interest	
		March 31, 2020	March 31, 2019
1 Sainvardhana Motherson International Limited	India	33.43%	33.43%
2 Sumitomo Wiring Systems Limited, Japan	Japan	25.10%	25.10%

b. Joint Ventures:

- 1 Kyungshin Industrial Motherson Private Limited
- 2 Calsonic Kenia Motherson Auto Products Private Limited
- 3 Ningbo SMR Huaxiang Automotive Mirrors Co. Limited
- 4 Chongqing SMR Huaxiang Automotive Products Limited
- 5 Tianjin SMR Huaxiang Automotive Part Co. Limited
- 6 Eisenmann SMP Automotive Interieur Slovakia s.r.o.

c. Associate Companies:

- 1 Saks Ancillaries Limited
- 2 Re-lime Pty Limited (became subsidiary from August 08, 2019)
- 3 Hubel Zhengao PKC Automotive Wiring Company Ltd.

II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties:

(a) Key management personnel compensation

	March 31, 2020	March 31, 2019
Short-term employee benefits	259	260
Directors commission/fees	26	21
Post-employment benefits payable	46	40
Long-term employee benefits payable	16	14

(b) Transactions with related parties

S. No.	Particulars	Associate companies		Joint Ventures		Key management personnel		Joint control over the entity		Other related parties	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1	Sale of products	-	-	5,697	5,327	-	-	1	4	383	369
2	Sales of services	-	-	817	723	41	-	4	17	74	69
3	Rent income	-	-	23	29	-	-	-	-	56	61
4	Sale of property, plant and equipment	-	-	-	-	-	-	0	0	-	1
5	Purchase of goods	-	-	2,844	2,831	-	-	5,819	6,367	1,900	1,458
6	Purchase of property, plant and equipment & Right-of-use assets	-	-	-	-	-	-	84	44	1,083	2,527
7	Purchase of services	-	-	7	4	-	-	44	55	3,515	3,265
8	Rent expense	-	2	-	-	5*	5*	45	48	385	524
9	Payment of lease liability	-	-	-	-	-	-	-	-	180	-
9	Reimbursement made	-	-	0	1	0	0	17	7	80	90
10	Reimbursement received	1	-	0	2	-	-	1	12	8	14
12	Shares issued during the year	-	-	-	-	-	-	-	-	-	-
13	Investments redeemed/ sale of shares	-	-	-	-	-	-	-	-	-	-
14	Royalty	-	-	-	-	-	-	312	92	-	-
15	Dividend paid	-	-	-	-	270**	135**	5,545	2,773	10	33
16	Dividend received	-	-	101	172	-	-	-	-	2	-
17	Capital received from minority	-	-	-	-	-	-	-	-	-	-

\* Rent of INR 6 million (March 31, 2019: INR 5 million) paid to Mr. V.C. Sehgal, Mr. Lesh Vaaman Sehgal, Ms. Renu Sehgal, and Ms. Vidhi Sehgal.

\*\*Dividend of INR 270 million (March 31, 2019 : INR 135 million) paid to Mr. V. C. Sehgal, Mr. Lesh Vaaman Sehgal, Ms. Renu Sehgal, Ms. Neelu Mehra, Ms. Geeta Soni, Mr. Pankaj Mital, Mr. G.N. Gauba, Ms. Geeta Mathur, Mr. Naveen Ganzu, Arjun Puri, Alok Goel and Mr. Gaudam Mukherjee.

(c) Outstanding balances arising from sales / purchases of goods and services

S. No.	Particulars	Associate companies		Joint Venture		Key Management personnel		Joint control over the entity		Other related parties	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1	Trade Payable	-	-	538	403	-	-	2,070	1,519	1,018	971
2	Trade Receivable	-	-	853	787	-	-	2	7	175	160
3	Capital advances	-	-	-	-	-	-	-	-	4	19
4	Advances recoverable	-	-	-	0	-	-	-	0	152	197
5	Investments*	-	-	-	-	-	-	-	-	14	14
6	Advances from customer	-	-	-	-	-	-	1	0	0	1

\* Investment in joint venture and associates companies are not disclosed in above table. Refer note 48 for investment in joint ventures and associates.

(d) Loans & advances to / from related parties

S. No.	Particulars	Associate Companies		Joint Venture		Key Management personnel		Joint control over the entity		Other related parties	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
i.	Security deposits given:										
	Beginning of the year	-	-	-	-	-	-	-	-	509	469
	Security deposit given	-	-	-	-	-	-	-	-	78	70
	Security deposits received back	-	-	-	-	-	-	-	-	(105)	(30)
	End of the year	-	-	-	-	-	-	-	-	480	509
ii.	Security Deposit Received:										
	Beginning of the year	-	-	35	35	-	-	-	-	15	16
	Security deposits received	-	-	-	-	-	-	-	-	2	-
	Security deposits repaid	-	-	-	-	-	-	-	-	(2)	(1)
	End of the year	-	-	35	35	-	-	-	-	15	15
iii.	Loans given:										
	Beginning of the year	-	-	-	-	-	-	-	-	34	200
	Loans given	-	-	-	-	-	-	-	-	218	-
	Interest income	-	-	-	-	-	-	-	-	6	1
	Loans & interest received back	-	-	-	-	-	-	-	-	(34)	(167)
End of the year	-	-	-	-	-	-	-	-	222	34	
iv.	Loans taken:										
	Beginning of the year	-	-	-	-	-	-	1	1	5,789	-
	Loans received	-	-	-	-	-	-	-	-	4,424	5,701
	Interest expense	-	-	-	-	-	-	-	0	289	88
	Loans repaid & interest paid	-	-	-	-	-	-	(1)	-	(6,028)	-
End of the year	-	-	-	-	-	-	-	1	2,484	5,789	

41 Segment Information:

(a) Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments examines the group's performance categorized in to following segments:

Segments	Description
MSSL Standalone	Represents standalone operations of Motherson Sumi Systems Limited, engaged mainly in the business of manufacturing and trading of automobile parts for commercial and passenger vehicles.
SMR	Represents subsidiaries of Samvardhana Motherson Reflectec Group Holdings Limited which are engaged in development, manufacture and supply of rear view mirrors and drive assistance systems.
SMP	Represents subsidiaries of Samvardhana Motherson Automotive Systems Group B.V. (SMRP BV) (an overseas subsidiary of the Company) which are engaged in manufacturing and supplies of plastic parts and system modules for vehicle interiors and exteriors.
PKC	Represents PKC Group Plc including its subsidiaries. PKC is engaged in designing, manufacturing and integrating electrical distribution systems, electronics and related components for commercial vehicle industries, rolling stock manufacturers and other related segments.
Others	Comprise other subsidiaries of the Company (excluding SMR, SMP and PKC defined above) that are below the thresholds for separate reporting as operating segments.

The CODM primarily uses a measure of revenue from operation and earnings before interest, tax, depreciation, amortisation and exceptional item (EBITDA) to assess the performance of the operating segments on monthly basis.

Unallocated:

Revenue, expenses, assets and liabilities have been identified to a segment on the basis of relationship to operating activities of the segment. Assets and liabilities which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed under unallocated.

Inter Segment transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

(b) Revenue from operation

Interest income, rental income, dividend income, income recognised on sales of assets and investment are excluded from segment revenue. Transactions between segments are carried out at arm's length and are eliminated on consolidation. The segment revenue is measured in the same way as in the statement of profit or loss.

	March 31, 2020	March 31, 2019
Revenue from operation (excludes interest income & Foreign exchange gain)		
MSSL Standalone	68,738	75,813
SMR	124,029	131,809
SMP	320,998	301,791
PKC	93,822	96,430
Others	44,240	45,075
<b>Total</b>	<b>651,827</b>	<b>650,918</b>
Less: Intersegment	16,459	15,689
<b>Total revenue from operation as per profit and loss statement</b>	<b>635,368</b>	<b>635,229</b>

Disaggregated revenue information

India	73,813	76,008
Germany	137,034	152,231
Spain	37,059	38,057
USA	98,321	92,050
Others*	289,141	276,883
	<b>635,368</b>	<b>635,229</b>

\* None of the other countries contribute materially to the revenue of the group.

Type of goods or Services

	March 31, 2020	March 31, 2019
Sales of Components	570,872	571,808
Tool development	54,860	53,908
Assembly of components	2,878	3,291
Others operating revenue	2,095	2,568
<b>Total revenue from contracts with customers</b>	<b>630,705</b>	<b>631,575</b>

Timing of revenue recognition

	March 31, 2020	March 31, 2019
As a point in time	577,663	578,303
Over a period of time	53,042	53,272
<b>Total revenue from contracts with customers</b>	<b>630,705</b>	<b>631,575</b>

(c) EBITDA

	March 31, 2020	March 31, 2019
MSSL Standalone	11,685	13,347
SMR	14,598	15,215
SMP	12,930	13,338
PKC	9,457	8,522
Others	5,378	4,858
<b>Total</b>	<b>54,048</b>	<b>55,280</b>
Add: unallocated income / (expenses)		
Dividend Income	6	8
Interest Income	361	354
Less: Intersegment	95	(44)
<b>Total EBITDA</b>	<b>54,320</b>	<b>55,686</b>
Depreciation	(27,780)	(20,582)
Finance costs	(5,986)	(4,232)
Company's share in net profit / (loss) of associates and joint ventures accounted for using the equity method	575	1,131
Income tax expense	(8,184)	(11,022)
<b>Profit after tax</b>	<b>12,945</b>	<b>20,981</b>

Interest and dividend income was allocated to segment EBITDA, which is considered as unallocated income in above table. Previous year number is also reclassified based on new classification of segment EBITDA.

(d) Segment Assets

Segment assets are allocated based on the operations of the segment and the physical location of the asset. Assets not used directly in operations of the segment like investments, other common assets are reported as unallocated assets.

	March 31, 2020	March 31, 2019
MSSL Standalone	43,415	42,503
SMR	95,556	73,677
SMP	227,734	213,119
PKC	50,907	44,570
Others	151,011	132,785
<b>Total</b>	<b>568,623</b>	<b>506,654</b>
Less: Intersegment	131,603	91,856
Unallocated:		
Deferred Tax	5,030	6,123
Non-current Tax	3,732	2,524
Other corporate assets and investments	9,176	9,857
<b>Total assets as per balance sheet</b>	<b>454,958</b>	<b>433,302</b>

Total of non-current assets other than financial instruments, investments accounted for using equity methods and deferred tax assets broken down by location of the assets, is shown below

	March 31, 2020	March 31, 2019
India	23,741	23,256
Germany	38,287	35,630
Spain	14,491	12,346
USA	29,491	25,717
Others*	106,578	107,299
<b>Total</b>	<b>212,588</b>	<b>204,248</b>

\* None of the other countries contribute materially to the non-current assets other than financial instruments, investments accounted for using equity methods and deferred tax assets of the group.

Capital expenditure

	March 31, 2020	March 31, 2019
MSSL Standalone	3,471	3,976
SMR	4,068	4,989
SMP	10,825	13,803
PKC	2,852	2,578
Others	726	1,507
<b>Total</b>	<b>21,942</b>	<b>26,853</b>

(e) Segment liabilities

Segment liabilities are allocated based on the operations of the segment. Liabilities not used directly in operations of the segment common liabilities like borrowings are reported as unallocated liabilities.

	March 31, 2020	March 31, 2019
MSSL Standalone	29,525	26,006
SMR	51,455	37,222
SMP	203,986	177,568
PKC	32,580	28,150
Others	44,636	34,115
<b>Total</b>	<b>362,182</b>	<b>303,061</b>
Less: Intersegment	131,243	91,593
Deferred Tax	4,627	5,762
Current Tax	3,623	4,148
Other common / unallocated liabilities	67,509	67,500
<b>Total</b>	<b>306,698</b>	<b>288,878</b>

#### 42 Capital and Other Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	March 31, 2020	March 31, 2019
<b>Property, plant and equipment</b>		
Estimated value of contracts in capital account remaining to be executed, (Net of Advances of INR 887 million (March 31, 2019: INR 538 million))	4,428	6,236
<b>Investment Property</b>		
Estimated value of purchase consideration outstanding, (net of advances of INR 110 million (March 31, 2019: INR 107 million))	-	3
<b>Total</b>	<b>4,428</b>	<b>6,239</b>
<b>Other Commitments</b>		
Bank Guarantee	487	1,390
Others	160	242

Above commitments on property, plant and equipment includes group share of commitments of associates and joint ventures entities.  
For capital expenditure contracted relating to associates and joint ventures refer to note 48

#### 43 Contingent Liabilities:

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an on-going basis, with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its consolidated financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the consolidated financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

##### Claims against the Group not acknowledged as debts

	March 31, 2020	March 31, 2019
Excise, sales tax and service tax matters <sup>#</sup>	106	135
Claims made by workmen	146	123
Income tax matters	207	327
Unfulfilled export commitment under EPCG scheme	115	108
Others (refer note 'c' below)	3,263	2,093

<sup>#</sup> Against which Group has given bank guarantees amounting to INR 2 million (March 31, 2019 : INR 9 million)

- The Group does not expect any reimbursements in respect of the above contingent liabilities.
- It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- The Group has acted as surety in respect of subsidy received by one of its subsidiary, which limits the total liability of the Group to 1.2x of the amount of subsidy granted. As per the conditions of subsidy received from the local government the subsidiary is required to incur certain level of capital expenditure along with maintaining the headcount at certain level for a period of 5 years. As of March 31, 2020, both the conditions have been fulfilled however headcount level needs to be sustained for 5 years therefore the Group may be contingently liable for INR 2,447 million (March 31, 2019: INR 2,077 million) in the event of non-compliance of subsidy conditions by the subsidiary in the future.
- Above contingent liability includes group share of contingent liability of the associates and joint ventures entities.

For contingent liabilities relating to associates and joint ventures refer to note 48

44 Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are

	March 31, 2020	March 31, 2019
<b>Current:</b>		
<b>Financial assets</b>		
<b>Floating charge</b>		
Cash and cash equivalents	25,286	15,207
Inventories	22,576	21,125
Receivables	27,024	49,284
Other current assets	21,854	5,871
<b>Total current assets pledged as security</b>	<b>96,740</b>	<b>91,487</b>
<b>Non Current:</b>		
<b>First charge</b>		
Freehold land	3,260	2,569
Buildings	30,805	28,615
Plant & Machinery	44,713	42,094
PPE under finance lease	3,567	2,659
Investment Property	747	872
Other non current assets	9,689	11,213
<b>Total non current assets pledged as security</b>	<b>92,781</b>	<b>88,022</b>
<b>Total assets pledged as security</b>	<b>189,521</b>	<b>179,509</b>

Further, loan amounting to INR 11,789 million (March 31, 2019: INR 16,703 million) has been obtained against security of pledge of shares of an overseas subsidiary company which has been eliminated on consolidation.

45 Ind AS 115 Revenue from contracts with customers

Effective April 1, 2018, the Group has adopted Ind AS 115, 'Revenue from Contracts with Customers', with a modified retrospective approach. The management has evaluated the implications of implementation of new standard on its revenue and has made appropriate adjustments to these results where significant. In certain contracts, it has been assessed that the Group is acting as an agent and therefore, revenue from sales of goods has been recognised excluding the cost of components sold.

The transaction price allocated to the remaining performance obligations related to tool development (unsatisfied or partially unsatisfied) are, as follows:

	March 31, 2020	March 31, 2019
Within one year	27,817	31,786
More than one year	19,477	17,827
<b>Total</b>	<b>47,294</b>	<b>49,613</b>

Table below provides information on revenue recognised from:

	March 31, 2020	March 31, 2019
Amounts included in contract liabilities at the beginning of the year	1,717	538
Performance obligations partly satisfied in previous years	25,197	43,126

The table below represents summary of contract assets and liabilities relating to contracts with customers :

	March 31, 2020	March 31, 2019
Receivables	65,782	73,292
Contract assets	28,472	39,581
Contract liabilities	5,342	4,296

Contract assets are initially recognised for revenue earned from development of tools and secondary equipment as receipt of consideration is conditional on successful completion and acceptance by the customer. Upon completion and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The expected credit loss on contract assets is considered very low and hence no provision for credit loss is recorded in respect of contract assets.

46 Ind AS 116 Leases

The Group elected to apply Indian Accounting Standard 116 ('Ind AS 116'), Leases, with effect from April 01, 2019, using the modified retrospective method. Accordingly, comparatives for the year ended March 31, 2019 have not been restated. The Group assesses each lease contract and if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the Group recognised right to use assets and lease liabilities for those lease contracts except for short-term lease and lease of low-value assets.

As at March 31, 2019, the Group had minimum lease payment commitment under non-cancellable operating leases of INR 8,466 million. Pursuant to adoption of Ind AS 116, lease liabilities of INR 12,960 million were recognised on April 01, 2019, the transition date. The difference between the operating lease commitments under Ind AS 17 and lease liabilities recognised under Ind AS 116 is largely due to discounting of lease commitments and adoption of practical expedients on exclusion of short-term leases and leases of lowvalue and other adjustments due to reassessment of terms of the contracts. The Group's lease portfolio consist of multiple leases across various geographies and also there are differences in incremental borrowing rates per geography, so determination of weighted average incremental borrowing rate is not practicable.

As at the transition date April 01, 2019 following impacts were recognised in financial position on account of recognition of right of use assets, lease liabilities and reclassification of existing finance lease assets and liabilities.

	March 31, 2019	April 01, 2019	Change
Property, plant & equipment	140,539	137,139	(3,400)
Right-of-use assets	-	16,558	16,558
Other receivables and assets (non-current and current)	19,459	19,261	(198)
Borrowings (non-current and current, including current maturity of long term borrowing)	115,342	114,932	410
Lease Liabilities	-	13,370	(13,370)

The carrying amounts of lease liabilities and the movements during the period is given below:

	<b>April 01, 2019</b>
Recognised as at April 01, 2019 on account of adoption of ind AS 116	12,960
Reclassification from borrowings	410
	<b>13,370</b>
	<b>March 31, 2020</b>
Current lease liabilities	3,363
Non-current lease liabilities	10,300
	<b>13,663</b>
	<b>March 31, 2020</b>
Amount recognised in Statement of Profit and Loss during the year:	
Interest expense on lease liabilities (included in finance cost)	738
Depreciation of Right of Use assets	3,599
Lease expense derecognised	3,988
Short term and low value lease payments	<b>3,113</b>

47 Hyperinflation

With the effect from July 1, 2016, the Argentine economy was considered to be hyperinflationary in accordance with the criteria in IAS 29 "Financial Reporting in Hyperinflationary Economies" ("IAS 29"). This standard requires that the entity or components financial information whose functional currency is that of an economy considered hyperinflationary be restated using a general price index that reflects changes in general purchasing power. The inflation index used in Argentina was a synthetic index with the following characteristics: i) The Internal Wholesale Price Index (IPIM) until December 2016 and ii) after that date, the National Consumer Price Index (IPC). Additionally, due to the lack of national index on November and December 2015, Consumer Price Index of City of Buenos Aires (IPC CABA) was used.

The results and financial position of Argentine subsidiary SMRC Automotive Tech Argentina S.A., whose functional currency is the currency of a hyperinflationary economy, are first restated in accordance with IND AS 29 and are then translated into the presentation

All balance sheet items of Argentine subsidiary have been segregated into monetary and nonmonetary items. Monetary items are units of currency held, and assets and liabilities to be received or paid, in fixed or determinable number of units of currency. These monetary items are not restated because they are already expressed in terms of the current monetary unit. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power, and an entity with an excess of monetary liabilities over monetary assets gains purchasing power, to the extent the assets and liabilities are not linked to a price level. The gain or loss on the net monetary position is included in profit or loss. The effect of inflation on the net monetary position of the Argentine subsidiary for the year ended March 31, 2020 has been a loss of INR 29 million (March 31, 2019: gain of INR 41 million).

Non-monetary assets and liabilities (items which are not already expressed in terms of the monetary unit) are restated by applying the relevant index. After the IND AS 29 restatement of nonmonetary assets, it is necessary to consider whether the restated amount of the asset might exceed its recoverable amount. Additionally, the application of IND AS 29 results in the creation of temporary differences because while the book value of non-monetary assets is adjusted for inflation but not equivalent adjustment is made for tax purpose; the effect of such a temporary difference is a deferred tax liability.



48 Interest in other entities

A. Details of subsidiaries which have been consolidated are as follows:

S.No	Name of the Company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Reporting Dates used for Consolidation
			March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
1	MSSL Mauritius Holdings Limited (MMHL)	Mauritius	100%	100%	0%	0%	March 31, 2020
2	Motherson Electrical Wires Lanka Private Limited	Sri Lanka	100%	100%	0%	0%	March 31, 2020
3	MSSL Mideast (FZE)	UAE	100%	100%	0%	0%	March 31, 2020
4	MSSL (S) Pte Limited	Singapore	100%	100%	0%	0%	March 31, 2020
5	Motherson Innovations Tech Limited (erst MSSL Automobile Component Limited)	India	100%	100%	0%	0%	March 31, 2020
6	Samvardhana Motherson Polymers Limited (SMPL)	India	51%	51%	49%	49%	March 31, 2020
7	Motherson Polymers Compounding Solution Limited	India	100%	100%	0%	0%	March 31, 2020
8	MSSL (GB) Limited ( Jointly held by the Company and MSSL Mideast (FZE))	UK	100%	100%	0%	0%	March 31, 2020
9	Motherson Wiring System (FZE) ( held by MSSL Mideast (FZE))	UAE	100%	100%	0%	0%	March 31, 2020
10	MSSL Tooling (FZE) ( held by MSSL Mideast (FZE))	UAE	100%	100%	0%	0%	March 31, 2020
11	MSSL GmbH ( held by MSSL Mideast (FZE))	Germany	100%	100%	0%	0%	March 31, 2020
12	Samvardhana Motherson Invest Deutschland GmbH (held by MSSL GmbH)	Germany	100%	100%	0%	0%	March 31, 2020
13	MSSL Advanced Polymers s.r.o. ( held by MSSL GmbH)	Czech Republic	100%	100%	0%	0%	March 31, 2020
14	Motherson Techno Precision GmbH ( held by MSSL GmbH)	Germany	100%	100%	0%	0%	March 31, 2020
15	MSSL s.r.l. Unipersonale ( held by MSSL (GB) Limited)	Italy	100%	100%	0%	0%	March 31, 2020
16	Motherson Techno Precision México, S.A. de C.V ( held by Motherson Techno Precision GmbH)	Mexico	100%	100%	0%	0%	March 31, 2020
17	MSSL Manufacturing Hungary Kft (held by MSSL GMBH)	Hungary	100%	100%	0%	0%	March 31, 2020
18	Motherson Air Travel Pvt Ltd ( held by MSSL GMBH as at March 31, 2018 and held by MSSL Mideast (FZE) as at March 31, 2019)	Ireland	100%	100%	0%	0%	March 31, 2020
19	MSSL Australia Pty Limited (held by MSSL (S) Pte. Limited during previous years)	Australia	80%	80%	20%	20%	March 31, 2020
20	Motherson Elastomers Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	100%	0%	0%	March 31, 2020
21	Motherson Investments Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	100%	0%	0%	March 31, 2020
22	MSSL Ireland Private Limited ( held by MSSL (GB) Limited)	Ireland	100%	100%	0%	0%	March 31, 2020
23	MSSL Global RSA Module Engineering Limited ( held by MSSL Mauritius Holdings Limited)	South Africa	100%	100%	0%	0%	March 31, 2020
24	MSSL Japan Limited (held by MSSL (S) Pte Limited)	Japan	100%	100%	0%	0%	March 31, 2020
25	Vacuform 2000 (Proprietary) Limited (held by MSSL Mauritius Holdings Limited)	South Africa	51%	51%	49%	49%	March 31, 2020
26	MSSL México, S.A. De C.V. ( held by MSSL (S) Pte Limited)	Mexico	100%	100%	0%	0%	March 31, 2020
27	MSSL WH System (Thailand) Co., Ltd (held by MSSL (S) Pte. Ltd.)	Thailand	100%	100%	0%	0%	March 31, 2020
28	MSSL Korea WH Limited (held by MSSL (S) Pte. Ltd.)	South Korea	100%	100%	0%	0%	March 31, 2020
29	MSSL Consolidated Inc. (held by MSSL (GB) Ltd.)	USA	100%	100%	0%	0%	March 31, 2020
30	MSSL Wiring System Inc (held by MSSL Consolidated Inc.)	USA	100%	100%	0%	0%	March 31, 2020
31	Alphabet de Mexico, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%	100%	0%	0%	March 31, 2020
32	Alphabet de Mexico de Monclova, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%	100%	0%	0%	March 31, 2020
33	Alphabet de Saitillo, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%	100%	0%	0%	March 31, 2020
34	MSSL Wirings Juarez, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%	100%	0%	0%	March 31, 2020
35	Samvardhana Motherson Global Holdings Ltd. (SMGHL) ( held by MSSL Mauritius Holdings Limited)	Cyprus	51%	51%	49%	49%	March 31, 2020
36	Samvardhana Motherson Automotive Systems Group B.V. (SMRPBV) (held by SMGHL and SMPL)	Netherlands	100%	100%	0%	0%	March 31, 2020
37	Samvardhana Motherson Reflectec Group Holdings Limited (SMR) (held by SMRPBV)	Jersey	98.45%	98.45%	1.55%	1.55%	March 31, 2020
38	SMR Automotive Technology Holding Cyprus Limited (held by SMR)	Cyprus	100%	100%	0%	0%	March 31, 2020
39	SMR Automotive Mirror Parts and Holdings UK Ltd (held by SMR)	UK	100%	100%	0%	0%	March 31, 2020

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(All amounts in INR Million, unless otherwise stated)

S.No	Name of the Company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling		Reporting Dates used for Consolidation
			March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
40	SMR Automotive Holding Hong Kong Limited (held by SMR)	Hong Kong	100%	100%	0%	0%	March 31, 2020
41	SMR Automotive Systems India Limited (Jointly held by the Company and SMR Automotive Technology Holding Cyprus Limited)	India	100%	100%	0%	0%	March 31, 2020
42	SMR Automotive Systems France S.A. (held by SMR Automotive Technology Holding Cyprus Limited)	France	100%	100%	0%	0%	March 31, 2020
43	SMR Automotive Mirror Technology Holding Hungary KFT (held by SMR Automotive Technology Holding Cyprus Limited)	Hungary	100%	100%	0%	0%	March 31, 2020
44	SMR Patents S á r.l. (held by SMR Automotive Mirror Parts and Holdings UK Ltd.)	Luxembourg	100%	100%	0%	0%	March 31, 2020
45	SMR Automotive Technology Valencia S.A.U. (held by SMR Automotive Mirror Parts and Holdings UK Ltd.)	Spain	100%	100%	0%	0%	March 31, 2020
46	SMR Automotive Mirrors UK Limited (held by SMR Automotive Mirror Parts and Holdings UK Ltd.)	UK	100%	100%	0%	0%	March 31, 2020
47	SMR Automotive Mirror International USA Inc. (held by SMR Mirrors UK Limited)	USA	100%	100%	0%	0%	March 31, 2020
48	SMR Automotive Systems USA inc. (held by SMR Automotive Mirror International USA Inc.)	USA	100%	100%	0%	0%	March 31, 2020
49	SMR Automotive Beijing Company Limited (held by SMR Automotive Holding Hong Kong Limited)	China	100%	100%	0%	0%	March 31, 2020
50	SMR Automotive Yancheng Co. Limited (held by SMR Automotive Holding Hong Kong Limited)	China	100%	100%	0%	0%	March 31, 2020
51	SMR Automotive Mirror Systems Holding Deutschland GmbH (held by SMR Automotive Mirror Parts and Holdings UK Ltd.)	Germany	100%	100%	0%	0%	March 31, 2020
52	SMR Holding Australia Pty Limited (held by SMR Automotive Mirror Technology Holding Hungary Kft)	Australia	100%	100%	0%	0%	March 31, 2020
53	SMR Automotive Australia Pty Limited (held by SMR Holding Australia Pty Ltd.)	Australia	100%	100%	0%	0%	March 31, 2020
54	SMR Automotive Mirror Technology Hungary BT (held by SMR Automotive Technology Holding Cyprus Limited)	Hungary	100%	100%	0%	0%	March 31, 2020
55	SMR Automotive Modules Korea Ltd. (held by SMR Automotive Mirror Systems Holding Deutschland GmbH)	South Korea	100%	100%	0%	0%	March 31, 2020
56	SMR Automotive Beteiligungen Deutschland GmbH (held by SMR)	Germany	100%	100%	0%	0%	March 31, 2020
57	SMR Hyosang Automotive Ltd. (held by SMR Automotive Modules Korea Ltd.)	South Korea	100%	100%	0%	0%	March 31, 2020
58	SMR Automotive Mirrors Stuttgart GmbH (held by SMR Automotive Mirror Systems Holding Deutschland GmbH)	Germany	100%	100%	0%	0%	March 31, 2020
59	SMR Automotive Systems Spain S.A.U. (held by SMR Automotive Mirrors Stuttgart GmbH)	Spain	100%	100%	0%	0%	March 31, 2020
60	SMR Automotive Vision Systems Mexico S.A. de C.V. (Jointly held by SMR Automotive Mirrors Stuttgart GmbH and SMR Automotive Systems Spain S.A.U.)	Mexico	100%	100%	0%	0%	March 31, 2020
61	Samvardhana Motherson Corp Management Shanghai Co Ltd. (held by SMR Automotive Mirrors Stuttgart GmbH)	China	100%	100%	0%	0%	March 31, 2020
62	SMR Grundbesitz GmbH & Co. KG (held by SMR Automotive Mirror Systems Holding Deutschland GmbH)	Germany	93.07%	93.07%	6.93%	6.93%	March 31, 2020
63	SMR Automotive Brasil Ltda. (held by SMR Automotive Mirror Technology Holding Hungary Kft)	Brazil	100%	100%	0%	0%	March 31, 2020
64	SMR Automotive System (Thailand) Limited (held by SMR Automotive Technology Holding Cyprus Limited)	Thailand	100%	100%	0%	0%	March 31, 2020
65	SMR Automotives Systems Macedonia Dooel Skopje (held by SMR Automotive Mirror Technology Holding Hungary Kft)	Macedonia	100%	100%	0%	0%	March 31, 2020
66	SMR Automotive Operations Japan K.K. (held by SMR Automotive Mirror Technology Holding Hungary Kft)	Japan	100%	100%	0%	0%	March 31, 2020
67	SMR Automotive (Langfang) Co. Ltd (held by SMR Automotive Mirror Systems Holding Deutschland GmbH)	China	100%	100%	0%	0%	March 31, 2020
68	SMR Automotive Vision System Operations USA INC (held by SMR)	USA	100%	100%	0%	0%	March 31, 2020
69	SMR Mirror UK Limited (held by SMR Automotive Vision System Operations USA INC)	UK	100%	100%	0%	0%	March 31, 2020
70	Motherson Innovations Company Limited (held by SMR)	UK	100%	100%	0%	0%	March 31, 2020

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(All amounts in INR Million, unless otherwise stated)

S.No	Name of the Company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling		Reporting Dates used for Consolidation
			March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
71	Motherson Innovations Deutschland GmbH (held by Motherson Innovations Company Limited)	Germany	100%	100%	0%	0%	March 31, 2020
72	Motherson Innovations LLC (held by Motherson Innovations Company Limited)	USA	100%	100%	0%	0%	March 31, 2020
73	Samvardhana Motherson Global (FZE) (held by SMR)	UAE	100%	100%	0%	0%	March 31, 2020
74	SMR Automotive Industries RUS Limited Liability Company (jointly held by SMR Automotive Mirror Technology Holding Hungary KR & SMR Automotive Technology Holding Cyprus Ltd.)	Russia	100%	100%	0%	0%	March 31, 2020
75	Samvardhana Motherson Peguform GmbH (SMP) (held by SMRPBV)	Germany	100%	100%	0%	0%	March 31, 2020
76	SMP Automotive Interiors (Beijing) Co. Ltd. (held by SMRPBV)	China	100%	100%	0%	0%	March 31, 2020
77	SMP Deutschland GmbH (held by Samvardhana Motherson Peguform GmbH and SMGHL)	Germany	100%	100%	0%	0%	March 31, 2020
78	SMP Logistik Service GmbH ( held by SMP Deutschland GmbH)	Germany	100%	100%	0%	0%	March 31, 2020
79	SMP Automotive Solutions Slovakia s.r.o. (held by SMP Deutschland GmbH)	Slovakia	100%	100%	0%	0%	March 31, 2020
80	Changchun Peguform Automotive Plastics Technology Co., Ltd. ( held by SMP Deutschland GmbH)	China	50% +1share	50% +1share	50% -1share	50% -1share	March 31, 2020
81	Foshan Peguform Automotive Plastics Technology Co. Ltd. (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	China	100%	100%	0%	0%	March 31, 2020
82	Shenyang SMP Automotive Plastic Component Co. Ltd. (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	China	100%	100%	0%	0%	March 31, 2020
83	Tianjin SMP Automotive Component Company Limited (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	China	100%	100%	0%	0%	March 31, 2020
84	SMP Automotive Technology Management Services (Changchun) Co. Ltd. ( held by SMP Deutschland GmbH)	China	100%	100%	0%	0%	March 31, 2020
85	SMP Automotive Technology Iberica S.L. (held by SMRPBV)	Spain	100%	100%	0%	0%	March 31, 2020
86	Samvardhana Motherson Peguform Barcelona S.L.U (held by SMP Automotive Technology Iberica S.L.)	Spain	100%	100%	0%	0%	March 31, 2020
87	SMP Automotive Technologies Teruel Sociedad Limitada (held by SMP Automotive Technology Iberica S.L.)	Spain	100%	100%	0%	0%	March 31, 2020
88	Samvardhana Motherson Peguform Automotive Technology Portugal S.A. ( held by SMP Automotive Technology Iberica S.L.)	Portugal	100%	100%	0%	0%	March 31, 2020
89	SMP Automotive Systems Mexico S.A. de C.V. (held by SMP Automotive Technology Iberica S.L.)	Mexico	100%-1share	100%-1share	0%	0%	March 31, 2020
90	SMP Automotive Produtos Automotivos do Brasil Ltda. ( held by SMP Automotive Technology Iberica S.L.)	Brazil	100%-1share	100%-1share	0%	0%	March 31, 2020
91	SMP Automotive Exterior GmbH (held by Samvardhana Motherson Peguform GmbH)	Germany	100%	100%	0%	0%	March 31, 2020
92	Samvardhana Motherson Innovative Autosystems B.V. & Co. KG (held by Samvardhana Motherson Peguform GmbH)	Germany	100%	100%	0%	0%	March 31, 2020
93	Samvardhana Motherson innovative Autosystems Holding Company BV (held by SMR)	Netherlands	100%	100%	0%	0%	March 31, 2020
94	SM Real Estate GmbH (held by SMGHL & SMP Automotive Exterior GmbH)	Germany	100%	100%	0%	0%	March 31, 2020
95	Samvardhana Motherson Innovative Autosystems de Mexico, S.A. de C.V. (held jointly by SMR & SMP)	Mexico	100%	100%	0%	0%	March 31, 2020
96	SMP Automotive Systems Alabama Inc. (held by SMR Automotive Mirror International USA Inc.)	USA	100%	100%	0%	0%	March 31, 2020
97	Celulosa Fabril S.A. (held by SMP automotive technology Iberica S.L.)	Spain	50%	50%	50%	50%	March 31, 2020
98	Modulos Ribera Alta S.L.Unipersonal (held by Celulosa Fabril S.A.)	Spain	100%	100%	0%	0%	March 31, 2020
99	Motherson Innovations Lights GmbH & Co KG ( held by Samvardhana Motherson Peguform GmbH)	Germany	100%	100%	0%	0%	March 31, 2020
100	Motherson Innovations Lights Verwaltungs GmbH (held by Motherson Innovations Lights GmbH & Co KG)	Germany	100%	100%	0%	0%	March 31, 2020
101	MSSL Estonia WH OU (held by MSSL (GB) Limited)	Estonia	100%	100%	0%	0%	March 31, 2020
102	PKC Group Plc ( held by MSSL Estonia WH OU)	Finland	100%	100%	0%	0%	March 31, 2020

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S.No	Name of the Company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling		Reporting Dates used for Consolidation
			March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
103	PKC Wiring Systems Oy (held by PKC Group Plc)	Finland	100%	100%	0%	0%	March 31, 2020
104	PKC Group Poland Sp. z o.o. (held by PKC Eesti AS)	Poland	100%	100%	0%	0%	March 31, 2020
105	PKC Wiring Systems Llc (held by PKC Wiring Systems Oy)	Serbia	100%	100%	0%	0%	March 31, 2020
106	PKC Group APAC Limited (held by PKC Wiring Systems Oy)	Hong Kong	100%	100%	0%	0%	March 31, 2020
107	PKC Group Canada Inc. (held by PKC Wiring Systems Oy)	Canada	100%	100%	0%	0%	March 31, 2020
108	PKC Group USA Inc. (held by PKC Wiring Systems Oy)	USA	100%	100%	0%	0%	March 31, 2020
109	PKC Group Mexico S.A. de C.V. (held by PKC Wiring Systems Oy)	Mexico	100%	100%	0%	0%	March 31, 2020
110	Project del Holding S.a.r.l. (held by PKC Wiring Systems Oy)	Luxembourg	100%	100%	0%	0%	March 31, 2020
111	PK Cables do Brasil Ltda (jointly held by PKC Wiring Systems Oy & Project Del Holding S.a.r.l.)	Brazil	100%	100%	0%	0%	March 31, 2020
112	PKC Eesti AS (held by PKC Wiring Systems Oy)	Estonia	100%	100%	0%	0%	March 31, 2020
113	TKV-sarjat Oy (held by PKC Wiring Systems Oy)	Finland	100%	100%	0%	0%	March 31, 2020
114	PKC SEGU Systemelektrik GmbH (held by PKC Wiring Systems Oy)	Germany	100%	100%	0%	0%	March 31, 2020
115	Groclin Luxembourg S à r.l. (held by PKC Group Poland Holding Sp. z o.o.)	Luxembourg	100%	100%	0%	0%	March 31, 2020
116	PKC Vehicle Technology (Suzhou) Co., Ltd. (held by PKC Group APAC Limited)	China	100%	100%	0%	0%	March 31, 2020
117	AEES Inc. (held by PKC Group USA Inc.)	USA	100%	100%	0%	0%	March 31, 2020
118	PKC Group Lithuania UAB (held by PKC Eesti AS)	Lithuania	100%	100%	0%	0%	March 31, 2020
119	PKC Group Poland Holding Sp. z o.o. (held by PKC Wiring Systems Oy)	Poland	100%	100%	0%	0%	March 31, 2020
120	OOO AEK (jointly held by PKC Eesti AS & TKV sarjat O)	Russia	100%	100%	0%	0%	March 31, 2020
121	Kabel-Technik-Polska Sp. z o.o. (held by Groclin Luxembourg S à r.l.)	Poland	100%	100%	0%	0%	March 31, 2020
122	T.I.C.S. Corporation (held by AEES Inc.)	USA	100%	100%	0%	0%	March 31, 2020
123	AEES Power Systems Limited partnership (jointly held by T.I.C.S. Corporation & AEES Inc.)	USA	100%	100%	0%	0%	March 31, 2020
124	Fortitude Industries Inc. (held by AEES Inc.)	USA	100%	100%	0%	0%	March 31, 2020
125	AEES Manufacturera, S. De R.L de C.V. (held by Project del Holding S.a.r.l.)	Mexico	100%	100%	0%	0%	March 31, 2020
126	Cableados del Norte II, S. de R.L de C.V. (held by Project del Holding S.a.r.l.)	Mexico	100%	100%	0%	0%	March 31, 2020
127	Manufacturas de Componentes Electricos de Mexico S. de R.L de C.V. (held by Project del Holding S.a.r.l.)	Mexico	100%	100%	0%	0%	March 31, 2020
128	Ames y Accesorios de México, S. de R.L de C.V. (held by Project del Holding S.a.r.l.)	Mexico	100%	100%	0%	0%	March 31, 2020
129	Asesoría Mexicana Empresarial, S. de R.L de C.V. (held by Project del Holding S.a.r.l.)	Mexico	100%	100%	0%	0%	March 31, 2020
130	Ames de Ciudad Juarez, S. de R.L de C.V. (held by Project del Holding S.a.r.l.)	Mexico	100%	100%	0%	0%	March 31, 2020
131	PKC Group de Piedras Negras, S. de R.L. de C.V. (held by Project del Holding S.a.r.l.)	Mexico	100%	100%	0%	0%	March 31, 2020
132	PKC Group AEES Commercial S. de R.L de C.V (held by Project del Holding S.a.r.l.)	Mexico	100%	100%	0%	0%	March 31, 2020
133	Jiangsu Huakai-PKC Wire Harness Co., Ltd. (held by PKC Group APAC Limited)	China	50%	50%	50%	50%	March 31, 2020
134	PKC Vehicle Technology (Hefei) Co. Ltd. (held by PKC Group APAC Limited)	China	50%	50%	50%	50%	March 31, 2020
135	Shandong Huakai-PKC Wire Harness Co., Ltd. (held by Jiangsu Huakai-PKC Wire Harness Co., Ltd.)	China	100%	100%	0%	0%	March 31, 2020
136	Motherson Rolling Stock Systems GB Limited (held by Kabel Technik Polska Sp. z o.o.)(incorporated on February 01, 2019)*	UK	100%		0%		March 31, 2020
137	Motherson PKC Harness Systems FZ-LLC (held by PKC Eesti AS) (incorporated on July 7, 2019)	UAE	100%	100%	0%	0%	March 31, 2020
138	Global Environment Management (FZC) (held by MSSL Mauritius Holdings Limited) <sup>1</sup>	UAE	100%	100%	0%	0%	March 31, 2020
139	SMRC Automotive Interiors Management B.V. (held by SMRPBV) <sup>1</sup>	Netherlands	100%	100%	0%	0%	March 31, 2020
140	SMRC Automotive Holdings B.V. (jointly held by SMRPBV and SMRC Automotive Interiors Management B.V.) <sup>1</sup>	Netherlands	100%	100%	0%	0%	March 31, 2020
141	SMRC Automotive Holdings Netherlands B.V. (held by SMRC Automotive Holdings B.V.) <sup>1</sup>	Netherlands	100%	100%	0%	0%	March 31, 2020

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S.No	Name of the Company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling		Reporting Dates used for Consolidation
			March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
142	SMRC Automotives Techno Minority Holdings B.V. (held by SMRC Automotive Holdings Netherlands B.V.)*	Netherlands	100%	100%	0%	0%	March 31, 2020
143	SMRC Smart Automotive Interior Technologies USA, LLC (held by SMRC Automotive Holdings Netherlands B.V.)*	USA	100%	100%	0%	0%	March 31, 2020
144	SMRC Automotives Modules France SAS (held by SMRC Automotive Holdings Netherlands B.V.)*	France	100%	100%	0%	0%	March 31, 2020
145	Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U. (held by SMRC Automotive Holdings Netherlands B.V.)*	Spain	100%	100%	0%	0%	March 31, 2020
146	SMRC Automotive Interiors Spain S.L.U. (held by Reydel Automotive Holding Spain, S.L.U.)*	Spain	100%	100%	0%	0%	March 31, 2020
147	SMRC Automotive Interior Modules Croatia d.o.o. (held by SMRC Automotive Holdings Netherlands B.V.)*	Croatia	100%	100%	0%	0%	March 31, 2020
148	Samvardhana Motherson Reydel Autotecc Morocco SAS (held by SMRC Automotive Holdings Netherlands B.V.)*	Morocco	100%	100%	0%	0%	March 31, 2020
149	SMRC Automotive Technology RU LLC (held by SMRC Automotive Holdings Netherlands B.V.)*	Russia	100%	100%	0%	0%	March 31, 2020
150	SMRC Smart Interior Systems Germany GmbH (held by SMRC Automotive Holdings Netherlands B.V.)*	Germany	100%	100%	0%	0%	March 31, 2020
151	SMRC Automotive Interiors Products Poland SA (held by SMRC Automotive Holdings Netherlands B.V.)*	Poland	100%	100%	0%	0%	March 31, 2020
152	SMRC Automotive Solutions Slovakia s.r.o. (held by SMRC Automotive Holdings Netherlands B.V.)*	Slovakia	100%	100%	0%	0%	March 31, 2020
153	SMRC Automotive Holding South America B.V. (held by SMRC Automotive Holdings Netherlands B.V.)*	Netherlands	100%	100%	0%	0%	March 31, 2020
154	SMRC Automotive Modules South America Minority Holdings B.V. (held by SMRC Automotive Holdings Netherlands B.V.)*	Netherlands	100%	100%	0%	0%	March 31, 2020
155	SMRC Automotive Tech Argentina S.A. (jointly held by SMRC Automotive Holding South America B.V. & SMRC Automotive Modules South America Minority Holdings B.V.)*	Argentina	100%	100%	0%	0%	March 31, 2020
156	SMRC Fabricacao e Comercio de Produtos Automotivos do Brasil Ltda (held by SMRC Automotive Holding South America B.V.)*	Brazil	100%	100%	0%	0%	March 31, 2020
157	SMRC Automotive Products India Private Limited (held by SMRC Automotive Holdings Netherlands B.V.)*	India	100%	100%	0%	0%	March 31, 2020
158	SMRC Automotive Smart Interior Tech (Thailand) Ltd. (held by SMRC Automotive Holdings Netherlands B.V.)*	Thailand	100%	100%	0%	0%	March 31, 2020
159	SMRC Automotive Interiors Japan Ltd. (held by SMRC Automotive Holdings Netherlands B.V.)*	Japan	100%	100%	0%	0%	March 31, 2020
160	Shanghai Reydel Automotive Technology Consulting Co. Ltd. (held by SMRC Automotive Holdings Netherlands B.V.)*	China	100%	100%	0%	0%	March 31, 2020
161	PT SMRC Automotive Technology Indonesia (jointly held by SMRC Automotive Holdings Netherlands B.V. & SMRC Automotives Techno Minority Holdings B.V.)*	Indonesia	100%	100%	0%	0%	March 31, 2020
162	Yujin SMRC Automotive Techno Corp. (held by SMRC Automotive Holdings Netherlands B.V.)*	South Korea	50.9%	50.9%	49.1%	49.1%	March 31, 2020
163	SMRC Automotives Technology Phil Inc. (held by SMRC Automotive Holdings Netherlands B.V.)*	Philippines	100%	100%	0%	0%	March 31, 2020
164	Motherson Osia Innovation llc. (held by Motherson Innovations LLC)	USA	51%	51%	49%	49%	March 31, 2020
165	Re-time Pty Limited (held by SMR Automotive Australia Pty Limited)	Australia	71.4%	35%	28.6%	-	March 31, 2020
166	Wisetime Oy (held by PKC Wiring Systems Oy) (become subsidiary w.e.f March 6, 2020)	Finland	100.0%	19%	0%	-	March 31, 2020
167	MSSL M Tooling Ltd	Mauritius	100%	100%	0%	0%	March 31, 2020
168	Samvardhana Motherson Polymers Management Germany GMBH ( held by MSSL GmbH) (Merged with MSSL GmbH from August 30, 2019)	Germany	100%	100%	0%	0%	March 31, 2020
169	MSSL Overseas Wiring System Ltd. (held by MSSL (GB) Ltd.) liquidated on January 29, 2019	UK	-	100%	-	0%	-
170	SMR Automotive Servicios Mexico S.A de C.V (held by SMR Automotive Vision Systems Mexico S.A de C.V ) (liquidated on July 2, 2019)	Mexico	-	100%	-	0%	March 31, 2020
171	PKC Netherlands Holding B.V. (held by PKC Group Plc) (Liquidated on July 31, 2019)	Netherlands	-	100%	-	0%	March 31, 2020
172	PK Cables Nederland B.V (held by PKC Netherlands Holding B.V.) (Liquidated on July 31, 2019)	Netherlands	-	100%	-	0%	March 31, 2020
173	Global Environment Management Australia Pty Limited (held by Global Environment Management (FZC)), (liquidated on April 20, 2018)	Australia	-	-	-	-	-

\* Acquired on August 02, 2018 (Refer Note 50)

B. Non-controlling interests (NCI)

Set out below the summarised financial information for subsidiary that has non-controlling interests that are material to the group.

	Samvardhana Motherson Automotive Systems Group B.V.	
	March 31, 2020	March 31, 2019
<b>Summarised balance sheet</b>		
Current assets	126,377	130,860
Current liabilities	132,040	130,782
<b>Net current assets</b>	<b>(5,663)</b>	<b>78</b>
Non-current assets	169,188	151,412
Non-current liabilities	101,575	89,981
<b>Net non-current assets</b>	<b>67,613</b>	<b>61,431</b>
<b>Net Assets</b>	<b>61,950</b>	<b>61,509</b>
<b>Accumulated Non controlling interest</b>	<b>31,621</b>	<b>31,156</b>

	Samvardhana Motherson Automotive Systems Group B.V.	
	March 31, 2020	March 31, 2019
<b>Summarised statement of profit and loss</b>		
Revenue	445,679	434,378
Profit for the year	175	7,529
Other comprehensive income	1,353	444
<b>Total comprehensive income</b>	<b>1,528</b>	<b>7,973</b>
Profit allocated to non controlling interest	1,018	4,566
Dividend paid to NCI	1,381	1,413

	Samvardhana Motherson Automotive Systems Group B.V.	
	March 31, 2020	March 31, 2019
<b>Summarised cash flows</b>		
Cash flows from operating activities	35,024	23,295
Cash flows from investing activities	(13,194)	(27,189)
Cash flows from financing activities	(11,623)	11,030
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>10,207</b>	<b>7,136</b>

C. Interest in associates companies consolidated using equity method of accounting

Name of the Company	Country of Incorporation	% of ownership interest March 31, 2020	Quoted fair value		Carrying amount	
			March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
SAKS Ancillaries Limited	India	40.01%	-*	-*	43	42
Re time Pty Limited (held by SMR) (Refer Note 50)	Australia		-*	-*		7
Hubei Zhengao PKC Automotive Wiring Company Ltd (held by PKC)	China	40%	-*	-*	875	842

\* Unlisted entity - no quoted price available

D. Interest in Joint ventures companies consolidated using equity method of accounting

Name of the Company	Country of Incorporation	% of ownership interest March 31, 2020	Quoted fair value		Carrying amount	
			March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Kyungshin Industrial Motherson Limited	India	50%	-*	-*	2,076	1,987
Calsonic Kansei Motherson Auto Products Private Limited	India	49%	-*	-*	685	683
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd. (through SMR) (Includes Chongqing SMR Huaxiang Automotive Products Limited & Tianjin SMR Huaxiang Automotive Part Co. Limited) <sup>1</sup>	China	50%	-*	-*	2,396	2,187
Eissmann SMP Automotive Interieur Slovensko s.r.o (through SMP Deutschland GmbH)	Slovakia	49%	-*	-*	267	408

\* Unlisted entity - no quoted price available

1. Chongqing SMR Huaxiang Automotive Products Limited is 100% subsidiary of Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd. and Tianjin SMR Huaxiang Automotive Part Co. Limited is 100% subsidiary of Chongqing SMR Huaxiang Automotive Products Limited.

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E. Summarised financial information of joint ventures

The table below provide summarised financial information for those joint venture that are material to the group.

Summarised balance sheet	Kyungshin Industrial Motherson Limited	Calsonic Kansei Motherson Auto Products Private Limited	Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	Eissmann SMP Automotive Interieur Slovensko
<b>March 31, 2020</b>				
<b>Current assets</b>				
Cash and cash equivalents	1,009	491	1,937	186
Other assets	5,496	1,493	4,207	667
<b>Total current assets</b>	<b>6,505</b>	<b>1,984</b>	<b>6,144</b>	<b>853</b>
<b>Total non-current assets</b>	<b>2,087</b>	<b>1,710</b>	<b>2,492</b>	<b>767</b>
<b>Current liabilities</b>				
Financial liabilities (excluding trade payables)	3,078	981	-	-
Other liabilities	936	640	3,812	1,054
<b>Total current liabilities</b>	<b>4,014</b>	<b>1,621</b>	<b>3,812</b>	<b>1,054</b>
<b>Total non-current liabilities</b>	<b>427</b>	<b>674</b>	<b>33</b>	<b>6</b>
Consolidation adjustments and currency translation adjustment	-	-	-	(15)
<b>Net assets</b>	<b>4,151</b>	<b>1,399</b>	<b>4,791</b>	<b>545</b>

Reconciliation to carrying amounts:

	Kyungshin Industrial Motherson Limited	Calsonic Kansei Motherson Auto Products Private Limited	Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	Eissmann SMP Automotive Interieur Slovensko
<b>March 31, 2020</b>				
<b>Opening net assets</b>	3,973	1,394	4,373	833
Profit for the year	396	42	863	(331)
Other comprehensive income	(10)	1	-	-
Exchange gain / (loss)	-	-	166	43
Dividend paid	(208)	(38)	(611)	-
<b>Closing net assets</b>	<b>4,151</b>	<b>1,399</b>	<b>4,791</b>	<b>545</b>
Group's share in %	50%	49%	50%	49%
Group's share in INR	2,076	685	2,396	267
<b>Carrying amount</b>	<b>2,076</b>	<b>685</b>	<b>2,396</b>	<b>267</b>

Summarised balance sheet	Kyungshin Industrial Motherson Limited	Calsonic Kansei Motherson Auto Products Private Limited	Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	Eissmann SMP Automotive Interieur Slovensko s.r.o
<b>March 31, 2019</b>				
<b>Current assets</b>				
Cash and cash equivalents	7	283	1,092	2
Other assets	5,431	1,403	4,926	605
<b>Total current assets</b>	<b>5,438</b>	<b>1,686</b>	<b>6,018</b>	<b>607</b>
<b>Total non-current assets</b>	<b>931</b>	<b>1,223</b>	<b>2,648</b>	<b>876</b>
<b>Current liabilities</b>				
Financial liabilities (excluding trade payables)	41	404	-	-
Other liabilities	2,305	738	4,242	620
<b>Total current liabilities</b>	<b>2,346</b>	<b>1,142</b>	<b>4,242</b>	<b>620</b>
<b>Total non-current liabilities</b>	<b>50</b>	<b>373</b>	<b>3</b>	<b>41</b>
Consolidation adjustments and currency translation adjustment	-	-	(48)	11
<b>Net assets</b>	<b>3,973</b>	<b>1,394</b>	<b>4,373</b>	<b>833</b>

**MOTHERSON SUMI SYSTEMS LIMITED**  
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(All amounts in INR Million, unless otherwise stated)

Reconciliation to carrying amounts:

	Kyungshin Industrial Motherson Limited	Calsonic Kansei Motherson Auto Products Private Limited	Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	Eissmann SMP Automotive Interieur Slovensko
<b>March 31, 2019</b>				
Opening net assets	3,694	1,298	3,664	881
Profit for the year	692	97	1,170	(31)
Other comprehensive income	2	(1)	-	-
Exchange gain / (loss)	-	-	(64)	(17)
Dividend paid	(415)	-	(397)	-
Closing net assets	3,973	1,394	4,373	833
Group's share in %	50%	49%	50%	49%
Group's share in INR	1,987	683	2,187	408
Goodwill	-	-	-	-
Carrying amount	1,987	683	2,187	408

**Summarised statement of profit and loss**

	Kyungshin Industrial Motherson Limited	Calsonic Kansei Motherson Auto Products Private Limited	Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	Eissmann SMP Automotive Interieur Slovensko
<b>March 31, 2020</b>				
Revenue	16,053	4,829	12,902	3,392
Interest income	76	24	17	-
Depreciation and amortisation	214	434	392	163
Interest expense	39	110	4	0
Income tax expense	146	133	119	-
Profit from continuing operation	396	42	863	(331)
Other comprehensive income	(10)	(0)	-	-
Total comprehensive income	386	42	863	(331)

	Kyungshin Industrial Motherson Limited	Calsonic Kansei Motherson Auto Products Private Limited	Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	Eissmann SMP Automotive Interieur Slovensko
<b>March 31, 2019</b>				
Revenue	13,834	4,255	13,092	3,479
Interest income	157	24	12	-
Depreciation and amortisation	56	276	395	149
Interest expense	3	67	(1)	0
Income tax expense	368	60	170	-
Profit from continuing operation	692	97	1,170	(31)
Other comprehensive income	2	(2)	-	-
Total comprehensive income	694	95	1,170	(31)

**F. Summarised financial information of Associate**

The table below provide summarised financial information for associate that is material to the group.

**Summarised balance sheet**

	Hubei Zhengao PKC Automotive Wiring Company Ltd.
<b>March 31, 2020</b>	
Current assets	3,300
Non-current assets	331
<b>Total assets</b>	<b>3,631</b>
Non-current liabilities	0
Current liabilities	1,568
<b>Total liabilities</b>	<b>1,568</b>
<b>Net assets</b>	<b>2,063</b>
Group Share %	40%



Reconciliation to carrying amounts:

	Hubei Zhengao PKC Automotive Wiring Company Ltd.
<b>March 31, 2020</b>	
Opening net assets	842
Profit for the year	92
Exchange gain / (loss)	73
Dividend paid	(132)
<b>Carrying amount</b>	<b>875</b>

Summarised balance sheet

	Hubei Zhengao PKC Automotive Wiring Company Ltd.
<b>March 31, 2019</b>	
Current assets	3,144
Non-current assets	301
<b>Total assets</b>	<b>3,445</b>
Current liabilities	1,353
<b>Total liabilities</b>	<b>1,353</b>
<b>Net assets</b>	<b>2,092</b>
Group Share	40%

Reconciliation to carrying amounts:

	Hubei Zhengao PKC Automotive Wiring Company Ltd.
<b>March 31, 2019</b>	
Opening net assets	649
Investment during the year	-
Profit for the year	161
Exchange gain / (loss)	32
<b>Carrying amount</b>	<b>842</b>

**G. Individually immaterial associates**

The group has interests in a number of individually immaterial associates that are accounted for using equity method. The group share of investment and profit is disclosed below.

	March 31, 2020	March 31, 2019
Aggregate carrying amount of individually immaterial associates	43	49
<b>Aggregate amounts of the group's share of:</b>		
Profit / (loss) from continuing operations	1	6

**H. Commitments and contingent liabilities in respect of associates and joint ventures**

	March 31, 2020	March 31, 2019
<b>Share of joint venture's contingent liabilities in respect of:</b>		
Excise matters	42	2
Unfulfilled export commitments under EPCG Scheme	115	108
Others	13	13
<b>Commitments - joint ventures</b>		
Share of joint venture's estimated value of contracts in capital account remaining to be executed, (Net of Advances)	13	112

49 Statutory group information required by Schedule III

March 31, 2020:

Sl. No.	Name of entity	Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Share in total comprehensive income <sup>1</sup>	
		As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount
1	Motherson Sumi Systems Ltd	42	62,443	69	8,988	(4)	(112)	57	8,876
	<b>Subsidiaries:</b>								
	<b>Indian:</b>								
2	Samvardhana Motherson Polymers Limited	0*	529	0*	(0)	0*	-	0*	(0)
3	Motherson Innovations Tech Limited (esrt MSSL Automobile Component Limited)	0*	2	0*	2	0*	-	0*	2
4	Motherson Polymers Compounding Solution Limited	0*	22	0*	9	0*	(0)	0*	9
5	SMR Automotive Systems India Ltd.	2	2,699	1	193	(2)	(52)	1	141
6	SMRC Automotive Products India Private Limited	1	1,376	(2)	(239)	0*	-	(2)	(239)
	<b>Foreign:</b>								
7	Samvardhana Motherson Reflectec Group Holdings Limited	13	19,970	17	2,194	0*	-	14	2,194
8	SMR Automotive Technology Holding, Cyprus Ltd.	3	3,933	5	701	0*	-	5	701
9	SMR Automotive Brasil LTDA.	1	902	1	160	0*	-	1	160
10	SMR Automotive Mirror Technology Holding Hungary KFT	1	2,082	5	608	0*	-	4	608
11	SMR Holding Australia Pty Limited	1	1,531	5	610	0*	-	4	610
12	SMR Automotive Australia Pty Limited	1	1,184	6	757	(1)	(29)	5	728
13	SMR Automotive Mirror Technology, Hungary BT	0*	583	(3)	(366)	(7)	(178)	(3)	(544)
14	SMR Automotive Systems, France S.A.	0*	(293)	(3)	(410)	(1)	(30)	(3)	(440)
15	SMR Automotive System (Thailand) Limited	0*	526	0*	(11)	0*	(9)	0*	(20)
16	SMR Automotive Mirror Parts and Holdings, UK Ltd.	8	12,027	16	2,054	(1)	(14)	13	2,041
17	SMR Patents S.à.r.l.	0*	(39)	1	174	0*	-	1	174
18	SMR Automotive Technology Valencia S.A.U.	0*	199	0*	6	0*	-	0*	6
19	SMR Automotive Mirrors UK Limited	1	923	2	219	0*	-	1	219
20	SMR Automotive Mirror Systems Holding Deutschland GmbH	1	1,615	6	797	0*	(2)	5	796
21	SMR Hyosang Automotive Ltd.	1	2,083	1	151	0*	(11)	1	140
22	SMR Automotive Modules Korea Ltd.	2	3,541	(1)	(159)	(11)	(297)	(3)	(456)
23	SMR Automotive Beteiligungen Deutschland GmbH	0*	147	0*	(11)	0*	-	0*	(11)
24	SMR Automotive Systems Spain S.A.U.	1	952	6	766	0*	-	5	766
25	SMR Automotive Servicios Mexico S.A de C.V. (Liquidated on July 2, 2019)	0*	-	0*	-	0*	-	0*	-
26	SMR Automotive Vision Systems Mexico S.A. de C.V.	2	2,746	5	688	(7)	(189)	3	499
27	SMR Automotive Mirror Stuttgart GmbH	1	1,006	4	508	(3)	(76)	3	432
28	SMR Grundbesitz GmbH & Co. KG	0*	256	0*	27	0*	-	0*	27
29	SMR Mirror UK Limited	1	1,315	31	3,954	0*	-	25	3,954
30	SMR Automotive Systems USA Inc.	3	4,653	29	3,702	0*	-	24	3,702
31	SMR Automotive Mirror International USA Inc.	11	15,795	36	4,638	4	94	30	4,731
32	SMR Automotive Vision System Operations USA INC	8	11,353	31	4,041	0*	-	26	4,041
33	SMR Automotive Beijing Company Limited	0*	395	0*	12	4	96	1	108
34	SMR Automotive Yancheng Co. Limited	1	769	0*	36	2	62	1	98
35	SMR Automotive Holding Hong Kong Limited	0*	473	0*	(2)	0*	-	0*	(2)
36	SMR Automotive Operations Japan k.k.	0*	(63)	(1)	(131)	0*	-	(1)	(131)
37	SMR Automotive (Langfang) Co. Limited	0*	64	1	75	0*	-	0*	75
38	SMR Automotives Systems Macedonia Dooel Skopje	0*	(14)	0*	(0)	0*	-	0*	(0)
39	SMR Automotive Industries RUS Limited Liability Company	0*	22	0*	2	0*	-	0*	2
40	Samvardhana Motherson Corp Management Shanghai Co.,Ltd	0*	82	0*	(37)	0*	-	0*	(37)
41	Re time Ply Limited (Refer note 50)	0*	16	0*	(8)	0*	-	0*	1
42	Samvardhana Motherson Global (FZE)	0*	177	1	109	0*	-	1	109
43	Motherson Innovations Company Limited	1	909	(7)	(895)	0*	-	(6)	(895)
44	Motherson Innovations Deutschland GmbH	0*	47	0*	8	0*	-	0*	8
45	Motherson Innovations LLC	0*	-	0*	-	0*	-	0*	-
46	Samvardhana Motherson Peguform GmbH	(1)	(912)	(10)	(1,234)	0*	-	(8)	(1,234)
47	SMP Automotive Exterior GmbH	1	1,823	(1)	(162)	0*	-	(1)	(162)
48	SMP Deutschland GmbH	9	13,693	19	2,435	(3)	(75)	15	2,360
49	SMP Logistik Service GmbH	0*	48	0*	1	0*	-	0*	1
50	SMP Automotive Solutions Slovakia s.r.o.	(1)	(1,467)	(1)	(78)	0*	-	0*	(78)
51	Changchun Peguform Automotive Plastics Technology Ltd	6	9,279	14	1,868	0*	-	12	1,868
52	Foshan Peguform Automotive Plastics Technology Co. Ltd.	0*	708	1	75	0*	-	0*	75

MOTHERSON SUMI SYSTEMS LIMITED  
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(All amounts in INR Million, unless otherwise stated)

Sl. No.	Name of entity	Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Share in total comprehensive income <sup>1</sup>	
		As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount
53	Shenyang SMP Automotive Plastic Component Co. Ltd.	0*	242	1	104	0*	-	1	104
54	SMP Automotive Technology Management Services (Changchun) Co. Ltd.	0*	(34)	0*	-	0*	-	0*	-
55	SMP Automotive Interiors (Beijing) Co. Ltd.	1	1,290	5	623	0*	-	4	623
56	SMP Automotive Technology Iberica S.L.	5	7,964	12	1,517	0*	-	10	1,517
57	SMP Automotive Technologies Teruel Sociedad Limitada	0*	233	1	116	0*	-	1	116
58	Samvardhana Motherson Peguform Barcelona S.L.U.	0*	352	2	283	0*	-	2	283
59	SMP Automotive Produtos Automotivos do Brasil Ltda	(1)	(1,937)	(16)	(2,041)	0*	-	(13)	(2,041)
60	SMP Automotive Systems México, S. A. de C. V.	4	5,596	3	448	(21)	(557)	(1)	(109)
61	Samvardhana Motherson Peguform Automotive Technology Portugal, S.A.	1	755	5	703	0*	-	5	703
62	Celulosa Fabril S.A.	1	2,093	5	646	0*	-	4	646
63	Modulos Ribera Alta S.L. Unipersonal	2	3,615	6	807	0*	-	5	807
64	Samvardhana Motherson Innovative Autosystems B.V. & Co. KG	2	2,782	(4)	(564)	0*	-	(4)	(564)
65	Samvardhana Motherson Innovative Autosystems Holding Company B.V.	0*	8	0*	0	0*	-	0*	0
66	Samvardhana Motherson Innovative Autosystems de Mexico, S.A. de C.V.	0*	449	(2)	(203)	0*	-	(1)	(203)
67	SM Real Estate GmbH	0*	148	0*	19	0*	-	0*	19
68	Motherson Innovations Lights GmbH & Co. KG	0*	36	0*	(45)	0*	-	0*	(45)
69	Motherson Innovations Lights Verwallungs GmbH	0*	2	0*	0	0*	-	0*	0
70	SMP Automotive Systems Alabama Inc.	(10)	(15,137)	(102)	(13,154)	0*	-	(84)	#####
71	Tianjin SMP Automotive Components Co. Ltd.	0*	129	0*	(52)	0*	-	0*	(52)
72	SMRC Automotive Interiors Management B.V.	0*	9	0*	-	0*	-	0*	-
73	SMRC Automotive Holdings B.V.	1	857	(1)	(136)	0*	-	(1)	(136)
74	SMRC Automotive Holdings Netherlands B.V.	4	6,045	(4)	(566)	0*	-	(4)	(566)
75	SMRC Automotives Techno Minority Holdings B.V.	0*	51	0*	3	0*	-	0*	3
76	SMRC Smart Automotive Interior Technologies USA, LLC	0*	-	0*	-	0*	-	0*	-
77	SMRC Automotive Modules France SAS	3	4,079	22	2,834	0*	8	18	2,842
78	Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U.	0*	704	0*	16	0*	-	0*	16
79	SMRC Automotive Interiors Spain S.L.U.	2	3,077	4	537	0*	-	3	537
80	SMRC Automotive Interior Modules Croatia d.o.o	0*	10	0*	1	0*	-	0*	1
81	Samvardhana Motherson Reydel Autotecc Morocco SAS	0*	247	(1)	(105)	0*	0	(1)	(105)
82	SMRC Automotive Technology RU LLC	0*	(188)	(3)	(445)	0*	-	(3)	(445)
83	SMRC Smart Interior Systems Germany GmbH	0*	96	0*	44	(1)	(23)	0*	22
84	SMRC Automotive Interiors Products Poland SA	0*	112	0*	7	0*	-	0*	7
85	SMRC Automotive Solutions Slovakia s.r.o	0*	419	(3)	(361)	0*	(2)	(2)	(363)
86	SMRC Automotive Holding South America B.V.	0*	395	0*	(28)	0*	-	0*	(28)
87	SMRC Automotive Modules South America Minority Holdings B.V.	0*	29	0*	(0)	0*	-	0*	(0)
88	SMRC Automotive Tech Argentina S.A.	0*	676	0*	(61)	0*	-	0*	(61)
89	SMRC Fabricacao e Comercio de Produtos Automotivos do Brasil Ltda	0*	461	0*	58	0*	-	0*	58
90	SMRC Automotive Smart Interior Tech (Thailand) Ltd.	1	758	0*	(24)	1	16	0*	(8)
91	SMRC Automotive Interiors Japan Ltd.	0*	13	0*	13	0*	(2)	0*	11
92	Shanghai Reydel Automotive Technology Consulting Co. Ltd.	0*	15	0*	3	0*	-	0*	3
93	PT SMRC Automotive Technology Indonesia	0*	(42)	0*	16	0*	-	0*	16
94	Yujin SMRC Automotive Techno Corp.	1	1,600	3	342	2	42	2	384
95	SMRC Automotives Technology Phil Inc.	0*	(27)	0*	(20)	0*	-	0*	(20)
96	PKC Group Ltd	7	10,246	8	1,080	0*	-	7	1,080
97	PKC Wiring Systems Oy	5	7,795	2	214	0*	-	1	214
98	PKC Netherlands Holding B.V (Liquidated on July 31, 2019)	0*	81	0*	4	0*	-	0*	4
99	PK Cables Netherland B.V.(Liquidated on July 31, 2019)	0*	(0)	0*	(3)	0*	-	0*	(3)
100	Wisetime Oy (become subsidiary w.e.f March 6, 2020, Refer Note 50)	0*	81	0*	4	0*	-	0*	
101	Motherson PKC Harness Systems FZ-LLC (incorporated on July 7, 2019)	0*	(0)	0*	(3)	0*	-	0*	
102	PKC Group Poland Sp. z o.o.	0*	(623)	(2)	(215)	0*	-	(1)	(215)
103	PKC SEGU Systemelektrik GmbH	0*	(212)	0*	59	0*	-	0*	59
104	PKC Wiring Systems Ltd.	0*	291	(2)	(214)	0*	-	(1)	(214)
105	PKC Eesti AS	10	14,195	8	1,057	0*	-	7	1,057

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Sl. No.	Name of entity	Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Share in total comprehensive income <sup>1</sup>	
		As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount
106	TKV-Sarjet Oy	0*	9	0*	2	0*	-	0*	2
107	OOO AEK	0*	409	0*	(42)	0*	-	0*	(42)
108	PKC Group Lithuania UAB	0*	459	1	94	0*	-	1	94
109	PK Cables do Brasil Ltda	0*	603	0*	(14)	0*	-	0*	(14)
110	PKC Group Canada Inc	0*	294	0*	(14)	0*	-	0*	(14)
111	PKC Group Mexico S.A. de C.V.	0*	127	0*	-	0*	-	0*	-
112	Project Del Holding S.à.r.l.	1	1,358	0*	(3)	0*	-	0*	(3)
113	AEES Manufacturera, S. De R.L. de C.V	0*	659	0*	0	0*	-	0*	0
114	Arneses de Ciudad Juarez, S. de R.L. de C.V.	0*	30	0*	(1)	0*	-	0*	(1)
115	Arneses y Accesorios de México, S. de R.L. de C.V.	0*	110	1	126	0*	-	1	126
116	Cableados del Norte II, S. de R.L. de C.V.	0*	201	0*	40	0*	-	0*	40
117	Asesoria Mexicana Empresarial, S. de R.L. de C.V.	0*	103	0*	15	0*	-	0*	15
118	Manufacturas de Componentes Electricos de Mexico S. de R.L. de C.V.	0*	3	0*	-	0*	-	0*	-
119	PKC Group de Piedras Negras, S. de R.L. de C.V.	0*	60	0*	28	0*	-	0*	28
120	PKC Group AEES Commercial, S. de R.L. de C.V.	0*	37	0*	19	0*	-	0*	19
121	PKC Group USA Inc.	(9)	(13,152)	(7)	(939)	0*	-	(6)	(939)
122	AEES Inc.	9	12,665	22	2,853	0*	-	18	2,853
123	AEES Power Systems Limited Partnership	1	2,191	2	241	0*	-	2	241
124	Fortitude Industries Inc.	1	855	0*	(45)	0*	-	0*	(45)
125	PKC Vehicle Technology (Hefei) Co., Ltd.	1	956	1	94	0*	-	1	94
126	PKG Vehicle technology (Suzhou) Co. Ltd.	0*	(111)	2	278	0*	-	2	278
127	Jiangsu Huakai-PKC Wire Harness Co., Ltd.	3	4,073	1	154	0*	-	1	154
128	Shandong Huakai-PKC Wire Harness Co. Ltd.	1	1,163	1	146	0*	-	1	146
129	PKC Group APAC Ltd.	(1)	(2,019)	(1)	(191)	0*	-	(1)	(191)
130	Kabel Technik Polska Sp. z o.o.	1	848	0*	(22)	0*	-	0*	(22)
131	PKC Group Poland Holding Sp. z o.o.	1	770	0*	13	0*	-	0*	13
132	Groclin Luxembourg S.à.r.l.	1	1,863	0*	(2)	0*	-	0*	(2)
133	Motherson Rolling Stock Systems GB Limited	1	990	5	681	0*	-	4	681
134	MSSL Mideast (FZE)	16	24,457	6	804	0*	-	5	804
135	MSSL (GB) Limited	23	34,487	16	2,319	0*	-	15	2,319
136	MSSL Mauritius Holdings Limited	4	5,549	5	651	0*	-	4	651
137	Samvardhana Motherson Global Holdings Limited Cyprus	50	74,124	0*	14	0*	-	0*	14
138	MSSL (S) Pte Limited	1	1,128	0*	6	0*	-	0*	6
139	Motherson Electrical Wires Lanka Private Limited	0*	446	2	296	0*	(0)	2	296
140	MSSL Consolidated Inc. USA	1	1,753	13	1,688	0*	-	11	1,688
141	MSSL Wiring Systems Inc	3	4,539	11	1,425	(8)	(198)	8	1,227
142	Alphabet De Mexico S.A. de C.V	0*	86	0*	57	0*	-	0*	57
143	Alphabet De Saltillo S.A. de C.V.	0*	(10)	0*	(27)	0*	-	0*	(27)
144	Alphabet De Mexico de Monclova S.A. de C.V	0*	12	0*	(0)	0*	-	0*	(0)
145	MSSL Wirings Juarez S.A. de C.V.	0*	5	0*	4	0*	-	0*	4
146	MSSL Japan Limited	0*	27	0*	(28)	0*	-	0*	(28)
147	MSSL Mexico S.A. De C.V.	0*	710	1	122	0*	(10)	1	112
148	MSSL WH System (Thailand) Co. Ltd.	0*	394	1	124	0*	-	1	124
149	MSSL Korea WH Limited	0*	(13)	0*	(5)	0*	-	0*	(5)
150	MSSL Ireland Private Limited	0*	32	0*	2	0*	-	0*	2
151	MSSL s.r.l. Unipersonale	0*	14	0*	3	0*	-	0*	3
152	MSSL Estonia WH OU	1	1,889	15	1,943	0*	-	12	1,943
153	MSSL Australia Pty Limited	0*	267	1	116	0*	-	1	116
154	Motherson Elastomers Pty Limited	0*	372	1	113	0*	-	1	113
155	Motherson Investments Pty Limited	0*	14	0*	5	0*	-	0*	5
156	MSSL Global RSA Module Engineering Limited	1	1,361	6	745	0*	-	5	745
157	Vacuform 2000 (Proprietary) Limited	0*	37	0*	6	0*	-	0*	6
158	MSSL GMBH	1	1,225	0*	(44)	0*	-	0*	(44)
159	Samvardhana Motherson Invest Deutschland GmbH	0*	70	0*	0	0*	-	0*	0
160	MSSL Advanced Polymers s.r.o.	0*	488	0*	46	0*	-	0*	46
161	Motherson Techno Precision GmbH	0*	55	0*	(25)	0*	-	0*	(25)
162	Samvardhana Motherson Polymers Management Germany GMBH (Merged with MSSL GmbH from August 30, 2019)	0*	-	0*	-	0*	-	0*	-
163	Motherson Techno Precision México, S.A. de C.V	0*	(118)	0*	9	0*	-	0*	9
164	MSSL Manufacturing Hungary Kft	0*	39	0*	3	0*	-	0*	3
165	Motherson Air Travel Pvt Ltd	0*	(513)	(2)	(197)	0*	-	(4)	(566)
166	MSSL Tooling (FZE)	1	1,658	4	458	0*	-	3	458
167	Motherson Wiring System (FZE)	0*	(115)	0*	6	0*	-	0*	6
168	Global Environment Management (FZC)	0*	(62)	0*	6	0*	-	0*	6
169	Samvardhana Motherson Automotive Systems Group B.V.	65	96,929	38	4,858	11	288	33	5,146
170	MSSL M Tooling Ltd.	0*	-	0*	-	0*	-	0*	-
171	Motherson Osia Innovation llc.	0*	-	0*	-	0*	-	0*	-

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		As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount
	<b>Associates (Investment as per Equity method)</b>								
	<b>Indian:</b>								
172	SAKS Ancillaries Limited	0*	42	0*	-	0*	-	0*	-
	<b>Foreign:</b>								
173	Hubei Zhengao PKC Automotive Wiring Company Ltd.	1	825	1	92	0*	-	1	92
	<b>Joint Ventures (Investment as per Equity method)</b>								
	<b>Indian:</b>								
174	Kyungshin Industrial Motherson Limited	1	2,077	2	198	0*	(5)	1	193
175	Calsonic Kansei Motherson Auto Products Private Limited	0*	627	0*	21	0*	(0)	0*	20
	<b>Foreign:</b>								
176	Eissmann SMP Automotive Interieur Slovensko s.r.o	0*	319	(1)	(189)	0*	-	(1)	(189)
177	Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd	3	3,726	3	398	0*	-	3	398
178	Chongqing SMR Huaxiang Automotive Products	1	806	0*	35	0*	-	0*	35
179	Tianjin SMR Huaxiang Automotive Part Co. Limited	0*	43	0*	(1)	0*	-	0*	(1)
	<b>Minority Interest in All Subsidiaries</b>	(24)	(35,650)	(10)	(1,244)	(31)	(822)	(13)	(2,066)

MOTHERSON SUMI SYSTEMS LIMITED  
Notes to the consolidated financial statements

(All amounts in INR Million, unless otherwise stated)

March 31, 2019:

Sl. No.	Name of entity	Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Share in total comprehensive income <sup>1</sup>	
		As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount
1	Motherson Sumi Systems Ltd	45	64,381	39	8,137	30	(56)	39	8,082
	<b>Subsidiaries:</b>								
	<b>Indian:</b>								
2	Samvardhana Motherson Polymers Limited	0*	525	0*	(1)	0*	-	0*	(1)
3	Motherson Innovations Tech Limited (esrt MSSL Automobile Component Limited)	0*	0	0*	(0)	0*	-	0*	(0)
4	Motherson Polymers Compounding Solution Limited	0*	13	0*	7	0*	(0)	0*	7
5	SMR Automotive Systems India Ltd.	2	2,604	2	512	123	(226)	1	286
6	SMRC Automotive Products India Private Limited	1	1,615	1	112	0*	-	1	112
	<b>Foreign:</b>								
7	Samvardhana Motherson Reflectec Group Holdings Limited	12	16,826	12	2,475	0*	-	12	2,475
8	SMR Automotive Technology Holding, Cyprus Ltd.	4	5,450	3	641	0*	-	3	641
9	SMR Automotive Brasil LTDA.	1	931	0*	80	510	(934)	(4)	(854)
10	SMR Automotive Mirror Technology Holding Hungary KFT	2	2,431	4	833	344	(630)	1	203
11	SMR Holding Australia Pty Limited	1	1,621	4	764	(181)	332	5	1,096
12	SMR Automotive Australia Pty Limited	1	1,140	3	682	52	(95)	3	587
13	SMR Automotive Mirror Technology, Hungary BT	1	1,268	(12)	(2,603)	(29)	54	(12)	(2,549)
14	SMR Automotive Systems, France S.A.	0*	120	(3)	(731)	23	(42)	(4)	(772)
15	SMR Automotive System (Thailand) Limited	0*	504	0*	9	(54)	98	1	107
16	SMR Automotive Mirror Parts and Holdings, UK Ltd.	8	11,084	12	2,579	6	(12)	12	2,568
17	SMR Patents S.a.r.l.	0*	(208)	(1)	(214)	0*	-	(1)	(214)
18	SMR Automotive Technology Valencia S.A.U.	0*	180	0*	5	0*	-	0*	5
19	SMR Automotive Mirrors UK Limited	0*	539	1	282	0*	-	1	282
20	SMR Automotive Mirror Systems Holding Deutschland GmbH	1	2,057	8	1,628	0*	-	8	1,628
21	SMR Hyosang Automotive Ltd.	1	1,876	2	323	(78)	142	2	465
22	SMR Automotive Modules Korea Ltd.	3	3,667	1	133	59	(108)	0*	25
23	SMR Automotive Beteiligungen Deutschland GmbH	0*	148	0*	(53)	0*	-	0*	(53)
24	SMR Automotive Systems Spain S.A.U.	0*	616	3	597	0*	-	3	597
25	SMR Automotive Servicios Mexico S.A. de C.V. (Liquidated on July 2, 2019)	0*	48	0*	(0)	8	(15)	0*	(15)
26	SMR Automotive Vision Systems Mexico S.A. de C.V.	2	2,848	3	643	(127)	233	4	876
27	SMR Automotive Mirror Stuttgart GmbH	0*	432	(3)	(539)	45	(82)	(3)	(621)
28	SMR Grundbesitz GmbH & Co. KG	0*	212	0*	(23)	0*	-	0*	(23)
29	SMR Mirror UK Limited	1	1,389	5	1,052	0*	-	5	1,052
30	SMR Automotive Systems USA Inc.	4	5,162	20	4,246	(506)	926	25	5,171
31	SMR Automotive Mirror International USA Inc.	10	14,588	24	5,034	(312)	570	27	5,604
32	SMR Automotive Vision System Operations USA INC	4	6,449	10	2,137	(452)	827	14	2,964
33	SMR Automotive Beijing Company Limited	0*	369	0*	6	(84)	153	1	159
34	SMR Automotive Yancheng Co. Limited	0*	706	9*	(19)	(85)	155	1	136
35	SMR Automotive Holding Hong Kong Limited	0*	441	0*	(1)	0*	-	0*	(1)
36	SMR Automotive Operations Japan k.k.	0*	70	0*	10	(1)	2	0*	12
37	SMR Automotive (Langfang) Co. Limited	0*	(14)	0*	(23)	(37)	68	0*	46
38	SMR Automotives Systems Macedonia Dooel Skopje	0*	(13)	0*	0	0*	-	0*	0
39	SMR Automotive Industries RUS Limited Liability Company	0*	20	0*	0	3	(5)	0*	(4)
40	Samvardhana Motherson Peguform GmbH	(1)	(1,336)	(8)	(1,746)	0*	-	(8)	(1,746)
41	SMP Automotive Exterior GmbH	1	1,546	(1)	(220)	0*	-	(1)	(220)
42	SMP Deutschland GmbH	11	15,500	29	5,998	22	(40)	29	5,958
43	SMP Logistik Service GmbH	0*	44	0*	1	0*	-	0*	1
44	SMP Automotive Solutions Slovakia s.r.o.	(1)	(1,289)	0*	(1)	0*	-	0*	(1)
45	Changchun Peguform Automotive Plastics Technology Ltd.	6	8,310	13	2,687	0*	-	13	2,687
46	Foshan Peguform Automotive Plastics Technology Co. Ltd.	0*	278	0*	65	0*	-	0*	65
47	Shenyang SMP Automotive Plastic Component Co. Ltd.	0*	129	0*	(78)	0*	-	0*	(78)
48	SMP Automotive Technology Management Services (Changchun) Co. Ltd.	0*	(33)	0*	2	0*	-	0*	2
49	SMP Automotive Interiors (Beijing) Co. Ltd.	1	977	3	575	0*	-	3	575

MOTHERSON SUMI SYSTEMS LIMITED  
Notes to the consolidated financial statements

(All amounts in INR Million, unless otherwise stated)

Sl. No.	Name of entity	Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Share in total comprehensive income <sup>1</sup>	
		As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount
50	SMP Automotive Technology Iberica S.L.	4	5,421	3	574	0*	-	3	574
51	SMP Automotive Technologies Teruel Sociedad Limitada	0*	209	1	111	0*	-	1	111
52	Samvardhana Motherson Peguform Barcelona S.L.U.	0*	389	2	355	0*	-	2	355
53	SMP Automotive Produtos Automotivos do Brasil Ltda	(1)	(1,261)	(8)	(1,662)	0*	-	(8)	(1,662)
54	SMP Automotive Systems México, S. A. de C.V.	4	5,351	6	1,297	(434)	795	10	2,092
55	Samvardhana Motherson Peguform Automotive Technology Portugal, S.A.	0*	553	2	422	0*	-	2	422
56	Celulosa Fabril S.A.	2	2,476	3	734	0*	-	4	734
57	Modulos Ribera Alta S.L. Unipersonal	2	2,570	2	505	0*	-	2	505
58	Samvardhana Motherson Innovative Autosystems B.V. & Co. KG	2	3,145	(3)	(733)	0*	-	(4)	(733)
59	Samvardhana Motherson Innovative Autosystems Holding Company B.V.	0*	7	0*	0	0*	-	0*	0
60	Samvardhana Motherson Innovative Autosystems de Mexico, S.A. de C.V.	0*	701	0*	87	0*	-	0*	87
61	SM Real Estate GmbH	0*	118	0*	40	0*	-	0*	40
62	Motherson Innovations Lights GmbH & Co. KG	0*	77	0*	(27)	0*	-	0*	(27)
63	Motherson Innovations Lights Verwaltungs GmbH	0*	2	0*	0	0*	-	0*	0
64	SMP Automotive Systems Alabama Inc.	(1)	(744)	(32)	(6,701)	0*	-	(32)	(6,701)
65	Tianjin SMP Automotive Components Co. Ltd.	0*	177	(1)	(134)	0*	-	(1)	(134)
66	SMRC Automotive Interiors Management B.V.	0*	10	4	750	0*	-	4	750
67	SMRC Automotive Holdings B.V.	1	1,029	24	5,006	0*	-	24	5,006
68	SMRC Automotive Holdings Netherlands B.V.	4	6,184	9	1,866	0*	-	9	1,866
69	SMRC Automotives Techno Minority Holdings B.V.	0*	44	0*	7	0*	-	0*	7
70	SMRC Smart Automotive Interior Technologies USA, LLC	0*	-	0*	-	0*	-	0*	-
71	SMRC Automotive Modules France SAS	1	998	1	168	0*	(0)	1	167
72	Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U.	0*	639	0*	5	0*	-	0*	5
73	SMRC Automotive Interiors Spain S.L.U.	2	2,335	3	569	0*	0	3	569
74	SMRC Automotive Interior Modules Croatia d.o.o	0*	8	0*	1	0*	-	0*	1
75	Samvardhana Motherson Reydel Autotecc Morocco SAS	0*	338	0*	15	0*	-	0*	15
76	SMRC Automotive Technology RU LLC	0*	222	0*	5	0*	-	0*	5
77	SMRC Smart Interior Systems Germany GmbH	0*	57	0*	1	10	(17)	0*	(16)
78	SMRC Automotive Interiors Products Poland SA	0*	104	0*	(4)	0*	-	0*	(4)
79	SMRC Automotive Solutions Slovakia s.r.o	1	747	0*	(4)	0*	(0)	0*	(5)
80	SMRC Automotive Holding South America B.V.	0*	308	0*	(25)	0*	-	0*	(25)
81	SMRC Automotive Modules South America Minority Holdings B.V.	0*	29	0*	(1)	0*	-	0*	(1)
82	SMRC Automotive Tech Argentina S.A.	0*	542	0*	(39)	0*	-	0*	(39)
83	SMRC Fabricacao e Comercio de Produtos Automotivos do Brasil Ltda	0*	708	0*	70	0*	-	0*	70
84	SMRC Automotive Smart Interior Tech (Thailand) Ltd.	1	730	1	171	(4)	7	1	178
85	SMRC Automotive Interiors Japan Ltd.	0*	(0)	0*	(10)	1	(1)	0*	(11)
86	Shanghai Reydel Automotive Technology Consulting Co. Ltd.	0*	12	0*	2	0*	-	0*	2
87	PT SMRC Automotive Technology Indonesia	0*	(60)	0*	(4)	0*	-	0*	(4)
88	Yujin SMRC Automotive Techno Corp.	1	1,463	0*	60	(8)	15	0*	75
89	SMRC Automotives Technology Phil Inc.	0*	(4)	0*	(24)	0*	-	0*	(24)
90	PKC Group Ltd	6	9,268	(1)	(225)	0*	-	(1)	(225)
91	PKC Netherlands Holding B.V. (Liquidated on July 31, 2019)	1	931	0*	(36)	0*	-	0*	(36)
92	PK Cables Nederland B.V. ((Liquidated on July 31, 2019)	0*	5	0*	(0)	0*	-	0*	(0)
93	PKC Wiring Systems Oy	5	7,845	15	3,209	0*	-	15	3,209
94	PKC Group Poland Sp. z o.o.	0*	(396)	(1)	(291)	0*	-	(1)	(291)
95	PKC SEGU Systemelektrik GmbH	0*	(255)	0*	(60)	0*	-	0*	(60)
96	PKC Wiring Systems Llc	0*	482	0*	57	0*	-	0*	57
97	PKC Eesti AS	8	12,173	7	1,499	0*	-	7	1,499
98	TKV-Sarjat Oy	0*	6	0*	(1)	0*	-	0*	(1)
99	OOO AEK	0*	487	1	206	0*	-	1	206
100	PKC Group Lithuania UAB	0*	334	1	128	0*	-	1	128
101	PK Cables do Brasil Ltda	1	990	0*	(5)	0*	-	0*	(5)
102	PKC Group Canada Inc.	0*	297	0*	8	0*	-	0*	8
103	PKC Group Mexico S.A. de C.V.	0*	142	0*	-	0*	-	0*	-
104	Proiect Del Holding S.à.r.l.	1	1,267	3	559	0*	-	3	559
105	AEES Manufacturera, S. De R.L. de C.V	1	738	0*	99	0*	-	0*	99

MOTHERSON SUMI SYSTEMS LIMITED  
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(All amounts in INR Million, unless otherwise stated)

Sl. No.	Name of entity	Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Share in total comprehensive income <sup>1</sup>	
		As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount
106	Ames de Ciudad Juarez, S. de R.L. de C.V.	0*	38	0*	11	0*	-	0*	11
107	Ames y Accesorios de México, S. de R.L. de C.V.	0*	29	1	157	0*	-	1	157
108	Cableados del Norte II, S. de R.L. de C.V.	0*	204	0*	52	0*	-	0*	52
109	Asesoría Mexicana Empresarial, S. de R.L. de C.V.	0*	104	0*	15	0*	-	0*	15
110	Manufacturas de Componentes Electricos de Mexico S. de R.L. de C.V.	0*	3	0*	(0)	0*	-	0*	(0)
111	PKC Group de Piedras Negras, S. de R.L. de C.V.	0*	50	0*	27	0*	-	0*	27
112	PKC Group AEES Commercial, S. de R.L. de C.V.	0*	23	0*	1	0*	-	0*	1
113	PKC Group USA Inc.	(8)	(11,122)	(5)	(1,017)	0*	-	(5)	(1,017)
114	AEES Inc.	7	9,437	13	2,722	0*	-	13	2,722
115	AEES Power Systems Limited Partnership	1	1,770	1	227	0*	-	1	227
116	Fortitude Industries Inc.	1	826	0*	47	0*	-	0*	47
117	PKC Vehicle Technology (Hefe) Co., Ltd	1	827	0*	(48)	0*	-	0*	(48)
118	PKC Vehicle technology (Suzhou) Co. Ltd	0*	(637)	(1)	(155)	0*	-	(1)	(155)
119	Jiangsu Huakai-PKC Wire Harness Co., Ltd	3	3,776	3	594	0*	-	3	594
120	Shandong Huakai-PKC Wire Harness Co. Ltd	0*	510	0*	12	0*	-	0*	12
121	PKC Group APAC Ltd.	(1)	(1,534)	(1)	(178)	0*	-	(1)	(178)
122	Kabel Technik Polska Sp. z o.o.	1	871	0*	(79)	0*	-	0*	(79)
123	PKC Group Poland Holding Sp. z o.o.	1	745	0*	(23)	0*	-	0*	(23)
124	Groclin Luxembourg S.à r.l.	1	1,736	0*	(2)	0*	-	0*	(2)
125	Motherson Rolling Stock Systems GB Limited	0*	270	0*	-	0*	-	0*	-
126	MSSL Mideast (FZE)	17	24,303	4	767	0*	-	4	767
127	MSSL (GB) Limited	21	30,805	5	1,126	0*	-	5	1,126
128	MSSL Mauritius Holdings Limited	3	4,525	3	560	0*	-	3	560
129	Samvardhana Motherson Global Holdings Limited Cyprus	48	68,987	0*	(53)	0*	-	0*	(53)
130	MSSL (S) Pte Limited	1	1,077	1	162	0*	-	1	162
131	Motherson Electrical Wires Lanka Private Limited	0*	548	2	365	0*	1	2	366
132	MSSL Consolidated Inc. USA	1	995	(1)	(107)	0*	-	(1)	(107)
133	MSSL Wiring Systems Inc	3	3,995	7	1,531	3	(6)	7	1,526
134	Alphabet De Mexico S.A. de C.V.	0*	133	0*	78	0*	-	0*	78
135	Alphabet De Saitillo S.A. de C.V.	0*	63	0*	55	0*	-	0*	55
136	Alphabet De Mexico de Monclova S.A. de C.V.	0*	75	0*	66	0*	-	0*	66
137	MSSL Wirings Juarez S.A. de C.V.	0*	2	0*	2	0*	-	0*	2
138	MSSL Japan Limited	0*	51	0*	(40)	0*	-	0*	(40)
139	MSSL Mexico S.A. De C.V.	0*	541	0*	77	2	(4)	0*	73
140	MSSL WH System (Thailand) Co. Ltd.	0*	254	1	111	0*	-	1	111
141	MSSL Korea WH Limited	0*	(7)	0*	(3)	0*	-	0*	(3)
142	MSSL Ireland Private Limited	0*	28	0*	0	0*	-	0*	0
143	MSSL s.r.l. Unipersonale	0*	10	0*	3	0*	-	0*	3
144	MSSL Estonia WH OU	0*	(154)	1	141	0*	-	1	141
145	MSSL Australia Pty Limited	0*	164	0*	76	0*	-	0*	76
146	Motherson Elastomers Pty Limited	0*	390	0*	99	0*	-	0*	99
147	Motherson Investments Pty Limited	0*	9	0*	5	0*	-	0*	5
148	MSSL Global RSA Module Engineering Limited	1	1,367	4	792	0*	-	4	792
149	Vacuum 2000 (Proprietary) Limited	0*	36	0*	13	0*	-	0*	13
150	MSSL GMBH	1	1,039	0*	(72)	0*	-	0*	(72)
151	Samvardhana Motherson Invest Deutschland GmbH	0*	70	0*	0	0*	-	0*	0
152	MSSL Advanced Polymers s.r.o.	0*	439	0*	(67)	0*	-	0*	(67)
153	Motherson Techno Precision GmbH	0*	74	0*	1	0*	-	0*	1
154	Samvardhana Motherson Polymers Management Germany GMBH (Merged with MSSL GmbH from August 30, 2019)	0*	2	0*	(0)	0*	-	0*	(0)
155	Motherson Techno Precision México, S.A. de C.V.	0*	(138)	0*	36	0*	-	0*	36
156	MSSL Manufacturing Hungary Kft	0*	34	0*	(96)	0*	-	0*	(96)
157	Motherson Air Travel Pvt Ltd	0*	(283)	(1)	(181)	0*	-	(1)	(181)
158	MSSL Tooling (FZE)	1	1,090	1	273	0*	-	1	273
159	Motherson Wiring System (FZE)	0*	(114)	0*	4	0*	-	0*	4
160	Global Environment Management (FZC)	0*	(71)	0*	1	0*	-	0*	1
161	Global Environment Management Australia Pty Limited (liquidated on April 20, 2018)	0*	-	0*	-	0*	-	0*	-
162	Samvardhana Motherson Global (FZE)	0*	118	0*	95	(1)	1	0*	96
163	Motherson Innovations Company Limited	1	1,262	(4)	(839)	0*	-	(4)	(839)
164	Motherson Innovations Deutschland GmbH	0*	36	0*	6	0*	-	0*	6
165	Motherson Innovations LLC	0*	-	0*	-	0*	-	0*	-
166	Samvardhana Motherson Corp Management Shanghai Co., Ltd	0*	77	0*	(4)	(2)	3	0*	(1)
167	Samvardhana Motherson Automotive Systems Group B.V.	58	84,458	42	8,818	166	(303)	41	8,515
168	MSSL M Tooling Ltd	0*	-	0*	-	0*	-	0*	-
169	Motherson Osia Innovation llc.	0*	-	0*	-	0*	-	0*	-



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(All amounts in INR Million, unless otherwise stated)

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		As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount
	<b>Associates (Investment as per Equity method)</b>								
	<b>Indian:</b>								
170	SAKS Ancillaries Limited	0*	42	0*	4	0*	-	0*	4
	<b>Foreign:</b>								
171	Hubei Zhengao PKC Automotive Wiring Company Ltd.	1	842	1	161	0*	-	1	161
172	Re time Pty Limited	0*	7	0*	2	0*	-	0*	2
	<b>Joint Ventures (Investment as per Equity method)</b>								
	<b>Indian:</b>								
173	Kyungshin Industrial Motherson Limited	1	1,988	2	346	(1)	1	2	347
174	Calsonic Kansei Motherson Auto Products Private Limited	0*	625	0*	47	0*	(1)	0*	47
	<b>Foreign:</b>								
175	Eissmann SMP Automotive Interieur Slovensko s.r.o	0*	415	0*	(15)	0*	-	0*	(15)
176	Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	2	3,441	2	518	0*	-	2	518
177	Chongqing SMR Huaxiang Automotive Products	1	1,032	0*	67	0*	-	0*	67
178	Tianjin SMR Huaxiang Automotive Part Co. Limited	0*	41	0*	0	0*	-	0*	0
	<b>Minority Interest in All Subsidiaries</b>	(24)	(34,797)	(23)	(4,850)	93	(170)	(24)	(5,020)

<sup>1</sup> The aforementioned amounts are before group adjustments and intercompany eliminations

\* is below the rounding off norm adopted by the Company

50 Business combination

A) Acquisition of Motherson Rolling Stock Systems GB Limited

One of the subsidiaries of the group, Motherson Rolling Stock Systems GB Limited, signed a definitive agreement with Bombardier Transportation (Rolling Stock) UK Ltd. ("Bombardier") on February 28, 2019 and acquired Bombardier's assets in connection with the production and installation of electrical components and systems for applications in the rail industry, comprising among others the manufacturing of wiring harnesses, panel and cabinet build and electromechanical assemblies in Derby, UK, effective from April 01, 2019

Through this, MSSL will expand its supply of electricals and wiring systems to Bombardier Transportation, to cover UK rolling stock projects.

i) Assets and Liabilities recognized as result of acquisition are as follows:

Particulars	Amount in INR Million
<b>ASSETS / (LIABILITIES)</b>	
Property, plant and equipment	54
Intangible assets	509
Inventories	561
Deferred tax liabilities (net)	(102)
<b>Net identifiable assets acquired</b>	<b>1,022</b>
<b>ii) Calculation of goodwill / (gain on bargain purchase)</b>	
Purchase consideration	851
Net identifiable assets acquired	1,022
<b>Goodwill / (gain on bargain purchase)</b>	<b>(171)</b>

The Group recognised gain on bargain purchase of INR 171 million (GBP 1.88 million) being excess of fair value of identifiable net assets assumed on acquisition over the purchase consideration. The gain has been recognised under capital reserve on consolidation.

B) Acquisition of Wisetime Oy

On March 06, 2020, the group through one of its step down subsidiary (PKC Group Ltd) additionally acquired 81% shares of Wisetime Oy. The Group already held 19% shares of Wisetime Oy, therefore it now became 100% subsidiary of the Group.

Wisetime Oy is a Finnish software company founded in 1991 and has long-term experience in developing industrial Enterprise Resource Planning (ERP) systems.

Wisetime now being part of the Group, will provide growth opportunities and enhances Group's diversification into information technology sector.

i) Assets and Liabilities recognized as result of acquisition are as follows:

Particulars	Amount in INR Million
<b>ASSETS / (LIABILITIES)</b>	
Property, plant and equipment	15
Intangible assets	97
Trade receivables	34
Cash and cash equivalents	74
Borrowings	(13)
Deferred tax liabilities (net)	(20)
Trade payables	(3)
Other current liabilities	(31)
<b>Net identifiable assets acquired</b>	<b>153</b>
<b>ii) Calculation of goodwill / (gain on bargain purchase)</b>	
Purchase consideration (including fair value of shares held)	444
Net identifiable assets acquired	153
<b>Goodwill / (gain on bargain purchase)</b>	<b>291</b>

The Group had initially recognised goodwill amounting to INR 291 million (EUR 3.5 million) after provisional fair valuation of its Assets and liabilities, recorded in these consolidated financial statements.

C) Acquisition of Re-Time Pty Limited

On August 08, 2019 the Group acquired 71.4% stake in Re-Time Pty Limited

Re-Time Pty Ltd was formed in 2010 to help people re-time their body clocks and improve sleep through Re-Timer light therapy glasses. The company is dedicated to helping people sleep, and to feel and perform better by using the latest sleep science. Re-Timer is assembled in a state of the art clean room, in Adelaide, Australia. Re-Timer has been sold in more than 40 different countries worldwide and is the world's number one selling wearable light therapy device.

The acquisition enhances Group's diversification into health sector.

i) Assets and Liabilities recognized as result of acquisition are as follows:

Particulars	Amount In INR Million
<b>ASSETS / (LIABILITIES)</b>	
Property, plant and equipment	11
Intangible assets	3
Inventories	11
Trade receivables	0
Cash and cash equivalents	13
Borrowings	(5)
Provisions	(2)
Accrued employee liabilities	(1)
Trade payables	(2)
<b>Net Identifiable assets acquired</b>	<b>28</b>
- thereof attributable to non-controlling interests	8
<b>Total Identifiable net assets attributable to the Group</b>	<b>20</b>
<b>ii) Calculation of goodwill / (gain on bargain purchase)</b>	
Purchase consideration	20
Net identifiable assets acquired	20
<b>Goodwill / (Bargain gain)</b>	<b>-</b>

D) Acquisition of Reydel Automotive Holdings B.V. and Reydel Automotive Management B.V.

On August 02, 2018, the Company through one of its step down subsidiary, Samvardhana Motherson Automotive Systems Group B.V. (SMRP BV) acquired 100% stake in Reydel Automotive Holdings B.V. and Reydel Automotive Management B.V. (jointly Reydel Automotive Group) at a consideration of EUR 173.0 million (INR 13,767 million).

Reydel Automotive Group is a leading global developer and supplier of interior components to the global automotive manufacturers. Reydel's Interiors Product Portfolio includes Instrument Panels, Door Panels, Console Modules, Decorative Parts and Cockpit Modules. Reydel Automotive Group has been subsequently renamed as "Samvardhana Motherson Reydel Companies". (hereinafter referred to as "SMRC"). The acquisition enhances Group's diversification across customer portfolio and geographical footprint.

Value of the assets and liabilities recognised as a results of acquisitions are as follows:

i) Assets and Liabilities recognized as result of acquisition are as follows:

Particulars	Amount in INR Million
<b>ASSETS / (LIABILITIES)</b>	
Property, plant and equipment	11,388
Capital work in progress	1,000
Other intangible assets (including intangible assets under development)	1,610
Deferred tax assets (net)	487
Other non-current assets	1,914
Inventories	1,677
Trade receivables	11,918
Cash and cash equivalents	6,550
Other current assets	4,485
Borrowings	(3,512)
Provisions	(259)
Accrued employee liabilities	(4,011)
Deferred tax liabilities (net)	(1,235)
Other non-current liabilities	(1,674)
Trade payables	(12,379)
Other current liabilities	(2,097)
<b>Net Identifiable assets acquired</b>	<b>15,863</b>

**MOTHERSON SUMI SYSTEMS LIMITED**  
**Notes to the consolidated financial statements**

(All amounts in INR Million, unless otherwise stated)

**ii) Calculation of goodwill / (gain on bargain purchase)**

	Amount in INR Million
Purchase consideration	13,767
Non controlling interest acquired	1,128
Net identifiable assets acquired	<u>(15,863)</u>
<b>Gain on bargain purchase</b>	<b>(968)</b>

The Group recognised gain on bargain purchase of INR 968 Million (EUR 12.2 million) being excess of fair value of identifiable net assets assumed on acquisition over the purchase consideration. The gain has been recognised under capital reserve on consolidation after allocating share to non controlling interest. The group determined that the excess of fair value over consideration paid is largely attributable to increase in fair values of property, plant and equipment over their book values as well as recognition of intangible assets in respect of customer relationships of SMRC amongst other items, as netted off by related tax impacts.

Gain on bargain purchase resulted from combination of Group's unique position to complement Reydel's business portfolio, its potential ability to manage and grow the business through synergies and a limited number of potential buyers which gave us sufficient purchasing power to achieve a beneficial transaction.

51 During the year, the Group has recognised an expense of INR 74 million (31 March 2019: Nil) toward its proportionate share of costs allocated by the Samvardhana Employees Welfare Trust ('the Trust') constituted by Samvardhana Motherson International Limited for providing share scheme and other benefits to the employees of the participating companies. The trust helps the employees of participating companies to dispose off shares at fair value.

The Company has also given a loan amounting to INR 125 million (31 March 2019: Nil) to the Trust and is outstanding as on March 31, 2020. The loan carries interest rate of 9.5% p.a. and is repayable after 5 years from the date of loan.

**52 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**

The Group has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to fulfil its performance obligations under the contract with customers; (ii) revision of estimations of costs to complete the contract because of additional efforts; (iii) termination or deferment of contracts by customers. The Group has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future demand of its products. The Group has performed analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

53 The Board of Directors in its meeting dated January 30, 2020, has constituted Sub Committee to examine and submit proposal to the Board for reorganization of business within the group which will, inter alia, demerge domestic wiring harness business of the Company into a newly formed legal entity with mirror shareholding, which shall be listed and consolidating shareholding in Samvardhana Motherson Automotive Systems Group B.V. ("SMRP BV") in MSSL through a process of merger to bring 49% stake held by Samvardhana Motherson International Limited ("SAMIL") in SMRP BV into MSSL. The sub-committee as formed by the Board of directors is currently evaluating all options which will be submitted to the board for their final approval and necessary actions thereafter.

54 Amounts appearing as zero "0" in financial are below the rounding off norm adopted by the Group.

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

**PANKAJ CHADHA**  
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per PANKAJ CHADHA  
Partner  
Membership No.: 091813

Place: Gurugram  
Date: June 02, 2020

For and on behalf of the Board

**VIVEK CHAAND SEHGAL**  
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Date: 2020.06.03 18:59:42 +05'30'

**V.C. SEHGAL**  
Chairman

**Gaya Nand Gauba**  
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Date: 2020.06.03 18:54:20 +05'30'

**G.N. GAUBA**  
Chief Financial Officer

Place: Noida  
Date: June 02, 2020

**PANKAJ KUMAR MITAL**  
Digitally signed by PANKAJ KUMAR MITAL  
Date: 2020.06.03 18:46:06 +05'30'

**PANKAJ MITAL**  
Whole-time Director/  
Chief Operating Officer

**Alok Goel**  
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Date: 2020.06.03 19:01:19 +05'30'

**ALOK GOEL**  
Company Secretary

# ANNEXURE XIII

**S.R. BATLIBOI & Co. LLP**  
Chartered Accountants

2nd & 3rd Floor  
Golf View Corporate Tower - B  
Sector - 42, Sector Road  
Gurugram - 122 002, Haryana, India  
Tel: +91 124 681 6000

## Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

### Review Report to The Board of Directors Motherson Sumi Systems Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Motherson Sumi Systems Limited (the "Company") for the quarter ended September 30, 2020 and year to date from April 01, 2020 to September 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. **Emphasis of matter – COVID-19 developments**  
The developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society as a whole, as well as on the operational and financial performance of organizations. The situation changes on a daily basis giving rise to inherent uncertainty. The Company is confronted with this uncertainty as well, which has been disclosed in the Note 5 of the unaudited standalone financial results, together with its evaluation thereof. We draw attention to these disclosures. Our conclusion is not modified in respect of this matter.

For S.R. BATLIBOI & Co. LLP  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

**PANKAJ  
CHADHA**  
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Date: 2020.11.10 12:13:59 +05'30'

per Pankaj Chadha  
Partner  
Membership No.: 091813

UDIN: 20091813AAAES1284

Place: Gurugram  
Date: November 10, 2020

Particulars	Three months ended			Half Year ended		(Rs. in Crores)
	30/09/2020	30/06/2020	30/09/2019	30/09/2020	30/09/2019	Year ended
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	31/03/2020
<b>1 Continuing Operations:</b>						
<b>Revenue from Operations</b>						
(a) <b>Revenue from contract with customers</b>	986.03	273.16	958.96	1,259.19	2,011.00	3,941.13
<b>Sales of products</b>	942.95	251.90	914.27	1,194.85	1,928.91	3,775.98
- Within India	736.00	133.84	664.82	869.84	1,422.81	2,798.66
- Outside India	206.95	118.06	249.45	325.01	506.10	977.32
<b>Sales of services</b>	43.08	21.26	44.69	64.34	82.09	165.15
(b) <b>Other operating revenue</b>	9.54	4.58	8.38	14.12	20.84	43.92
<b>Total revenue from operations</b>	995.57	277.74	967.34	1,273.31	2,031.84	3,965.05
2 <b>Other income</b>	30.38	11.88	38.66	42.26	52.62	372.25
<b>Total Income</b>	1,025.95	289.62	1,006.00	1,315.57	2,084.46	4,357.30
<b>3 Expenses</b>						
(a) <b>Cost of materials consumed</b>	592.03	132.74	545.00	724.77	1,180.33	2,225.54
(b) <b>Purchase of stock-in-trade</b>	19.23	18.69	14.95	37.92	32.81	98.53
(c) <b>Change in inventory of finished goods, work in progress and stock-in-trade</b>	(22.15)	(18.34)	1.19	(40.49)	(14.18)	7.72
(d) <b>Employee benefits expense</b>	129.44	98.59	126.08	228.03	257.13	513.34
(e) <b>Depreciation and amortisation expense</b>	50.31	50.27	52.24	100.58	100.86	231.28
(f) <b>Finance costs</b>	21.01	14.21	3.07	35.22	19.12	24.79
(g) <b>Other expenses</b>	137.70	79.16	141.24	216.86	292.40	585.18
<b>Total expenses</b>	927.57	375.32	883.77	1,302.89	1,868.47	3,686.38
4 <b>Profit / (loss) before tax and exceptional items</b>	98.38	(85.70)	122.23	12.68	215.99	670.92
5 <b>Exceptional income / (expenses) (refer note 6 below)</b>	(19.85)	-	-	(19.85)	-	-
6 <b>Profit / (loss) before tax</b>	78.53	(85.70)	122.23	(7.17)	215.99	670.92
7 <b>Tax expense</b>						
- Current tax	6.71	0.05	24.50	6.76	53.07	145.35
- Deferred tax expense/ (credit)	6.05	(30.51)	3.59	(24.46)	(2.33)	(13.04)
<b>Total tax expense/ (credit)</b>	12.76	(30.46)	28.09	(17.70)	50.74	132.31
8 <b>Profit / (loss) for the period from continuing operations</b>	65.77	(55.24)	94.14	10.53	165.25	538.61
<b>9 Discontinued operations (refer note 6 below)</b>						
(a) <b>Revenue from operation</b>	1,079.34	200.44	915.19	1,279.78	1,985.64	3,943.88
(b) <b>Other income</b>	3.72	3.84	2.13	7.56	4.36	6.36
(c) <b>Total expenses</b>	967.95	297.23	821.92	1,265.18	1,738.64	3,459.71
(d) <b>Profit/(loss) before tax for the period</b>	115.11	(92.95)	95.40	22.16	251.36	490.53
(e) <b>Tax expense/ (credit)</b>	29.02	(22.90)	15.31	6.12	70.33	130.32
(f) <b>Profit / (loss) for the period from discontinued operations</b>	86.09	(70.05)	80.09	16.04	181.03	360.21
10 <b>Profit / (loss) for the period from continuing and discontinued operations</b>	151.86	(125.29)	174.23	26.57	346.28	898.82
<b>11 Other comprehensive Income from continuing operations</b>						
A <b>Items not to be reclassified to profit / (loss)</b>	0.08	(1.75)	(0.21)	(1.67)	(4.41)	(6.41)
Income tax relating to items not to be reclassified to profit / (loss)	(0.01)	0.44	(0.37)	0.43	1.11	1.61
B <b>Items to be reclassified to profit / (loss)</b>	(9.69)	-	-	(9.69)	-	-
Income tax relating to items to be reclassified to profit / (loss)	2.44	-	-	2.44	-	-
12 <b>Other comprehensive Income from discontinued operations</b>						
<b>Items not to be reclassified to profit / (loss)</b>	0.58	(2.84)	0.22	(2.26)	(3.87)	(8.56)
Income tax relating to items not to be reclassified to profit / (loss)	(0.15)	0.72	(0.45)	0.57	0.97	2.15
13 <b>Total other comprehensive Income from continuing and discontinued operations</b>	(6.75)	(3.43)	(0.81)	(10.18)	(6.20)	(11.21)
14 <b>Total comprehensive income for the period</b>	145.11	(128.72)	173.42	16.39	340.08	887.61
15 <b>Earnings per share (EPS) (of Re.1) for continuing operations (not annualised)</b>						
- Basic	0.21	(0.18)	0.30	0.03	0.52	1.71
- Diluted	0.21	(0.18)	0.30	0.03	0.52	1.71
16 <b>Earnings per share (EPS) (of Re.1) for discontinued operations (not annualised)</b>						
- Basic	0.27	(0.22)	0.25	0.05	0.58	1.14
- Diluted	0.27	(0.22)	0.25	0.05	0.58	1.14
17 <b>Earnings per share (EPS) (of Re.1) for continuing and discontinued operations(not annualised)</b>						
- Basic	0.48	(0.40)	0.55	0.08	1.10	2.85
- Diluted	0.48	(0.40)	0.55	0.08	1.10	2.85

**UNAUDITED STATEMENT OF STANDALONE ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2020**

Particulars	(Rs. in Crores)	
	As at 30/09/2020 Unaudited	As at 31/03/2020 Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,371.62	1,581.90
Right-of-use assets	248.21	271.63
Capital work in progress	92.37	90.34
Investment properties	84.74	74.70
Intangible assets	-	-
Investment in subsidiaries, joint ventures and associate	4,720.26	4,663.15
<b>Financial assets</b>		
i. Investments	18.60	18.60
ii. Loans	2,390.66	17.65
iii. Other financial assets	15.57	13.79
Deferred tax assets (net)	48.04	44.98
Other non-current assets	20.91	38.71
Non-current tax assets (net)	94.38	59.37
<b>Total non-current assets</b>	<b>9,105.36</b>	<b>6,674.82</b>
<b>Current assets</b>		
Inventories	405.81	993.06
<b>Financial assets</b>		
i. Investments	0.90	0.57
ii. Trade receivables	468.95	867.48
iii. Cash and cash equivalents	1,021.30	230.02
iv. Bank balances other than (iii) above	5.81	6.59
v. Loans	3.92	8.90
vi. Other financial assets	83.16	106.02
Other current assets	99.25	116.41
<b>Total current assets</b>	<b>2,089.09</b>	<b>2,328.05</b>
Assets classified as held for distribution	1,476.61	-
<b>Total assets</b>	<b>12,671.06</b>	<b>9,202.87</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	315.79	315.79
<b>Other equity</b>		
Reserves and surplus	5,940.06	5,915.26
Other reserves	6.20	13.26
<b>Total equity</b>	<b>6,262.05</b>	<b>6,244.31</b>
<b>Liabilities</b>		
<b>Non current liabilities</b>		
<b>Financial Liabilities</b>		
i. Borrowings	4,566.12	1,191.47
ii. Lease liabilities	62.99	79.09
iii. Other financial liabilities	11.32	22.60
Employee benefit obligations	26.55	48.47
Government grants	2.51	27.55
<b>Total non-current liabilities</b>	<b>4,669.49</b>	<b>1,369.18</b>
<b>Current liabilities</b>		
<b>Financial Liabilities</b>		
i. Borrowings	101.91	227.85
ii. Lease liabilities	11.50	13.72
iii. Trade payables		
Total outstanding dues of micro, small and medium enterprises and	14.12	15.54
Total outstanding dues of creditors other than micro, small and medium enterprises	464.25	890.12
iv. Other financial liabilities	338.91	258.39
Provisions	0.61	1.06
Employee benefit obligations	23.90	57.95
Government grants	0.11	3.41
Other current liabilities	75.72	121.34
<b>Total current liabilities</b>	<b>1,031.03</b>	<b>1,589.38</b>
Liabilities directly associated with the assets held for distribution	708.49	-
<b>Total liabilities</b>	<b>6,409.01</b>	<b>2,958.56</b>
<b>Total equity and liabilities</b>	<b>12,671.06</b>	<b>9,202.87</b>



## UNAUDITED STANDALONE CASH FLOW STATEMENT FOR HALF YEAR ENDED SEPTEMBER 30, 2020

(Rs. In Crores)

Particulars	Half Year ended	
	30/09/2020 Unaudited	30/09/2019 Unaudited
<b>A Cash flow from operating activities:</b>		
Profit before tax from continuing operations	12.68	215.99
Profit before tax from discontinued operations	22.16	251.36
<b>Adjustments for:</b>		
Depreciation & amortisation expense	125.78	130.21
Amortisation of government grant	(1.60)	(0.59)
Gain on disposal of property, plant and equipment (net)	(0.52)	(0.57)
Liabilities written back to the extent no longer required	(0.26)	(0.22)
Bad debts / advances written off	0.06	0.05
Provision for doubtful debts/ advances	-	0.34
Interest income	(14.01)	(1.02)
Dividend income	-	(30.39)
Finance costs	38.86	21.87
Unrealised foreign exchange gain (net)	(11.04)	(3.81)
<b>Operating profit before working capital changes</b>	<b>172.11</b>	<b>583.22</b>
<b>Change in working capital:</b>		
Increase/(decrease) in trade payables	(88.75)	(276.95)
Increase/(decrease) in other payables	86.10	(54.93)
Increase/(decrease) in other financial liabilities	43.63	51.05
(Increase)/decrease in trade receivables	118.15	65.86
(Increase)/decrease in inventories	(74.26)	59.06
(Increase)/decrease in other financial assets	13.03	58.41
(Increase)/decrease in other receivables	(94.13)	33.72
<b>Cash generated from operations</b>	<b>175.88</b>	<b>519.44</b>
Income taxes paid (net of refund)	(49.15)	(112.09)
<b>Net cash generated from operations</b>	<b>126.73</b>	<b>407.35</b>
Exceptional income / (expenses)	(19.85)	-
<b>Net cash generated from operating activities</b>	<b>106.88</b>	<b>407.35</b>
<b>B Cash flow from Investing activities:</b>		
Payments for property, plant & equipment & investment property (including capital work in progress)	(84.23)	(221.53)
Proceeds from sale of property, plant and equipment & investment property	1.02	0.86
Proceeds from sale / (payment for purchase) of investments	(0.05)	(0.06)
Loan (to)/repaid by related parties	(2,365.42)	-
Interest received	7.81	1.03
Dividend received from subsidiaries	-	25.73
Dividend received from others	-	1.80
(Investment)/ proceeds from maturity of deposits with remaining maturity for more than 12 months	0.47	0.01
<b>Net cash used In investing activities</b>	<b>(2,440.40)</b>	<b>(182.16)</b>
<b>C Cash flow from financing activities:</b>		
Dividend paid to equity share holders	(0.30)	(473.07)
Dividend distribution tax	-	(91.49)
Interest paid	(15.26)	(15.56)
Proceeds from long term borrowings	3,480.00	-
Proceeds from other short term borrowings	110.00	380.02
Repayment of long term borrowings	(0.05)	(0.83)
Repayment of other short term borrowings	(227.84)	(0.19)
Payment of lease liabilities	(6.97)	(5.82)
<b>Net cash generated from / (used in) financing activities</b>	<b>3,339.58</b>	<b>(206.94)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>1,006.06</b>	<b>8.25</b>
Net foreign exchange differences on balance with banks in foreign currency	(0.90)	1.06
<b>Cash and cash equivalents at the beginning of the period</b>	<b>230.02</b>	<b>133.26</b>
<b>Cash and cash equivalents as at period end</b>	<b>1,235.18</b>	<b>142.57</b>
<b>Cash and cash equivalents comprise of the following:</b>		
Cash on hand	0.63	0.81
Cheques / drafts on hand	0.99	5.36
Balances with banks	1,233.56	136.40
<b>Cash and cash equivalents as at period end</b>	<b>1,235.18</b>	<b>142.57</b>

The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

**Notes:**

- These standalone financial results of the Company have been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules 2015, relevant amendments thereafter and in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Circular No. CIR/CFD/CDM1/44/2019 dated March 29, 2019 and other accounting principles generally accepted in India.
- The above standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on November 09, 2020 and November 10, 2020 respectively.
- Other income includes exchange gain other than exchange gain on borrowings. Finance cost includes mark to market loss/(gain) on hedging contracts and foreign currency exchange loss/(gain) incurred on reinstatement of the underlying asset/liabilities which is as follows:

Particulars	Three months ended			Half Year ended		Year ended
	30/09/2020	30/06/2020	30/09/2019	30/09/2020	30/09/2019	31/03/2020
Amount (Rs. in Crore)	1.41	0.59	(5.30)	2.00	4.45	(7.28)

- The Chief Operating Decision Maker "CODM" reviews the operations of the Company as a whole, hence there are no reportable segments as per Ind AS 108 "Operating Segments".
- The Company's operations and standalone financial results for the quarter ended June 30, 2020 were adversely impacted by the outbreak of COVID-19 pandemic and the consequent lockdown announced by central and state governments, due to which the operations were suspended for a large part of the quarter and resumed only gradually with prescribed regulations and precautions. The standalone financial results for the quarter ended June 30, 2020 and half year ended September 30, 2020 are therefore not comparable with those of previous periods. The Company has been taking several measures to address the operational challenges. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of investments and other financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these standalone financial results has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future demand of its products. The Company has performed analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. However, given the effect of these lockdowns on the overall economic activities and in particular on automotive industry, the impact assessment of COVID-19 on the above mentioned standalone financial results captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these standalone financial results. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its standalone financial results.
- The Board of Directors in its meeting dated July 02, 2020, approved a group reorganization plan with the objective of creating value for the shareholders of the Company ("MSSL"). The reorganization plan approved by the respective Boards of the Company and Samvardhana Motherson International Limited ("SAMIL") among other things, entails demerger of Domestic Wiring Harness ("DWH") business from MSSL into a new company "Motherson Sumi Wiring India Limited" 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 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 FY2021-22.

The aforesaid scheme has been considered as highly probable and meet the criteria prescribed in Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" to be considered as discontinued operation, hence DWH business has been disclosed as discontinued operation in Standalone financial results. Accordingly, all previous periods figures in the financial results have also been restated. The income and expenses of continuing operation includes transactions with discontinued operation, which does not have impact on "Profit / (loss) for the period from continuing and discontinued operations" as disclosed in standalone financial results. Revenue from contract with customers on account of transaction between continuing operations and discontinued operations is as follows:

Particulars	Three months ended			Half Year ended		Year ended
	30/09/2020 Unaudited	30/06/2020 Unaudited	30/09/2019 Unaudited	30/09/2020 Unaudited	30/09/2019 Unaudited	31/03/2020 Audited
Amount included in continuing operation	346.85	39.86	229.80	386.71	521.88	1,054.73
Amount included in discontinued operation	0.30	0.01	-	0.31	-	0.39

Assets and liabilities are disclosed after netting off of below mentioned amount of receivable and payable between continuing operation and discontinued operation in statement of standalone assets and liabilities.

Particulars	(Rs. in Crores)
	As at 30/09/2020
Amount receivable from discontinued operation	231.15
Amount payable to discontinued operation	1.95

Net cash flows attributable to the discontinued operations are as follows:

Particulars	(Rs. in Crores)	
	Half Year ended 30/09/2020	Half Year ended 30/09/2019
Net cash generated from / (used in) operating activities	170.67	(2.63)
Net cash used in investing activities	(4.92)	(20.02)
Net cash generated from financing activities	16.44	22.05
<b>Net increase in cash and cash equivalents</b>	<b>182.19</b>	<b>(0.60)</b>

During the quarter, the Company has incurred expenses amounting INR 19.85 crores in connection to this scheme of arrangement, which has been disclosed as exceptional expenses in standalone financial results.

- During the quarter ending September 30, 2020, the Company has received approval from NCLT, Delhi and Mumbai Bench, approving the scheme of merger by way of absorption of Motherson Polymers Compounding Solution Private Limited (MPCSL) a wholly owned subsidiary. The order sanctioning the scheme have been filed with the Registrar of Companies, Mumbai and Registrar of Companies, Delhi on September 30, 2020. As per the scheme, all assets and liabilities and reserves of MPCSL have been recorded in the books of account of the Company at their existing carrying amounts and in the same form, which is in accordance with the IND AS - 103 "Business Combination". Considering the immaterial impact of merger, previous period comparatives have not been restated in the Standalone financial results.

Particulars		As at 30/09/2020	
(a)	Debt equity ratio (in times) Debt equity ratio = Debt (i.e. Long term borrowing including current maturities + short term borrowing) / Net Worth	0.78	
(b)	Previous due date for the payment of interest of Non-convertible Debentures (NCDs) (i) 7.84% NCDs issued on April 21, 2020 (ii) 6.65% NCDs issued on September 14, 2020 Interest has been paid	N A	
(c)	Previous due date for the payment of principal of NCDs (i) 7.84% NCDs issued on April 21, 2020 (ii) 6.65% NCDs issued on September 14, 2020	N A	
(d)	Next due date for the payment of interest of NCDs (i) 7.84% NCDs issued on April 21, 2020 (ii) 6.65% NCDs issued on September 14, 2020	Date	Rs. in Crores.
		20-Apr-21	39.20
		14-Sep-21	141.65
(e)	Next due date for the payment of principal of NCDs (i) 7.84% NCDs issued on April 21, 2020 (ii) 6.65% NCDs issued on September 14, 2020	Date	Rs. in Crores
		20-Apr-23	500.00
		14-Sep-23	2,130.00
(f)	Debt service coverage ratio (in times) Debt service coverage ratio = (Earnings before interest depreciation, tax and exceptional items (EBITDA)) / (Interest expense on short term and long term borrowings for the period + scheduled principal repayment of long term borrowing during the period)	2.75	
(g)	Interest service coverage ratio (in times) Interest service coverage ratio = (Earnings before interest depreciation, tax and exceptional items (EBITDA)) / (Interest expense on short term and long term borrowings for the period)	6.38	
(h)	Debenture redemption reserve	Not Applicable being a Listed	
(i)	Net worth (Total equity - other reserves - reserve on amalgamation - capital reserve) (Rs. in Crores)	6,070.56	
(j)	Net profit for the period (Rs. in Crores)	26.57	
(k)	Basic & diluted earnings per share - continuing operations	0.03	
(l)	Basic & diluted earnings per share - discontinued operations	0.05	
(m)	Basic & diluted earnings per share - continuing & discontinued operations	0.08	
(n)	The credit rating and asset cover for the NCDs issued but not redeemed as on September 30, 2020 by the Company are as under		
		Credit rating and agency	Asset cover in times
	(i) 7.84% NCDs issued on April 21, 2020	IND AAA/Negative, India rating & research Ltd.	1.32
	(ii) 6.65% NCDs issued on September 14, 2020	IND AAA/Negative, India rating & research Ltd.	N A

9 Figures of previous year / periods have been reclassified / regrouped / restated, wherever necessary.

Place : Noida

Date: November 10, 2020

VIVEK  
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SEHGAL

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**V C Sehgal**  
CHAIRMAN

**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended****Review Report to  
The Board of Directors  
Motherson Sumi Systems Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Motherson Sumi Systems Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities mentioned in Annexure I.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. **Emphasis of Matter - COVID-19 Developments**

The developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society as a whole, as well as on the operational and financial performance of organizations. The situation changes on a daily basis giving rise to inherent uncertainty. The Group is confronted with this uncertainty as well, which has been disclosed in the note 4 of the unaudited consolidated financial results, together with its evaluation thereof. We draw attention to these disclosures. Our conclusion is not modified in respect of this matter.

7. The accompanying Statement includes the unaudited interim financial results and other financial information, in respect of 37 subsidiaries, whose unaudited interim financial results reflects Group's share of total assets of Rs. 29,870 Crores as at September 30, 2020, Group's share of total revenues of Rs 10,199 Crores and Rs 16,580 Crores, Group's share of total net profit after tax of Rs. 291 Crores and total net loss after tax of Rs. 293 Crores, Group's share of total comprehensive income of Rs. 390 Crores and total comprehensive loss of Rs. 155 Crores, for the quarter ended September 30, 2020 and the period ended on that date respectively, and net cash inflows of Rs. 214 Crores for the period from April 01, 2020 to September 30, 2020, as considered in the Statement which have been reviewed by their respective independent auditors. 1 joint venture, whose unaudited interim financial results include Group's share of net profit after tax of Rs. 5 Crores and net loss after tax of Rs. 9 Crores and Group's share of total comprehensive income of Rs. 5 Crores and total comprehensive loss of Rs. 9 crores for the quarter ended September 30, 2020 and for the period from April 01, 2020 to September 30, 2020 respectively, as considered in the Statement whose interim financial results, other financial information has been reviewed by their respective independent auditors. The independent auditor's reports on interim financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries and joint ventures is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.
8. The accompanying Statement includes unaudited interim financial results and other unaudited financial information in respect of 56 subsidiaries, which have not been reviewed by other auditors, whose interim financial results and other financial information reflect Group's share of total assets of Rs 5,134 Crores as at September 30, 2020, and Group's share of total revenues of Rs 123 Crores and Rs 236 Crores, total net profit after tax of Rs. 68 Crores and Rs. 48 Crores, total comprehensive income of Rs. 36 Crores and Rs. 30 Crores, for the quarter ended September 30, 2020 and the period ended on that date respectively and net cash outflows of Rs. 26 Crores for the period from April 01, 2020 to September 30, 2020. 1 associate whose interim financial results includes the Group's share of net profit of Rs. 0.1 Crore and Rs 0.1 Crore and Group's share of total comprehensive income of Rs. 0.1 Crore and Rs. 0.1 Crore for the quarter ended September 30, 2020 and for the period ended on that date respectively.

The unaudited interim financial results and other unaudited financial information of the these subsidiaries, joint ventures, and associates have not been audited by their auditors and have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of these subsidiaries, joint ventures and associates, is based solely on such unaudited interim financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our conclusion on the Statement in respect of matters stated in para 7 and 8 above is not modified with respect to our reliance on the work done and the reports of the other auditors and the financial results certified by the Management.

**For S.R. BATLIBOI & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

**PANKAJ  
CHADHA**

Digitally signed by PANKAJ CHADHA  
DN: cn=PANKAJ CHADHA, o=SR,  
ou=Chartered Accountants,  
email=pankaj.chadha@srll.in  
Reason: I am approving this document.  
Date: 2020.11.10 12:15:33 +05'30'

**per Pankaj Chadha**

Partner

Membership No.: 091813

UDIN: 20091813AAAET2606

Place: Gurugram

Date: November 10, 2020

**Annexure I****List of Subsidiaries/Associates/Joint Ventures****Subsidiaries**

S. No.	Name of the Company
1	MSSL Mauritius Holdings Limited
2	Motherson Electrical Wires Lanka Pvt. Ltd.
3	MSSL Mideast (FZE)
4	MSSL (S) Pte Ltd.
5	Motherson Innovations Tech Limited
6	Motherson Polymers Compounding Solutions Ltd. (Merged with Motherson Sumi Systems Limited)
7	Samvardhana Motherson Polymers Ltd.
8	MSSL (GB) Limited
9	Motherson Wiring System (FZE)
10	MSSL GmbH
11	MSSL Tooling (FZE)
12	Samvardhana Motherson Invest Deutschland GmbH
13	MSSL Advanced Polymers s.r.o
14	Motherson Techno Precision GmbH
15	MSSL s.r.l Unipersonale
16	Motherson Techno Precision México, S.A. de C.V
17	MSSL Australia Pty Ltd
18	MSSL Ireland Pvt. Ltd.
19	Global Environment Management (FZE)
20	Motherson Elastomers Pty Limited
21	Motherson Investments Pty Limited
22	MSSL Global RSA Module Engineering Limited
23	MSSL Japan Limited
24	Vacuform 2000 (Proprietary) Limited.
25	MSSL México, S.A. De C.V.
26	MSSL WH System (Thailand) Co., Ltd
27	MSSL Korea WH Limited
28	MSSL Consolidated Inc.
29	MSSL Wiring System Inc., USA
30	Alphabet de Mexico, S.A. de C.V.
31	Alphabet de Mexico de Monclova, S.A. de C.V.
32	Alphabet de Saltillo, S.A. de C.V.
33	MSSL Wirings Juarez S.A. de C.V.
34	MSSL Manufacturing Hungary Kft
35	Motherson Air Travel Pvt. Ltd.
36	MSSL Estonia WH OÜ
37	Samvardhana Motherson Global Holdings Ltd.
38	Samvardhana Motherson Automotive Systems Group B.V.
39	Samvardhana Motherson Reflectec Group Holdings Limited

<b>S. No.</b>	<b>Name of the Company</b>
40	SMR Automotive Technology Holding Cyprus Ltd.
41	SMR Automotive Mirror Parts and Holdings UK Ltd.
42	SMR Automotive Holding Hong Kong Limited
43	SMR Automotive Systems India Limited
44	SMR Automotive Systems France S. A.
45	SMR Automotive Mirror Technology Holding Hungary Kft
46	SMR Patents S.aR.L.
47	SMR Automotive Technology Valencia S.A.U.
48	SMR Automotive Mirrors UK Limited
49	SMR Automotive Mirror International USA Inc.
50	SMR Automotive Systems USA Inc.
51	SMR Automotive Beijing Co. Limited
52	SMR Automotive Yancheng Co. Limited
53	SMR Automotive Mirror Systems Holding Deutschland GmbH
54	SMR Holding Australia Pty Limited
55	SMR Automotive Australia Pty Limited
56	SMR Automotive Mirror Technology Hungary Bt
57	SMR Automotive Modules Korea Ltd
58	SMR Automotive Beteiligungen Deutschland GmbH
59	SMR Hyosang Automotive Ltd.
60	SMR Automotive Mirrors Stuttgart GmbH
61	SMR Automotive Systems Spain S.A.U.
62	SMR Automotive Vision Systems Mexico S.A. de C.V.
63	SMR Grundbesitz GmbH & Co. KG
64	SMR Automotive Brasil LTDA
65	SMR Automotive System (Thailand) Limited
66	SMR Automotives Systems Macedonia Dooel Skopje
67	SMR Automotive Operations Japan K.K.
68	SMR Automotive (Langfang) Co. Ltd.
69	SMR Automotive Vision System Operations USA INC
70	SMR Mirror UK Limited
71	Samvardhana Motherson Peguform GmbH
72	SMP Automotive Interiors (Beijing) Co. Ltd
73	SMP Deutschland GmbH
74	SMP Logistik Service GmbH
75	SMP Automotive Solutions Slovakia s.r.o
76	Changchun Peguform Automotive Plastics Technology Co. Ltd
77	Foshan Peguform Automotive Plastics Technology Co. Ltd.
78	SMP Automotive Technology Management Services (Changchun) Co. Ltd.
79	SMP Automotive Technology Iberica S.L
80	Samvardhana Motherson Peguform Barcelona S.L.U
81	SMP Automotive Technologies Teruel Sociedad Limitada
82	Samvardhana Motherson Peguform Automotive Technology Portugal S.A
83	SMP Automotive Systems Mexico S.A. de C.V

S. No.	Name of the Company
84	SMP Automotive Produtos Automotivos do Brasil Ltda.
85	SMP Automotive Exterior GmbH
86	Samvardhana Motherson Innovative Autosystems B.V. & Co. KG
87	Samvardhana Motherson Innovative Autosystems Holding Company BV
88	SM Real Estate GmbH
89	Samvardhana Motherson Innovative Autosystems de México, S.A. de C.V
90	SMP Automotive Systems Alabama Inc.
91	Motherson Innovations Company Limited, U.K.
92	Motherson Innovations Deutschland GmbH
93	Samvardhana Motherson Global (FZE)
94	SMR Automotive Industries RUS Limited Liability Company
95	Celulosa Fabril (Cefa) S.A.
96	Modulos Ribera Alta S.L.
97	Motherson Innovations Lights GmbH & Co KG
98	Motherson Innovations Lights Verwaltungs GmbH
99	PKC Group Oy
100	PKC Wiring Systems Oy
101	PKC Group Poland Sp. z o.o.
102	PKC Wiring Systems Llc
103	PKC Group APAC Limited
104	PKC Group Canada Inc.
105	PKC Group USA Inc.
106	PKC Group Mexico S.A. de C.V.
107	Project del Holding S.a.r.l.
108	PK Cables do Brasil Ltda
109	PKC Eesti AS
110	TKV-sarjat Oy
111	PKC SEGU Systemelektrik GmbH
112	Groclin Luxembourg S.à r.l.
113	PKC Vehicle Technology (Suzhou) Co., Ltd.
114	AEES Inc.
115	PKC Group Lithuania UAB
116	PKC Group Poland Holding Sp. z o.o.
117	OOO AEK
118	Kabel-Technik-Polska Sp. z o.o.
119	AEES Power Systems Limited partnership
120	T.I.C.S. Corporation
121	Fortitude Industries Inc.
122	AEES Manufactuera, S. De R.L de C.V.
123	Cableodos del Norte II, S. de R.L de C.V.
124	Manufacturas de Componentes Electricos de Mexico S. de R.L de C.V.
125	Arneses y Accesorios de México, S. de R.L de C.V.
126	Asesoría Mexicana Empresarial, S. de R.L de C.V.
127	Arneses de Ciudad Juarez, S. de R.L de C.V.
128	PKC Group de Piedras Negras, S. de R.L. de C.V.



S. No.	Name of the Company
129	PKC Group AEES Commercial S. de R.L de C.V
130	Jiangsu Huakai-PKC Wire Harness Co., Ltd.
131	PKC Vehicle Technology (Hefei) Co, Ltd.
132	Shanjdong Huakai-PKC Wireharness Co. Ltd.
133	Shenyang SMP Automotive Plastic Component Co. Ltd.
134	Tianjin SMP Automotive Component Company Limited
135	SMRC Automotive Holdings B.V.
136	SMRC Automotive Holdings Netherlands B.V.
137	SMRC Automotive Interiors Management B.V.
138	SMRC Automotives Techno Minority Holdings B.V.
139	SMRC Smart Automotive Interior Technologies USA, LLC
140	SMRC Automotive Modules France SAS
141	Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U.
142	SMRC Automotive Interiors Spain S.L.U.
143	SMRC Automotive Interior Modules Croatia d.o.o
144	Samvardhana Motherson Reydel Autotecc Morocco SAS
145	SMRC Automotive Technology RU LLC
146	SMRC Smart Interior Systems Germany GmbH
147	SMRC Automotive Interiors Products Poland SA
148	SMRC Automotive Solutions Slovakia s.r.o.
149	SMRC Automotive Holding South America B.V.
150	SMRC Automotive Modules South America Minority Holdings B.V.
151	SMRC Automotive Tech Argentina S.A.
152	SMRC Fabricação e Comércio de Produtos Automotivos do Brasil Ltda
153	SMRC Automotive Products Private Limited
154	SMRC Automotive Smart Interior Tech (Thailand) Ltd.
155	SMRC Automotive Interiors Japan Ltd.
156	Shanghai SMRC Automotive Interiors Tech Consulting Co. Ltd.
157	PT SMRC Automotive Technology Indonesia
158	Yujin SMRC Automotive Techno Corp.
159	SMRC Automotives Technology Phil Inc.
160	MSSL M Tooling Ltd
161	Motherson Innovations LLC, USA
162	Motherson Ossia Innovations LLC, USA
163	Samvardhana Motherson Corp Management Shanghai Co Ltd.
164	Motherson Rolling Stock Systems GB Ltd.
165	Motherson PKC Harness Systems FZ-LLC
166	Wisetime Oy
167	Re-time Pty Limited
168	Motherson Sumi Wiring India Limited (incorporated on July 2, 2020)
169	SMP Automotive Interior Modules d.o.o. Čuprija, Serbia (incorporated on July 28, 2020)
170	Motherson Rolling Stocks S. de R.L. de C.V. (incorporated on September 30, 2020)
171	Shenyang SMP Automotive Trim Co, Ltd. (Incorporated on September 04, 2020)

## **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

### **Associates**

<b>S. No.</b>	<b>Name of the Company</b>
1	Saks Ancillaries Limited
2	Hubei Zhengao PKC Automotive Wiring Company Ltd

### **Joint Ventures**

<b>S. No.</b>	<b>Name of the Company</b>
1	Kyungshin Industrial Motherson Pvt. Ltd.
2	Calsonic Kansei Motherson Auto Products Pvt. Ltd.
3	Ningbo SMR Huaxiang Automotive Mirrors Co. Limited
4	Chongqing SMR Huaxiang Automotive Products Limited
5	Eissmann SMP Automotive interieur Slovakia s.r.o.
6	Tianjin SMR Huaxiang Automotive Parts Co., Ltd.

Particulars	Three months ended			Half Year ended		Year ended
	30/09/2020 Unaudited	30/06/2020 Unaudited	30/09/2019 Unaudited	30/09/2020 Unaudited	30/09/2019 Unaudited	31/03/2020 Audited
<b>1 Continuing Operations:</b>						
<b>Revenue from Operations</b>						
(a) Revenue from contract with customers	14,845.07	8,278.03	15,165.93	23,123.10	31,102.57	60,278.35
Sales of products	14,714.22	8,205.68	15,051.18	22,919.90	30,859.23	59,797.85
- Within India	952.63	209.46	922.47	1,162.09	1,959.27	3,854.32
- Outside India	13,761.59	7,996.22	14,128.71	21,757.81	28,899.96	55,943.53
Sales of services	130.85	72.35	114.75	203.20	243.34	480.50
(b) Other operating revenue	112.14	70.32	93.81	182.45	191.84	450.64
<b>Total revenue from operations</b>	<b>14,967.21</b>	<b>8,348.35</b>	<b>15,259.74</b>	<b>23,305.56</b>	<b>31,294.41</b>	<b>60,728.99</b>
2 Other income	55.28	47.31	80.50	102.59	133.10	224.55
<b>Total Income</b>	<b>15,012.49</b>	<b>8,395.66</b>	<b>15,340.24</b>	<b>23,408.15</b>	<b>31,427.51</b>	<b>60,953.54</b>
<b>3 Expenses</b>						
(a) Cost of materials consumed	8,289.76	4,838.00	8,641.59	13,127.76	17,888.52	34,284.93
(b) Purchase of stock-in-trade	111.04	149.21	175.74	260.25	353.86	710.00
(c) Change in inventory of finished goods, work in progress and stock-in-trade	(17.94)	(31.45)	(16.15)	(49.39)	(127.97)	(26.22)
(d) Employee benefits expense	3,518.51	2,783.90	3,463.67	6,302.41	7,205.34	14,372.58
(e) Depreciation expense	634.78	634.99	552.51	1,245.27	1,091.47	2,363.14
(f) Amortisation expense	99.81	88.89	86.51	188.70	170.79	357.86
(g) Finance costs	126.92	110.08	124.02	237.00	278.56	592.83
(h) Other expenses	1,664.04	1,159.36	1,786.70	2,823.40	3,679.94	6,733.55
<b>Total expenses</b>	<b>14,426.92</b>	<b>9,708.48</b>	<b>14,814.59</b>	<b>24,136.40</b>	<b>30,540.61</b>	<b>59,388.67</b>
<b>4 Profit / (loss) before exceptional items and share of profit / (loss) of associates and joint ventures</b>	<b>585.57</b>	<b>(1,312.82)</b>	<b>525.65</b>	<b>(727.25)</b>	<b>887.00</b>	<b>1,564.87</b>
5 Exceptional income / (expenses) (refer note 5 & 6 below)	(59.59)	-	-	(59.59)	-	-
6 Share of profit/(loss) of Associates and Joint ventures (net of tax)	27.60	(0.19)	23.66	27.41	44.39	57.46
<b>7 Profit / (loss) before tax</b>	<b>553.58</b>	<b>(1,313.01)</b>	<b>549.31</b>	<b>(759.43)</b>	<b>931.39</b>	<b>1,622.33</b>
<b>8 Tax expenses</b>						
- Current tax	153.05	21.07	256.64	174.12	474.40	775.45
- Deferred tax expense/ (credit)	12.60	(212.48)	(85.06)	(199.88)	(180.44)	(87.35)
<b>Total tax expense/ (credit)</b>	<b>165.65</b>	<b>(191.41)</b>	<b>171.58</b>	<b>(25.76)</b>	<b>293.96</b>	<b>688.10</b>
<b>9 Profit / (loss) for the period from continuing operations</b>	<b>387.93</b>	<b>(1,121.60)</b>	<b>377.73</b>	<b>(733.67)</b>	<b>637.43</b>	<b>934.23</b>
<b>10 Discontinued operations (refer note 5 below)</b>						
(a) Revenue from operation	1,079.34	200.44	915.19	1,279.78	1,985.64	3,943.88
(b) Other income	3.72	3.84	2.13	7.56	4.36	6.36
(c) Total expenses	967.95	297.23	821.92	1,265.18	1,738.64	3,459.71
<b>(d) Profit/(loss) before tax for the period</b>	<b>115.11</b>	<b>(92.95)</b>	<b>95.40</b>	<b>22.16</b>	<b>251.36</b>	<b>490.53</b>
(e) Tax expense/ (credit)	29.02	(22.90)	15.31	6.12	70.33	130.32
<b>(f) Profit / (loss) for the period from discontinued operations</b>	<b>86.09</b>	<b>(70.05)</b>	<b>80.09</b>	<b>16.04</b>	<b>181.03</b>	<b>360.21</b>
<b>11 Profit / (loss) for the period from continuing and discontinued operations</b>	<b>474.02</b>	<b>(1,191.65)</b>	<b>457.82</b>	<b>(717.63)</b>	<b>818.46</b>	<b>1,294.44</b>
<b>12 Other comprehensive Income from continuing operation</b>						
A. Items not to be reclassified to profit / (loss)	1.20	(4.74)	(45.99)	(3.54)	(53.20)	(93.88)
Income tax relating to items not to be reclassified to profit / (loss)	0.85	0.60	0.66	1.45	2.90	4.31
B. Items to be reclassified to profit / (loss)	2.83	172.49	(150.75)	175.32	(113.01)	323.27
Income tax relating to items to be reclassified to profit / (loss)	1.72	1.59	6.23	3.31	1.51	35.30
<b>13 Other comprehensive income from discontinued operation</b>						
Items not to be reclassified to profit / (loss)	0.58	(2.84)	0.22	(2.26)	(3.87)	(8.56)
Income tax relating to items not to be reclassified to profit / (loss)	(0.15)	0.72	(0.45)	0.57	0.97	2.15
<b>14 Total other comprehensive income from continuing and discontinued operation</b>	<b>7.03</b>	<b>167.82</b>	<b>(190.08)</b>	<b>174.85</b>	<b>(164.70)</b>	<b>262.59</b>
<b>15 Total comprehensive income for the period</b>	<b>481.05</b>	<b>(1,023.83)</b>	<b>267.74</b>	<b>(542.78)</b>	<b>653.76</b>	<b>1,557.03</b>
<b>16 Net Profit attributable to:</b>						
- Owners	337.58	(810.45)	384.60	(472.87)	716.15	1,170.04
- Non-controlling interests	136.44	(381.20)	73.22	(244.76)	102.31	124.40
<b>Total comprehensive income attributable to:</b>						
- Owners	350.64	(678.89)	249.73	(328.25)	619.59	1,350.48
- Non-controlling interests	130.41	(344.94)	18.01	(214.53)	34.17	206.55
<b>17 Earnings per share (EPS) (of Re.1) for continuing operations (not annualised)</b>						
- Basic	0.80	(2.35)	0.97	(1.55)	1.69	2.57
- Diluted	0.80	(2.35)	0.97	(1.55)	1.69	2.57
<b>18 Earnings per share (EPS) (of Re.1) for discontinued operations (not annualised)</b>						
- Basic	0.27	(0.22)	0.25	0.05	0.58	1.14
- Diluted	0.27	(0.22)	0.25	0.05	0.58	1.14
<b>19 Earnings per share (EPS) (of Re.1) for continuing and discontinued operations(not annualised)</b>						
- Basic	1.07	(2.57)	1.22	(1.50)	2.27	3.71
- Diluted	1.07	(2.57)	1.22	(1.50)	2.27	3.71

(Rs. in Crores)

Particulars	Three months ended			Half Year ended		
	30/09/2020	30/06/2020	30/09/2019	30/09/2020	30/09/2019	31/03/2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 Segment revenue</b>						
(a) MSSL Standalone	995.57	277.74	967.34	1,273.31	2,031.84	3,985.05
(b) SMR	3,078.32	1,553.24	3,112.01	4,631.56	6,303.31	12,402.90
(c) SMP	7,925.64	4,629.34	7,988.25	12,554.98	16,456.08	32,099.81
(d) PKC	2,280.31	1,463.61	2,424.87	3,743.92	4,996.48	9,362.16
(e) Others	1,063.24	675.33	1,158.65	1,738.57	2,289.50	4,423.99
<b>Total</b>	<b>15,343.08</b>	<b>8,599.26</b>	<b>15,651.12</b>	<b>23,942.34</b>	<b>32,077.21</b>	<b>62,293.91</b>
Segment revenue from discontinued operation (MSSL Standalone segment) (refer note 5 below)	1,079.34	200.44	915.19	1,279.78	1,985.64	3,943.88
Less: Inter segment	749.05	295.81	642.11	1,044.86	1,346.12	2,700.92
<b>Revenue from continuing and discontinued operations</b>	<b>15,673.37</b>	<b>8,503.89</b>	<b>15,924.20</b>	<b>24,177.26</b>	<b>32,716.73</b>	<b>63,536.87</b>
<b>2 Segment results</b>						
(a) MSSL Standalone	99.51	(74.83)	94.27	24.68	203.81	384.11
(b) SMR	272.75	(156.20)	236.39	116.55	479.22	1,014.75
(c) SMP	171.01	(737.36)	25.09	(566.35)	(54.28)	(82.62)
(d) PKC	106.63	(148.88)	214.82	(42.25)	398.21	623.30
(e) Others	38.34	(89.09)	65.85	(50.75)	119.89	189.62
<b>Total</b>	<b>688.24</b>	<b>(1,206.36)</b>	<b>636.42</b>	<b>(518.12)</b>	<b>1,146.85</b>	<b>2,129.16</b>
Add: Profit / (loss) of discontinued operation (MSSL Standalone segment) (refer note 5 below)	117.29	(91.54)	96.68	25.75	253.98	496.10
Less: Inter segment	(1.11)	(0.50)	(1.58)	(1.61)	(0.41)	7.93
<b>Total</b>	<b>806.64</b>	<b>(1,297.40)</b>	<b>734.68</b>	<b>(490.76)</b>	<b>1,401.24</b>	<b>2,617.33</b>
Less: Interest (net)	115.23	108.37	114.24	223.60	263.49	562.55
Add: Other unallocable income	9.27	-	0.61	9.27	0.61	0.62
Less: Exceptional expenses	59.59	-	-	59.59	-	-
Add: Share of profit / (loss) of associates and joint ventures	27.60	(0.19)	23.66	27.41	44.39	57.46
<b>Total profit before tax</b>	<b>668.69</b>	<b>(1,405.96)</b>	<b>644.71</b>	<b>(737.27)</b>	<b>1,182.75</b>	<b>2,112.86</b>
<b>3 Segment assets</b>						
(a) MSSL Standalone	6,236.77	4,333.68	4,174.51	6,236.77	4,174.51	4,341.53
(b) SMR	9,770.03	9,327.91	7,866.66	9,770.03	7,866.66	9,555.64
(c) SMP	22,913.30	22,306.34	21,435.39	22,913.30	21,435.39	22,773.35
(d) PKC	5,365.51	4,909.09	4,860.33	5,365.51	4,860.33	5,090.65
(e) Others	14,388.77	14,942.40	13,882.60	14,388.77	13,882.60	15,101.15
<b>Total</b>	<b>58,674.38</b>	<b>56,819.42</b>	<b>52,219.49</b>	<b>58,674.38</b>	<b>52,219.49</b>	<b>56,862.32</b>
Add: Discontinued operation (MSSL Standalone segment) (refer note 5 below)	1,441.22	-	-	1,441.22	-	-
Less: Inter segment	15,251.94	13,356.71	10,609.71	15,251.94	10,609.71	13,160.33
<b>Total</b>	<b>44,863.66</b>	<b>42,462.71</b>	<b>41,609.78</b>	<b>44,863.66</b>	<b>41,609.78</b>	<b>43,701.99</b>
Other unallocated assets	2,004.09	1,997.98	1,980.64	2,004.09	1,980.64	1,793.79
<b>Total segment assets</b>	<b>46,867.75</b>	<b>44,460.69</b>	<b>43,590.42</b>	<b>46,867.75</b>	<b>43,590.42</b>	<b>45,495.78</b>
<b>4 Segment liabilities</b>						
(a) MSSL Standalone	5,700.04	3,184.12	2,738.62	5,700.04	2,738.62	2,952.52
(b) SMR	5,204.11	4,973.18	3,965.66	5,204.11	3,965.66	5,145.45
(c) SMP	21,424.71	20,897.75	18,731.01	21,424.71	18,731.01	20,398.60
(d) PKC	3,549.64	3,165.63	3,165.10	3,549.64	3,165.10	3,257.96
(e) Others	4,343.84	3,770.64	3,854.65	4,343.84	3,854.65	4,463.62
<b>Total</b>	<b>40,222.34</b>	<b>35,991.32</b>	<b>32,455.04</b>	<b>40,222.34</b>	<b>32,455.04</b>	<b>36,218.15</b>
Add: Discontinued operation (MSSL Standalone segment) (refer note 5 below)	703.17	-	-	703.17	-	-
Less: Inter segment	15,213.05	13,323.87	10,574.33	15,213.05	10,574.33	13,124.25
<b>Total</b>	<b>25,712.46</b>	<b>22,667.45</b>	<b>21,880.71</b>	<b>25,712.46</b>	<b>21,880.71</b>	<b>23,093.90</b>
Other unallocated liabilities	6,912.73	7,978.93	7,201.95	6,912.73	7,201.95	7,575.91
<b>Total segment liabilities</b>	<b>32,625.19</b>	<b>30,646.38</b>	<b>29,082.66</b>	<b>32,625.19</b>	<b>29,082.66</b>	<b>30,669.81</b>

**MSSL Standalone** represents standalone operations of MotherSON Sumi Systems Limited, engaged mainly in the business of manufacturing and trading of automobile parts for commercial and passenger vehicles.

**SMR** represents subsidiaries of Samvardhana MotherSON Reflectec Group Holdings Limited (an overseas subsidiary of the Company) which are engaged in development, manufacture and supply of rear view mirrors and drive assistance systems.

**SMP** represents subsidiaries of Samvardhana MotherSON Automotive Systems Group B.V. (SMRP BV) (an overseas subsidiary of the Company) which are engaged in manufacturing and supplies of plastic parts and system modules for vehicle interiors and exteriors.

**PKC** represents subsidiaries of PKC Group Oy (an overseas subsidiary of the Company) which are engaged in designing, manufacturing and integrating electrical distribution systems, electronics and related components for commercial vehicle industries, rolling stock manufacturers and other related segments.

**Others** comprise other subsidiaries of the Company (excluding SMR, SMP and PKC as defined above) that are below the thresholds for separate reporting as operating segments.

**UNAUDITED STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2020**

Particulars	(Rs. in Crores)	
	As at 30/09/2020 Unaudited	As at 31/03/2020 Audited
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	14,351.06	14,713.80
Right-of-use assets	1,517.48	1,559.55
Capital work in progress	851.10	815.40
Investment properties	130.60	119.72
Goodwill	2,481.38	2,406.04
Other intangible assets	1,877.79	1,951.01
Intangible assets under development	18.63	36.39
Investments accounted for using the equity method	658.88	634.08
Financial assets		
i. Investments	167.07	161.38
ii. Loans	40.21	17.65
iii. Trade receivables	1,516.13	1,399.75
iv. Other financial assets	64.37	122.83
Deferred tax assets (net)	621.76	502.95
Other non-current assets	1,229.96	1,216.56
Non-current tax assets (net)	396.95	373.24
<b>Total non-current assets</b>	<b>26,923.37</b>	<b>26,030.35</b>
<b>Current assets</b>		
Inventories	4,599.45	5,156.59
Financial assets		
i. Investments	0.90	0.57
ii. Trade receivables	5,769.30	5,178.44
iii. Cash and cash equivalents	5,391.53	4,868.84
iv. Bank balances other than (iii) above	6.43	10.06
v. Loans	35.51	31.30
vi. Other financial assets	2,544.00	3,088.19
Other current assets	1,129.90	1,131.44
<b>Total current assets</b>	<b>19,477.02</b>	<b>19,465.43</b>
Assets classified as held for distribution	1,467.36	-
<b>Total assets</b>	<b>46,867.75</b>	<b>45,495.78</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	315.79	315.79
<b>Other equity</b>		
Reserves and surplus	9,925.25	10,395.82
Other reserves	710.22	549.33
<b>Equity attributable to owners of the Company</b>	<b>10,951.26</b>	<b>11,260.94</b>
Non controlling interest	3,291.30	3,565.03
<b>Total equity</b>	<b>14,242.56</b>	<b>14,825.97</b>
<b>Non current liabilities</b>		
Financial liabilities		
i. Borrowings	9,607.73	8,261.23
ii. Lease liabilities	982.86	1,030.03
iii. Other financial liabilities	424.43	379.35
Provisions	75.52	75.30
Employee benefit obligations	502.87	480.11
Deferred tax liabilities (net)	394.84	462.75
Government grants	214.01	243.26
Other non-current liabilities	164.22	167.11
<b>Total non-current liabilities</b>	<b>12,366.48</b>	<b>11,095.14</b>
<b>Current liabilities</b>		
Financial liabilities		
i. Borrowings	3,196.81	3,407.83
ii. Lease liabilities	344.88	336.26
iii. Trade payables	9,554.91	10,309.11
iv. Other financial liabilities	3,613.83	3,308.18
Provisions	324.31	205.19
Employee benefit obligations	284.64	228.33
Government grants	52.84	35.68
Current tax liabilities (net)	347.27	362.27
Other current liabilities	1,836.03	1,377.82
<b>Total current liabilities</b>	<b>19,555.52</b>	<b>19,570.67</b>
Liabilities directly associated with the assets held for distribution	703.19	-
<b>Total liabilities</b>	<b>32,625.19</b>	<b>30,669.81</b>
<b>Total equity and liabilities</b>	<b>46,867.75</b>	<b>45,495.78</b>

**UNAUDITED CONSOLIDATED CASH FLOW STATEMENT FOR HALF YEAR ENDED SEPTEMBER 30, 2020**

Particulars	(Rs. in Crores)	
	Half Year ended	
	30/09/2020 Unaudited	30/09/2019 Unaudited
<b>A Cash flow from operating activities:</b>		
Profit before tax from continuing operation	(699.84)	931.39
Profit before tax from discontinued operation	22.16	251.36
<b>Adjustments for:</b>		
Share of (profit)/loss in associates and joint ventures accounted for using the equity method	(27.41)	(44.39)
Depreciation expense	1,270.46	1,120.82
Amortisation expense	188.70	170.79
Finance costs	240.64	261.31
Interest income	(17.04)	(17.82)
Dividend income	-	(0.61)
Loss/ (gain) on disposal of property, plant & equipment	12.25	4.60
Bad debts / advances written off	12.54	3.21
Provision for doubtful debts / advances	7.49	5.62
Liability no longer required written back	(15.42)	(17.23)
Unrealised foreign currency loss/(gain)	(130.36)	(72.15)
<b>Operating profit before working capital changes</b>	<b>864.17</b>	<b>2,616.90</b>
<b>Changes in working capital:</b>		
Increase/(decrease) in trade and other payables	428.24	(1,175.77)
Increase/(decrease) in other financial liabilities	501.90	63.98
(Increase)/decrease in trade receivables	(1,004.97)	518.47
(Increase)/decrease in inventories	(104.37)	(244.40)
(Increase)/decrease in other receivables	(136.85)	81.94
(Increase)/decrease in other financial assets	524.45	134.55
<b>Cash generated from operations</b>	<b>1,072.57</b>	<b>1,995.67</b>
Income taxes (paid) / received	(220.20)	(560.72)
<b>Net cash generated from operations before exceptional items</b>	<b>852.37</b>	<b>1,434.95</b>
Exceptional Item (expense)/ income	(59.59)	-
<b>Net cash generated from operating activities</b>	<b>792.78</b>	<b>1,434.95</b>
<b>B Cash flow from Investing activities:</b>		
Payments for purchase of property, plant & equipment, other intangible assets and investment property (including capital work in progress and intangible assets under development)	(756.73)	(1,070.59)
Proceeds from sale of property, plant & equipment and other intangible assets	4.25	54.38
Proceeds from sale / (payment for purchase) of investments	(0.05)	0.23
Loan (to) / repaid by related parties (net)	(38.95)	(6.83)
Interest received	16.05	21.04
Dividend received	-	0.61
Dividend received from associates & joint venture entities	7.15	2.54
(Investment)/Proceeds from maturity of deposits with remaining maturity for more than 12 months	3.22	(4.37)
Consideration paid on acquisition of subsidiaries (net of cash balance acquired)	-	(29.17)
<b>Net cash used in Investing activities</b>	<b>(767.06)</b>	<b>(1,032.16)</b>
<b>C Cash flow from financing activities:</b>		
Dividend paid	(0.31)	(473.07)
Dividend distribution tax	-	(91.81)
Dividend paid to minority shareholders	(55.21)	(93.75)
Interest paid	(301.80)	(304.82)
Proceeds from long term borrowings	3,959.69	34.91
Proceeds from short term borrowings	2,579.07	2,093.64
Proceeds of loans from other related parties	433.61	209.91
Repayment of long term borrowings	(2,758.51)	(18.38)
Repayment of short term borrowings	(2,732.59)	(2,176.14)
Repayment of loans to other related parties	(217.38)	-
Payment of lease liabilities	(198.42)	(143.05)
<b>Net cash generated from / (used in) financing activities</b>	<b>708.15</b>	<b>(962.56)</b>
<b>Net Increase/(decrease) in cash &amp; cash equivalents</b>	<b>733.87</b>	<b>(569.77)</b>
Net foreign exchange differences on balance with banks in foreign currency	2.70	4.47
Cash and cash equivalents at the beginning of the period	4,868.84	3,539.90
<b>Cash and cash equivalents as at period end</b>	<b>5,605.41</b>	<b>2,984.60</b>
<b>Cash and cash equivalents comprise of the following:</b>		
Cash on hand	1.82	2.04
Cheques / drafts on hand	9.11	95.26
Balance with Banks	5,594.48	2,887.30
<b>Cash and cash equivalents as at period end</b>	<b>5,605.41</b>	<b>2,984.60</b>

The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

**Notes:**

- These consolidated financial results of the Group have been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules 2015, relevant amendments thereafter and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Circular No. CIR/CFD/CDM/144/2019 dated March 29, 2019 and other accounting principles generally accepted in India.
- The above consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on November 09, 2020 and November 10, 2020 respectively.
- Other income includes exchange gain other than exchange gain on borrowings, which is netted under finance cost.
- The Group's operations and consolidated financial results for the half year ended September 30, 2020 have been adversely impacted by the outbreak of COVID-19 pandemic and the consequent lockdown announced by governments in many of the jurisdictions, the Group operates, due to which the operations were suspended for a large part of the quarter ended June 30, 2020 and resumed only gradually with prescribed regulations and precautions. The consolidated financial results for the quarter ended June 30, 2020 and half year ended September 30, 2020 are therefore not comparable with those of previous periods. Towards the end of quarter ended June 30, 2020, many of these restrictions were gradually relaxed by the governments and production activity gradually resumed during the second quarter with prescribed regulations and precautions.  
The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these consolidated financial results has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future demand of its products. The Group has performed analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. However, given the effect of the pandemic on the overall economic activities globally and in particular the countries where the Group operates and in particular on the global automotive industry, the impact assessment of COVID-19 on the abovementioned consolidated financial results captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these consolidated financial results. The Group will continue to monitor any material changes to future economic conditions and consequential impact on its consolidated financial results.
- The Board of Directors in its meeting dated July 02, 2020, approved a group reorganization plan with the objective of creating value for the shareholders of the Company ("MSSL"). The reorganization plan approved by the respective Boards of the Company and Samvardhana Motherson International Limited ("SAMIL") among other things, entails demerger of Domestic Wiring Harness ("DWH") business from MSSL into a new company "Motherson Sumi Wiring India Limited" 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 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 FY2021-22.  
The aforesaid scheme has been considered as highly probable and meet the criteria prescribed in Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" to be considered as discontinued operation, hence DWH business has been disclosed as discontinued operation in Consolidated financial results. Accordingly, all previous periods figures in the financial results have also been restated. The income and expenses of continuing operation includes transactions with discontinued operation, which does not have impact on "Profit / (loss) for the period from continuing and discontinued operations" as disclosed in Consolidated financial results. Revenue from contract with customers on account of transaction between continuing operations and discontinued operations is as follows:

Particulars	Three months ended			Half Year ended		(Rs. in Crores)
	30/09/2020	30/06/2020	30/09/2019	30/09/2020	30/09/2019	Year ended
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	31/03/2020
Amount included in continuing operation	354.37	42.46	241.90	396.83	545.11	1,097.80
Amount included in discontinued operation	8.81	2.44	8.83	11.25	18.21	38.20

Assets and liabilities are disclosed after netting off of below mentioned amount of receivable and payable between continuing operation and discontinued operation in statement of consolidated assets and liabilities.

Particulars	(Rs. in Crores)
	As at
Amount receivable from discontinued operation	236.41
Amount payable to discontinued operation	11.09

Net cash flows attributable to the discontinued operations are as follows:

Particulars	(Rs. in Crores)	
	Half Year ended	Half Year ended
	30/09/2020	30/09/2019
Net cash generated from / (used in) operating activities	170.67	(2.63)
Net cash used in investing activities	(4.82)	(20.02)
Net cash generated from financing activities	16.44	22.05
<b>Net increase in cash and cash equivalents</b>	<b>182.19</b>	<b>(0.60)</b>

During the quarter, the Group has incurred expenses amounting INR 19.85 crores in connection to this scheme of arrangement, which has been disclosed as exceptional expenses in Consolidated financial results.

- During the quarter ending September 30, 2020, the Group issued 6.65% Non convertible debentures with maturity of 3 years of Rs 2,130 crores. These funds have been further loaned to Company's subsidiary Samvardhana Motherson Automotive Group BV (SMRP BV) which has utilised these funds together with cash on the balance sheet, for prepayment of USD 375 million, out of its USD 400 million senior secured notes due in December 2021. SMRP BV has incurred an expenditure of Rs 39.74 crores (EUR 4.66 million) towards prepayment premium and unamortised portion of bonds expenses, which has been disclosed as exceptional expenses in consolidated financial results.
- Figures of previous year / periods have been reclassified / regrouped / restated, wherever necessary.

Place : Noida  
Date: November 10, 2020

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SEHGAL

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**V C Sehgal**  
CHAIRMAN

# ANNEXURE XIV

**S.R. BATLIBOI & Co. LLP**  
Chartered Accountants

2nd & 3rd Floor  
Golf View Corporate Tower - B  
Sector - 42, Sector Road  
Gurugram - 122 002, Haryana, India  
Tel: +91 124 681 6000

## Auditor's Additional Report

The Board of the Directors  
Samvardhana Motherson International Limited  
Plot No 1, Sector 127, Noida-Greater Expressway,  
Noida - 201301, Uttar Pradesh

1. This report is issued in accordance with the requirements of Master Direction - Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2016 (the "Directions").
2. We have audited the accompanying financial statements of Samvardhana Motherson International Limited (hereinafter referred to as the "Company") comprising Balance Sheet as at March 31, 2020 the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information on which we have issued our report dated June 17, 2020.

### Management's Responsibility for the Standalone Financial Statements

3. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
4. The Management is also responsible for compliance with the Reserve Bank of India (Act, 1934 ("RBI Act") and other relevant Reserve Bank of India ("RBI") circulars, directions and guidelines applicable to Non-Banking Financial Companies, as amended from time to time, and for providing all the required information to RBI.

### Auditors' Responsibility

5. Pursuant to the requirements of the Directions referred to in paragraph 1 above it is our responsibility to examine the audited books and records of the Company for the year ended March 31, 2020 and report on the matters specified in the Directions to the extent applicable to the Company.
6. We conducted our examination of the accompanying Statement in accordance with the Guidance Note on Reports and 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. Our scope of work did not include verification of compliance with other requirements of the other circulars, directions and notifications issued by regulatory authorities from time to time and any other laws and regulations applicable to the Company.
7. 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.



## Opinion

8. Based on our examination of the audited books and records of the Company for the year ended March 31, 2020 as produced for our examination and the information and explanations given to us we report that:
  - 8.1 The Company is engaged in the business of non-banking financial institution and has obtained a certificate of registration (CoR) N-13.02168 dated March 7, 2017 (earlier certificate no. N-14.03309 dated September 11, 2014) from the Bank's Department of Non-Banking Supervision, Mumbai Regional Office;
  - 8.2 The Company is entitled to continue to hold such CoR in terms of its financial asset as on March 31, 2020;
  - 8.3 The Company is a Core Investment Company and according to para 2(2) (ii) of Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 ("CIC Directions"), the provisions of section 45-IA (1) (b) of the RBI Act shall not apply to a non-banking financial company being a Systemically Important Core Investment Company as defined in the clause (xxv) of paragraph 3 of CIC Directions, subject to the condition that it meets the capital requirements and leverage ratio as specified in CIC Directions. The Company has met the capital requirements and leverage ratio as on March 31, 2020, as specified in CIC Directions;
  - 8.4 The Board of Directors of the Company has passed a resolution in its meeting held on June 22, 2015 for non-acceptance of public deposits and the Company has not accepted any public deposits during the year ended March 31, 2020;
  - 8.5 The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("NBFC SI Directions").
  - 8.6 The quarterly statement of capital funds, risk assets / exposures and risk asset ratio (NBS – 7) has been furnished to the Bank on July 13, 2019, October 14, 2019, January 15, 2019 and May 15, 2020 respectively for each quarter for the year ended March 31, 2020, within the stipulated period based on the unaudited books of account. Para 6 – "Capital requirements" of NBFC SI Directions is not applicable to the Company. Accordingly, the question of commenting on whether the Company had correctly arrived at and disclosed the capital adequacy ratio (CRAR), based on the audited/unaudited books of account, in the return submitted to the Bank in Form NBS – 7 and such ratio is in compliance with the minimum CRAR prescribed by the Bank does not arise.

## Restriction on Use

9. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing said in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.
10. This report is addressed to the Board of Directors of the Company solely for the purpose of use by the management of the Company for submission to RBI as prescribed by the Directions mentioned above and is not to be used by any other person or for any other purpose or to be distributed to any other parties. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. This report relates only to the items specified above and does not extend to any financial statements of the Company taken as a whole.

**For S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

**PANKAJ CHADHA**  
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Date: 2020.06.17 23:57:58 +05'30'

per Pankaj Chadha

Partner

Membership No.: 091813

UDIN:20091813AAAACN7119

Place: Gurugram

Date: June 17, 2020

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Samvardhana Motherson International Limited

### **Report on the Audit of the Standalone Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of Samvardhana Motherson International Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b><u>Impairment assessment of investments and assessment of expected credit loss for loans and financial guarantees</u></b> (as described in Note 6, 7(a), 7(b) and 16 of the standalone Ind AS financial statements)</p>	
<p>The Company, being a CIC-ND-SI-NBFC, has made investments in, granted loans to and provided financial guarantees on behalf of various subsidiaries/joint venture/associate companies.</p> <p>The carrying amount of such investments, loans and expected credit loss for financial guarantees as at March 31, 2020 amounts to Rs. 18,978 million, Rs. 1,359 million and Rs. 1,925 million respectively.</p> <p>Considering the long-term nature of these investments, loans and financial guarantees, the assessment of impairment and expected credit loss (ECL) prescribed under Ind AS 36 and Ind AS 109 respectively requires significant judgement and estimates to be applied by the management to determine:</p> <ol style="list-style-type: none"> <li>a. Value-In-Use (VIU) for investment impairment</li> <li>b. Recoverable value for ECL for loans.</li> <li>c. Provision in respect of ECL on financial guarantees</li> </ol> <p>In particular, the determination of the VIU/recoverable value/provision is sensitive to significant assumptions such as discount rate, revenues growth, operating margin, terminal value and changes in credit risk.</p> <p>Accordingly, the matter has been identified as a key audit matter.</p>	<p>The procedures performed by us include following:</p> <ul style="list-style-type: none"> <li>• Assessed the process followed and controls implemented for the impairment review and measurement of financial guarantees and analysis performed by the management;</li> <li>• Read and understand the board approved policy for ECL</li> <li>• Tested management’s impairment calculation in accordance with the applicable accounting standards;</li> <li>• Read the financial position and operating/financial results of the respective companies from their financial information made available to us by the management;</li> <li>• Tested the expected credit loss model, including assumptions and underlying computation;</li> <li>• Where considered necessary, evaluated the key assumptions used in determining VIU and performed sensitivity analysis of key assumptions;</li> <li>• Read and assessed the disclosure made in the financial statements for assessing compliance with disclosure requirements.</li> </ul>

**Emphasis of Matter- Corona developments**

The developments surrounding the Corona (Covid-19) virus have a profound impact on people’s health and on our society as a whole, as well as on the operational and financial performance of organizations. The situation changes on a daily basis giving rise to inherent uncertainty. The Company is confronted with this uncertainty as well, which has been disclosed in the Note 54 to the Ind AS financial statements, together with its evaluation thereof. We draw attention to these disclosures. Our opinion is not modified in respect of this matter.

### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### **Responsibility of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 39 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

**PANKAJ CHADHA**  
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**per Pankaj Chadha**

Partner  
Membership Number: 091813  
UDIN: 20091813AAAACL3377  
Place of Signature: Gurugram  
Date: June 17, 2020

**Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date**

**Re: Samvardhana Motherson International Limited (the “Company”)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (i) (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (i) (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) (a) The Company has granted loans to twelve companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
- (iii) (b) The Company has granted loans for stipulated period or loans repayable on demand to companies covered in the register maintained under section 189 of the Companies Act, 2013. The repayment/receipts of principal and interest has been regular as per the stipulated terms or on demand by the Company, taking into consideration the renewal of loans provided by the Company at request of the borrower.
- (iii) (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government of India has not specified the maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013 for any of the products of the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, cess and other statutory dues applicable to it and the Company is generally regular in depositing goods and service tax with the appropriate authorities. The provisions relating to employees’ state insurance and duty of custom are not applicable to the Company.

- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance and duty of custom are not applicable to the Company.
- (vii)(c) According to the records of the Company, the dues outstanding of income-tax on account of any dispute, is as follows:

Name of the statute	Nature of dues	Amount (INR in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	12.64	AY 2013-14	Commissioner of Income-Tax (Appeals)

The provisions relating to sales tax, service tax, duty of custom, duty of excise and value added tax are not applicable to the Company.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given, considering the various source of funds available with the Company and fund flow statement prepared by the management, the Company has utilized the monies raised through issue of debentures and term loans for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.



- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

**PANKAJ**  
**CHADHA**

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**per Pankaj Chadha**  
Partner  
Membership Number: 091813  
UDIN: 20091813AAAACL3377  
Place of Signature: Gurugram  
Date: June 17, 2020

**ANNEXURE “2” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Samvardhana Motherson International Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

## **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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**per Pankaj Chadha**  
Partner  
Membership Number: 091813  
UDIN: 20091813AAAACL3377  
Place of Signature: Gurugram  
Date: June 17, 2020

**Samvardhana Motherson International Limited**  
**Standalone balance sheet as at March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	6,813	154
Bank balances other than cash and cash equivalents	4	6	6
Trade receivables	5	82	52
Loans	6	1,359	2,403
Investments	7(a)	26	476
Other financial assets	8	75	86
<b>Total financial assets</b>		<b>8,361</b>	<b>3,177</b>
<b>Non-financial assets</b>			
Investments in subsidiaries, joint ventures and associates	7(b)	18,952	17,755
Income tax assets (net)	9	76	78
Deferred tax assets (net)	10	-	-
Property, plant and equipment	11(a)	39	53
Right-of-use assets	11(b)	90	-
Other non-financial assets	12	26	52
<b>Total non-financial assets</b>		<b>19,183</b>	<b>17,938</b>
<b>Total assets</b>		<b>27,544</b>	<b>21,115</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	13	-	-
(i) total outstanding dues of micro, small and medium enterprises		-	-
(ii) total outstanding dues of creditors other than micro, small and medium enterprises		31	35
Debt securities	14	7,000	3,500
Borrowings (other than debt securities)	15	2,250	2,886
Lease liabilities	38	88	-
Other financial liabilities	16	2,167	143
<b>Total financial liabilities</b>		<b>11,536</b>	<b>6,564</b>
<b>Non-financial liabilities</b>			
Provisions	17	66	65
Other non-financial liabilities	18	91	82
<b>Total non-financial liabilities</b>		<b>157</b>	<b>147</b>
<b>Equity</b>			
Equity share capital	19	4,736	4,736
Other equity	20	11,115	9,668
<b>Total equity</b>		<b>15,851</b>	<b>14,404</b>
<b>Total liabilities and equity</b>		<b>27,544</b>	<b>21,115</b>

Summary of significant accounting policies 2  
The above standalone balance sheet should be read in conjunction with the accompanying notes

This is the balance sheet referred to in our report of even date

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number : 301003E/ E300005

**PANKAJ  
CHADHA**

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per Pankaj Chadha

Partner

Membership No. 091813

For and on behalf of the Board of Directors

**VIVEK CHAAND  
SEHGAL**

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VIVEK CHAAND SEHGAL  
Date: 2020.06.17  
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**Vivek Chaand Sehgal**

Director

DIN 00291126

**SANJAY  
MEHTA**

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**Sanjay Mehta**

Director

DIN 03215388

**POOJA  
MEHRA**

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**Pooja Mehra**

Company Secretary

Membership No. FCS 5088

**Rajinder  
Kumar Bansal**

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Rajinder Kumar Bansal  
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**Rajinder Kumar Bansal**

Deputy Chief Financial Officer

PAN - AJVPB1886F

**MANISH  
KUMAR GOYAL**

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MANISH KUMAR GOYAL  
Date: 2020.06.17  
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**Manish Kumar Goyal**

Chief Financial Officer

PAN - AESPG3496A

Place : Gurugram  
Date : June 17, 2020

Place : Noida  
Date : June 17, 2020

**Samvardhana Motherson International Limited**  
**Standalone statement of profit and loss for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Revenue from operations</b>			
Interest income	21(a)	300	226
Dividend income	21(b)	3,395	1,685
Fee and commission income	21(c)	53	32
Revenue from contract with customers	21(d)	86	150
Net gain on fair value changes	22	43	27
<b>Total revenue from operations</b>		<b>3,877</b>	<b>2,120</b>
Other income	23	153	361
<b>Total income</b>		<b>4,030</b>	<b>2,481</b>
<b>Expenses</b>			
Finance costs	24	769	607
Employee benefits expenses	25	203	222
Depreciation expenses	26	59	17
Others expenses	27	235	249
<b>Total expenses</b>		<b>1,266</b>	<b>1,095</b>
<b>Profit before exceptional items and tax</b>		<b>2,764</b>	<b>1,386</b>
Exceptional items	28	(1,089)	(783)
<b>Profit before tax</b>		<b>1,675</b>	<b>603</b>
<b>Tax expenses</b>			
-Current tax expense (provision reversal for earlier years)	29	(19)	-
-Deferred tax expense		-	-
<b>Total tax expense</b>		<b>(19)</b>	<b>-</b>
<b>Profit for the year</b>		<b>1,694</b>	<b>603</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit obligations	17	7	(8)
Income tax relating to the above items		-	-
<b>Other comprehensive income for the year</b>		<b>7</b>	<b>(8)</b>
<b>Total comprehensive income for the year</b>		<b>1,701</b>	<b>595</b>
<b>Earnings per share:</b>			
Nominal value per share: INR 10/- (March 31, 2019 : INR 10/-)	30		
Basic (INR per share)		3.58	1.27
Diluted (INR per share)		3.58	1.27

Summary of significant accounting policies 2  
The above standalone statement of profit and loss should be read in conjunction with the accompanying notes

This is the statement of profit and loss referred to in our report of even date

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number : 301003E/ E300005

**PANKAJ CHADHA**  
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per Pankaj Chadha

Partner

Membership No. 091813

**POOJA MEHRA**  
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**Pooja Mehra**  
Company Secretary  
Membership No. FCS 5088

Place : Gurugram

Date : June 17, 2020

Place : Noida

Date : June 17, 2020

For and on behalf of the Board of Directors

**VIVEK CHAAND SEHGAL**  
Digitally signed by  
VIVEK CHAAND SEHGAL  
Date: 2020.06.17  
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**Vivek Chaand Sehgal**  
Director  
DIN 00291126

**Rajinder Kumar Bansal**  
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**Rajinder Kumar Bansal**  
Deputy Chief Financial Officer  
PAN - AJVPB1886F

**SANJAY MEHTA**  
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**Sanjay Mehta**  
Director  
DIN 03215388

**MANISH KUMAR GOYAL**  
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**Manish Kumar Goyal**  
Chief Financial Officer  
PAN - AESPG3496A

**Samvardhana Motherson International Limited**  
**Standalone statement of changes in equity as at March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

**A. Equity share capital**

	Notes	Amount
As at March 31, 2018		4,736
Changes in equity share capital	19	-
As at March 31, 2019		4,736
Changes in equity share capital	19	-
As at March 31, 2020		<u>4,736</u>

**B. Other equity**

	Note	Reserves and surplus				Items of OCI Equity instruments through other comprehensive Income (OCI)	Total
		Securities premium	Capital reserve on amalgamation	Reserve fund	Retained Earning		
<b>Balance as at March 31, 2018</b>	20	3,263	2,402	1,635	2,845	68	10,213
Profit for the year		-	-	-	603	-	603
Other comprehensive income		-	-	-	(8)	-	(8)
<b>Total comprehensive income for the year</b>		-	-	-	595	-	595
Interim dividend paid		-	-	-	(947)	-	(947)
Dividend distribution tax		-	-	-	(193)	-	(193)
Transfer to/(from) retained earnings		-	-	121	(53)	(68)	-
<b>Balance as at March 31, 2019</b>		3,263	2,402	1,756	2,247	-	9,668
Profit for the year		-	-	-	1,694	-	1,694
Other comprehensive income		-	-	-	7	-	7
<b>Total comprehensive income for the year</b>		-	-	-	1,701	-	1,701
Additions during the year							
Transfer to/(from) retained earnings		-	-	339	(339)	-	-
Interim dividend paid		-	-	-	(213)	-	(213)
Dividend distribution tax		-	-	-	(41)	-	(41)
<b>Balance as at March 31, 2020</b>		3,263	2,402	2,095	3,355	-	11,115

Summary of significant accounting policies

2

The above standalone statement of changes in equity should be read in conjunction with the accompanying notes

This is the statement of changes in equity referred to in our report of even date

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number : 301003E/ E300005

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per Pankaj Chadha  
 Partner  
 Membership No. 091813

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**Vivek Chaand Sehgal**  
 Director  
 DIN 00291126

For and on behalf of the Board of Directors

**SANJAY MEHTA**  
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**Sanjay Mehta**  
 Director  
 DIN 03215388

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**Pooja Mehra**  
 Company Secretary  
 Membership No. FCS 5088

**Rajinder Kumar Bansal**  
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**Rajinder Kumar Bansal**  
 Deputy Chief Financial Officer  
 PAN - AJVPB1886F

**MANISH KUMAR GOYAL**  
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**Manish Kumar Goyal**  
 Chief Financial Officer  
 PAN - AESPG3496A

Place : Gurugram  
 Date : June 17, 2020

Place : Noida  
 Date : June 17, 2020

**Samvardhana Motherson International Limited**  
**Standalone cash flow statement for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash flow from operating activities:</b>		
Profit before tax	1,694	603
Adjustments for:		
Depreciation expense	59	17
Reversal of impairment loss on investments and loans	(836)	(20)
Impairment allowance in investments and loans	-	803
Gain on sale of investment in subsidiaries and joint ventures	-	(347)
Gain on sale of mutual fund investments	(43)	(27)
Interest income	(263)	(197)
Unwinding of discount on financial assets	(37)	(29)
Fee and commission income	(23)	(32)
Expected credit loss for corporate guarantee	1,925	-
Dividend income	(3,395)	(1,685)
Finance Cost	769	607
Unrealised foreign exchange loss (net)	(1)	(6)
<b>Operating profit before working capital changes</b>	<b>(151)</b>	<b>(313)</b>
<b>Change in working Capital:</b>		
Increase/(decrease) in trade payables	(4)	(5)
Increase/(decrease) in other financial liabilities	(2)	2
Increase/(decrease) in provisions	8	(8)
Increase/(decrease) in other non financial liabilities	17	-
(Increase)/decrease in trade receivables	(29)	(24)
(Increase)/decrease in other financial assets	2	2
(Increase)/decrease in loans	1,202	(622)
(Increase)/decrease in other non financials assets	1	39
(Increase)/decrease in other bank balances	-	(6)
<b>Cash generated from operations</b>	<b>1,044</b>	<b>(935)</b>
- Dividend received	3,379	1,685
- Interest received on loans	288	219
- Taxes paid (net of refund)	2	(30)
<b>Net cash generated from operations</b>	<b>4,713</b>	<b>939</b>
<b>B. Cash flow from investing activities:</b>		
Payments for property, plant & equipment	(1)	(3)
Proceeds from sale of investments in subsidiary, Joint Venture and associate (net of direct cost)	-	530
(Purchase)/ sale of current investments (mutual funds) (net)	493	(423)
Proceeds from sale of other investment	-	381
Purchase of investments in subsidiary, joint venture and associates	(469)	(54)
<b>Net cash generated from investing activities</b>	<b>23</b>	<b>431</b>
<b>C. Cash flow from financing activities:</b>		
Interim dividend paid	(213)	(947)
Dividend distribution tax	(41)	(193)
Lease liability paid	(31)	-
Interest paid on borrowings other than debt securities	(147)	(130)
Interest and finance charges paid on debt securities	(419)	(1,345)
Proceeds from debt securities	7,000	3,500
Proceeds from borrowings other than debt securities	5,974	6,839
Repayment of debt securities	(3,500)	(4,000)
Repayment of borrowings other than debt securities	(6,700)	(5,350)
<b>Net cash generated/(used in) financing activities</b>	<b>1,923</b>	<b>(1,626)</b>

**Samvardhana Motherson International Limited**  
**Standalone cash flow statement for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>6,659</b>	<b>(256)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>154</b>	<b>410</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>6,813</b>	<b>154</b>
<b>Cash and cash equivalents comprise of the following (refer note 3)</b>		
Cash on hand	1	0
Balances with banks:		
- in current accounts	495	154
- Deposits with original maturity of less than three months	3,000	-
- margin money deposit	3,317	-
<b>Total</b>	<b>6,813</b>	<b>154</b>

Notes:

- i) The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows"  
 ii) Figures in brackets indicate Cash Outflow.

Summary of significant accounting policies

2

The above standalone cash flow statement should be read in conjunction with the accompanying notes

This is the Cash flow referred to in our report of even date

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number : 301003E/ E300005

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per Pankaj Chadha  
 Partner  
 Membership No. 091813

For and on behalf of the Board of Directors

**VIVEK CHAAND SEHGAL**  
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 Date: 2020.06.17 22:43:07 +05'30'

**Vivek Chaand Sehgal**  
 Director  
 DIN 00291126

**SANJAY MEHTA**

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**Sanjay Mehta**  
 Director  
 DIN 03215388

**POOJA MEHRA**  
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**Pooja Mehra**  
 Company Secretary  
 Membership No. FCS 5088

**Rajinder Kumar Bansal**  
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**Rajinder Kumar Bansal**  
 Deputy Chief Financial Officer  
 PAN - AJVPB1886F

**MANISH KUMAR GOYAL**  
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**Manish Kumar Goyal**  
 Chief Financial Officer  
 PAN - AESPG3496A

Place : Gurugram  
 Date : June 17, 2020

Place : Noida  
 Date : June 17, 2020



## Samvardhana Motherson International Limited

### Notes to standalone financial statements for the year ended March 31, 2020

(All amounts are in INR million, unless otherwise stated)

#### 1 Corporate Information

Samvardhana Motherson International Limited ("SAMIL" or "the Company"), is incorporated in India on December 9, 2004 to act as a holding company to hold/ make investments in Group companies which are primarily engaged in business in the automotive sector. The address of its registered office is Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra. The Company was promoted by Mr. V.C. Sehgal, promoter of the Samvardhana Motherson Group. The Company is a public limited company domiciled in India.

The Company holds the Certificate of Registration as a Non-Deposit Taking Systemically Important Core Investment Company ("CIC-ND-SI") vide Certificate No. N-13.02168 dated March 07, 2017 (earlier Certificate No. N-14.03309 dated September 11, 2014) issued by the Reserve Bank of India ("RBI") under Core Investment Companies (Reserve Bank) Directions, 2016 ("CIC Directions"). By virtue of the above registration, the provisions of section 45-IA (1)(b) of the Reserve Bank of India Act, 1934 ("RBI Act") shall not apply to the Company being a Systemically Important Core Investment Company subject to the condition that it meets the capital requirements and leverage ratio as specified in CIC Directions.

RBI Disclaimer: (a) Reserve Bank of India does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for discharge of liability by the Company, (b) Neither is there any provision in law to keep, nor does the Company keep any part of the deposits with the Reserve Bank and by issuing the Certificate of Registration to the Company, the Reserve Bank neither accepts nor guarantee for the payment of the public funds to any person/body corporate.

The financial statements were authorised for issue in accordance with a resolution of the Board of directors on June 17, 2020.

#### 2 Significant accounting policies

##### (a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and
- Defined benefit pension plans – plan assets measured at fair value

The financial statements are presented in INR and all values are rounded to the nearest millions (INR 000,000), except when otherwise stated. Amount appearing as zero "0" in the financial statements are below the rounding off norm adopted by the Company.

##### (b) Presentation of financial statements

The financial statements have been presented in accordance with Division III of Schedule III of Companies Act, 2013. The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 40.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- i) The normal course of business,
- ii) The event of default
- iii) The event of insolvency or bankruptcy of the Company and/or its counterparties

##### (c) Foreign currencies

###### (i) Functional and presentation currency

The Company's functional currency is Indian Rupee (INR) and the financial statements are presented in Indian Rupee (INR).

###### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing cost are presented in the Statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments (other than investment in subsidiaries, joint ventures and associates) classified as FVTOCI are recognised in other comprehensive income.

##### (d) Revenue recognition and Other income

###### (i) Revenue from contract with customers

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the company satisfies a performance obligation

#### **Consultancy Income**

Fees earned for the provision of services are recognised over time or point in time as per contract with the customer. In case of contracts where the customer receives and consumes the benefits simultaneously, as the services are rendered the revenue is recognised over the term of the contract.

In cases where the customer receives and consumes the services at single point in time, revenue is recognised as and when the performance obligation is satisfied.

#### **Fee and commission income**

Fees earned for the provision of guarantees are recognised over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. The revenue for such contracts is recognised over the term of the guarantee contract.

However, Service tax/Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

#### **Trade Receivables**

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Trade receivables are disclosed in Note 5.

#### **(ii) Interest income**

Interest is recognised using the effective interest rate (EIR) method, as income for the period in which it occurs. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of financial instrument (for example, prepayment, extension, charges, call and similar options) but does not consider expected credit losses.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

#### **(iii) Dividend income:**

Dividend income is recognised when the right to receive payment is established, which is generally when shareholders approve the dividend.

#### **(e) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

#### **(f) Leases**

Pursuant to the notification by the Ministry of Corporate Affairs, The Company adopted IND AS 116 effective from April 1, 2019, prospectively using the modified retrospective method as mandated by Para C5(b) and Para C8(c)(ii) of IND AS 116. Accordingly, the Company has not restated comparative information and there is no cumulative effect of initially applying this Standard to be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

##### **As a Lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (g) Impairment of non-financial assets.

#### **Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Lease liabilities, which separately shown in the financial statement are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing (while affecting other comprehensive income) the carrying amount to reflect the lease payments made.

#### **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### **Key assumptions that the Company is applying for implementing the standard are as follows:**

**Terms:** For each contract, the Company reviewed the renewal and the early termination options within the term of the arrangement and determined, after taking into account all the relevant facts and circumstances, what would be the date at which the Company reasonably expects the contract to be terminated. For certain categories of leased assets, (mainly vehicles), the Company assesses that there is no reasonably certain extension option, consequently the duration selected coincides with the first term of the lease contract. For real estate lease arrangements, the Company defines the reasonable end date of the contracts, while taking into account the renewal and early termination options stated in the agreements, in line with the asset's expected period of use.

**Discount rates:** The Company determined discount rates reflecting each subsidiary's specific credit risk, the currency of the contract and the weighted average maturity of the reimbursement of the lease liability. For the transition the incremental borrowing rate used is the rate applicable to the residual terms of the contracts. For contracts previously classified as finance leases the Company has recognised the carrying amount of the right of use assets and lease liability at the date of initial application.

#### **As a Lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate the lessor for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their respective nature.

#### **(g) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used. Impairment losses are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

#### **(h) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand short term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### **(i) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **Financial assets**

##### **Initial recognition and measurement**

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

#### **Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

#### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### **Equity instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- c) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL (12mECL) is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL (LTECL) is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2, Stage 3, as described below:

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Stage 1: When loans are first recognised, the Company recognises an allowance based on 12m ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Company records an allowance for the LTECLs.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

**ECL on Financial guarantee contracts**

The Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The ECLs related to financial guarantee contracts are recognised as a liability.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated Ind AS as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss

**Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings and other payables.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Off setting of financial instruments**

Financial assets and financial liabilities are off set and the net amount is reported in the balance sheet if there is a currently enforceable legal right to off set the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(j) Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 2.2, 31 and 32)
- Quantitative disclosures of fair value measurement hierarchy (note 31)
- Financial instruments (including those carried at amortised cost) (note 3, 4, 5, 6, 7, 8, 13, 14, 15, 16, 31, 32 and 39)

**(k) Property, Plant and equipment**

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

The cost of self-generated assets comprises of raw material, components, direct labour, other direct cost and related production overheads.

**Depreciation methods and useful lives**

Depreciation is calculated using the straight-line method over estimated useful lives of the assets:

Assets	Useful life
Leasehold improvements	Over the period of lease or useful life, whichever is lower
Office equipment	5 years
Computers	3 years
Furniture & fixtures	6 years *

\*Useful life of these assets are lower than the life prescribed under Schedule II to the Companies Act, 2013 and those has been determined based on an assessment performed by the management of expected usage of these assets. The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(l) Provisions and contingent liabilities**

**Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**(m) Financial guarantees**

Financial guarantees are initially recognised in the financial statements (within 'other liabilities') at fair value, being the premium received. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss as credit loss expense. The premium received is recognised in the statement of profit and loss in net fees and commission income on a straight line basis over the life of the guarantee.

**(n) Employee benefits**

**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Provident Fund**

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. The company recognizes contribution payable to the provident fund scheme as expenditure in the statement of profit and loss, when an employee renders the related service.

**Gratuity**

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity plan in Company is funded through annual contributions to Life Insurance Corporation of India (LIC) under its Company's Gratuity Scheme whereas others are not funded.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in statement of profit and loss.

**Compensated Absences**

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss in the period in which they arise. Past-service costs are recognised immediately in statement of profit and loss.

**(o) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**(p) Earnings per share**

**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

**(i) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**(q) Exceptional items**

Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior years. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with Ind AS.

**(r) Changes in Accounting policies**

**Ind AS 116 Lease**

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 01, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The Company as lessee uses the following practical expedients of IND AS 116 at the date of initial application:

- With leases previously classified as operating leases according to IND AS 17, the lease liability is measured at the present value of the outstanding lease payments, discounted by incremental borrowing rate at April 1, 2019. The respective right-of-use asset is generally recognized at an amount equal to the lease liability.
- An impairment review is not performed. Instead, a right-of-use asset is adjusted by the amount of any provision for onerous leases recognized in the Statement of Financial Position at March 31, 2019.
- Regardless of their original lease term, leases for which the lease term ends at the latest on March 31, 2020 were recognized as short-term leases.

#### **Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment**

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex multinational environment, it assessed whether the Appendix had an impact on its financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Company determined, based on its tax compliance and transfer pricing study that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

#### **2.1 Significant accounting judgements, estimates and assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

##### **Judgements**

In the process of applying the Company's accounting policies, there are no significant judgements established by the management.

##### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

##### **(i) Useful life of property, plant and equipment**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

##### **(ii) Defined benefit plans**

The cost of the defined benefit gratuity plan and other post-employment defined benefits are determined using actuarial valuations. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about gratuity obligations are given in Note 17.

##### **(iii) Fair valuation of unlisted securities**

When the fair value of unlisted securities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 31 of the financials.

##### **(iv) Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.



**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>3 Cash and cash equivalents *</b>		
Cash on hand	1	0
Balances with banks:		
- in current accounts	495	154
- Deposits with original maturity of less than three months	3,000	-
- margin money deposit	3,317	-
<b>Total</b>	<b>6,813</b>	<b>154</b>

\* There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior periods except margin money deposit amounting INR 3,317 million (March 31, 2019: INR Nil)

Ind AS 7 requires company to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

Particulars	As at April 01, 2018	Cash flows	Non-cash changes	As at March 31, 2019
Debt Securities (refer note 14)	4,000	(500)	-	3,500
Borrowings (other than debt securities) (refer note 15)	1,350	1,536	-	2,886

Particulars	As at April 01, 2019	Cash flows	Non-cash changes	As at March 31, 2020
Debt Securities (refer note 14)	3,500	3,500	-	7,000
Borrowings (other than debt securities) (refer note 15)	2,886	(636)	-	2,250

	As at March 31, 2020	As at March 31, 2019
<b>4 Bank balances other than cash and cash equivalents</b>		
Unpaid dividend account	6	6
<b>Total</b>	<b>6</b>	<b>6</b>

	As at March 31, 2020	As at March 31, 2019
<b>5 Trade receivables</b>		
Considered good - Unsecured from related parties (refer note 34)	82	52
	<b>82</b>	<b>52</b>
Debts due from private companies in which any director is a director or a member	0	3

Trade receivables are non-interest bearing and are generally on terms of 30 days.

**Samvardhana Motherson International Limited**

**Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>6 Loans</b>		
<b>At Amortised cost</b>		
<b>Unsecured, considered good</b>		
Loan to related parties (as per NBFC guidelines [refer note (i) below]- standard)		
Subsidiaries (refer note 34)	1,365	2,192
Joint ventures and associates (refer note 34)	-	222
Loans to employees	0	0
<b>Credit Impaired</b>		
Loan to related parties (as per NBFC guidelines [refer note (ii) below]- sub-standard/loss assets)		
Subsidiaries (refer note 34)	-	76
<b>Less: Impairment allowance [refer note (iii) below]</b>	<b>(6)</b>	<b>(87)</b>
	<b>1,359</b>	<b>2,403</b>
Loans in India	1,365	2,331
Loans outside India	-	159
Less: Impairment allowance	(6)	(87)
	<b>1,359</b>	<b>2,403</b>
<b>i) As per NBFC guidelines- standard</b>		
<b>Unsecured, considered good</b>		
Standard Assets	1,365	2,414
<b>Total</b>	<b>1,365</b>	<b>2,414</b>
<b>Name of parties</b>		
<b>Subsidiaries:</b>		
Samvardhana Motherson Adsys Tech Limited	-	61
Samvardhana Motherson Auto Component Private Limited	-	226
MS Global India Automotive Private Limited	1,200	1,500
Samvardhana Motherson Holding (M) Private Limited	-	159
Samvardhana Motherson Auto System Private Limited	-	16
MothersonSumi Infotech & Designs Limited	165	210
Samvardhana Motherson Maadhyam International Limited	-	5
Samvardhana Motherson Global Carriers Limited	-	15
<b>Joint ventures:</b>		
Motherson Invenzen Xlab Private Limited	-	171
Samvardhana Motherson Polymers Limited	-	1
Motherson Auto Solutions Limited	-	50
<b>Total</b>	<b>1,365</b>	<b>2,414</b>
<b>ii) As per NBFC guidelines- sub-standard / loss assets</b>		
<b>Particulars</b>		
<b>Unsecured, considered doubtful</b>		
Loss assets	-	76
<b>Total</b>	<b>-</b>	<b>76</b>
<b>Name of parties</b>		
<b>Subsidiaries: loss assets</b>		
Samvardhana Motherson Refrigeration Product Limited	-	2
Samvardhana Motherson Innovative Solutions Limited	-	74
<b>Total</b>	<b>-</b>	<b>76</b>

**Samvardhana Motherson International Limited****Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>iii) Impairment allowance</b>		
Allowance for loss assets [refer note (a) below]	-	76
Contingent provision on standard assets [refer (b) below]	6	11
<b>Total</b>	<b>6</b>	<b>87</b>
	As at March 31, 2020	As at March 31, 2019
<b>(a) Allowance for loss assets</b>		
Samvardhana Motherson Refrigeration Product Limited	-	2
Samvardhana Motherson Innovative Solutions Limited	-	74
<b>Total</b>	<b>-</b>	<b>76</b>
	March 31, 2020	March 31, 2019
<b>Movement of allowance for sub-standard assets/loss assets</b>		
Balance at the beginning of the year	76	25
Add: Created during the year	-	76
Less: Written back in respect of loans received back during the year	76	25
<b>Balance at the end of the year</b>	<b>-</b>	<b>76</b>
<b>(b) Contingency provision on standard assets</b>		
	March 31, 2020	March 31, 2019
<b>Movement of allowance for standard assets</b>		
Balance at the beginning of the year	11	9
Add: Created during the year	-	2
Less: Written back during the year	5	-
<b>Balance at the end of the year</b>	<b>6</b>	<b>11</b>

**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

(iv) Disclosure in respect of Expected credit loss

(a) **Credit quality of assets**

	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Internal rating grade</b>								
<b>Performing</b>								
Standard grade	1,365	-	-	1,365	2,414	-	-	2,414
<b>Non-performing</b>								
Sub-standard grade	-	-	-	-	-	-	-	-
Individually impaired	-	-	-	-	-	-	76	76
<b>Total</b>	<b>1,365</b>	<b>-</b>	<b>-</b>	<b>1,365</b>	<b>2,414</b>	<b>-</b>	<b>76</b>	<b>2,490</b>

(b) **Analysis of changes in gross carrying amount**

	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	2,414	-	76	2,490	1,865	-	25	1,890
New assets originated or purchased	3,706	-	-	3,706	1,337	-	36	1,373
Assets derecognised or repaid (excluding write offs)	(4,755)	-	(76)	(4,831)	(748)	-	(25)	(773)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	(40)	-	40	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,365</b>	<b>-</b>	<b>-</b>	<b>1,365</b>	<b>2,414</b>	<b>-</b>	<b>76</b>	<b>2,490</b>

(c) **Reconciliation of ECL balance is given below**

	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	11	-	76	87	9	-	25	34
New assets originated or purchased	13	-	-	13	6	-	36	42
Assets derecognised or repaid (excluding write offs)	(18)	-	(76)	(94)	(4)	-	(25)	(29)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	40	40
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>11</b>	<b>-</b>	<b>76</b>	<b>87</b>

**Samvardhana Motherson International Limited**

**Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

(v) Comparison between provisions required under Income Recognition, Asset Classification and Provisioning (IRACP) norms and impairment allowances made under Ind AS 109 as at March 31, 2020

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
<b>Performing Assets</b>						
Standard	Stage 1	1,365	-	1,365	6	(6)
	Stage 2	-	-	-	-	-
<b>Subtotal</b>		<b>1,365</b>	<b>-</b>	<b>1,365</b>	<b>6</b>	<b>(6)</b>
<b>Non-performing assets (NPA)</b>						
Sub-standard	Stage 3	-	-	-	-	-
Doubtful up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms (refer note 16, 28 and 49)	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	1,925	(1,925)	-	1,925
<b>Subtotal</b>		<b>-</b>	<b>1,925</b>	<b>(1,925)</b>	<b>-</b>	<b>1,925</b>
<b>TOTAL</b>	<b>Stage 1</b>	<b>1,365</b>	<b>-</b>	<b>1,365</b>	<b>6</b>	<b>(6)</b>
	<b>Stage 2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Stage 3</b>	<b>-</b>	<b>1,925</b>	<b>(1,925)</b>	<b>-</b>	<b>1,925</b>
	<b>TOTAL</b>	<b>1,365</b>	<b>1,925</b>	<b>(560)</b>	<b>6</b>	<b>1,919</b>

**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>7(a) Investments</b>		
<b>Unquoted</b>		
<b>Equity investments at FVTOCI*</b>		
<b>Systematic Conscom Limited</b>	1	1
2,500 (March 31, 2019: 2,500) Equity shares of INR 10/- each fully paid up		
<b>Total (i)</b>	<b>1</b>	<b>1</b>
<b>Preference shares at FVTPL</b>		
<b>Samvardhana Motherson Innovative Solutions Limited</b>	25	25
2,500,000 (March 31, 2019: 2,500,000) 7% Optionally Convertible Cumulative Redeemable Preference shares of INR 10/- each fully paid up		
<b>Total (ii)</b>	<b>25</b>	<b>25</b>
<b>Mutual Funds at FVTPL</b>		
HSBC Mutual Fund (Nil (March 31, 2019: 53,757 units)	-	100
Reliance Liquid Fund (Nil (March 31, 2019: 43,887 units)	-	200
ICICI Prudential Liquid Regular Plan (Nil (March 31, 2019: 543,227 units)	-	150
<b>Total (iii)</b>	<b>-</b>	<b>450</b>
<b>Total (a)</b>	<b>26</b>	<b>476</b>
<b>(b) Investment in subsidiaries, joint ventures and associate</b> (Valued at cost unless stated otherwise)		
<b>Quoted : Equity shares</b>		
<b>Investment in joint ventures :</b>		
<b>Motherson Sumi Systems Limited [refer note (i) below and note 14 and 15]</b>	11,107	11,107
1,055,750,653 (March 31, 2019: 1,055,750,653) Equity shares of INR 1/- each fully paid up		
<b>Total (i)</b>	<b>11,107</b>	<b>11,107</b>
<b>Unquoted : Equity shares</b>		
<b>Investment in subsidiary companies:</b>		
<b>Samvardhana Motherson Finance Services Cyprus Limited</b>	997	997
46,168 (March 31, 2019: 46,168) Equity shares of USD 1/- fully paid up		
<b>Samvardhana Motherson Holding (M) Private Limited</b>	66	66
1,325,714 (March 31, 2019: 1,325,714) fully paid up Ordinary shares of no par value		
<b>Motherson Molds and Diecasting Limited</b>	35	35
3,468,000 (March 31, 2019: 3,468,000) Equity shares of INR 10/- each fully paid up		
<b>Samvardhana Motherson Innovative Solutions Limited</b>	3,610	3,610
280,286,269 (March 31, 2019: 280,286,269) Equity shares of INR 10/- each fully paid up		
<b>MothersonSumi Infotech &amp; Designs Limited</b>	102	102
6,962,446 (March 31, 2019: 6,962,446) Equity shares of INR 10/- each fully paid up		
<b>Motherson Consultancies Service Limited</b>	26	26
2,600,000 (March 31, 2019: 2,600,000) Equity shares of INR 10/- each fully paid up		
<b>CTM India Limited</b>	71	71
1,181,040 (March 31, 2019: 1,181,040) Equity shares of INR 10/- each fully paid up		
<b>Samvardhana Motherson Auto Component Private Limited</b>	90	90
8,999,990 (March 31, 2019: 8,999,990) Equity shares of INR 10/- each fully paid up		
<b>Samvardhana Motherson Adsys Tech Limited</b>	46	46
4,550,000 (March 31, 2019: 4,550,000) Equity shares of INR 10/- each fully paid up		
<b>MS Global India Automotive Private Limited</b>	100	100
70,000,000 (March 31, 2019: 70,000,000) Equity shares of INR 10/- each fully paid up		
<b>Samvardhana Motherson Maadhyam International Limited [refer note (ii) below]</b>		
50,000 (March 31, 2019: 50,000) Equity shares of INR 10/- each fully paid up	1	1
<b>Samvardhana Motherson Global Carriers Limited [refer note (iii) below]</b>		
46,000,000 (March 31, 2019: 200,000) Equity shares of INR 10/- each fully paid up	460	2
<b>Motherson Invenzen Xlab Private Limited (refer note 51)</b>	0	-
10,410 (March 31, 2019: Nil) Equity shares of INR 10/- each fully paid up		

**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>Investment in joint venture companies:</b>		
<b>Valeo Motherson Thermal Commercial Vehicles India Limited (Formerly known as Spheros Motherson Thermal System Limited)</b>	30	30
2,989,000 (March 31, 2019: 2,989,000) Equity shares of INR 10/- each fully paid up		
<b>Matsui Technologies India Limited</b>	20	20
1,999,999 (March 31, 2019: 1,999,999) Equity shares of INR 10/- each fully paid up		
<b>Motherson Bergstrom HVAC Solutions Private Limited</b>	65	65
6,500,000 (March 31, 2019: 6,500,000) Equity shares of INR 10/- each fully paid up		
<b>Fritzmeier Motherson Cabin Engineering Private Limited</b>	275	275
25,000,000 (March 31, 2019: 25,000,000) Equity shares of INR 10/- each fully paid up		
<b>Magneti Marelli Motherson Auto System Private Limited [refer note 41 (i)]</b>	20	-
1,900,000 (March 31, 2019: Nil) Equity shares of INR 10/- each fully paid up		
<b>Magneti Marelli Motherson Shock Absorbers India Private Limited</b>	567	567
113,450,000 (March 31, 2019: 113,450,000) Equity shares of INR 10/- each fully paid up		
<b>Magneti Marelli Motherson India Holding B.V. [refer note 41 (i)]</b>	-	201
Nil (March 31, 2019: 1,057,037) Equity B shares of Euro 1/- each fully paid up		
<b>Youngshin Motherson Auto Tech Limited [refer note (v) below]</b>	118	106
11,776,100 (March 31, 2019: 10,626,100) Equity shares of INR 10/- each fully paid up		
<b>Motherson Invenzen Xlab Private Limited (refer note 51)</b>	-	0
Nil (March 31, 2019: 10,410) Equity shares of INR 10/- each fully paid up		
<b>Investment in Associates:</b>		
<b>Samvardhana Motherson Polymers Limited [refer note (iv) below]</b>	371	369
1,846,320 (March 31, 2019: 1,845,830) Equity shares of INR 10/- each fully paid up		
<b>Additional equity contribution in subsidiaries**</b>		
Samvardhana Motherson Holding (M) Private Limited	78	83
Samvardhana Motherson Innovative Solutions Limited	68	69
Samvardhana Motherson Auto Component Private Limited	66	76
Samvardhana Motherson Adsys Tech Limited	10	19
Samvardhana Motherson Maadhya International Limited	1	2
Samvardhana Motherson Global Carriers Limited	4	5
<b>Total (ii)</b>	<b>7,297</b>	<b>7,033</b>
<b>Unquoted: Preference shares</b>		
<b>Investment in subsidiary companies:</b>		
<b>Samvardhana Motherson Holding (M) Private Limited</b>	243	243
3,555,175 (March 31, 2019: 3,555,175) Fully paid up Redeemable Preference shares of no par value		
<b>Samvardhana Motherson Innovative Solutions Limited</b>	20	20
2,000,000 (March 31, 2019: 2,000,000) 7% Optionally Convertible Cumulative Redeemable Preference shares of INR 10/- each fully paid up		
<b>Motherson Invenzen Xlab Private Limited (refer note 51)</b>	50	-
4,990,000 (March 31, 2019: Nil) 3% Optionally Convertible Redeemable Preference shares of INR 10/- each fully paid		
<b>Investment in joint venture companies:</b>		
<b>Valeo Motherson Thermal Commercial Vehicles India Limited (Formerly known as Spheros Motherson Thermal System Limited)</b>	9	9
931,000 (March 31, 2019: 931,000) 5% Optionally Convertible Non-Cumulative Redeemable Preference shares of INR 10/- each fully paid up		
<b>Motherson Invenzen Xlab Private Limited (refer note 51)</b>	-	50
Nil (March 31, 2019: 4,990,000) 3% Optionally Convertible Redeemable Preference shares of INR 10/- each fully paid up		
<b>Magneti Marelli Motherson Auto System Private Limited [refer note 41 (i)]</b>	738	560
73,100,000 (March 31, 2019: 56,000,000) 0% Compulsorily Convertible Non-Cumulative Preference shares of INR 10/- each fully paid up		
<b>Total (iii)</b>	<b>1,060</b>	<b>882</b>

**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>Total Investment in subsidiaries, joint ventures and associate- Gross amount (b)</b>	<b>19,464</b>	<b>19,022</b>
<b>Less: Impairment allowance [refer note (vi) below]</b>	<b>512</b>	<b>1,267</b>
<b>Total Investment in subsidiaries, joint ventures and associate - Net amount</b>	<b>18,952</b>	<b>17,755</b>
<b>Total (a) + (b)</b>	<b>19,490</b>	<b>19,498</b>
Investments outside India	1,384	1,590
Investments in India	18,106	17,908
<b>Total</b>	<b>19,490</b>	<b>19,498</b>
Aggregate amount of quoted investments	11,107	11,107
Market value of quoted investments	64,454	158,046
Aggregate amount of unquoted investments	8,383	8,391
Aggregate amount of impairment in the value of investments	512	1,267

- i) During the year, the Company received Nil (March 31, 2019 : 351,916,884 equity shares) of INR 1/- each as bonus shares in proportion of one equity share for every two equity shares of Motherson Sumi Systems Limited.
- ii) During the year, the Samvardhana Motherson Maadhyaam International Limited allotted Nil (March 31, 2019 : 50,000 equity shares) of INR 10/- each fully paid up to the Company.
- iii) During the year, the Samvardhana Motherson Global Carriers Limited allotted 45,800,000 equity shares (March 31, 2019 : 200,000 equity shares) of INR 10/- each fully paid up to the Company.
- iv) During the year, the Samvardhana Motherson Polymers Limited allotted 490 equity shares (March 31, 2019 : Nil) of INR 10/- each fully paid up to the Company.
- v) During the year, the Youngshin Motherson Auto Tech Limited allotted 1,150,000 equity shares (March 31, 2019 : 5,126,100 equity shares) of INR 10/- each fully paid up to the Company.

**vi) Impairment allowance for investments**

	As at March 31, 2020	As at March 31, 2019
a) Samvardhana Motherson Finance Services Cyprus Limited	512	512
b) Samvardhana Motherson Innovative Solutions Limited	-	729
c) Motherson Consultancies Service Limited	-	26
	<b>512</b>	<b>1,267</b>

\*The Company has designated its equity investments as FVTOCI on the basis that these are not held for trading and held for strategic purposes.

\*The Company has received dividends of INR 0.3 million (March 31, 2019: INR Nil) from its FVTOCI securities, recorded as dividend income

\*\*Represents additional contribution in form of investment in subsidiaries upon recognition of guarantee obligations issued in favour of banks on behalf of its subsidiaries and interest free loans advanced by the Company to the subsidiary companies.



**Samvardhana Motherson International Limited****Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

**8 Other financial assets****(Unsecured, considered good)**

Security Deposits to related party (refer note 34)  
Interest receivable from related parties (refer note 34)  
Interest accrued on fixed deposits  
Other receivable from related party (refer note 34)

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
	30	32
	21	53
	7	-
	17	1
<b>Total</b>	<b>75</b>	<b>86</b>

**9 Income tax assets (net)**

Income tax assets (net)

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
	76	78
<b>Total</b>	<b>76</b>	<b>78</b>

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**Samvardhana Motherson International Limited**

**Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

**10 Deferred tax assets (Net)**

Year ended March 31, 2020	As at April 01, 2019	Credit/ (charge) to Statement of Profit and Loss	Credit/ (charge) to other comprehensive income	As at March 31, 2020
<b>Deferred tax assets</b>				
Property, plant and equipment	4	2	-	6
Brought forward losses and unabsorbed depreciation	867	81	-	948
Security deposits	4	-	-	4
Employee benefit provisions	19	-	-	19
Lease liability Ind AS 116	-	26	-	26
Loans	26	(24)	-	2
Corporate guarantees	21	(2)	-	19
Investments	369	(220)	-	149
Expected credit loss on corporate guarantee	-	560	-	560
<b>Total deferred tax assets</b>	<b>1,310</b>	<b>423</b>	<b>-</b>	<b>1,733</b>
<b>Set-off of deferred tax liabilities pursuant to set-off provisions</b>				
Prepaid expenses	(4)	1	-	(3)
Right of use asset	-	(26)	-	(26)
<b>Total deferred tax liabilities</b>	<b>(4)</b>	<b>(25)</b>	<b>-</b>	<b>(29)</b>
Net deferred tax assets	1,306	398	-	1,704
Less: Unrecognised deferred tax assets	(1,306)	(398)	-	(1,704)
Recognised deferred tax assets	-	-	-	-

Year ended March 31, 2019	As at April 01, 2018	Credit/ (charge) to Statement of Profit and Loss	Credit/ (charge) to other comprehensive income	As at March 31, 2019
<b>Deferred tax assets</b>				
Property, plant and equipment	2	2	-	4
Brought forward losses and unabsorbed depreciation	603	264	-	867
Security deposits	5	(1)	-	4
Employee benefit provisions	19	-	-	19
Loans	24	2	-	26
Corporate guarantees	17	4	-	21
Investments	99	270	-	369
<b>Total deferred tax assets</b>	<b>769</b>	<b>541</b>	<b>-</b>	<b>1,310</b>
<b>Set-off of deferred tax liabilities pursuant to set-off provisions</b>				
Debt securities	(11)	11	-	-
Prepaid expenses	(4)	-	-	(4)
<b>Total deferred tax liabilities</b>	<b>(15)</b>	<b>11</b>	<b>-</b>	<b>(4)</b>
Net deferred tax assets	754	552	-	1,306
Less: Unrecognised deferred tax assets	(754)	(552)	-	(1,306)
Recognised deferred tax assets	-	-	-	-

**Note:**

- Deferred tax assets and deferred tax liabilities have been offset to the extent they relate to the same governing taxation laws.
- In view of the Company's past financial performance and future profit projections, the Company does not expect that it shall generate sufficient future taxable income to fully recover the brought forward losses and unabsorbed depreciation, hence deferred tax assets have been created only to the extent of deferred tax liabilities

**Unused tax losses/unused tax credit on which no deferred tax asset has been recognised:**

Year ended March 31, 2020	Within 1 year	1-5 years	More than 5 years	No Expiry	Total
Business losses	-	1,029	2,070	-	3,099
Capital losses	-	134	-	-	134
Depreciation	-	-	-	22	22
<b>Total</b>	<b>-</b>	<b>1,163</b>	<b>2,070</b>	<b>22</b>	<b>3,255</b>
<b>Year ended March 31, 2019</b>					
Business losses	-	610	2,219	-	2,829
Capital losses	-	134	-	-	134
Depreciation	-	-	-	13	13
<b>Total</b>	<b>-</b>	<b>744</b>	<b>2,219</b>	<b>13</b>	<b>2,976</b>

**Unrecognised unused tax credit**

Company has unrecognised unused tax credit of INR 1,102 millions (March 31, 2019: 1,152 millions) which can be carried forward upto March 31, 2028

Samvardhana Motherson International Limited  
Notes to standalone financial statements for the year ended March 31, 2020  
(All amounts are in INR million, unless otherwise stated)

11(a) Property, plant and equipment

Particulars	Leasehold Improvements	Office equipments	Computers	Furniture & fixtures	Vehicles	Total
<b>Year ended March 31, 2019</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount as at April 01, 2018	40	28	4	3	-	75
Addition	-	3	-	-	0	3
<b>Closing gross carrying amount as at March 31, 2019</b>	<b>40</b>	<b>31</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>78</b>
<b>Accumulated depreciation</b>						
Opening accumulated depreciation as at April 01, 2018	4	3	1	0	-	8
Depreciation charge during the year	9	6	2	0	0	17
<b>Closing accumulated depreciation as at March 31, 2019</b>	<b>13</b>	<b>9</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>25</b>
<b>Net carrying amount as at March 31, 2019</b>	<b>27</b>	<b>22</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>53</b>
<b>Year ended March 31, 2020</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount as at April 01, 2019	40	31	4	3	0	78
Addition	-	-	1	0	-	1
Disposal	-	-	(0)	-	-	(0)
<b>Closing gross carrying amount as at March 31, 2020</b>	<b>40</b>	<b>31</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>79</b>
<b>Accumulated depreciation</b>						
Opening accumulated depreciation as at April 01, 2019	13	9	3	0	0	25
Depreciation charge during the year	8	6	1	0	0	15
Disposals	-	-	(0)	-	-	(0)
<b>Closing accumulated depreciation as at March 31, 2020</b>	<b>21</b>	<b>15</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>40</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>19</b>	<b>16</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>39</b>

Samvardhana Motherson International Limited  
Notes to standalone financial statements for the year ended March 31, 2020  
(All amounts are in INR million, unless otherwise stated)

11(b) Right-of-use assets

Particulars	Building	Vehicles and Equipments	Total
<b>Year ended March 31, 2019</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount as at April 01, 2018	-	-	-
Addition	-	-	-
Disposals	-	-	-
<b>Closing gross carrying amount as at March 31, 2019</b>	-	-	-
<b>Accumulated depreciation</b>			
Opening accumulated depreciation as at April 01, 2018	-	-	-
Depreciation charge during the year	-	-	-
Disposals	-	-	-
<b>Closing accumulated depreciation as at March 31, 2019</b>	-	-	-
<b>Net carrying amount as at March 31, 2019</b>	-	-	-
<b>Gross carrying amount</b>			
Opening gross carrying amount as at April 01, 2019	100	34	134
Addition	-	-	-
Disposal	-	-	-
<b>Closing gross carrying amount as at March 31, 2020</b>	<b>100</b>	<b>34</b>	<b>134</b>
<b>Accumulated depreciation</b>			
Opening accumulated depreciation as at April 01, 2019	-	-	-
Depreciation charge during the year	34	10	44
Disposals	-	-	-
<b>Closing accumulated depreciation as at March 31, 2020</b>	<b>34</b>	<b>10</b>	<b>44</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>66</b>	<b>24</b>	<b>90</b>

**Samvardhana Motherhood International Limited****Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>12 Other non financial assets</b>		
<b>(Unsecured, considered good, unless otherwise stated)</b>		
Prepaid expenses	17	43
Balances with government authorities	3	3
Advances recoverable	6	6
<b>Total</b>	<b>26</b>	<b>52</b>
Advances to a private limited company in which Director of the Company is also a Director	-	-
<b>13 Trade payables</b>		
Total outstanding dues of micro, small and medium enterprises	-	-
Total outstanding dues of creditors other than micro, small and medium enterprises	31	35
<b>Total</b>	<b>31</b>	<b>35</b>

**Note:** The information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 ("MSME Act") has been determined to the extent such parties have been identified on the basis of information available with the Company. As at March 31, 2020, no amounts have fallen due for payment to suppliers who have been registered under the MSME Act.

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**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>14 Debt securities</b>		
<b>At amortised cost</b>		
<b>Secured</b>		
Debentures:		
0% Redeemable non-convertible debentures	-	3,500
9.75% Redeemable non-convertible debentures [refer note (i) below]	7,000	-
<b>Total</b>	<b>7,000</b>	<b>3,500</b>
Debt securities in India	7,000	3,500
Debt securities outside India	-	-
<b>Total</b>	<b>7,000</b>	<b>3,500</b>

**Nature of security and terms of repayment for Debt securities :**

Nature of security	Terms of repayment
<p><b>Debenture</b>  700 (March 31, 2019: Nil), 9.75% redeemable non convertible debentures (NCDs) having face value of INR 10 million each amounting to INR 7,000 million (March 31, 2019: Nil) were allotted on December 04, 2019. These have been secured by pledge of 168,926,512 (March 31, 2019: Nil) equity shares held in Motherson Sumi Systems Limited. Security cover margin of 2 times to be maintained.</p>	<p>Carrying coupon rate @ 9.75% p.a which is payable annually.  NCDs are due for redemption in December 2022.</p>
<p>Nil (March 31, 2019: 1,500), 0% redeemable non convertible debentures (NCDs) having face value of INR 1 million each amounting to INR Nil (March 31, 2019: INR 1,500 million) were allotted on December 07, 2018. These have been secured by pledge of Nil (March 31, 2019: 21,000,000) equity shares held in Motherson Sumi Systems Limited. Security cover margin of 1.68 times to be maintained.</p>	<p>1,500 NCDs were redeemed in single instalment in December 2019 with 10.10% premium over face value calculated on the basis of 10.10% yield to maturity compounded annually.</p>
<p>Nil (March 31, 2019: 2,000), 0% redeemable non convertible debentures (NCDs) having face value of INR 1 million each amounting to INR Nil (March 31, 2019: INR 2,000 million) were allotted on December 07, 2018. These have been secured by pledge of Nil (March 31, 2019: 28,000,000) equity shares held in Motherson Sumi Systems Limited. Security cover margin of 1.68 times to be maintained.</p>	<p>2,000 NCDs were redeemed in single instalment in March 2020 with 10.15% premium over face value calculated on the basis of 10.15% yield to maturity compounded annually.</p>

**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>15 Borrowings (other than debt securities)</b>		
<b>At amortised cost</b>		
<b>Secured</b>		
Term loans from other than bank [refer note (i) below]		
Indian rupee loan from other than banks	2,250	1,500
<b>Unsecured</b>		
Commercial papers [refer (ii) below]	-	1,386
<b>Total</b>	<b>2,250</b>	<b>2,886</b>
Borrowings other than debt securities in India	2,250	2,886
Borrowings other than debt securities outside India	-	-
<b>Total</b>	<b>2,250</b>	<b>2,886</b>

i) **Nature of security and terms of repayment for secured borrowings :**

Nature of security	Terms of repayment
<b>Term loan from other than bank</b>	
Loan from a finance company amounting to INR 1,500 million (March 31, 2019: INR 1,500 million) has been secured by pledge of 40,647,102 (March 31, 2019: 23,500,000) equity shares held in Motherson Sumi Systems Limited. Security cover margin of 2 times to be maintained.	Repayable in February 2021, carrying interest rate @ 10.10% p.a which is payable annually.
Loan from a finance company amounting to INR 750 million (March 31, 2019: INR Nil) has been secured by pledge of 20,323,551 (March 31, 2019: Nil) equity shares held in Motherson Sumi Systems Limited. Security cover margin of 2 times to be maintained.	Repayable in February 2021, carrying interest rate @ 8.30% p.a which is payable annually.

ii) **Terms of repayment for unsecured borrowings :**

Borrowings	Terms of repayment
Commercial paper amounting to INR Nil (March 31, 2019: INR 1,386 million)	Repaid on maturity during the year. Applicable discount rate was in range from 7.50 % to 8.94% p.a.

	As at March 31, 2020	As at March 31, 2019
<b>16 Other financial liabilities</b>		
Premium on redemption of debentures [refer note 44 (ii)]	-	112
Interest accrued on debentures [refer note 44 (ii)]	202	-
Provision for expected credit loss for corporate guarantee (refer note 6(v) and 49)	1,925	-
Interest accrued on borrowings	21	10
Employee benefits payable	10	12
Unpaid dividends *	6	6
Other payables	3	3
	-	-
<b>Total</b>	<b>2,167</b>	<b>143</b>

\* Unpaid dividend does not include amount due and outstanding, to be credited to Investor Education and Protection Fund.

**Samvardhana Motherhood International Limited**

**Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

**A. Disclosure in respect of Expected credit loss**

**(a) Credit quality of exposure**

	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Internal rating grade</b>								
<b>Performing</b>								
Standard grade	-	-	-	-	-	-	-	-
<b>Non- performing</b>								
Sub-standard grade	-	-	-	-	-	-	-	-
Individually impaired	-	-	1,925	1,925	-	-	-	-
<b>Total</b>	-	-	1,925	1,925	-	-	-	-

**(b) Analysis of changes in gross exposure**

	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	-	-	-	-	-	-	-	-
New exposure	-	-	1,925	1,925	-	-	-	-
Exposures derecognised or matured (excluding write-offs)	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	1,925	1,925	-	-	-	-

**(c) Reconciliation of ECL balance is given below**

	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	-	-	-	-	-	-	-	-
New assets originated or purchased	-	-	1,925	1,925	-	-	-	-
Exposures derecognised or matured (excluding write-offs)	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	1,925	1,925	-	-	-	-



**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>17 Provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity	43	37
Compensated absences	23	28
<b>Total</b>	<b>66</b>	<b>65</b>

**Provision for employee benefits**

**A. Defined benefit schemes**

**Gratuity**

The Company operates a gratuity plan which is a defined benefit plan and is managed by trust maintained with Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme. Every employee is entitled to a benefit equivalent to fifteen days' salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. The Company pays contribution to Life Insurance Corporation of India to fund its plan.

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

**(i) Present value of defined benefit obligation**

**Obligations at year beginning**

	For the year ended	
	March 31, 2020	March 31, 2019
Service cost - current	57	55
Interest expense	5	5
(Gains) and losses on curtailment and settlement	3	3
	-	-
<b>Amount recognised in profit or loss</b>	<b>8</b>	<b>8</b>

**Remeasurements**

Actuarial (gain) / loss from change in demographic assumption	-	-
Actuarial (gain) / loss from change in financial assumption	3	0
Experience (gains)/losses	(10)	8
<b>Amount recognised in other comprehensive income</b>	<b>(7)</b>	<b>8</b>
Benefit paid during the year	(22)	(9)
Addition / (deletion) due to transfer of employee	12	(5)
<b>Obligations at year end</b>	<b>48</b>	<b>57</b>

**(ii) Fair value of plan assets**

**Plan assets at year beginning, at fair value**

	For the year ended	
	March 31, 2020	March 31, 2019
Interest income	20	16
(Gains) and losses on curtailment and settlement	1	1
	0	-
<b>Amount recognised in profit or loss</b>	<b>1</b>	<b>1</b>

**Remeasurements**

Return on plan assets, excluding amount included in interest income	0	0
<b>Amount recognised in other comprehensive income</b>	<b>0</b>	<b>0</b>
Employer's contribution	0	3
Amount paid to employees out of plan assets	(16)	-
<b>Plan assets at year end, at fair value</b>	<b>5</b>	<b>20</b>

**(iii) Assets and liabilities recognized in the balance sheet**

	As at March 31, 2020	As at March 31, 2019
Present value of the defined benefit obligations	48	57
Fair value of the plan assets	5	20
<b>Amount recognized as liability</b>	<b>43</b>	<b>37</b>

**(iv) Defined benefit obligations cost for the year:**

	For the year ended	
	March 31, 2020	March 31, 2019
Service cost - current	5	5
Interest cost (net)	2	2
Actuarial (gain) / loss	(7)	8
<b>Net defined benefit obligations cost</b>	<b>0</b>	<b>15</b>

**(v) Investment details of plan assets**

The details of investments of plan assets are as follows:

	As at March 31, 2020	As at March 31, 2019
LIC	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Note:** In respect of Employees Gratuity Fund, composition of plan assets is not readily available from LIC of India. The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

**(vi) Actuarial assumptions:**

	March 31, 2020	March 31, 2019
Discount Rate per annum	6.5%	7.5%
Future salary increases	8.0%	8.0%

**Note:** Estimate of future increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**(vii) Expected contribution to the fund in the next year**

	For the year ended	
	March 31, 2020	March 31, 2019
Gratuity	6	5

**viii) Sensitivity analysis**

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is :

	Change in Assumption		Impact	Increase in Assumption		Impact	Decrease in Assumption	
	March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019
Discount Rate per annum	0.50%	0.50%	Decrease by	(2)	(2)	Increase by	2	2
Future salary increases	1.0%	1.0%	Increase by	3	3	Decrease by	(3)	(3)

The above sensitivity analysis is based on a change in significant assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in balance sheet.

The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

**ix) Risk exposure**

The gratuity scheme is a final salary Defined Benefit Plan that provides for lump sum payment made on exit either by way of retirement, death, disability, voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

**(a) Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds, if bond yield fall, the defined benefit obligation will tend to increase.

**(b) Salary inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation.

**(c) Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to long career employee.

**x) Defined benefit liability and employer contributions**

Weighted average duration of the defined benefit obligation is 7 years (March 31, 2019: 9 years)

Expected benefit payments are as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2020					
Defined benefit obligation (gratuity)	7	1	21	14	43
March 31, 2019					
Defined benefit obligation (gratuity)	23	1	21	14	59

**B. Defined contribution schemes**

The Company deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident Fund and National Pension Scheme for the benefit of the employees.

Amount recognised in the statement of profit & loss is as follows (refer note 25):

	For the year ended	
	March 31, 2020	March 31, 2019
Provident fund	13	14
National pension scheme	5	4
	<b>18</b>	<b>18</b>

**Samvardhana Motherson International Limited**

**Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>18 Other non financial liabilities</b>		
Statutory dues payable	26	9
Unearned income on financial guarantee obligation	65	73
	<b>91</b>	<b>82</b>

**19 Equity Share Capital**

**Authorised shares**

900,000,000 (March 31, 2019: 900,000,000) Equity shares of INR 10/- each

	As at March 31, 2020	As at March 31, 2019
	9,000	9,000

**Issued, subscribed and fully paid-up shares**

473,613,855 (March 31, 2019: 473,613,855) Equity shares of INR 10/- each

	4,736	4,736
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**Total issued, subscribed and fully paid-up share capital**

	<b>4,736</b>	<b>4,736</b>
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**a. Movement in equity share capital**

**As at March 31, 2018**

Share issued during the year

	Numbers	Amount
	473,613,855	4,736
	-	-

**As at March 31, 2019**

Share issued during the year

	473,613,855	4,736
	-	-

**As at March 31, 2020**

	<b>473,613,855</b>	<b>4,736</b>
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**b. Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of INR10/- per share. Each holder of equity share is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Details of shareholders holding more than 5% shares in the Company**

Name of equity shareholders	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
Shri Sehgal Trustee Company Private Limited	121,590,869	25.67%	121,590,869	25.67%
Vivek Chaand Sehgal	100,527,391	21.23%	100,527,391	21.23%
Renu Alka Sehgal (as trustee of Renu Sehgal Trust)	109,825,286	23.19%	109,825,286	23.19%
Radha Rani Holdings Pte Limited	66,780,000	14.10%	66,780,000	14.10%
Sojitz Corporation	30,612,843	6.46%	30,612,843	6.46%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## Samvardhana Motherson International Limited

### Notes to standalone financial statements for the year ended March 31, 2020

(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>20 Other equity</b>		
Capital reserve on amalgamation	2,402	2,402
Securities premium	3,263	3,263
Retained earnings	3,355	2,247
Reserve fund	2,095	1,756
Other reserves	-	-
<b>Total reserves and surplus</b>	<b>11,115</b>	<b>9,668</b>
	As at March 31, 2020	As at March 31, 2019
<b>(i) Capital reserve on amalgamation</b>		
Balance as at the beginning of the year	2,402	2,402
<b>Balance as at the end of the year</b>	<b>2,402</b>	<b>2,402</b>
	As at March 31, 2020	As at March 31, 2019
<b>(ii) Securities premium</b>		
Balance as at the beginning of the year	3,263	3,263
<b>Balance as at the end of the year</b>	<b>3,263</b>	<b>3,263</b>
	As at March 31, 2020	As at March 31, 2019
<b>(iii) Retained earnings</b>		
Balance as at the beginning of the year	2,247	2,845
Additions during the year	1,694	603
Remeasurements of post-employment benefit obligation, net of tax	7	(8)
Interim dividend paid (refer note 33 (c))	(213)	(947)
Dividend distribution tax	(41)	(193)
Transfer from FVTOCI reserves [refer note 41 (ii)]	-	68
Transfer to Reserve fund (refer note 48)	(339)	(121)
<b>Balance as at the end of the year</b>	<b>3,355</b>	<b>2,247</b>
	As at March 31, 2020	As at March 31, 2019
<b>(iv) Reserve fund</b>		
Balance as at the beginning of the year	1,756	1,635
Add: amount transferred from retained earnings (refer note 48)	339	121
<b>Balance as at the end of the year</b>	<b>2,095</b>	<b>1,756</b>
	As at March 31, 2020	As at March 31, 2019
<b>(v) Other reserves</b>		
<b>FVTOCI equity investments</b>		
Balance as at the beginning of the year	-	68
Add: Change in fair value of FVTOCI equity instruments	-	-
Transfer to retained earnings [refer note 41 (ii)]	-	(68)
<b>Balance as at the end of the year</b>	<b>-</b>	<b>-</b>

#### Nature and purpose of reserves

##### Capital reserve on amalgamation

This reserve was created at the time of amalgamation and mergers carried out in earlier years. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

##### Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

##### Reserve fund

This reserve was created in accordance with Reserve Bank of India Act, 1934 out of the profits of the company. The reserve is utilised in accordance with the provisions of the Reserve Bank of India Act.

##### FVTOCI equity investments

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

	For the year ended	
	March 31, 2020	March 31, 2019
<b>21 Revenue from operations</b>		
<b>(a) Interest income</b>		
<b>Interest on financial assets measured at Amortised cost</b>		
Loans		
- from subsidiaries and joint venture companies (refer note 34)	291	223
Deposits with banks	8	2
Others	1	1
<b>Total (a)</b>	<b>300</b>	<b>226</b>
<b>(b) Dividend income</b>		
From subsidiary companies (refer note 34)	44	34
From joint venture companies and others (refer note 34)	3,351	1,651
<b>Total (b)</b>	<b>3,395</b>	<b>1,685</b>
<b>(c) Fee and commission income</b>		
From subsidiary companies (refer note 34)	53	32
<b>Total (c)</b>	<b>53</b>	<b>32</b>
<b>(d) Revenue from contracts with customers</b>		
Consultancy income	86	150
<b>Total (d)</b>	<b>86</b>	<b>150</b>
<b>Total revenue from contracts with customers</b>		
<b>Geographical markets</b>		
India	68	91
Outside India	18	59
<b>Total revenue from contracts with customers</b>	<b>86</b>	<b>150</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	-	42
Services transferred over time	86	108
<b>Total revenue from contracts with customers</b>	<b>86</b>	<b>150</b>

Contract balance only comprise Trade receivables, refer note 5 for closing balance of trade receivables.

**Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

	For the year ended	
	March 31, 2020	March 31, 2019
Revenue as per contract	86	150
Adjustments to contract price	-	-
Revenue from contract with customers	<b>86</b>	<b>150</b>

	For the year ended	
	March 31, 2020	March 31, 2019
<b>22 Net gain on fair value changes</b>		
<b>(A) Net gain on financial instruments at fair value through profit or loss</b>		
<b>On financial instruments designated at fair value through profit or loss</b>		
Preference shares	-	-
Mutual funds	43	27
<b>Total net gain on fair value changes</b>	<b>43</b>	<b>27</b>
<b>Fair value changes:</b>		
Realised	43	27
Unrealised	-	0
<b>Total net gain on fair value changes</b>	<b>43</b>	<b>27</b>

**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

	For the year ended	
	March 31, 2020	March 31, 2019
<b>23 Other income</b>		
Gain on sale of investment in subsidiaries and joint ventures (refer note 42)	-	347
Foreign exchange fluctuations gain (net)	144	8
Liabilities no longer required written back	-	5
Miscellaneous income	9	1
<b>Total</b>	<b>153</b>	<b>361</b>

	For the year ended	
	March 31, 2020	March 31, 2019
<b>24 Finance cost</b>		
Interest and finance charges on financial liabilities measured at amortised cost		
Debt securities [refer note 44(ii)]	509	455
Borrowings other than debt securities	249	152
Interest on lease liabilities (refer note 38)	9	-
Others	2	0
<b>Total</b>	<b>769</b>	<b>607</b>

	For the year ended	
	March 31, 2020	March 31, 2019
<b>25 Employee benefit expenses</b>		
Salary, wages and bonus [net of recoveries of INR Nil (March 31, 2019: INR 16 million)]	175	192
Contribution to provident and other Fund (refer note 17) [net of recoveries of INR Nil (March 31, 2019: INR 1 million)]	18	18
Gratuity (refer note 17)	7	7
Staff welfare expenses	3	5
<b>Total</b>	<b>203</b>	<b>222</b>

	For the year ended	
	March 31, 2020	March 31, 2019
<b>26 Depreciation expense</b>		
Depreciation on property, plant and equipment [refer note 11(A)]	15	17
Depreciation charges on right-of-use asset [refer note 11(B)]	44	-
<b>Total</b>	<b>59</b>	<b>17</b>

	For the year ended	
	March 31, 2020	March 31, 2019
<b>27 Other expenses</b>		
Repair and maintenance		
Building	17	16
Vehicles	4	6
Rates & taxes	10	1
Legal and professional fees	87	61
Payment to auditors [refer note (a) below]	13	7
Director's sitting fees	0	0
Lease rent	19	67
Business promotion	8	14
Travelling expenses [refer note (c) below]	37	27
Communication expenses	1	1
Insurance expenses	3	3
Donation expenses [refer note (b) below]	3	8
IT support services	17	25
Miscellaneous expenses [refer note (c) below]	16	13
<b>Total</b>	<b>235</b>	<b>249</b>

	For the year ended	
	March 31, 2020	March 31, 2019
<b>(a) Payment to auditors:</b>		
<b>As Auditor:</b>		
Audit fees (including limited review)*	10	6
Other audit and certification work to be done by statutory auditor	2	1
Reimbursement of expenses	1	0
<b>Total</b>	<b>13</b>	<b>7</b>

\* Includes fees pertaining to previous year amounting to INR 2 million (March 31, 2019: INR Nil)

**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

**(b) Corporate social responsibility expenditure**

	For the year ended	
	March 31, 2020	March 31, 2019
Contribution to Swarn Lata Motherson Trust (refer note 34)	-	5
	-	5
Amount required to be spent as per Section 135 of the Act	1	47
Amount spent during the year on:		
(i) Construction/acquisition of asset	-	-
(ii) Purpose other than (i) above	-	5
	-	5

**(c) Administrative and other expenses are net of the following recoveries:**

Expense head		
Travelling expenses	-	13
<b>Total</b>	-	<b>13</b>

**28 Exceptional items**

	For the year ended	
	March 31, 2020	March 31, 2019
Expected credit loss for corporate guarantee (refer note 49)	1,925	-
Impairment allowance in investments and loans (refer note 49)	-	803
Less: reversal of impairment loss on investments and loans (refer note 49)	(836)	(20)
	<b>1,089</b>	<b>783</b>

**29 Tax expenses**

	For the year ended	
	March 31, 2020	March 31, 2019
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profit for the year	-	-
Adjustments for current tax of prior periods on completion of assessment	(19)	-
<b>Total current tax expense</b>	<b>(19)</b>	<b>-</b>
<b>Deferred tax expenses</b>		
Decrease / (increase) in deferred tax assets	-	-
(Decrease) / increase in deferred tax liabilities	-	-
<b>Total deferred tax expense / (benefit)</b>	<b>-</b>	<b>-</b>
<b>Income tax expense</b>	<b>(19)</b>	<b>-</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**

	For the year ended	
	March 31, 2020	March 31, 2019
Profit before income tax expense	1,675	603
<b>Tax at India's tax rate of 29.12% (March 31, 2019: 29.12%)</b>	<b>488</b>	<b>176</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax effect of amounts which are not chargeable in calculating taxable income (net off non deductible expenses)	(937)	(434)
Adjustments for current tax of prior periods	(19)	-
Unrecognised tax losses and credits	449	258
<b>Income tax expense</b>	<b>(19)</b>	<b>-</b>

**30 Earnings per share**

	For the year ended	
	March 31, 2020	March 31, 2019
Net profit after tax available for equity Shareholders	1,694	603
Weighted average number of equity shares used to compute basic earnings per share	473,613,855	473,613,855
Basic earnings (INR per share)	<b>3.58</b>	<b>1.27</b>
Diluted earnings* (INR per share)	<b>3.58</b>	<b>1.27</b>

\*The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic & dilutive EPS of the Company remains same.

31 Financial instruments by category

	March 31, 2020			March 31, 2019		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial assets</b>						
Investments	25	1	-	475	1	-
Trade receivables	-	-	82	-	-	52
Loans	-	-	1,359	-	-	2,403
Cash and cash equivalents	-	-	6,813	-	-	154
Other bank balances	-	-	6	-	-	6
Other financial assets	-	-	75	-	-	86
<b>Total financial assets</b>	<b>25</b>	<b>1</b>	<b>8,335</b>	<b>475</b>	<b>1</b>	<b>2,701</b>
<b>Financial liabilities</b>						
Debt securities	-	-	7,000	-	-	3,500
Borrowings (other than debt securities)	-	-	2,250	-	-	2,886
Trade payable	-	-	31	-	-	35
Lease liabilities	-	-	88	-	-	-
Other financial liabilities	-	-	2,167	-	-	143
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>11,536</b>	<b>-</b>	<b>-</b>	<b>6,564</b>

i. Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurements

	March 31, 2020			March 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial asset</b>						
<b>Financial Investments at FVTOCI / FVTPL</b>						
Listed equity investments	-	-	-	450	-	-
Unquoted investments	-	-	26	-	-	26
<b>Total</b>	<b>-</b>	<b>-</b>	<b>26</b>	<b>450</b>	<b>-</b>	<b>26</b>
<b>Financial liabilities</b>						
Derivative liabilities (refer note 37(iv))	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	March 31, 2020			March 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Loans	-	-	1,359	-	-	2,403
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>1,359</b>	<b>-</b>	<b>-</b>	<b>2,403</b>
<b>Financial liabilities</b>						
Debt Securities	-	-	7,000	-	-	3,500
Borrowings other than debt securities	-	-	2,250	-	-	2,886
Other financial liabilities	-	-	2,167	-	-	143
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>11,417</b>	<b>-</b>	<b>-</b>	<b>6,529</b>

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities are considered to be the same as fair value due to their short term maturities.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.



**ii. Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the use of various valuation method (including NAV and price of recent investment method) investments in equity and preference shares.
- the fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, foreign exchange risk,
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

**iii. Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the years ended March 31, 2020 and March 31, 2019:

	Unquoted equity instruments	Unquoted Preference Shares
<b>As at March 31, 2018</b>	<b>119</b>	<b>288</b>
Additions during the year	-	-
Disposals during the year	(118)	(263)
Gains/(losses) recognised in other comprehensive income	-	-
<b>As at March 31, 2019</b>	<b>1</b>	<b>25</b>
Additions during the year	-	-
Disposals during the year	-	-
Gains/(losses) recognised in other comprehensive income	-	-
<b>As at March 31, 2020</b>	<b>1</b>	<b>25</b>

**iv. Valuation inputs and relationships to fair value**

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (iii) above for the valuation techniques adopted:

	Fair Value as at	
	March 31, 2020	March 31, 2019
<b>Unquoted equity instruments</b>		
<b>Significant unobservable inputs</b>		
Recent transaction price (per share in INR)	-	-
<b>Sensitivity</b>		
<b>Impact of change in transaction price*</b>		
Decrease in price by 0.50%	-	-
Increase in price by 0.50%	-	-
* Holding all the other variables constant		
<b>Unquoted preference shares</b>		
<b>Significant unobservable inputs</b>		
Recent transaction price	-	-
<b>Sensitivity</b>		
<b>Impact of change in transaction price*</b>		
Decrease in price by 0.50%	-	-
Increase in price by 0.50%	-	-
* Holding all the other variables constant		

### 32 Financial risk management

The Company act as holding company to its various group companies who are active suppliers for the automobile industry and exposes its business and products to various market risks, credit risk and liquidity risk. The Company's global presence and decentralised management structure with the main activities in the plants make necessary organised risk management system. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risks in which the Company is exposed to and how it manages the risks:

#### Market risk:

##### A Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The Company does not have any derivative instruments outstanding as at the reporting dates. The unhedged foreign currency exposure is as follows (refer note 37)

##### (i) Particular of unhedged foreign exposure as at the reporting date (Net exposure to foreign currency risk)

	As At March 31, 2020		As At March 31, 2019	
	Payable / (Receivable)		Payable / (Receivable)	
	Amount in Foreign currency	Amount in INR	Amount in Foreign currency	Amount in INR
EURO	(0)	(7)	(1)	(40)
USD	(0)	(1)	(2)	(162)
AUD	-	-	(0)	(0)
JPY	-	-	1	0

##### B Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company had no long-term borrowings with variable rates during March 31, 2020 and March 31, 2019.

##### (i) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	As At	As At
	March 31, 2020	March 31, 2019
Variable rate borrowings	-	-
Fixed rate borrowings	9,250	6,386
<b>Total borrowings</b>	<b>9,250</b>	<b>6,386</b>

An analysis by maturities is provided in Note (D (ii)) Maturities of financial liabilities below.

##### (ii) Sensitivity analysis

Since all the Company's borrowings are at fixed rate of interest, sensitivity analysis is not given

##### C Credit risk:

The credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Loans and receivables from group companies, deposits with banking institutions and Investments. The maximum amount of the credit exposure is equal to the carrying amounts of these financial instruments.

#### Loans

Company's lending comprises mainly of unsecured inter corporate deposits given to group companies. The credit risk assessment is based on a model that takes into account various historical, current and forward-looking information such as:

- Historical financial information together with forecasts and budgets prepared by the concerned management of respective companies. This financial information includes realised and expected results, solvency ratios, liquidity ratios and any other relevant ratios to measure the investee company's financial performance.
- Any other objectively supportable information on the quality and abilities of the investee company's management relevant for the investee company's performance.

#### Receivables and other financial assets

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are group companies with good credit ratings thereby practically eliminating the risk of default. The Company has deposited liquid funds at various institutions. Primary institutions are major Indian banks and asset management institutions. In long term credit ratings these institutions are considered to be investment grade. Also, no impairment loss has been recorded in respect of fixed deposits and investments that are with these institutions and are not past due.

**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

**D Liquidity risk:**

The liquidity risk encompasses any risk that the Company cannot fully meet its financial obligations. To manage the liquidity risk, cash flow forecasting is performed in the operating divisions of the Company and aggregated by Company finance. The Company's finance monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities / overdraft facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

	As At March 31, 2020	As At March 31, 2019
Fixed rate		
- Expiring within one year (cash credit and other facilities)	-	750

**(ii) Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities:

As At March 31, 2020	Upto 1 year	1 to 5 years	More than 5 years	Total
Borrowings	2,250	7,000	-	9,250
Trade payables	31	-	-	31
Lease liabilities	36	52	-	88
Other financial liabilities	2,165	2	-	2,167
<b>Total</b>	<b>4,482</b>	<b>7,054</b>	<b>-</b>	<b>11,536</b>

As At March 31, 2019	Upto 1 year	1 to 5 years	More than 5 years	Total
Borrowings	4,886	1,500	-	6,386
Trade payables	35	-	-	35
Other financial liabilities	133	10	-	143
<b>Total</b>	<b>5,054</b>	<b>1,510</b>	<b>-</b>	<b>6,564</b>

**Samvardhana Motherson International Limited**

**Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

**(iii) Funding Concentration based on significant counterparty (both deposits and borrowings)**

S. No.	Number of Significant Counterparties	As At March 31, 2020			As At March 31, 2019		
		Amount (INR million)	% of Total deposits	% of Total Liabilities	Amount (INR million)	% of Total deposits	% of Total Liabilities
1	2 (March 31, 2019: 3)	9,250	0	79%	6,386	-	95%

**(iv) Top 20 large deposits**

Nil

**(v) Top 10 borrowings**

S. No.	Particulars	As At March 31, 2020		As At March 31, 2019	
		Amount (INR million)	% of Total Borrowings	Amount (INR million)	% of Total Borrowings
1	Non-Convertible Debentures	7,000	76%	3,500	55%
2	Term Loan	2,250	24%	1,500	23%
3	Commercial Papers	-	0%	1,386	22%
		<b>9,250</b>	<b>100%</b>	<b>6,386</b>	<b>100%</b>

**(vi) Funding Concentration based on significant instrument/product**

S. No.	Name of the instrument / product	As At March 31, 2020		As At March 31, 2019	
		Amount (INR million)	% of Total Liabilities	Amount (INR million)	% of Total Liabilities
1	Non-Convertible Debentures	7,000	60%	3,500	52%
2	Term Loan	2,250	19%	1,500	22%
3	Commercial Papers	-	0%	1,386	21%
		<b>9,250</b>	<b>79%</b>	<b>6,386</b>	<b>95%</b>

**(vii) Stock Ratios**

S. No.	Particulars	As At March 31, 2020	As At March 31, 2019
(a)	Commercial papers		
	as a % of total public funds	0%	0%
	as a % of total liabilities	0%	21%
	as a % of total assets	0%	7%
(b)	Non-convertible debentures (original maturity of less than one year)		
	as a % of total public funds	0%	0%
	as a % of total liabilities	0%	52%
	as a % of total assets	0%	17%
(c)	Other short-term liabilities		
	as a % of total public funds	0%	0%
	as a % of total liabilities	19%	3%
	as a % of total assets	8%	1%

**(viii) Institutional set-up for liquidity risk management**

The Company is managing the liquidity and asset liability management through internal review mechanism and controls. However, now the Company is under process of forming Asset-Liability Management Committee (ALCO) and framing the policies for liquidity risk management to be adopted by the board of directors.

**Samvardhana Motherson International Limited****Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

**33 Capital management****(a) Risk management**

For the purposes of company's capital management, capital includes issued equity capital and equity reserves attributable to the equity holders of the company. The primary objective of the company's management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and requirement of the financial covenants. To maintain or adjust the capital structure, the Company may capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings less cash and cash equivalents, other bank balances and current investments.

<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Debt securities (refer note 14)	7,000	3,500
Borrowings other than debt securities (refer note 15)	2,250	2,886
Less: Cash and cash equivalents (refer note 3)	(6,813)	(154)
Less: Other bank balances (refer note 4)	(6)	(6)
Less: Current investments (refer note 7(a)(ii))	-	(450)
<b>Net Debt (A)</b>	<b>2,431</b>	<b>5,776</b>
Equity share capital (refer note 19)	4,736	4,736
Other equity (refer note 20)	11,115	9,668
<b>Total capital (B)</b>	<b>15,851</b>	<b>14,404</b>
<b>Capital and net debt (C=A+B)</b>	<b>18,282</b>	<b>20,180</b>
<b>Gearing ratio (A/C)</b>	<b>13%</b>	<b>29%</b>

No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the management.

**(b) Loan covenants**

Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants and the Company has complied with those covenants throughout the reporting period.

**(c) Dividends**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>On Equity shares of INR 10 each</b>		
<b>Interim Dividend</b>		
Amount of dividend paid	213	947
Dividend per equity share (in INR)	0.45	2.00

**Samvardhana Motherson International Limited**

**Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

**34 Related Parties**

**I. Related party disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below:**

**A. Relationships where control exists:**

**Subsidiaries:**

Motherson Molds and Diecasting Limited  
Motherson Consultancies Service Limited  
Samvardhana Motherson Finance Service Cyprus Limited  
Samvardhana Motherson Holding (M) Private Limited  
Samvardhana Motherson Auto Component Private Limited  
Samvardhana Motherson Adsys Tech Limited  
MS Global India Automotive Private Limited  
Samvardhana Motherson Maadhyam International Limited  
Samvardhana Motherson Global Carriers Limited (SMGCL)  
Samvardhana Motherson Hamakyorex Engineered Logistics Limited (Subsidiary through SMGCL)  
CTM India Limited  
Samvardhana Motherson Virtual Ananlysis Limited (Subsidiary through MIND)  
MothersonSumi Infotech & Designs Limited (MIND)  
MSID US Inc (Subsidiary through MIND)  
MothersonSumi INFotekk and Designs GmbH (Subsidiary through MIND)  
MothersonSumi Infotech & Designs KK (Subsidiary through MIND)  
MothersonSumi Infotech and Designs S.G. Pte. Limited (Subsidiary through MIND)  
Motherson Auto Engineering Service Limited (Subsidiary through MIND)  
Samvardhana Motherson Health Solutions Limited (Subsidiary through MIND)  
SMI Technologies Inc. (Through MIND)  
Samvardhana Motherson Innovative Solutions Limited (SMISL)  
Samvardhana Motherson Refrigeration Product Limited (Subsidiary through SMISL)  
SAKS Ancillaries Limited (Subsidiary through SMISL)  
Motherson Machinery and Automations Limited (Subsidiary through SMISL)  
Samvardhana Motherson Auto System Private Limited (Subsidiary through SMISL)  
Motherson Sintermetal Technology B.V. (Subsidiary through SMISL)  
Motherson Sintermetal Products S.A. (Subsidiary through SMISL)  
Motherson Techno Tools Limited (Subsidiary through SMISL)  
Motherson Techno Tools Mideast FZE (Subsidiary through SMISL)  
Motherson Advanced Tooling Solutions Limited (till March 22, 2018)  
Motherson Sintermetal Technology Limited (till March 22, 2018)  
Motherson Invenzen XLab Private Limited (w.e.f. April 01, 2019)  
Samvardhana Employees Welfare Trust

**B. Other related parties**

**i) Joint Ventures:**

Motherson Sumi Systems Limited (MSSL) and its subsidiaries  
Anest Iwata Motherson Coating Equipment Private Limited (through SMISL)  
Anest Iwata Motherson Private Limited (through SMISL)  
Motherson Invenzen XLab Private Limited (till March 31, 2019)  
Valeo Motherson Thermal Commercial Vehicles India Limited (Formerly Spheros Motherson Thermal System Limited)  
Matsui Technologies India Limited  
Frigel Intelligent colling systems India Private Limited  
Fritzmeier Motherson Cabin Engineering Private Limited  
Nissin Advanced Coating Indo Co. Private Limited (through SMISL)  
Motherson Bergstrom HVAC Solutions Private Limited  
Magneti Marelli Motherson Auto System Private Limited  
Magneti Marelli Motherson Holding India B.V. (liquidated on June 14, 2019)  
Magneti Marelli Motherson Shock Absorbers India Private Limited  
Youngshin Motherson Auto Tech Limited  
Motherson Auto Solutions Limited (through SMISL)

**Samvardhana Motherson International Limited**

**Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

**ii) Associates:**

AES (India) Engineering Limited  
Samvardhana Motherson Global Holdings Limited (SMGHL) and its subsidiaries  
Samvardhana Motherson Polymers Limited

**iii) Companies in which Key Managerial Personnel or their relatives have control/ significant influence:**

Radha Rani Holdings Pte Limited  
Motherson Auto Limited  
Motherson Lease Solution Limited  
Spirited Auto Cars (I) Limited  
Systematic Conscom Limited  
Shri Sehgal Trustee Company Private Limited  
Advance Technologies and Automotive Resources Pte. Limited  
Field Motors Private Limited  
Motherson Engineering Research and Integrated Technologies Limited  
Samvardhana Motherson Global FZE, Dubai  
Swarn Lata Motherson Trust  
Motherson Air Travel Agencies Limited  
Motherson Air Travel Agency GmbH  
Calsonic Kansei Motherson Auto Products Private Limited  
Global Environment Management (FZE)

**iv) Joint Venturers**

Sojitz Corporation

**v) Private Company in which Director or his relative is a member/director**

Kyungshin Industrial Motherson Private Limited

**vi) Key Managerial Personnel**

**a) Board of Directors**

Mr. Vivek Chaand Sehgal  
Mr. Laksh Vaaman Sehgal  
Mr. Sanjay Mehta  
Mr. Bimal Dhar  
Mr. Ashok Tandon (till March 30, 2019)  
Mr. Ramesh Dhar (till March 30, 2019)  
Mr. Hiroshi Morimoto  
Mr. Vivek Avasthi  
Ms. Geeta Soni  
Ms. Nilu Mehra (till March 30, 2019)  
Mr. Dhruv Mehra  
Ms. Madhu Bhaskar  
Mr. Sanjay Kalia  
Mr. Hideo Hatada  
Mr. Masaki Yamaguchi (Alternate Director to Mr. Hideo Hatada)

**b) Other KMP**

Ms. Pooja Mehra, Company Secretary  
Mr. Manish Kumar Goyal, Chief Financial Officer  
Mr. Rajinder Kumar Bansal, Deputy Chief Financial Officer

**vii) Relatives of Key Managerial Personnel**

Ms. Vidhi Sehgal (Daughter of Mr. Vivek Chaand Sehgal)  
Ms. Renu Alka Sehgal (Wife of Mr. Vivek Chaand Sehgal)

II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 34 (f) above:

(a) Key management personnel compensation

	March 31, 2020	March 31, 2019
Short-term employee benefits	39	39
Directors commission/sitting fees	0	0
Post-employment benefits	-	8
Long-term employee benefits	1	5
<b>Total compensation</b>	<b>40</b>	<b>52</b>

(b) Details of significant transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned above:

S. No.	Particulars	Subsidiaries		Joint ventures		Key Managerial Persons		Other related parties		Total
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	
1	Dividend received	44	34	3,351	1,651	-	-	-	-	3,395
2	Consultancy Income	9	15	76	132	-	-	1	3	86
3	Fee and Commission Income	30	-	-	-	-	-	-	-	30
4	Investments made	458	1	12	51	-	-	2	-	472
5	Investments sold* [refer note 4 (ii) and 42]	-	530	-	-	-	-	-	381	911
6	Investment received on liquidation [refer note 41 (i)]	-	-	198	-	-	-	-	-	198
7	Investments purchased*	-	-	-	-	-	-	-	2	2
8	Loan given during the year*	3,746	1,332	40	158	-	-	21	-	3,807
9	Loan received back during the year*	4,079	666	50	42	-	-	2	-	4,131
10	Loan transferred (refer note 42)	932	-	-	-	-	-	-	-	932
11	Reimbursement of expenses (recovery)	-	-	-	-	-	-	-	0	0
12	Reimbursement of expenses (expense)	1	0	5	1	-	-	5	5	11
13	Interest income*	252	175	2	20	-	-	-	-	254
14	Provision for doubtful advance written back	76	25	-	-	-	-	-	-	76
15	Provision for Impairment allowance written back	755	-	-	-	-	-	-	-	755
16	<b>Other expenses:</b>									
a	Professional charges	-	1	1	4	1	-	13	12	15
b	Travelling expenses	-	-	-	1	-	-	28	44	28
c	Computer expenses	16	22	-	1	-	-	-	-	16
d	Rent paid*	-	-	-	-	-	-	36	34	36
e	Repair and maintenance	-	-	-	-	-	-	15	15	15
f	Lease rent*	-	-	-	-	-	-	19	31	19
g	Impairment allowance in investments	-	729	-	-	-	-	-	-	729
h	Impairment allowance on loans	-	76	-	-	-	-	-	-	76
i	Staff Welfare	1	-	-	-	-	-	-	-	1
17	Impairment allowance on corporate guarantee**	1,925	-	-	-	-	-	-	-	1,925
18	Guarantee given during the year	-	9,425	-	-	-	-	-	-	9,425
19	Guarantee relinquished during the year	490	2,576	-	-	-	-	-	-	490
20	Purchase of fixed assets	-	4	-	-	-	-	-	-	4
21	Security deposit given during the year	-	-	-	-	-	-	1	4	1
22	Donations	-	-	-	-	-	-	-	5	5
23	Security deposit received back during the year	-	-	-	-	-	-	3	0	3
24	Dividend paid	-	-	-	-	98	435	109	486	207

Balances as at year end:

S. No.	Particulars	Subsidiaries		Joint ventures		Key Managerial Persons		Other related parties		Total
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	
1	Letter of comfort	-	-	810	810	-	-	-	-	810
2	Security deposit	-	-	-	-	-	-	30	32	30
3	Trade receivables	56	3	25	46	0	-	1	3	82
4	Trade payables	-	13	1	1	4	-	6	3	7
5	Loans given	1,365	2,268	-	222	-	-	-	-	1,365
6	Interest receivable	21	25	-	28	-	-	-	-	21
7	Guarantee outstanding	9,622	12,206	-	-	-	-	-	-	9,622
8	Employee benefits payable	-	-	-	-	1	-	-	-	1
9	Impairment allowance for investments	512	1,267	-	-	-	-	-	-	512
10	Impairment allowance on loans	-	76	-	-	-	-	-	-	76
12	Prepaid rent	-	-	-	-	-	-	1	1	1
13	Other advances and receivable	-	-	17	1	-	-	-	-	17

Note : The Company has given letters of support and letters of comfort to its subsidiaries and joint venture companies, refer note no 37 (f) & (ii).

\* Represents balance and transaction based on the contractual terms with the parties and without considering the related Ind AS adjustments.

\*\* Provision for Impairment created on account of bank guarantee issued on behalf of Motherhood Sintermetal Technology BV (subsidiary of Samvardhana Motherhood Innovative Solutions Limited) to ING bank, refer note 49.

(i) During the year Company has recognised fee and commission income of INR 53 million (March 31, 2019: INR 32 million) on guarantee obligations issued to banks on behalf of group companies.



**Samvardhana Motherson International Limited****Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

**35 Segment Information:**

Company is an investment company and holds investment, extend loans and provides consulting services to number of subsidiaries, joint ventures and other group entities. Further, the Company's business activity falls within a single business segment as reviewed by The Chief Operating Decision Maker "CODM" and therefore, there are no reportable segments as per Ind AS 108 "Operating Segments."

**A. Information about geographical areas:**

The following information discloses revenue from external customers based on geographical areas:

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
i) Revenue from operations		
India	3,769	2,051
Outside India	108	69
	<b>3,877</b>	<b>2,120</b>

## ii) Segment Assets

Total of non-current assets other than financial instruments, investment in subsidiaries, joint ventures and associate and tax assets broken down by location of the assets, is shown below:

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
India	139	70
Outside India	-	-
	<b>139</b>	<b>70</b>

## iii) Revenue from transactions with a single counterparty amounting to 10 per cent or more of the Company's revenue is as follows:

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Counterparty 1	3,167	1,584

**36 Assets pledged as security**

The carrying amount of assets pledged as security for borrowings and contingent liabilities are as follows (refer note 14, 15 and 37):

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>First charge</b>		
Non current investment	2,676	763
Margin Money	3,317	-
<b>Total assets pledged as security</b>	<b>5,993</b>	<b>763</b>

**Samvardhana Motherson International Limited**

**Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

**37 Capital and Other Commitments**

**i) Letter of Support**

The Company has given letters of support to following group companies to enable the said companies to continue their operations.

Subsidiaries	Joint Ventures
<b>March 31, 2020</b>	
MS Global India Automotive Private Limited	Nil
<b>March 31, 2019</b>	
Samvardhana Motherson Auto Component Private Limited	Motherson Invenzen Xlab Private Limited

**ii) Letter of comforts issued on behalf of group companies:**

	As at March 31, 2020	As at March 31, 2019
<b>Joint Ventures</b>		
<b>a)</b> On behalf of Magneti Marelli Motherson Shock Absorbers India Private Limited	150	150
<b>b)</b> On behalf of Motherson Auto Solutions Limited	660	660

**iii) Guarantees issued on behalf of others :**

	As at March 31, 2020	As at March 31, 2019
<b>a)</b> Corporate Guarantee to Yes Bank, New Delhi on behalf of Motherson Advanced Tooling Solutions (A division of Samvardhana Motherson Innovative Solutions Limited, wholly owned subsidiary).	80	480
<b>b)</b> Corporate Guarantee to HDFC Bank on behalf of Motherson Sintermetal Technology (A division of Samvardhana Motherson Innovative Solutions Limited , wholly owned subsidiary).	700	700
<b>c)</b> Corporate Guarantee to Kotak Bank, New Delhi on behalf of Samvardhana Motherson Auto Component Private Limited, wholly owned subsidiary.	400	400
<b>d)</b> Corporate Guarantee of EURO 101 million (March 31, 2019 : EURO 110 million) given to SBI Bank in respect of the loan facility availed by Samvardhana Motherson Holding (M) Private Limited, wholly owned subsidiary.	8,442	8,532
<b>e)</b> Corporate Guarantee of EURO 27 million (March 31, 2019: EURO 27 million) given to ING Bank NV, London in respect of the loan facility availed by Motherson Sintermetal Technology BV, wholly owned subsidiary of Samvardhana Motherson Innovative Solutions Limited (refer note 49)	-	2,094
<b>Total</b>	<b>9,622</b>	<b>12,206</b>

(iv) During the previous year, one of the subsidiaries of the Company, namely Samvardhana Motherson Innovative Solutions Limited (Issuer) entered into a Debentures subscription agreement with Kotak Mahindra Investments Limited (Debenture Holder) dated March 28, 2019 to issue 900 redeemable, optionally fully convertible debentures (debentures) having a face value of INR 900 million which are redeemable on the expiry of 36 months from the date of allotment along with the redemption premium at the rate of 11.7% p.a. compounded on a monthly basis. Further, the Debenture Holder has an option to convert these debentures into equity shares of the issuer (i.e. subsidiary company) at any time after the expiry of 24 months.

In respect to these debentures, the Company also entered into a Put and Call option agreement dated March 28, 2019. As per the terms of the agreement, the Company has an unconditional and irrevocable right to call and purchase the debentures at any time after the expiry of 12 months. Further, the Debenture holder is also entitled to have an unconditional irrevocable right to sell these debentures to the Company upon the occurrence of a Put option event defined as per the terms of the agreement or after the expiry of 24 months. Both call and put option are exercisable by the respective parties at a price equivalent to the Debentures outstanding amount including redemption premium accrued until the date of actual payment of such debentures, hence, these derivative instruments do not have any fair value which must be recognised as derivative asset or liability in accordance with the provisions of Ind AS 109 as on March 31, 2020.

During the year, the company has entered into a pledge agreement with Debenture Holder dated March 20, 2020. These debentures now have been secured by pledge of 24,500,000 (March 31, 2019: Nil) equity shares held in Motherson Sumi Systems Limited. Security cover margin of 1.5 times to be maintained.

**Samvardhana Motherson International Limited****Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

**38 Leases**

The Company elected to apply Indian Accounting Standard 116 ('Ind AS 116'), Leases, with effect from April 01, 2019, using the modified retrospective method. Accordingly, comparatives for the year ended March 31, 2019 have not been restated. The Company assesses each lease contract and if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the Company recognised right to use assets and lease liabilities for those lease contracts except for short-term lease and lease of low-value assets.

The Company has leases contracts for Premises, and vehicles. These lease arrangements for premises are for a period upto 9 years, and vehicles are for a period upto 5 years. The Company also has certain leases of computers, vehicles with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

As at March 31, 2019, the Company had minimum lease payment commitment under non-cancellable operating leases of INR Nil million. Pursuant to adoption of Ind AS 116, lease liabilities of INR 110 million were recognised on April 01, 2019, the transition date. The difference between the operating lease commitments under Ind AS 17 and lease liabilities recognised under Ind AS 116 is largely due to discounting of lease commitments and adoption of practical expedients on exclusion of short-term leases and leases of lowvalue and other adjustments due to reassessment of terms of the contracts.

As at the transition date April 01, 2019 following impacts were recognised in financial position on account of recognition of right-of-use assets, lease liabilities and reclassification of existing finance lease assets and liabilities.

Particulars	As at March 31, 2019	As at April 01, 2019	Change
Property, Plant and Equipment (refer note 11(A))	53	53	-
Right-of-use assets (refer note 11(B))	-	134	134
Other receivables and assets (Non financial and financial)	138	114	(24)
Borrowings (including current maturity of long term borrowing)	6,386	6,386	-
Lease Liabilities	-	110	110

The carrying amounts of lease liabilities and the movements during the period is given below:

	<b>As at March 31, 2020</b>
Recognised as at April 01, 2019 on account of adoption of Ind AS 116	110
	<b>110</b>
	<b>As at March 31, 2020</b>
Lease liabilities	88
	<b>88</b>

Amount recognised in statement of profit and loss during the year on account of Ind AS 116

	<b>March 31, 2020</b>
Interest expense on lease liabilities (included in finance cost)	9
Depreciation of Right-of-use assets	44
Lease expense derecognised	31
<b>Other items included in statement of profit and loss during the year:</b>	
Short term and low value lease payments	19

**Samvardhana Motherson International Limited**

**Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

**39 Contingent liabilities:**

- i) Based on the observation of service tax audit performed by Central Excise Authority, Noida during the earlier years, the Company had received order from Assistant Commissioner, Service Tax for demand of service tax of INR 0.08 million along with interest and penalty which Company has disputed.

	<u>As at</u> <u>March 31, 2020</u>	<u>As at</u> <u>March 31, 2019</u>
ii) <b>Income tax matters</b>	234	300

The above income tax matters includes certain disallowances of expenses claimed by the Company and certain other additions made by the assessing officer in respective years. These matters are pending with various judicial/appellate authorities including CIT(A) and ITAT.

- (a) The Company has assessed that it is only possible but not probable that outflow of economic resources will be required.  
(b) The Company does not expect any reimbursements in respect of the above contingent liabilities.

**iii) Provident fund matters**

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The Company believes that the judgement will be applicable prospectively and accordingly has considered the applicability of the judgement prospectively. Further, the Company will update its provision for earlier years, on receiving further clarity on the subject.

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**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

**40 Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to receivables from customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR.

	As at			As at		
	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	6,813	-	6,813	154	-	154
Bank balances other than cash and cash equivalents	6	-	6	6	-	6
Trade Receivables	82	-	82	52	-	52
Loans	577	782	1,359	214	2,189	2,403
Investments	-	26	26	450	26	476
Other financial assets	34	41	75	40	46	86
<b>Total financial assets</b>	<b>7,512</b>	<b>849</b>	<b>8,361</b>	<b>916</b>	<b>2,261</b>	<b>3,177</b>
<b>Non-financial assets</b>						
Investments in subsidiaries, joint ventures and associates	-	18,952	18,952	-	17,755	17,755
Income tax assets (net)	-	76	76	-	78	78
Deferred tax assets (net)	-	-	-	-	-	-
Property, plant and equipment	-	39	39	-	53	53
Right-of-use assets	-	90	90	-	-	-
Other non-financial assets	16	10	26	35	17	52
<b>Total current assets</b>	<b>16</b>	<b>19,167</b>	<b>19,183</b>	<b>35</b>	<b>17,903</b>	<b>17,938</b>
<b>Total assets</b>	<b>7,528</b>	<b>20,016</b>	<b>27,544</b>	<b>951</b>	<b>20,164</b>	<b>21,115</b>
<b>Liabilities and equity</b>						
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Trade payables						
(i) total outstanding dues of micro, small and medium enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro, small and medium enterprises	31	-	31	35	-	35
Debt securities	-	7,000	7,000	3,500	-	3,500
Borrowings (other than Debt securities)	2,250	-	2,250	1,386	1,500	2,886
Lease liabilities	36	52	88	-	-	-
Other financial liabilities	2,165	2	2,167	133	10	143
<b>Total financial liabilities</b>	<b>4,482</b>	<b>7,054</b>	<b>11,536</b>	<b>5,054</b>	<b>1,510</b>	<b>6,564</b>
<b>Non-financial liabilities</b>						
Provisions	11	55	66	12	53	65
Other non-financial liabilities	67	24	91	47	35	82
<b>Total non-current liabilities</b>	<b>78</b>	<b>79</b>	<b>157</b>	<b>59</b>	<b>88</b>	<b>147</b>
<b>Total liabilities</b>	<b>4,560</b>	<b>7,133</b>	<b>11,693</b>	<b>5,113</b>	<b>1,598</b>	<b>6,711</b>

**Samvardhana Motherson International Limited**

**Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

- 41 (i)** During the year, Magneti Marelli Motherson India Holding BV (MMM BV), a joint venture of the Company has been liquidated. MMM BV had investment in equity shares and compulsorily convertible preference shares (CCPS) in Magneti Marelli Motherson Auto System Private Limited (MMM AS). Upon liquidation of MMM BV, the net assets of MMMBV is distributed to the Company in the form of investments in equity shares and CCPS of MMM AS and cash of Rs. 3 million. The Company has determined that since MMM BV's only investment was in equity shares and CCPS of MMM AS, there is no economic substance to the receipt of investment in MMMAS. Accordingly, the cost of existing investment in equity shares in MMM BV is allocated to cost of investment in equity shares and CCPS in MMM AS in the ratio of relative fair value of both the instruments. The cash received from MMM BV has been netted off with the cost of equity shares and CCPS received from MMM AS. Consequently, no gain/ loss has been recognised on this transaction.
- (ii)** During the previous year, the Company sold its investments in equity shares of ETECHACES Marketing & Advertising Private Limited and investments in preference shares of ETECHACES Marketing & Advertising Private Limited and GC Web Ventures Private Limited for, consideration of INR 118 million and INR 263 million respectively to Motherson Lease Solution Limited. These investments were carried in the financial statements at their respective fair values of INR 118 million and INR 263 million pursuant to fair value gain of INR 68 million recognised in Other comprehensive income and 129 million recognised as "Net gain on financial instruments at fair value through profit or loss under "Net gain on fair value changes" in the statement of profit and loss during the previous year ended March 31, 2018. Accordingly, sale of these investments has not resulted in any gain or loss in the previous year. Further fair value gain of INR 68 million recognised in FVTOCI reserves in earlier years has been transferred to retained earnings in the previous year.
- 42** During the year, the Company transferred its loans in 7 subsidiaries and 2 joint ventures to one of its wholly owned subsidiary namely Samvardhana Motherson Innovative Solutions Limited vide an agreement dated March 18, 2020. These loans and interest accrued thereon had a gross carrying value of INR 880 and INR 52 million respectively. These loans have been sold at a consideration of INR 932 million.

During the previous year, the Company sold its investments in 2 joint ventures identified as having non-OEM business to Samvardhana Motherson Innovative Solutions Limited vide an agreement dated November 20, 2018. These investments having gross carrying value of INR 183 million were sold at a consideration of INR 530 million. The resulting gain of INR 347 million has been disclosed as "Gain on sale of investment in subsidiaries and joint ventures" under the head "Other income" in the statement on profit and loss.

- 43** The Company has established a trust namely Samvardhana Employees Welfare Trust ('the Trust') (SEWT) for welfare of the employees of the Company and its affiliate companies and for the purpose of establishing, instituting, administrating, managing, implementing and all other matters incidental to the employee stock option plans and/or any other Share Issue Scheme, by whatever name called, introduced or offered by the Company from time to time.

The Company had introduced an employee share purchase program in 2006-07, towards which equity shares were allotted to the Trust at par/premium in earlier years.. The shares are in turn allotted by the Trust to the employees at the fair value determined by an independent valuer appointed by the Company. The shares are allotted to the employees immediately at the time of submitting their request at a consideration calculated based on the latest available fair value. Hence, there is no fair value/ intrinsic value of benefit provided to employees. Accordingly, no expense is required to be recognized in the Statement of Profit and Loss of the Company.

The Trust has transferred 500 (March 31, 2019: Nil) number of shares of INR 2 million (March 31, 2019: INR Nil) during the year ended March 31, 2020 at exercise price of Rs. 304 and 12 million (March 31, 2019: 12 million) numbers of shares as on March 31, 2020 to the employees of the Company.

During the year, the Company has recognised an expense of INR 0.7 million (31 March 2019: Nil) toward its proportionate share of losses incurred by SEWT in regard to participation in scheme by the employees of the Company.

- 44 (i)** The Company has outstanding Redeemable Non-Convertible Debentures ("NCDs") amounting to INR 7,000 million (March 31, 2019: INR 3,500 million). During the year, the Company has redeemed debentures amounting to INR 3,500 million (March 31, 2019: INR 4,000 million) along with redemption premium. The Company is registered with the RBI under Section 45-IA of the RBI Act, 1934 as a Core-investment Company ("CIC"), a class of NBFCs, which are regulated by the RBI in terms of the CIC Directions. In accordance of the aforesaid provisions, the Company is not required to and has therefore not created Debenture Redemption Reserve.
- (ii)** During the year, the interest / premium on above mentioned NCDs amounting to INR 509 million (March 31, 2019, INR 455 million) has been booked using EIR method as "Interest and finance charges on debt securities" under the head "Finance costs" in the statement of profit and loss. The outstanding amount of interest accrued / premium payable on maturity of these NCDs has been disclosed as "Interest accrued on debentures" and "Premium on redemption of debentures" under the heads "Other financial liabilities" amounting to INR 202 million (March 31, 2019: INR Nil) and INR Nil (March 31, 2019: INR 112 million) respectively, net of applicable withholding taxes.

**Samvardhana Motherson International Limited**

**Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

- 45 The Company, being CIC company, is exempt from the provisions of section 45-IA(1)(b) of the RBI Act 1934, subject to the condition that it meets the capital requirements and leverage ratio as specified in CIC Directions.

S. No.	Particulars	As at	As at
		March 31, 2020	March 31, 2019
(i)	Investments and Loans to Group companies as a proportion of Net Assets (%)	98.59%	99.07%
(ii)	Investments in equity shares and compulsorily convertible instruments of Group companies as a proportion of Net Assets (%)	86.65%	82.61%
(iii)	Capital Adequacy Ratio (%) [Adjusted Net Worth/Risk Weighted Assets]	231.31%	292.41%
(iv)	Leverage Ratio(Times) [Outside Liabilities /Adjusted Net worth]	0.30	0.20

- 46 Schedule to the Balance Sheet of Systemically Important Core Investment Company as required in terms of paragraph 20(5) of CIC Direct

**I) Exposure to Real Estate Sector**

S. No.	Particulars	As at	As at
		March 31, 2020	March 31, 2019
<b>(a)</b>	<b>Direct Exposure</b>		
(i)	Residential Mortgages -	Nil	Nil
	Lending secured by mortgages on residential property that it is or will be occupied by the borrower or that is rented - Individual housing loans up to INR 1.5 million - Individual housing loans above INR 1.5 million	Nil Nil	Nil Nil
(ii)	Commercial Real Estate -	Nil	Nil
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc. Exposure would also include Non-Fund Based (NFB) limits		
(iii)	Investment in Mortgage Backed Securities (MBS) and other securitized exposure –	Nil	Nil
	a. Residential	Nil	Nil
	b. Commercial Real Estate	Nil	Nil
<b>(a)</b>	<b>Indirect Exposure</b>		
	Fund based and Non-Fund Based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

**II) Asset Liability Management**

**Maturity Pattern of certain items of assets and liabilities outstanding as at the year end**

Particular	As at March 31, 2020				As at March 31, 2019			
	Liabilities		Assets (net of provision)		Liabilities		Assets (net of provision)	
	Borrowing from Banks	Market Borrowing	Advances	Investments	Borrowing from Banks	Market Borrowing	Advances	Investments
1 day to 7 days	-	-	-	-	-	-	-	450
8 day to 14 days	-	-	-	-	-	-	-	-
15 days to 30/31 days (One month)	-	-	-	-	-	497	-	-
Over one month to 2 months	-	-	-	-	-	495	10	-
Over 2 month to 3 months	-	-	-	-	-	394	15	-
Over 3 month to 6 months	-	-	-	-	-	-	78	-
Over 6 month to 1 years	-	2,250	577	-	-	3,500	111	-
Over 1 years to 3 years	-	7,000	752	-	-	1,500	2,189	-
Over 3 years to 5 years	-	-	30	-	-	-	-	-
Over 5 years	-	-	-	18,978	-	-	-	17,781
<b>Total</b>	<b>-</b>	<b>9,250</b>	<b>1,359</b>	<b>18,978</b>	<b>-</b>	<b>6,386</b>	<b>2,403</b>	<b>18,231</b>

47 Schedule to the balance sheet of systemically important Core Investment Company as required in terms of paragraph 22 of CIC directions.

**Liabilities side:**

**I) Loans and advances availed by Core Investment Company inclusive of interest accrued thereon but not paid as at the year end:**

Particulars	As at		As at	
	March 31, 2020		March 31, 2019	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
a) Debentures: (other than those falling within the meaning of Public Deposit)				
i) Secured	7,202	-	3,500	-
ii) Unsecured	-	-	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	-	-	-	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial Paper	-	-	1,386	-
f) Other Loans				
i) Loan from Finance Companies	2,271	-	1,510	-

**Assets side:**

**II) Break-up of loans and advances including bills receivables [other than those included in (IV)] below as at the year end:**

Particulars	Amount Outstanding (Net)	
	As at	As at
	March 31, 2020	March 31, 2019
a) Secured	-	-
b) Unsecured	1,359	2,403

**III) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**

Particulars	Amount Outstanding (Net)	
	As at	As at
	March 31, 2020	March 31, 2019
(i) Lease assets including lease rentals under sundry debtors:		
a) Finance Lease	-	-
b) Operating Lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
a) Assets on hire	-	-
b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities:		
a) Loans where assets have been repossessed	-	-
b) Loans other than (a) above	-	-



**Samvardhana Motherson International Limited**  
**Notes to standalone financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

**IV) Break up of investments**

Particulars	Amount Outstanding (Net)	
	As at	As at
	March 31, 2020	March 31, 2019
<b>Current Investments:</b>		
1. Quoted:		
(i) Shares:		
a) Equity	-	-
b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2. Unquoted:		
(i) Shares:		
a) Equity	-	-
b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	450
(iv) Government Securities	-	-
(v) Others	-	-
<b>Non- Current Investments:</b>		
1. Quoted:		
(i) Shares:		
a) Equity	11,107	11,107
b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2. Unquoted:		
(i) Shares:		
a) Equity	6,786	5,767
b) Preference	1,085	907
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-

**V) Borrower group-wise classification of assets financed as in (ii) and (iii) above:**

Particular	As at March 31, 2020			As at March 31, 2019		
	Amount (net of provisions)			Amount (net of provisions)		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
a) Subsidiaries	-	1,359	1,359	-	2192	2192
b) Companies in the same group	-	-	-	-	211	211
c) Other related parties	-	-	-	-	-	0
2. Other than related parties	-	-	-	-	-	0
<b>Total</b>	-	<b>1,359</b>	<b>1,359</b>	-	<b>2,403</b>	<b>2,403</b>

**VI) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

Particular	As at March 31, 2020		As at March 31, 2019	
	Market Value / Break up or fair value or NAV (refer note below)	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV (refer note below)	Book Value (Net of Provisions)
1. Related Parties				
a) Subsidiaries	6,118	5,657	5,882	4,421
b) Companies in the same group	126,745	13,320	160,594	13,359
c) Other related parties	4	1	4	1
2. Other than related parties	-	-	450	450
<b>Total</b>	<b>132,867</b>	<b>18,978</b>	<b>166,930</b>	<b>18,231</b>

Note: Preference shares have been considered at face value for the purpose of arriving at break-up value of investment. The break-up value of the unquoted investments is calculated on the basis of audited / management accounts of the group companies. Further the break-up value is restricted to zero for the companies having negative break-up value of equity.

**VII) Other information :**

Particular	As at March 31, 2020	As at March 31, 2019
1. Gross non-performing assets		
a) Related parties	-	76
b) Other than related parties	-	-
2. Net non-performing assets		
a) Related parties	-	-
b) Other than related parties	-	-
3. Assets acquired in satisfaction of debt	-	-

48 As per section 45-IC of Reserve Bank of India Act, 1934 every Non-Banking Financial Company (NBFC) is required to create a Reserve Fund and transfer therein a sum not less than twenty per cent of its net profit. During the current year, Company has earned profit and has transferred an amount of INR 339 million (March 31, 2019: INR 121 million) to Reserve Fund.

49 As at March 31, 2019, the Company had investments in equity shares and preference shares in Samvardhana Motherson Innovative Solutions Limited (SMISL) amounting to INR 3,724 million and loans amounting to INR 74 million. SMISL is a subsidiary of the Company and has investment in various step-down subsidiaries and joint ventures including investments in Motherson Sintermetal Products S.A (MSPSA). As at March 31, 2019, the Company, considering business losses incurred in MSPSA and overall performance of other businesses, had recorded the impairment/expected credit loss (ECL) allowance of INR 729 million and 74 million against its SMISL investment and loan respectively. During the current year, on account of continuing losses and based on business projections of MSPSA, the Company has recorded ECL provision of INR 1,925 million for financial guarantee given to bank in respect of the loan facility availed for MSPSA.

SMISL business performance (except for MSPSA) has improved in last 2 years. Considering the guidance enunciated in Ind AS 109, the Company has recorded reversal of impairment allowance in respect of investments of INR 729 million and ECL for loans amounting to INR 74 million respectively based on increase in fair value of investment in SMISL and collection of loans.

The aforesaid provision of ECL for financial guarantees and reversal of impairment/ECL allowance for investments and loans has been shown as 'Exceptional Items' in note 28 to the standalone Ind AS Financial Statements. Accordingly, the previous year impairment allowance/reversals have been reclassified to Exceptional items.

50 Subsequent to the year end, the board of directors of the Company in its meeting held on May 30, 2020 has approved to purchase 725,000 equity shares (96.67% shareholding) of Motherson Air Travel Agencies Limited (MATA) and 10,000 equity shares (49% shareholding) of Motherson Invenzen Xlab Private Limited (MIXLAB) for a consideration of INR 562 million and INR 0.1 million respectively.

51 Motherson Invenzen Xlab Private Limited (MIXLAB) is in the designing and/or manufacturing and/or sub-contracting of audio and infotainment system. The Company has reassessed its control taking into considerations the investments made by the Company including loans given to MIXLAB and the rights available with the company for conversion of the loans into equity. Accordingly, the Company through its subsidiaries gained majority control over MIXLAB with effect from April 01, 2019.

MIXLAB was treated as a joint venture in the standalone financial statements prior to April 01, 2019. As a result of above event, the Company through its subsidiaries is regarded parent of MIXLAB within the framework of Ind AS 110 and accordingly MIXLAB is treated as a subsidiary of the Company with effect from April 01, 2019. The acquisition of additional control did not involve payment of any further purchase consideration.

**VI) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

Particular	As at March 31, 2020		As at March 31, 2019	
	Market Value / Break up or fair value or NAV (refer note below)	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV (refer note below)	Book Value (Net of Provisions)
1. Related Parties				
a) Subsidiaries	6,118	5,657	5,882	4,421
b) Companies in the same group	126,745	13,320	160,594	13,359
c) Other related parties	4	1	4	1
2. Other than related parties	-	-	450	450
<b>Total</b>	<b>132,867</b>	<b>18,978</b>	<b>166,930</b>	<b>18,231</b>

Note: Preference shares have been considered at face value for the purpose of arriving at break-up value of investment. The break-up value of the unquoted investments is calculated on the basis of audited / management accounts of the group companies. Further the break-up value is restricted to zero for the companies having negative break-up value of equity.

**VII) Other information :**

Particular	As at March 31, 2020	As at March 31, 2019
1. Gross non-performing assets		
a) Related parties	-	76
b) Other than related parties	-	-
2. Net non-performing assets		
a) Related parties	-	-
b) Other than related parties	-	-
3. Assets acquired in satisfaction of debt	-	-

48 As per section 45-IC of Reserve Bank of India Act, 1934 every Non-Banking Financial Company (NBFC) is required to create a Reserve Fund and transfer therein a sum not less than twenty per cent of its net profit. During the current year, Company has earned profit and has transferred an amount of INR 339 million (March 31, 2019: INR 121 million) to Reserve Fund.

49 As at March 31, 2019, the Company had investments in equity shares and preference shares in Samvardhana Motherson Innovative Solutions Limited (SMISL) amounting to INR 3,724 million and loans amounting to INR 74 million. SMISL is a subsidiary of the Company and has investment in various step-down subsidiaries and joint ventures including investments in Motherson Sintermetal Products S.A (MSPSA). As at March 31, 2019, the Company, considering business losses incurred in MSPSA and overall performance of other businesses, had recorded the impairment/expected credit loss (ECL) allowance of INR 729 million and 74 million against its SMISL investment and loan respectively. During the current year, on account of continuing losses and based on business projections of MSPSA, the Company has recorded ECL provision of INR 1,925 million for financial guarantee given to bank in respect of the loan facility availed for MSPSA.

SMISL business performance (except for MSPSA) has improved in last 2 years. Considering the guidance enunciated in Ind AS 109, the Company has recorded reversal of impairment allowance in respect of investments of INR 729 million and ECL for loans amounting to INR 74 million respectively based on increase in fair value of investment in SMISL and collection of loans.

The aforesaid provision of ECL for financial guarantees and reversal of impairment/ECL allowance for investments and loans has been shown as 'Exceptional Items' in note 28 to the standalone Ind AS Financial Statements. Accordingly, the previous year impairment allowance/reversals have been reclassified to Exceptional items.

50 Subsequent to the year end, the board of directors of the Company in its meeting held on May 30, 2020 has approved to purchase 725,000 equity shares (96.67% shareholding) of Motherson Air Travel Agencies Limited (MATA) and 10,000 equity shares (49% shareholding) of Motherson Invenzen Xlab Private Limited (MIXLAB) for a consideration of INR 562 million and INR 0.1 million respectively.

51 Motherson Invenzen Xlab Private Limited (MIXLAB) is in the designing and/or manufacturing and/or sub-contracting of audio and infotainment system. The Company has reassessed its control taking into considerations the investments made by the Company including loans given to MIXLAB and the rights available with the company for conversion of the loans into equity. Accordingly, the Company through its subsidiaries gained majority control over MIXLAB with effect from April 01, 2019.

MIXLAB was treated as a joint venture in the standalone financial statements prior to April 01, 2019. As a result of above event, the Company through its subsidiaries is regarded parent of MIXLAB within the framework of Ind AS 110 and accordingly MIXLAB is treated as a subsidiary of the Company with effect from April 01, 2019. The acquisition of additional control did not involve payment of any further purchase consideration.

**Samvardhana Motherson International Limited**

**Notes to standalone financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

52 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC), CC,PD No.109/22. 10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards, Non Banking Financial Companies (NBFC's) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, asset classification and provisioning (IRACP) norms (including provision on standard assets). The Impairment allowances under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2020 and accordingly, no amount is required to be transferred to impairment reserve.

53 The board of directors of Motherson Sumi Systems Limited (MSSL), a joint venture of the company, in its meeting held on January 30, 2020 had, in principle, approved demerger of its domestic wiring harness business of MSSL into a newly formed legal entity with mirror shareholding, which shall be listed and consolidating shareholding in Samvardhana Motherson Automotive Systems Group B.V. ("SMRP BV"). In this respect, the management of the Company is exploring options / structure for consolidation of the shareholding of SMRP BV and/or other possible group re-organization options. Upon finalization of the proposal, the Board of company would be presented with the structure proposed or reorganization option(s) (as the case may), for further consideration, discussion and/or approval by the Board of the company.

**54 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**

The Company has evaluated the impact of COVID – 19 resulting from (i) impact in the business operations of subsidiaries, joint ventures, associates of the Company and consequential adjustment in the carrying value of these investments;(ii) cash flows from investing/financing activities. The Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of investments and loans etc. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information, economic forecasts and consensus estimates from market sources on the expected future demand of its subsidiaries, joint ventures and associates. The Company has performed analysis on the assumptions used and based on current estimates do not expects the adjustments in the carrying amount of loans and investments. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

55 Amount appearing as zero "0" in the financial statements are below the rounding off norm adopted by the Company.

For S.R. Batliboi & Co. LLP

ICAI Firm registration number: 301003E/ E300005

**PANKAJ  
CHADHA**

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per Pankaj Chadha

Partner

Membership No. 091813

**POOJA  
MEHRA  
AUTH**

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**Pooja Mehra**  
Company Secretary  
Membership No. FCS 5088

For and on behalf of the Board of Directors

**VIVEK  
CHAAND  
SEHGAL**

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**Vivek Chaand Sehgal**

Director

DIN 00291126

**Rajinder  
Kumar Bansal**

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**Rajinder Kumar Bansal**  
Deputy Chief Financial Officer  
PAN - AJVPB1886F

**SANJAY  
MEHTA**

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**Sanjay Mehta**

Director

DIN 03215388

**MANISH  
KUMAR  
GOYAL**

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**Manish Kumar Goyal**  
Chief Financial Officer  
PAN - AESPG3496A

Place : Gurugram

Date : June 17, 2020

Place : Noida

Date : June 17, 2020

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Samvardhana Motherson International Limited

### **Report on the Audit of the Consolidated Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated Ind AS financial statements of Samvardhana Motherson International Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group, associates, joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit

procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Impairment assessment of Property, Plant and Equipment (PPE) and Goodwill arising out of the business combinations</b>  <i>(as described in note 14 (a) of the consolidated Ind AS financial statements)</i></p>	
<p>The Group has total PPE as at March 31, 2020 amounting to Rs 5,372 million and has share in PPE of Joint ventures/ Associates amounting to Rs 51,021 million. This includes group's share in PPE of Joint venture/Associates amounting to Rs. 16,816 million relating to green field/other locations and Rs. 2,226 million relating to certain subsidiaries which are incurring losses and were tested for impairment assessments and the group's share of goodwill resulting from one of the earlier business acquisitions by one of the significant joint venture of the Group, amounting to Rs. 6,536 million as on March 31, 2020.</p> <p>The impairment assessment of PPE belonging to these green field facilities, other facilities and the Goodwill resulting from earlier acquisition was complex and highly judgmental due to the significant estimation required to determine the Value-In-Use (VIU). In particular, the determination of the VIU is sensitive to significant assumptions, such as changes in the discount rate, revenues (pricing and volume growth), operating margin and terminal value, which are affected by expectations about future market or economic conditions, particularly those related to the greenfield projects.</p> <p>Accordingly, the matter has been identified as KAM.</p>	<p>The procedures performed by us and other auditors includes following:</p> <ul style="list-style-type: none"> <li>• Assessed the process followed, impairment methodology applied by the Group and obtained an understanding of the analysis performed by management for the purposes of the impairment assessment;</li> <li>• Evaluated through an analysis of internal and external factors impacting the Group, whether there were any indicators of impairment in accordance with Ind AS 36;</li> <li>• Assessed the operating margins, discount rates and revenue growth applied within the model, with the support of valuation specialists and sensitivity analysis;</li> <li>• Obtained and evaluated corroborative market research based evidence in cases where future growth considered is higher than the historical trend and industry benchmark;</li> <li>• Read and assessed the disclosure made in the financial statements for assessing compliance with disclosure requirements in particular those related to reasonably possible changes in key assumptions that could lead to an impairment of Property, plant and equipment.</li> </ul>
<p><b>De-recognition of trade receivables under factoring facilities</b> <i>(as described in note 46 of the consolidated Ind AS financial statements)</i></p>	
<p>The Group along with its joint venture and associates enters into non-recourse factoring arrangements for its trade receivables with various banks/financial institutions.</p> <p>As at 31 March 2020, the group's share amounts to Rs. 25,042 million in the</p>	<p>The procedures performed by us and other auditors includes following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the process related to de-recognition of trade receivables;</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p>significant joint venture which had factoring facilities in place for trade receivables which were de-recognized in its financial statements.</p> <p>The Group along with its joint venture and associates derecognizes the receivables from its books if it transfers substantially all the risks and rewards of ownership of the financial asset (i.e. receivables).</p> <p>The assessment of de-recognition of trade receivables under the factoring facilities is complex and requires judgement.</p> <p>Accordingly, the matter has been identified as Key Audit Matter.</p>	<ul style="list-style-type: none"> <li>• Evaluated the assessment made by management covering significant factoring contracts;</li> <li>• For certain new contracts entered during the year, tested the nature of the contracts if they qualify as recourse or non-recourse agreements and if the accounting is line with the Ind AS 109;</li> <li>• Evaluated through enquiry and other audit procedures to identify if any changes were executed in the existing contracts;</li> <li>• Read and assessed the disclosure made in the financial statements for assessing compliance with disclosure requirements.</li> </ul>

**Emphasis of Matter- Corona developments**

The developments surrounding the Corona (Covid-19) virus have a profound impact on people’s health and on our society as a whole, as well as on the operational and financial performance of organizations. The situation changes on a daily basis giving rise to inherent uncertainty. The Group is confronted with this uncertainty as well, which has been disclosed in the Note 55 to the Consolidated Ind AS financial statements, together with its evaluation thereof. We draw attention to these disclosures. Our opinion is not modified in respect of this matter.

**Other Information**

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor’s report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements**

The Holding Company’s Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally

accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or



conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

- (a) We did not audit the financial statements and other financial information, in respect of 27 subsidiaries, whose Ind AS financial statements include total assets of INR 16,647 million as at March 31, 2020, and total revenues of INR 5,986 million and net cash inflows of INR 1,469 million for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of INR 19,486 million for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of 50 associates and 43 joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries,

joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the report(s) of such other auditors.

- (b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 1 subsidiary, whose financial statements and other financial information reflect total assets of INR 696 million as at March 31, 2020, and total revenues of INR 4 million and net cash inflow of INR 4 million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of INR 1,025 million for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of 34 associates and 33 joint ventures, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies,

associate companies and joint ventures, none of the directors of the Group's companies, its associates and joint ventures, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures, incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated Ind AS financial statements – Refer Note 45 to the consolidated Ind AS financial statements;
  - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 38 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group, its associates and joint ventures and (b) the Group's share of net profit/loss in respect of its associates and joint ventures;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures, incorporated in India during the year ended March 31, 2020.

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**PANKAJ  
CHADHA**

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**per Pankaj Chadha**

Partner

Membership Number: 091813

UDIN: 20091813AAAACM6701

Place of Signature: Gurugram

Date: June 17, 2020

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of Samvardhana Motherson International Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Samvardhana Motherson International Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements**

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these 18 subsidiary companies, 1 associate companies and 14 joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary, associate and joint ventures incorporated in India.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

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**per Pankaj Chadha**

Partner

Membership Number: 091813

UDIN: 20091813AAAACM6701

Place of Signature: Gurugram

Date: June 17, 2020

**Samvardhana Motherson International Limited**  
**Consolidated balance sheet as at March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	9,055	921
Bank balances other than cash and cash equivalents	4	605	363
Derivative financial instruments	5	0	-
Trade receivables	6	2,400	2,791
Loans	7	2,262	5,995
Investments	8	606	1,309
Other financial assets	9	1,147	946
<b>Total financial assets</b>		<b>16,075</b>	<b>12,325</b>
<b>Non-financial assets</b>			
Investment accounted for using the equity method	46	73,934	72,923
Inventories	10	1,227	1,172
Income tax assets (net)	11	313	233
Deferred tax assets (net)	12(a)	140	210
Investment property	13	13	14
Property, plant and equipment	14(a)	5,372	5,096
Right to use assets	14(b)	1,285	-
Capital work in progress		388	1,110
Intangible assets under development		29	3
Goodwill	15	802	692
Other intangible assets	15	129	161
Other non-financial assets	16	1,123	1,046
<b>Total non-financial assets</b>		<b>84,755</b>	<b>82,660</b>
<b>Total assets</b>		<b>1,00,830</b>	<b>94,985</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	17	2,135	2,353
Debt securities	18	7,900	4,400
Borrowings (other than debt securities)	19	14,884	15,180
Lease liabilities	44	889	-
Other financial liabilities	20	975	977
<b>Total financial liabilities</b>		<b>26,783</b>	<b>22,910</b>
<b>Non-financial liabilities</b>			
Income tax liabilities (net)	11	4	12
Deferred tax liabilities (net)	12(b)	119	84
Provisions	21	38	62
Employee benefit obligation	22	620	456
Government grants	23	17	26
Other non-financial liabilities	24	1,209	1,024
<b>Total non-financial liabilities</b>		<b>2,007</b>	<b>1,664</b>
<b>Equity</b>			
Equity share capital	25	4,736	4,736
<b>Other equity</b>			
Reserve and surplus	26(a)	62,950	62,314
Other reserves	26(b)	2,585	1,967
<b>Equity attributable to the owners of the company</b>		<b>70,271</b>	<b>69,017</b>
Non-controlling interest		1,769	1,394
<b>Total equity</b>		<b>72,040</b>	<b>70,411</b>
<b>Total liabilities and equity</b>		<b>1,00,830</b>	<b>94,985</b>

Summary of significant accounting policies

2

The above balance sheet should be read in conjunction with the accompanying notes

This is the consolidated balance sheet referred to in our report of even date

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number : 301003E/ E300005

**PANKAJ CHADHA**  
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per Pankaj Chadha  
Partner  
Membership No. 091813

For and on behalf of the Board of Directors

VIVEK  
CHAAND  
SEHGAL

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VIVEK CHAAND  
SEHGAL  
Date: 2020.06.17  
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**SANJAY MEHTA**

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**Vivek Chaand Sehgal**  
Director  
DIN 00291126

**Sanjay Mehta**  
Director  
DIN 03215388

Rajinder Kumar  
Bansal

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Bansal  
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**MANISH KUMAR GOYAL**

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**Rajinder Kumar Bansal**  
Deputy Chief Financial Officer  
PAN- AJVPB1886F

**Manish Kumar Goyal**  
Chief Financial Officer  
PAN- AESPG3496A

POOJA MEHTA  
AUTH

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**Pooja Mehra**  
Company Secretary  
Membership No. FCS 5088

Place: Noida

Date : June 17, 2020

Place: Gurugram

Date : June 17, 2020

**Samvardhana Motherson International Limited**  
**Consolidated statement of profit and loss for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Revenue from operations</b>			
Interest income	27(a)	364	207
Net gain on fair value changes	27(b)	48	28
Revenue from contract with customers	27(c)	12,420	13,952
Other operating income	27(d)	526	524
<b>Total revenue from operations</b>		<b>13,358</b>	<b>14,711</b>
Other income	28	356	180
<b>Total income</b>		<b>13,714</b>	<b>14,891</b>
<b>Expenses</b>			
Finance costs	29	1,224	836
Cost of materials consumed	30	4,260	5,269
Purchase of stock-in-trade		816	988
Change in inventories of finished goods, work-in-progress and stock in trade	31	(81)	(110)
Employee benefits expenses	32	4,458	3,956
Depreciation, impairment and amortization expense	33	1,549	671
Other expenses	34	3,657	3,982
<b>Total expenses</b>		<b>15,883</b>	<b>15,592</b>
<b>Profit before share of net profit/(loss) of investments accounted for using equity method and tax</b>		<b>(2,169)</b>	<b>(701)</b>
Group's share in net profit of investments accounted for using the equity method (net of tax)		3,603	7,831
<b>Profit before tax</b>		<b>1,434</b>	<b>7,130</b>
<b>Tax expenses</b>			
-Current tax expense	35	136	285
-Deferred tax expense/(credit)		115	(8)
<b>Total tax expense</b>		<b>251</b>	<b>277</b>
<b>Profit for the year</b>		<b>1,183</b>	<b>6,853</b>
<b>Other comprehensive income</b>			
<b>Items that will be reclassified to profit or loss</b>			
Exchange gain/(losses) on translation of foreign operations		(220)	122
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (net)		1,500	43
		<b>1,280</b>	<b>165</b>
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit obligations		(34)	(13)
Change in fair valuation of FVOCI equity investments		49	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (net)		(596)	(95)
Income tax relating to the above items		10	0
		<b>(571)</b>	<b>(108)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>709</b>	<b>57</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>1,892</b>	<b>6,910</b>
<b>Profit attributable to:</b>			
Owners		1,143	6,548
Non-controlling interest		40	305
		<b>1,183</b>	<b>6,853</b>
<b>Other comprehensive income attributable to:</b>			
Owners		732	53
Non-controlling interest		(23)	4
		<b>709</b>	<b>57</b>
<b>Total comprehensive income attributable to:</b>			
Owners		1,875	6,601
Non-controlling interest		17	309
		<b>1,892</b>	<b>6,910</b>
<b>Earnings per share:</b>			
Nominal value per share: INR 10/- (March 31, 2019 : INR 10/-)	36		
Basic (INR per share)		2.41	13.83
Diluted (INR per share)		2.41	13.83

Summary of significant accounting policies

The above statement of profit and loss should be read in conjunction with the accompanying notes

This is the consolidated statement of profit and loss referred to in our report of even date

**For S.R. Batliboi & Co. LLP**

Chartered Accountants  
ICAI Firm registration number : 301003E/ E300005

**PANKAJ CHADHA**  
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per Pankaj Chadha  
Partner  
Membership No. 091813

For and on behalf of the Board of Directors

**VIVEK CHAAND SEHGAL**  
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**SANJAY MEHTA**  
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**Vivek Chaand Sehgal**  
Director  
DIN 00291126

**Rajinder Kumar Bansal**  
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**Rajinder Kumar Bansal**  
Deputy Chief Financial Officer  
PAN- AJVPB1886F

**Sanjay Mehta**  
Director  
DIN 03215388

**MANISH KUMAR GOYAL**  
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**Manish Kumar Goyal**  
Chief Financial Officer  
PAN- AESPG3496A

**POOJA MEHRA**  
AUTH

**Pooja Mehra**  
Company Secretary  
Membership No. FCS 5088

Place: Gurugram  
Date : June 17, 2020

Place: Noida  
Date : June 17, 2020

**Samvardhana Motherhood International Limited**  
**Consolidated statement of changes in equity as on March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

	Notes	Amount
<b>A. Equity share capital</b>		
As at March 31, 2018		4,736
Changes in equity share capital	25	-
As at March 31, 2019		4,736
Changes in equity share capital	25	-
As at March 31, 2020		4,736

B. Other equity	Note	Reserves and surplus				Items of other comprehensive income (OCI)				Total attributable to Owners	Non Controlling interests			
		Securities premium	Capital reserve on amalgamation	Reserve fund	General reserve	Capital redemption reserve	Capital reserve on consolidation	Retained Earning	FVOCI equity instrument			Foreign currency translation reserve	Treasury shares	Cash flow hedging reserve
<b>Balance as at March 31, 2018</b>		3,263	2,402	1,635	50	43	334	48,761	104	2,791	(192)	(518)	58,673	1,179
Profit for the year		-	-	-	-	-	-	6,548	-	-	-	-	6,548	305
Other comprehensive income		-	-	-	-	-	-	(103)	(5)	(398)	-	563	57	4
<b>Total comprehensive income for the year</b>		-	-	-	-	-	-	6,445	(5)	(398)	-	563	6,605	309
Additions during the year		-	-	-	-	-	-	(53)	(68)	-	-	-	-	-
Transfer to/(from) retained earnings		-	-	121	-	-	-	(53)	-	-	-	-	-	-
Purchase of treasury shares		-	-	-	-	-	-	(945)	-	-	(310)	-	(310)	-
Dividend paid		-	-	-	-	-	-	(504)	-	-	-	-	(945)	(81)
Tax on dividend		-	-	-	-	-	-	-	-	-	-	-	(504)	(13)
Additions on account of acquisitions		-	-	-	-	-	640	-	-	-	-	-	640	-
Hyperinflation adjustment (refer note 54)		-	-	-	-	-	122	-	-	-	-	-	122	-
<b>Balance as at March 31, 2019</b>		3,263	2,402	1,756	50	43	974	53,826	31	2,393	(802)	45	64,281	1,394
Profit for the year		-	-	-	-	-	-	1,143	-	-	-	-	1,143	40
Other comprehensive income		-	-	-	-	-	-	(66)	(492)	2,329	-	(1,039)	732	(23)
<b>Total comprehensive income for the year</b>		-	-	-	-	-	-	1,077	(492)	2,329	-	(1,039)	1,875	17
Additions during the year		-	-	-	-	-	-	(339)	-	-	-	-	-	-
Transfer to/(from) retained earnings		-	-	339	-	-	-	(339)	-	-	-	-	-	-
Purchase of treasury shares		-	-	-	-	-	-	(213)	-	-	(180)	-	(180)	-
Dividend paid		-	-	-	-	-	-	(564)	-	-	-	-	(564)	(91)
Tax on dividend		-	-	-	-	-	-	-	-	-	-	-	-	(19)
Additions on account of acquisitions		-	-	-	-	-	57	-	-	-	-	-	57	3
Contribution from Non controlling interest holders		-	-	-	-	-	-	-	-	-	-	-	-	470
Hyperinflation adjustment (refer note 54)		-	-	-	-	-	-	183	-	-	-	-	183	-
Others		-	-	-	-	-	-	96	-	-	-	-	96	(5)
<b>Balance as at March 31, 2020</b>		3,263	2,402	2,095	50	43	1,031	54,066	(461)	4,722	(682)	(994)	65,535	1,769

Summary of significant accounting policies

The above statement of changes in equity should be read in conjunction with the accompanying notes

This is the consolidated statement of changes in equity referred to in our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number : 301003E/ E300005

Digitally signed by PANKAJ CHADHA

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Date: 2020.06.17 23:58:33 +05'30'

Partner

Membership No. 091813

For and on behalf of the Board of Directors

VIVEK

CHAAND

SEHGAL

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Sanjay Mehta

Director

DIN 00291126

Rajinder

Kumar Bansal

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Deputy Chief Financial Officer

PAN- AIVPB1886F

Place: Noida

Date : June 17, 2020

Digitally signed by SANJAY MEHTA Date: 2020.06.17 23:27:40 +05'30'

MANISH

KUMAR

GOYAL

Chief Financial Officer

PAN- AESPG3496A

Place: Noida

Date : June 17, 2020

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AUTH

Date: 2020.06.17

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Pooja Mehra

Company Secretary

Membership No. FCS 5088



**Samvardhana Motherson International Limited**  
**Consolidated cash flow statement for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

	<b>For the year ended</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>A. Cash flow from operating activities:</b>		
Profit before tax	1,434	7,130
<b>Adjustments for:</b>		
Share of (profit)/loss in associates and joint ventures accounted for using the equity method	(3,603)	(7,831)
Depreciation and amortisation expense	1,549	671
Liabilities written back to the extent no longer required	(49)	(5)
Bad debts/advances written off	-	14
Provision for doubtful debts/advances	51	10
Gain on sale of property, plant and equipment	(5)	(3)
Provision on write down of inventory	5	1
Gain on sale of investment in joint ventures	-	(2)
Provision for warranties, litigation and other provisions	(24)	(30)
Interest income	(364)	(207)
Fair value changes in financial assets measured at fair value through profit and loss	(48)	(28)
Finance Cost	1,224	836
Unrealised foreign currency loss/(gain)	245	(249)
<b>Operating profit before working capital changes</b>	<b>415</b>	<b>307</b>
<b>Change in working Capital:</b>		
Increase/(Decrease) in trade payables and other payables	(82)	424
Increase/(Decrease) in other financial liabilities	(154)	333
Increase/(Decrease) in other non financial liabilities	185	23
(Increase)/Decrease in trade receivables	356	5
(Increase)/Decrease in other financial assets	104	(399)
(Increase)/Decrease in other non financial assets	(2)	6
(Increase)/Decrease in inventories	(60)	(106)
<b>Cash generated from operations</b>	<b>762</b>	<b>593</b>
- Taxes (paid)/received	(234)	(325)
<b>Net cash generated from operations</b>	<b>528</b>	<b>268</b>
<b>B. Cash flow from Investing activities:</b>		
Payments for purchase of property, plant and equipments and other intangible assets (including capital work in progress and intangible assets under development)	(1,742)	(2,507)
Proceeds from sale of property, plant and equipment and other intangible assets	77	5
Proceeds from sale / (payment for purchase) of mutual funds (net)	-	(773)
Proceeds from sale / (payment for purchase) of other investments	848	381
Loan (to)/prepaid by related parties (net)	3,623	(5,811)
(Investment)/ Proceeds from maturity of deposits with bank	(204)	152
Dividend income received from associates and joint ventures	3,890	1,946
Interest income received	117	96
Investment made in joint ventures	(11)	-
<b>Net cash (used in)/ generated from investing activities</b>	<b>6,598</b>	<b>(6,511)</b>
<b>C. Cash flow from financing activities:</b>		
Dividend paid	(213)	(945)
Dividend distribution tax	(564)	(504)
Proceeds from sale / (payment for purchase) for treasury shares	(178)	(308)
Interest paid (including premium on redemption of debenture)	(1,001)	(1,731)
Proceeds from debt securities	7,000	4,400
Repayment of debt securities	(3,500)	(4,000)
Proceeds from borrowings (other than debt securities)	1,409	18,028
Repayment of borrowings (other than debt securities)	(1,993)	(8,890)
Payment of lease liability	(324)	-
Dividend paid to minority share holders	(110)	(94)
Contribution received from minority share holders	470	-
<b>Net cash (used in)/ generated from financing activities</b>	<b>996</b>	<b>5,956</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>8,122</b>	<b>(287)</b>
Cash and cash equivalents at the beginning of the year	921	1,206
Acquired on acquisition/ change in shareholding	12	-
<b>Cash and cash equivalents as at year end</b>	<b>9,055</b>	<b>919</b>

**Samvardhana Motherson International Limited**  
**Consolidated cash flow statement for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

**For the year ended**  
**March 31, 2020      March 31, 2019**

**Cash and cash equivalents comprise**

Cash on hand	
Balances with banks	
Cheques and drafts on hand	
<b>Cash and cash equivalents as per balance sheet (restated)</b>	
Net foreign exchange difference on balance with banks in foreign currency	
<b>Total</b>	

	1	1
	9,054	804
	-	116
	<b>9,055</b>	<b>921</b>
	-	(2)
	<b>9,055</b>	<b>919</b>

Notes:

i) The above Consolidated cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

Summary of significant accounting policies (note 2)

The above consolidated cash flow statement should be read in conjunction with the accompanying notes

This is the consolidated cash flow statement referred to in our report of even date

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number : 301003E/ E300005

**PANKAJ CHADHA**  
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 Reason: I am approving this document  
 Date: 2020.06.17 23:59:50 +05'30'  
 per **Pankaj Chadha**  
 Partner  
 Membership No. 091813

For and on behalf of the Board of Directors

VIVEK CHAAND SEHGAL  
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 Date: 2020.06.17 23:21:01 +05'30'

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**Vivek Chaand Sehgal**  
 Director  
 DIN 00291126

**Sanjay Mehta**  
 Director  
 DIN 03215388

Rajinder Kumar Bansal  
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MANISH KUMAR GOYAL  
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**Rajinder Kumar Bansal**  
 Deputy Chief Financial Officer

**Manish Kumar Goyal**  
 Chief Financial Officer  
 PAN- AESPG3496A

PAN- AJVPB1886F  
 POOJA MEHRA AUTH  
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 Date: 2020.06.17 23:16:02 +05'30'

**Pooja Mehra**  
 Company Secretary  
 Membership No. FCS 5088

Place: Gurugram  
 Date : June 17, 2020

Place: Noida  
 Date : June 17, 2020

## 1 Corporate Information

The consolidated financial statements comprise financial statements of Samvardhana Motherson International Limited ("SAMIL" or "the Company") and its subsidiaries (hereinafter collectively referred to as "the Group") and joint ventures and associates for the year ended March 31, 2020. The Company holds the Certificate of Registration as a Non-Deposit Taking Systemically Important Core Investment Company ("CIC-ND-SI") issued by the Reserve Bank of India ("RBI") under Core Investment Companies (Reserve Bank) Directions, 2016 ("CIC Directions"). The Company was incorporated in India on December 9, 2004 to act as a Holding Company to hold/ make investments in Group companies which are primarily engaged in business in the automotive sector. The Company was promoted by Mr. V.C. Sehgal, promoter of the Samvardhana Motherson Group. The Company is a public limited company domiciled in India.

The Group comprises of SAMIL and its directly and indirectly held 31 subsidiaries (including stepdown subsidiaries), 91 joint ventures and 101 associates. The Group has manufacturing plants in India, Sri Lanka, Thailand, United Arab Emirates (UAE), Australia, United Kingdom (UK), Germany, Hungary, Portugal, Spain, France, Slovakia, China, South Korea, United States of America (USA), Brazil, Mexico, Czech Republic, South Africa, Serbia, Lithuania, Poland and Russia.

The consolidated financial statements were authorised for issue in accordance with resolution of the Board of Directors on June 17, 2020.

## 2 Significant accounting policies

### (a) Basis of preparation

#### Compliance with Ind AS

The consolidated financial statements of the group are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and presentation requirement of Division III of schedule III of the Companies Act 2013, as applicable to the consolidated financial statement.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and
- Defined benefit pension plans – plan assets measured at fair value
- Derivative financial instruments (refer note 37 and 38)

The financial statements are presented in INR and all values are rounded to the nearest millions (INR 000,000), except when otherwise stated. Amount appearing as zero "0" in the financial statements are below the rounding off norm adopted by the group.

### (b) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like item of assets, liabilities, equity, income expense and cash flows. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Business combinations policy explains how to account for any related goodwill.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### (c) Investment in associates and joint ventures

Associates are all entities over which the Group has significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The financial statements of the associates are prepared for the same reporting period as the Group to enable the parent to consolidate the financial information of the associates. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The group applies Ind AS 111 to all joint arrangements. Under Ind AS 111 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

Investments in associates and joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the other entity.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit and loss.

The carrying amounts of investments accounted under equity methods are tested for impairment in accordance with the policy described in note 1(n) below.

**(d) Changes in ownership interests**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of SAMIL.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

**(e) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker "CODM". The CODM is responsible for allocating resources and assessing performance of the operating segments. The Group has monthly review and forecasting procedure in place. (refer Note 41)

**(f) Presentation of financial statements**

The financial statements have been presented in accordance with Division III of Schedule III of Companies Act, 2013. The Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 48.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- i) The normal course of business
- ii) The event of default
- iii) The event of insolvency or bankruptcy of the Company and/or its counterparties

**(g) Foreign currencies**

**i. Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

**ii. Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Foreign exchange differences on foreign currency borrowings are presented in the Statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in foreign currencies are translated into functional currency using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments (other than investment in subsidiaries, joint ventures and associates) held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments (other than investment in subsidiaries, joint ventures and associates) classified as FVOCI are recognised in other comprehensive income.

**iii. Group companies**

The results and financial position of foreign operations (except one of the subsidiary of joint venture in Argentina which has currency of hyperinflation (refer policy described in note ab below), none of the Group's subsidiary, joint venture and associates has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. All resulting exchange differences are recognised in other comprehensive income.

**(h) Revenue from contracts with customers**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

**Revenue from sale of components**

Revenue from sale of components is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

#### Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Contracts for the sale of components provide customers with a customary right of return in case of defects, quality issues etc. The rights of return give rise to variable consideration.

The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

#### Warranty obligations

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

#### Revenue from assembly of components

The Group has contracts with customers to assemble, on their behalf, customised components from various parts procured from suppliers identified by the customer. The Group is acting as an agent in these arrangements.

When another party is involved in providing goods or services to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Group's role is only to arrange for another entity to provide the goods or services, then the Group is an agent and will need to record revenue at the net amount that it retains for its agency services.

#### Revenue from development of tools and sale of service

The Group develops customised tooling for its customers and also provides services relating to software development and maintenance. The Group recognises its revenue over time using an input method to measure progress towards complete satisfaction.

The Group recognises revenue from development of tools and sale of services over time if it can reasonably measure its progress towards complete satisfaction of the performance obligation.

Where the Group cannot reasonably measure the outcome of a performance obligation, but the Group expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Group recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

#### Costs to obtain a contract

Such costs are recognised as an asset if there are future economic benefits associated with such costs. These are amortised systematically to match the benefits and such amortisation is netted off with revenue. In cases where future economic benefits cannot be determined such costs are expensed off as incurred and are netted off with the revenues.

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

#### Determining the timing of satisfaction of tooling development and service

The Group concluded that revenue for development of tooling and services is to be recognised over time because the Group's performance does not create asset with an alternative use to the Group since these are customised for each customer and the Group has a legally enforceable right to payment for fair value of performance completed to date.

The Group determined that the input method is the best method in measuring progress of the tooling development because there is a direct relationship between the Group's effort (i.e., costs incurred) and the transfer of tooling or service obligation to the customer. The Group recognises revenue on the basis of the total costs incurred relative to the total expected costs to complete the obligation.

#### Principal versus agent considerations

The Group enters into contracts with its customers to assemble, on their behalf, customised components using various parts procured from suppliers identified by the customer. Under these contracts, the Group provides assembly services (i.e., coordinating the procurement of various parts from the identified suppliers and combining or assembling them into components as desired by the customer). The Group determined that it does not control the goods before they are transferred to customers, and it does not have the ability to direct the use of the component or obtain benefits from the component. The following factors indicate that the Group does not control the goods before they are being transferred to customers. Therefore, the Group determined that it is an agent in these contracts.

- The Group is not primarily responsible for fulfilling the promise to provide the specified equipment.
- The Group does not have inventory risk before or after the specified component has been transferred to the customer as it purchases various parts on just-in-time basis and only upon contract of the customer.
- The Group has no discretion in establishing the price for the specified component. The Group's consideration in these contracts is only based on the difference between the maximum purchase price quoted by the customer and the cost of various parts purchased from the suppliers.
- In addition, the Group concluded that it transfers control over its services (i.e., assembling the component from various parts), at a point in time, upon receipt by the customer of the component, because this is when the customer benefits from the Group's agency service.

#### Consideration of significant financing component in a contract

The Group develops customised tooling and secondary equipment's for which the manufacturing lead time after signing the contract is usually more than one year. This type of contract includes two payment options for the customer, i.e., payment of the transaction price equal to the cash selling price upon delivery of the tooling or payment of the transaction price as part of the component's selling price. The Group concluded that there is a significant financing component for those contracts where the customer elects to pay along with the component's selling price considering the length of time between the transfer of tooling and secondary equipment and the recovery of transaction price from the customer, as well as the prevailing interest rates in the market.

In determining the interest to be applied to the amount of consideration, the Group concluded that the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance) is appropriate because this is commensurate with the rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception.

#### Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Trade receivables are disclosed in Note 6.

#### Contract Assets

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables. The Group's contract assets are disclosed in Note 47 as Unbilled Receivables.

**Contract Liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract. Contract Liabilities are disclosed in Note 47 as Advances received from customers.

**Impairment**

An impairment is recognised to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which such asset relates; less (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

(i) **Other income**

**Interest**

Interest is recognised using the effective interest rate (EIR) method, as income for the period in which it occurs. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**Rental Income**

Rental income arising from investment properties given on leases is accounted for on a straight-line basis over the lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and is included in other income in the statement of profit and loss.

**Dividend**

Dividend income is recognised when the right to receive payment is established, which is generally when shareholders approve the dividend.

**Duty drawback and export incentives**

Income from duty drawback and export incentives is recognized on an accrual basis.

**Royalty income**

Royalty income is recognized in Other operating income on an accrual basis in accordance with the substance of the relevant agreements.

(j) **Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in other non financial liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected useful lives of the related assets and presented within other income.

Government grants relating to the purchase of property, plant and equipment are credited to profit or loss on a straight-line basis over the expected useful lives of the related assets and presented within other income.

When government grants relating to loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

(k) **Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax liabilities are not recognised:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences ("outside-basis differences") can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

(l) **Leases**

Pursuant to the notification by the Ministry of Corporate Affairs, The Group adopted IND AS 116 effective from April 1, 2019, prospectively using the modified retrospective method as mandated by Para C5(b) and Para C8(c)(ii) of IND AS 116. Accordingly, the Group has not restated comparative information and there is no cumulative effect of initially applying this Standard to be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

**Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (n) Impairment of non-financial assets.

**Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Lease liabilities, which separately shown in the financial statement are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing (while affecting other comprehensive income) the carrying amount to reflect the lease payments made.

**Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Key assumptions that the Group is applying for implementing the standard are as follows:**

**Terms:** For each contract, the Group reviewed the renewal and the early termination options within the term of the arrangement and determined, after taking into account all the relevant facts and circumstances, what would be the date at which the Group reasonably expects the contract to be terminated. For certain categories of leased assets, (mainly vehicles), the Group assesses that there is no reasonably certain extension option, consequently the duration selected coincides with the first term of the lease contract. For real estate lease arrangements, the Group defines the reasonable end date of the contracts, while taking into account the renewal and early termination options stated in the agreements, in line with the asset's expected period of use.

**Discount rates:** The Group determined discount rates reflecting each subsidiary's specific credit risk, the currency of the contract and the weighted average maturity of the reimbursement of the lease liability. For the transition the incremental borrowing rate used is the rate applicable to the residual terms of the contracts. For contracts previously classified as finance leases the Group has recognised the carrying amount of the right of use assets and lease liability at the date of initial application.

**As a Lessor**

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate the lessor for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their respective nature.

**(m) Business combinations**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date
- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured at fair value at each reporting date with changes in fair value recognised in statement of profit and loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(n) **Impairment of non-financial assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Goodwill is tested for impairment annually as on March 31 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

(o) **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash at banks and short term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts are shown within borrowings in financial liabilities in the balance sheet.

(p) **Inventories**

Raw materials, stores and spares, work in progress, stock in trade and finished goods are stated at the lower of cost and net realisable value.

Cost of raw material and traded goods comprise cost of purchase and is determined after rebate and discounts. Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are determined on weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(q) **Financial instrument**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (h) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under Ind AS 115.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instruments at amortised cost**

This category is the most relevant to the Group. A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

**Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.



In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

#### **Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. The Group elected to classify irrevocably its non-listed equity investments under this category.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

#### **Impairment of financial assets**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Lease receivables under Ind AS 116
- d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- e. Loan commitments which are not measured as at FVTPL
- f. Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount'

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

#### **Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss.**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

**Loans and borrowings**

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

**Reclassification of financial assets**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**The following table shows various reclassification and how they are accounted for:**

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in statement of profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous Amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to statement of profit and loss at the reclassification date.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of The Group or the counterparty.

**(r) Fair value measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 2.2, 37 and 38)
- Quantitative disclosures of fair value measurement hierarchy (note 37)
- Investment properties (note 13)
- Financial instruments (including those carried at amortised cost) (note 3, 4, 5, 6, 7, 8, 9, 17, 18, 19, 20, 37 and 38)

(s) **Derivative financial instruments and hedge accounting**

**Initial recognition and subsequent measurement**

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

**i. Fair value hedges**

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

The Group has an interest rate swap that is used as a hedge for the exposure of changes in the fair value.

**ii. Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

**iii. Hedges of a net investment**

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).

The Group uses a loan as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

(t) **Property, plant and equipment**

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

On transition to Ind AS, the Group elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

The cost of self-generated assets comprises of raw material, components, direct labour, other direct cost and related production overheads.

**Depreciation methods and useful lives**

Depreciation is calculated using the straight-line method over estimated useful lives of the assets:

Assets	Indian entities*	Overseas entities
	Useful lives (years)	Useful lives (years)
Leasehold improvements	Over the period of lease or useful life, whichever is lower	
Buildings	30 years	5 to 61 years
Plant and machinery:		
Plant and machinery	7.5 years	3 to 15 years
Die & moulds	6.17 years	3 to 15 years
Electric installation	10 years	3 to 15 years
Furniture & fixtures	6 years	3 to 15 years
Office equipment	5 years	3 to 10 years
Computers:		
Server & Network	3 years	3 to 15 years
End user devices, such as laptops, desktops, etc.	3 years	3 to 15 years
Vehicle	4 years	3 to 12 years
Aircraft	-	8 years

\*Useful life of certain assets are different than the life prescribed under Schedule II to the Companies Act, 2013 and those has been determined based on technical evaluation by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(u) Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Group depreciates building component of investment property over 30 years and leasehold land over the period of lease.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the note 13.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition

**Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

On transition to Ind AS, the Group elected to continue with the carrying value of all its intangible assets recognised as at April 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

**Goodwill**

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill has indefinite useful life. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

**Business, commercial and other rights**

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

**Customer relationships**

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

**Software**

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Separately acquired software are shown at transaction cost, software acquired in a business combination are recognised at fair value at the acquisition date. They are subsequently carried at cost less accumulated amortisation.

**Research and development costs**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Currently, research costs incurred by the Group do not meet the recognition criteria and accordingly such research costs are expensed of in the statement of profit and loss as and when these are incurred.

Amortisation methods and periods:

Asset	Useful lives (years)
Technical Knowhow fees	3 to 13 years
Business & Commercial rights	3 to 11 years
Intellectual property rights	1 to 3 years
Software	2 to 5 years
Customer relationships	3 to 15 years

The amortisation methods, the usual useful lives and the residual values of intangible assets are checked annually.

(v) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(w) **Provisions and contingent liabilities**

**Provisions**

Provisions for legal claims, product warranties and other obligations are recognised when the Group has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Provision for onerous contracts**

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Group at the end of every reporting period conducts the onerous contract test per the provisions of Ind AS 37 by comparing the remaining costs to be incurred under the contract with the related revenue of the contract. Where the costs of a contract increase the related revenue of the contract, the Group makes a provision for the difference.

**Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

(x) **Treasury shares**

When the Company purchases its ordinary shares through Samvardhana Employees Welfare Trust ("SEWT"), they are treated as treasury shares, and the consideration paid is deducted from the Equity.

(y) **Employee benefits**

**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as employee benefit obligations in the balance sheet.

**In respect of the companies incorporated in India**

**Provident Fund & Employee State Insurance**

Contribution towards provident fund and employee state insurance for employees is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis.

**Superannuation fund**

The Group has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The Group contributes up to 12% of the eligible employees' salary or INR 100,000 / 150,000, whichever is lower, every year. Such contributions are recognised as an expense as and when incurred. The Group does not have any further obligations beyond this contribution.

**Gratuity**

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity plan in Group is funded through annual contributions to Life Insurance Corporation of India (LIC) under its Group's Gratuity Scheme whereas others are not funded.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in statement of profit and loss.

**Compensated Absences**

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss in the period in which they arise. Past-service costs are recognised immediately in statement of profit and loss.

**In respect of the companies incorporated outside India**

**Pension provisions**

Companies within the Group operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in statement of profit or loss.

When a settlement or a curtailment occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the statement of profit or loss during the period in which the settlement or curtailment occurs.

The value of a net pension benefit asset is restricted to the present value of any amount the Group expects to recover by way of refunds from the plan or reductions in the future contributions after considering any legal or contractual minimum funding requirements. The minimum funding requirements stipulate a minimum amount or level of contributions that must be made to a plan over a given period and may limit the ability of the entity to reduce future contributions and considered respectively in determining the economic benefit from the plan.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### Other Long term benefits

**Jubilee Bonus:** In certain Group entities, the employees are entitled to bonus after completion of certain year of services which are based on the wage agreement or otherwise as per terms of employment. The Group recognizes as an expenditure the present value of such long term jubilee bonuses, where applicable based on the expected amounts to pay by considering expectancies of employee turnover and expected future salary increase.

#### Termination Benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

#### Other long-term employee benefit obligations

In some countries, the group also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

#### (z) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### (aa) Earnings per share

##### i. Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

##### ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

\* the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

\*The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

#### (ab) Hyperinflation

The financial statements (including comparative amounts, if applicable) of the group entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period.

#### (ac) Exceptional items

Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior years. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with Ind AS.

#### (ad) Changes in Accounting policies

##### Ind AS 116 Lease

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 01, 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The Group adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 01, 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The Group as lessee uses the following practical expedients of IND AS 116 at the date of initial application:

- With leases previously classified as operating leases according to IND AS 17, the lease liability is measured at the present value of the outstanding lease payments, discounted by incremental borrowing rate at April 1, 2019. The respective right-of-use asset is generally recognized at an amount equal to the lease liability.
- An impairment review is not performed. Instead, a right-of-use asset is adjusted by the amount of any provision for onerous leases recognized in the Statement of Financial Position at March 31, 2019.
- Regardless of their original lease term, leases for which the lease term ends at the latest on March 31, 2020 were recognized as short-term leases.
- At the date of initial application, the measurement of a right-of-use asset excludes the initial direct costs.
- Current knowledge is given due consideration when determining the lease term if the contract contains options to extend or terminate the lease.

#### Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Appendix had an impact on its consolidated financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

## 2.2 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Judgements

In the process of applying the Group's accounting policies, there are no significant judgements established by the management.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### (i) Useful life of property, plant and equipment and investment properties

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

#### (ii) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment defined benefits are determined using actuarial valuations. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about gratuity obligations are given in Note 22

#### (iii) Fair valuation of unlisted securities

When the fair value of unlisted securities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 37 of the financials.

#### (iv) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

#### (v) Percentage completion of recognition of revenue

The Group uses the percentage-of-completion method in accounting for 'development of tools' contracts. Use of the percentage-of-completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

#### (vi) Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts. Refer note 53.

#### (vii) Impairment of goodwill

Market related information and estimates are used to determine the recoverable amount of a cash generating unit. Key assumptions on which the management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.



**Samvardhana Motherson International Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

**3 Cash and cash equivalents \***

	As at March 31, 2020	As at March 31, 2019
Cash on hand	1	1
Balances with banks:		
- in current accounts	2,519	700
- Deposits with original maturity of less than three months	3,201	83
- Margin money deposit	3,334	21
Cheques and drafts on hand	-	116
<b>Total</b>	<b>9,055</b>	<b>921</b>

\* There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior periods except margin money deposit amounting to INR 3,334 million (March 31, 2019: INR 21 million)

**Changes in liabilities arising from financing activities:**

**Debt securities**

	For the year ended	
	March 31, 2020	March 31, 2019
Opening balance	4,400	4,000
Cash flows	3,500	400
<b>Closing balance</b>	<b>7,900</b>	<b>4,400</b>

**Borrowings other than debt securities**

Opening balance	15,180	6,450
Cash flows	(874)	9,138
Non cash items*	578	(408)
<b>Closing balance</b>	<b>14,884</b>	<b>15,180</b>

\*Non cash adjustment is on account of foreign exchange differences

**4 Bank balances other than cash and cash equivalents**

	As at March 31, 2020	As at March 31, 2019
Deposits with original maturity of more than three months but less than 12 months	599	357
Unpaid dividend account	6	6
<b>Total</b>	<b>605</b>	<b>363</b>

**5 Derivative financial instruments**

**Derivatives not designated as hedge**

	As at March 31, 2020	As at March 31, 2019
Forward contracts	-	-
	<b>0</b>	<b>-</b>

**6 Trade receivables**

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
from related parties (refer note 40)	795	708
from others	1,605	2,083
Credit impaired	251	237
Less: Allowances for credit loss	(251)	(237)
	<b>2,400</b>	<b>2,791</b>

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

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**Samvardhana Motherhood International Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

**7 Loans**

**At Amortised cost**

**Unsecured, considered good**

Loans to Related parties (refer note 40)  
 Loans to employees

Less: Impairment allowance [refer note (i) below]

	As at March 31, 2020	As at March 31, 2019
	2,259	5,999
	9	7
	(6)	(11)
	<b>2,262</b>	<b>5,995</b>
Loans in India	144	305
Loans outside India	2,124	5,701
Less: Impairment allowance	(6)	(11)
	<b>2,262</b>	<b>5,995</b>

**(i) Movement of impairment allowance**

Balance at the beginning of the year  
 Created (written back) during the year  
**Balance at the end of the year**

	March 31, 2020	March 31, 2019
	11	9
	(5)	2
	<b>6</b>	<b>11</b>

*(This space has been intentionally left blank)*

(ii) Disclosure in respect of expected credit loss

(a) Credit quality of assets

	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Internal rating grade</b>								
<b>Performing</b>								
Standard grade	2,268	-	-	2,268	6,006	-	-	6,006
<b>Non-performing</b>								
Sub-standard grade	-	-	-	-	-	-	-	-
Individually impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,268</b>	<b>-</b>	<b>-</b>	<b>2,268</b>	<b>6,006</b>	<b>-</b>	<b>-</b>	<b>6,006</b>

(b) Analysis of changes in gross carrying amount

	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	6,006	-	-	6,006	193	-	-	193
New assets originated or purchased	(111)	-	-	(111)	5,888	-	-	5,888
Assets derecognised or repaid (excluding write offs)	(3,627)	-	-	(3,627)	(75)	-	-	(75)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,268</b>	<b>-</b>	<b>-</b>	<b>2,268</b>	<b>6,006</b>	<b>-</b>	<b>-</b>	<b>6,006</b>

(c) Reconciliation of ECL balance is given below

	As at March 31, 2020				As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	11	-	-	11	9	-	-	9
New assets originated or purchased	-	-	-	-	2	-	-	2
Assets derecognised or repaid (excluding write offs)	(5)	-	-	(5)	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>11</b>

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**Samvardhana Motherson International Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>8 Investments</b>		
<b>Unquoted</b>		
<b>Financial assets at FVTOCI*</b>		
<b>Systematic Conscom Limited</b>	1	1
2,500 (March 31, 2019: 2,500) Equity shares of INR 10/- each fully paid up		
<b>Saavn Global Holdings Ltd.</b>		
1,674,872 (March 31, 2019: 1,674,872) Series A preference shares of US\$ 0.99 (March 31, 2019: US\$ 0.99) per share	162	67
971,251 (March 31, 2019: 971,251) Series B-3 preference shares of US\$ 1.03 (March 31, 2019: US\$ 1.03) per share	94	69
994,035 (March 31, 2019: 994,035) Series C preference shares of US\$ 2.01 (March 31, 2019: US\$ 2.01) per share	96	138
<b>OPG Power Generation Private Limited</b>		
27,425 (March 31, 2019: 27,425) Equity shares of INR 10 (March 31, 2019: INR 10) each fully paid-up	-	0
<b>Total (i)</b>	<b>353</b>	<b>275</b>
<b>Preference shares at FVTPL</b>		
<b>Gwynnie Bee Inc.</b>		
59,382 (March 31, 2019: 59,382) Series A-8 preferred shares of US\$ 0.001 (March 31, 2019: US\$ 0.001) per share	23	21
<b>League Apps Inc.</b>		
2,314,815 (March 31, 2019: 2,314,815) Series A-1 preferred shares of US\$ 0.40 (March 31, 2019: US\$ 0.40) per share	70	65
248,026 (March 31, 2019: 248,026) Series A-2 preferred shares of US\$ 0.40 (March 31, 2019: US\$ 0.40) per share	8	8
<b>iTutor.com Inc.</b>		
403,257 (March 31, 2019: 403,257) Series Seed Preferred shares of US\$ 5 (March 31, 2019: US\$ 5) per share	152	140
<b>Total (ii)</b>	<b>253</b>	<b>234</b>
<b>Mutual Funds at FVTPL</b>		
HSBC Mutual Fund [(Nil units (March 31, 2019: 53,757)]	-	100
HSBC Mutual Fund [(Nil units (March 31, 2019: 188,149)]	-	350
Reliance Liquid Fund [(Nil units (March 31, 2019: 43,887)]	-	200
ICICI Prudential Liquid Regular Plan [(Nil units (March 31, 2019: 543,227)]	-	150
<b>Total (iii)</b>	<b>-</b>	<b>800</b>
<b>Total (i) +(ii) +(iii)</b>	<b>606</b>	<b>1,309</b>
Investments outside India	605	508
Investments in India	1	801
<b>Total</b>	<b>606</b>	<b>1,309</b>
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	606	1,309
Aggregate amount of impairment in the value of investments	-	-

\*The Group has designated its equity investments as FVOCI on the basis that these are not held for trading and held for strategic purposes.

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**Samvardhana Motherson International Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

**9 Other financial assets**

	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, considered good (unless otherwise stated)</b>		
Security deposits		
Unsecured, considered good	254	219
Credit impaired	4	4
	<b>258</b>	<b>223</b>
Less: Allowances for credit loss	(4)	(4)
	<b>254</b>	<b>219</b>
Interest receivable	386	139
Unbilled revenue (refer note 47)	369	531
Deposits with original maturity for more than 12 months*	16	54
Others (refer note 50)	122	3
<b>Total</b>	<b>1,147</b>	<b>946</b>

\* includes deposits amounting to INR 6 million (March 31, 2019: INR 6 million) pledged to various authorities.

**10 Inventories**

	As at March 31, 2020	As at March 31, 2019
Raw materials	286	330
Work-in-progress	547	457
Finished goods	205	197
Stock-in-trade	90	96
Stores and spares	99	92
<b>Total</b>	<b>1,227</b>	<b>1,172</b>
Inventory include inventory in transit of:		
Raw materials	6	6
Finished goods	9	17

During the year ended March 31, 2020, the Group has made provision in respect of obsolete / slow moving items amounted to INR 26 million (March 31, 2019: INR 21 million). These are included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods in consolidated statement of profit or loss.

**11 Income tax assets (net)**

	As at March 31, 2020	As at March 31, 2019
Income tax assets (net)	313	233
Income tax liabilities (net)	(4)	(12)
<b>Total</b>	<b>309</b>	<b>221</b>

Income tax assets and Income tax liabilities have been offset to the extent they relate to the same governing taxation laws.

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12 (a) Deferred tax assets (net)

	As at March 31, 2020	As at March 31, 2019
Minimum alternative tax credit	26	51
Unabsorbed depreciation and tax losses	2	52
Property, plant and equipment, investment property and intangible assets	5	(78)
Employee benefits	72	82
Provision for doubtful debts/advances/inventory	17	43
Others	18	60
	<b>140</b>	<b>210</b>

Year ended March 31, 2020

	As at April 01, 2019	Credit/ (Charge) to Statement of Profit and Loss	Credit/ (Charge) to to other comprehensive income	Reclassification adjustments*	As at March 31, 2020
<b>Deferred tax assets</b>					
Minimum alternative tax credit	51	(11)	-	(14)	26
Unabsorbed depreciation and tax losses	52	(15)	-	(35)	2
Property, plant and equipment, investment property and intangible assets	5	9	-	-	14
Employee benefits	84	(13)	10	(8)	73
Provision for Doubtful debts/Advances/Inventory	43	3	-	(29)	17
Others	67	(58)	-	-	9
<b>Total deferred tax assets</b>	<b>302</b>	<b>(85)</b>	<b>10</b>	<b>(86)</b>	<b>141</b>
<b>Set-off of deferred tax liabilities pursuant to set-off provisions</b>					
Property, plant & Equipment	(83)	2	-	72	(9)
Employee Benefit	(2)	1	-	-	(1)
Others	(7)	16	-	-	9
	<b>(92)</b>	<b>19</b>	<b>-</b>	<b>72</b>	<b>(1)</b>
<b>Net deferred tax assets</b>	<b>210</b>	<b>(66)</b>	<b>10</b>	<b>(14)</b>	<b>140</b>

Year ended March 31, 2019

	As at April 01, 2018	Credit/ (Charge) to Statement of Profit and Loss	Credit/ (Charge) to to other comprehensive income	Reclassification adjustments*	As at March 31, 2019
<b>Deferred tax assets</b>					
Minimum alternative tax credit	44	7	-	-	51
Unabsorbed depreciation and tax losses	51	1	-	-	52
Property, plant and equipment, investment property and intangible assets	(4)	9	-	-	5
Employee benefits	76	8	-	-	84
Provision for doubtful debts/advances/inventory	41	2	-	-	43
Others	47	20	-	-	67
<b>Total deferred tax assets</b>	<b>255</b>	<b>47</b>	<b>-</b>	<b>-</b>	<b>302</b>
<b>Set-off of deferred tax liabilities pursuant to set-off provisions</b>					
Property, plant and equipment	(82)	(1)	-	-	(83)
Employee Benefit	-	(2)	0	-	(2)
Others	(8)	1	-	-	(7)
	<b>(90)</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>(92)</b>
<b>Net deferred tax assets</b>	<b>165</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>210</b>

\* Reclassifications generally represents netting off between deferred tax assets and liabilities in respective jurisdictions, transfers out of deferred tax pursuant to change in tax positions in filed tax returns

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**Samvardhana Motherson International Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

**12 (b) Deferred tax liabilities (net)**

	As at March 31, 2020	As at March 31, 2019
Property, plant and equipment, investment property and intangible assets	139	87
Minimum alternative tax credit	(14)	-
Employee benefits	(6)	(3)
Others	-	-
	<b>119</b>	<b>84</b>

Year ended March 31, 2020	As at April 01, 2019	Charge/ (credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	Reclassification adjustments*	As at March 31, 2020
<b>Deferred tax assets</b>					
Employee benefits	-	-	-	-	-
Minimum alternative tax credit	-	-	-	(14)	(14)
Others	-	-	-	-	-
<b>Total deferred tax assets</b>	-	-	-	(14)	(14)
<b>Set-off of deferred tax liabilities pursuant to set-off provisions</b>					
Property, plant & Equipment	87	52	-	-	139
Employee Benefit	(3)	(3)	-	-	(6)
Others	-	-	-	-	-
	<b>84</b>	<b>49</b>	-	-	<b>133</b>
<b>Net deferred tax liabilities</b>	<b>84</b>	<b>49</b>	-	<b>(14)</b>	<b>119</b>

Year ended March 31, 2019	As at April 01, 2018	Charge/ (credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	Reclassification adjustments*	As at March 31, 2019
<b>Deferred tax assets</b>					
Employee benefits	-	-	-	-	-
Others	-	-	-	-	-
<b>Total deferred tax assets</b>	-	-	-	-	-
<b>Set-off of deferred tax liabilities pursuant to set-off provisions</b>					
Property, plant & Equipment	52	35	-	-	87
Employee Benefit	(5)	2	-	-	(3)
Others	-	-	-	-	-
	<b>47</b>	<b>37</b>	-	-	<b>84</b>
<b>Net deferred tax liabilities</b>	<b>47</b>	<b>37</b>	-	-	<b>84</b>

\* Reclassifications generally represents netting off between deferred tax assets and liabilities in respective jurisdictions, transfers out of deferred tax pursuant to change in tax positions in filed tax returns

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**Samvardhana Motherson International Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2020**  
**(All amounts are in INR million, unless otherwise stated)**

	As at March 31, 2020	As at March 31, 2019
<b>13 Investment property</b>		
<b>Gross block</b>		
Opening balance	16	16
Add: additions during the year	-	-
<b>Closing gross block</b>	<b>16</b>	<b>16</b>
<b>Accumulated depreciation</b>		
Opening balance	2	1
Add: depreciation for the year	1	1
<b>Closing accumulated depreciation</b>	<b>3</b>	<b>2</b>
<b>Net investment properties</b>	<b>13</b>	<b>14</b>

**(i) Amounts recognised in profit or loss for the investment properties**

	March 31, 2020	March 31, 2019
Rental income	5	3
Direct operating expenses arising from property that generated rental income	-	-
Direct operating expenses arising from property that did not generate rental income	-	-
<b>Profit from investment properties before depreciation</b>	<b>5</b>	<b>3</b>
Depreciation	1	1
<b>Profit from investment properties</b>	<b>4</b>	<b>2</b>

**(ii) Leasing arrangements**

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

	March 31, 2020	March 31, 2019
Within one year	1	1
	<b>1</b>	<b>1</b>

**(iii) Fair value**

	March 31, 2020	March 31, 2019
Investment properties	132	132

The fair valuation is determined by independent valuer in March 2018, based on prevailing market prices/ price trend of the property in that locality/ city considering the location, size of plot, approach road, amenities, locality etc. Further no significant change in value anticipated by the Group.

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**Samvardhana Motherhood International Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

**14(a) Property, plant and equipment**

Particulars	Freehold Land	Leasehold improvements	Building	Plant & machinery and equipments	Office equipments	Computers	Furniture & fixtures	Vehicles	Leasehold land	Total
<b>Year ended March 31, 2019</b>										
Gross carrying amount	2	70	561	3,561	74	89	50	12	229	4,648
Opening gross carrying amount as at April 01, 2018	99	-	230	611	28	76	8	1	492	1,545
Addition	-	-	(1)	(39)	(0)	(2)	-	-	-	(42)
Exchange translation adjustment	-	-	-	(2)	-	(8)	-	-	-	(10)
Disposal	-	-	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount as at March 31, 2019</b>	<b>101</b>	<b>70</b>	<b>790</b>	<b>4,131</b>	<b>102</b>	<b>155</b>	<b>58</b>	<b>13</b>	<b>721</b>	<b>6,141</b>
<b>Accumulated depreciation</b>										
Opening accumulated depreciation as at April 01, 2018	-	12	17	362	14	30	11	2	3	451
Depreciation charge during the year	-	26	31	456	41	45	13	3	2	617
Exchange translation adjustment	-	-	-	(6)	(3)	(6)	-	-	-	(15)
Disposals	-	-	-	-	-	(8)	-	-	-	(8)
<b>Closing accumulated depreciation as at March 31, 2019</b>	<b>-</b>	<b>38</b>	<b>48</b>	<b>812</b>	<b>52</b>	<b>61</b>	<b>24</b>	<b>5</b>	<b>5</b>	<b>1,045</b>
<b>Net carrying amount as at March 31, 2019</b>	<b>101</b>	<b>32</b>	<b>742</b>	<b>3,319</b>	<b>50</b>	<b>94</b>	<b>34</b>	<b>8</b>	<b>716</b>	<b>5,096</b>
<b>Year ended March 31, 2020</b>										
Gross carrying amount	101	70	790	4,131	102	155	58	13	721	6,141
Opening gross carrying amount as at April 01, 2019	-	-	-	-	-	-	-	-	(721)	(721)
Reclassification on account of Ind AS 116	25	2	680	1,310	23	88	10	66	-	2,204
Addition	-	-	-	1	-	1	-	-	-	2
Addition on account of business combination (refer note 53)	-	-	2	77	2	8	3	-	-	92
Exchange translation adjustment	-	-	-	(87)	-	(1)	-	-	-	(89)
Disposal	-	-	-	-	-	-	-	-	-	-
Other adjustment	-	-	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount as at March 31, 2020</b>	<b>126</b>	<b>72</b>	<b>1,472</b>	<b>5,432</b>	<b>127</b>	<b>251</b>	<b>71</b>	<b>78</b>	<b>-</b>	<b>7,629</b>
<b>Accumulated depreciation</b>										
Opening accumulated depreciation as at April 01, 2019	-	38	48	812	52	61	24	5	5	1,045
Reclassification on account of Ind AS 116	-	-	-	-	-	-	-	-	(5)	(5)
Depreciation and Impairment charge during the year <sup>1</sup>	-	15	52	1,057	18	65	11	8	-	1,226
Exchange translation adjustment	-	-	1	43	3	8	-	-	-	55
Disposals	-	-	-	(62)	-	(1)	-	(1)	-	(64)
Other adjustment	-	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation as at March 31, 2020</b>	<b>-</b>	<b>53</b>	<b>101</b>	<b>1,850</b>	<b>73</b>	<b>133</b>	<b>35</b>	<b>12</b>	<b>-</b>	<b>2,257</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>126</b>	<b>19</b>	<b>1,371</b>	<b>3,582</b>	<b>54</b>	<b>118</b>	<b>36</b>	<b>66</b>	<b>-</b>	<b>5,372</b>

**Notes**

<sup>1</sup> Includes impairment in respect of assets of Sintermetal business of Motherhood Sintermetal Products SA amounting to INR 496 million (March 31, 2019: INR Nil).

(a) Contractual obligations: Refer note 43 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

(b) Property, plant and equipment pledged as security: Refer note 42 for information on property plant and equipment pledged as security by the Group.

**Samvardhana Motherhood International Limited**

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

**14 (b) Right of use asset**

Particulars	Building	Plant & machinery and equipments	Vehicles	Leasehold land	Total
<b>Year ended March 31, 2020</b>					
<b>Gross carrying amount</b>					
Recognised on April 01, 2019 <sup>1</sup>	524	68	113	-	<b>706</b>
Reclassification on account of Ind AS 116	-	-	-	721	<b>721</b>
Addition	-	101	35	20	<b>156</b>
Exchange translation adjustment	5	-	-	-	<b>5</b>
Disposal	-	-	(48)	-	<b>(48)</b>
<b>Closing gross carrying amount as at March 31, 2020</b>	<b>529</b>	<b>169</b>	<b>100</b>	<b>741</b>	<b>1,540</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation as at April 01, 2019	-	-	-	-	-
Reclassification on account of Ind AS 116	-	-	-	5	<b>5</b>
Depreciation charge during the year	153	36	41	19	<b>249</b>
Exchange translation adjustment	2	-	-	-	<b>2</b>
Disposals	-	-	(1)	-	<b>(1)</b>
<b>Closing accumulated depreciation as at March 31, 2020</b>	<b>155</b>	<b>36</b>	<b>40</b>	<b>24</b>	<b>255</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>374</b>	<b>133</b>	<b>60</b>	<b>717</b>	<b>1,285</b>

<sup>1</sup>Right-to-use assets recognised as on April 01, 2019 includes prepaid rent amounting to INR 37 million related to asset taken on lease .

15 Other intangible assets

Particulars	Technical knowhow fees	Customer relationship	Software	Total intangible assets other than goodwill	Goodwill
<b>Year ended March 31, 2019</b>					
<b>Gross carrying amount</b>					
Opening gross carrying amount as at April 01, 2018	66	30	54	150	997
Addition	1	-	104	105	-
Exchange translation adjustment	-	-	-	-	-
Disposal	-	-	(2)	(2)	-
<b>Closing gross carrying amount as at March 31, 2019</b>	<b>67</b>	<b>30</b>	<b>156</b>	<b>253</b>	<b>997</b>
<b>Accumulated amortisation and impairment</b>					
Opening accumulated depreciation as at April 01, 2018	19	1	20	40	305
Amortisation charge during the year <sup>1</sup>	19	3	32	54	-
Exchange translation adjustment	-	-	-	-	-
Disposals	-	-	(2)	(2)	-
<b>Closing accumulated depreciation as at March 31, 2019</b>	<b>38</b>	<b>4</b>	<b>50</b>	<b>92</b>	<b>305</b>
<b>Net carrying amount as at March 31, 2019</b>	<b>29</b>	<b>26</b>	<b>106</b>	<b>161</b>	<b>692</b>
<b>Year ended March 31, 2020</b>					
<b>Gross carrying amount</b>					
Opening gross carrying amount as at April 01, 2019	67	30	156	253	997
Addition on account of business combination (refer note 53)	-	-	-	-	110
Addition	1	-	41	42	-
Exchange translation adjustment	-	-	-	-	-
Disposal	-	-	-	-	-
<b>Closing gross carrying amount as at March 31, 2020</b>	<b>68</b>	<b>30</b>	<b>197</b>	<b>295</b>	<b>1,107</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation as at April 01, 2019	38	4	50	92	305
Amortisation charge during the year	19	3	52	74	-
Exchange translation adjustment	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Closing accumulated depreciation as at March 31, 2020</b>	<b>57</b>	<b>7</b>	<b>102</b>	<b>166</b>	<b>305</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>11</b>	<b>23</b>	<b>95</b>	<b>129</b>	<b>802</b>

The Group tests goodwill for impairment on an annual basis. The goodwill has been evaluated based on the cashflow forecasts of the related cash generating units (CGUs) and the recoverable amounts of these CGUs exceeded their carrying amounts. The estimated value in use of cash generating units (CGU) is based on the future cash flows using annual growth rate of upto 4% for periods subsequent to the forecast period of 5-10 years and weighted average cost of capital between 13% to 14%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount. The discount rate was estimated based on past experience and company's average weighted average cost of capital. The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external factors.

**Samvardhana Motherson International Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>16 Other non financial assets</b>		
<b>Unsecured, considered good (unless otherwise stated)</b>		
Advances recoverable		
Unsecured, considered good	405	237
Credit impaired	7	1
	<b>412</b>	<b>238</b>
Less: Allowances for credit loss	(7)	(1)
	<b>405</b>	<b>237</b>
Capital advances		
Secured, considered good	21	20
Unsecured, considered good	57	133
Prepaid expenses	214	215
Balances with government authorities	406	441
Others	20	-
<b>Total</b>	<b>1,123</b>	<b>1,046</b>
<b>17 Trade payables</b>		
Total outstanding dues of creditors other than related parties	1,824	2,061
Trade payable to related parties (refer note 40)	311	292
<b>Total</b>	<b>2,135</b>	<b>2,353</b>

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**Samvardhana Motherson International Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>18 Debt securities</b>		
<b>At amortised cost</b>		
<b>Secured (refer note (i) below)</b>		
Debt securities:		
0% Redeemable non-convertible debentures	-	3,500
9.75% Redeemable non-convertible debentures	7,000	-
0% Redeemable optionally fully convertible debentures (refer note 43(iii))	900	-
<b>Unsecured</b>		
Debt securities:		
Redeemable optionally fully convertible debentures (refer note (ii) below and 43(iii))	-	900
<b>Total</b>	<b>7,900</b>	<b>4,400</b>
Debt securities in India	7,900	4,400
Debt securities outside India	-	-
<b>Total</b>	<b>7,900</b>	<b>4,400</b>

**Nature of security and terms of repayment for Debt securities :**

Nature of security	Terms of repayment
<b>i) Secured</b>	
700 (March 31, 2019: Nil), 9.75% redeemable non convertible debentures (NCDs) having face value of INR 10 million each amounting to INR 7,000 million (March 31, 2019: Nil) were allotted on December 04, 2019. These have been secured by pledge of 168,926,512 (March 31, 2019: Nil) equity shares held in Motherson Sumi Systems Limited. Security cover margin of 2 times to be maintained.	Carrying coupon rate @ 9.75% p.a which is payable annually. NCDs are due for redemption in December 2022.
Nil (March 31, 2019: 1,500), 0% redeemable non convertible debentures (NCDs) having face value of INR 1 million each amounting to INR Nil (March 31, 2019: INR 1,500 million) were allotted on December 07, 2018. These have been secured by pledge of Nil (March 31, 2019: 21,000,000) equity shares held in Motherson Sumi Systems Limited. Security cover margin of 1.68 times to be maintained.	1,500 NCDs were redeemed in single instalment in December 2019 with 10.10% premium over face value calculated on the basis of 10.10% yield to maturity compounded annually.
Nil (March 31, 2019: 2,000), 0% redeemable non convertible debentures (NCDs) having face value of INR 1 million each amounting to INR Nil (March 31, 2019: INR 2,000 million) were allotted on December 07, 2018. These have been secured by pledge of Nil (March 31, 2019: 28,000,000) equity shares held in Motherson Sumi Systems Limited. Security cover margin of 1.68 times to be maintained.	2,000 NCDs were redeemed in single instalment in March 2020 with 10.15% premium over face value calculated on the basis of 10.15% yield to maturity compounded annually.
900 (March 31, 2019: Nil), 11.7% redeemable non convertible debentures (NCDs) having face value of INR 1 million each amounting to INR 900 million (March 31, 2019: Nil) were allotted on March 28, 2019. These have been secured by pledge of 24,500,000 (March 31, 2019: Nil) equity shares held by Samvardhana Motherson International Limited in Motherson Sumi Systems Limited. Security cover margin of 1.5 times to be maintained.	Redemption with premium over face value calculated on the basis of 11.7% yield to maturity compounded annually. These debentures are due for redemption in March 2022.
<b>ii) Unsecured</b>	
900 (March 31, 2019: 900), Optionally redeemable convertible debentures having face value of INR 1 million each amounting to INR 900 million were allotted on March 28, 2019.	Redemption with premium over face value calculated on the basis of 11.7% yield to maturity compounded annually. These debentures are due for redemption in March 2022.

	As at March 31, 2020	As at March 31, 2019
<b>19 Borrowings (other than debt securities)</b>		
<b>At amortised cost</b>		
<b>Secured</b>		
Term loans from banks [refer note (i) below]		
- Rupee loan	1,779	1,972
Term loans from other than bank [refer note (ii) below]		
- Rupee loan	2,250	1,500
Loans repayable on demand from banks [refer note (iii) below]		
- Rupee loan	597	351
- Foreign currency loan	-	-
Other short term loans from banks [refer note (iv) below]		
- Foreign currency loan	15	56
<b>Unsecured</b>		
Term loans from bank [refer note (v) below]		
- Foreign currency loan	7,508	7,492
Other short term loans from banks		
- Rupee loan	85	-
- Foreign currency loan	2,083	1,957
Finance lease liabilities (refer note 44)	-	101
Loan from related parties (refer note 40)	567	365
Commercial papers [refer note (vi) below]	-	1,386
<b>Total</b>	<b>14,884</b>	<b>15,180</b>
Borrowings other than debt securities in India	5,188	5,526
Borrowings other than debt securities outside India	9,696	9,654
<b>Total</b>	<b>14,884</b>	<b>15,180</b>

**Nature of security and terms of repayment for secured borrowings :**

Nature of security	Terms of repayment
<b>i) Secured term loan from banks</b>	
<b>Rupee loan</b>	
Loan amounting to INR 90 million (March 31, 2019: INR Nil million) secured by -1st Charge by way of hypothecation of all movable fixed assets of Mothersonsumi Infotech & Designs Limited	Repayable in 5 years with 20 quarterly repayments, carrying interest rate is as per 3 months MCLR
Loan amounting to INR 50 million (March 31, 2019: INR 36 million) secured by -1st Charge by way of hypothecation of all existing and future movable fixed and current assets of Motherson Molds and Diecasting Limited.	Repayable in 4 Installment of INR 6 million in the financial year 2020-21, 2 Installment of INR 9 million in the financial year 2021-22 and 1 Installment of INR 8 million in the financial year 2021-22. The applicable rate of interest was 8.80% p.a.
Loan amounting to INR 6 million (March 31, 2019: INR 21 million) secured by -1st Charge by way of hypothecation of all existing and future movable fixed and current assets of Motherson Molds and Diecasting Limited.	Repayable in 1 Installment of INR 5.0 million in the financial year 2020-21 & 1 Installment of INR 2.1 million in the financial year 2020-21. The applicable rate of interest was 8.50% p.a.
Loan amounting to INR Nil million (March 31, 2019: INR 285 million) secured by -Exclusive charge on all the immovable property, plant and equipments of Motherson Advanced Tooling Solutions Limited (a division of Samvardhana Motherson Innovative Solutions Limited(SMISL)) - Exclusive charge on all the current assets and movable property, plant and equipments of the Motherson Advanced Tooling Solutions Limited (a division of Samvardhana Motherson Innovative Solutions Limited(SMISL)) (both present and future).	Repayable in 16 quarterly installment after 2 years moratorium. The applicable rate of interest was 9.65% p.a. This was repaid during the year.
Loan amounting to INR 750 million (March 31, 2019: INR 800 million) primarily secured by exclusive charge on machinery part of Hot Stamping Project and exclusively charge on immovable fixed assets of MS Global India Automotive Private Limited.	Repayable in 16 quarterly installment of starting from financial year 2019-20. The applicable rate of interest was 8.55% p.a.
Loan amounting to INR 347 million (March 31, 2019: INR 275 million) primarily secured by exclusive charge on all existing and future movable fixed assets of Samvardhana Motherson Auto Component Private Limited.	Repayable in 18 quarterly installment starting from Oct 2020. The applicable rate of interest was 8.10% p.a.
Loan amounting to INR 536 million (March 31, 2019: INR 555 million) secured by - First charge on all movable property, plant and equipments of Motherson Sintermetal Technology Limited (a division of Samvardhana Motherson Innovative Solutions Limited(SMISL)), both present and future. - Second charge on all current assets of Motherson Sintermetal Technology Limited (a division of SMISL), both present and future.	Repayable in 28 equal quarterly installments beginning from November, 2019 after moratorium period of 24 months from the date of first drawdown. The applicable rate of interest is 8.25% p.a. linked with 1 year MCLR with annual reset.
<b>ii) Term loan from other than banks</b>	
<b>Rupee loan</b>	
Loan from a finance company amounting to INR 1,500 million (March 31, 2019: INR 1,500 million) has been secured by pledge of 40,647,102 (March 31, 2019: 23,500,000) equity shares held in Motherson Sumi Systems Limited. Security cover margin of 2 times to be maintained.	Repayable in February 2021, carrying interest rate @ 10.10% p.a which is payable on maturity.
Loan from a finance company amounting to INR 750 million (March 31, 2019: INR Nil) has been secured by pledge of 20,323,551 (March 31, 2019: Nil) equity shares held in Motherson Sumi Systems Limited. Security cover margin of 2 times to be maintained.	Repayable in February 2021, carrying interest rate @ 8.30% p.a which is payable annually.
<b>iii) Secured term loan repayable on demand from bank</b>	
<b>Rupee loan</b>	
INR 7 million (March 31, 2019: INR 48 million) secured by exclusive charge on all current assets and immovable & movable property, plant and equipments except vehicles of Motherson Techno Tools Limited repayable at monthly intervals.	Repayable on demand Applicable interest rate is 3M MCLR+0.25%
INR 31 million (March 31, 2019: INR 23 million) secured by exclusive charge on all existing and future current assets of Samvardhana Motherson Auto Component Pvt. Ltd.	Repayable on demand Applicable interest rate is 9.10% p.a.
INR 76 million (March 31, 2019: INR 76 million) secured by exclusive charge on all current assets and immovable & movable property, plant and equipments of Motherson Advanced Tooling Solutions Limited (a division of SMISL), both present and future.	Repayable on demand Applicable interest rate is Base Rate 10.75% plus 1.75% p.a.
INR 81 million (March 31, 2019: INR 45 million) secured by exclusive charge on all current assets of Motherson Sintermetal Technology Limited (a division of SMISL).	Repayable on demand Applicable interest rate is 8.25% p.a. linked with 1 year MCLR
INR 25 million (March 31, 2019: INR Nil million) secured by exclusive first charge on all existing and future current assets and movable fixed assets of Motherson Molds and Diecasting Limited	Repayable on demand Applicable interest rate is 8.45% p.a.
INR 232 million (March 31, 2019: INR 159 million) primary secured by hypothecation of entire current assets of Motherson Infotech and Design Limited including receivables, both present and future and collateral secured by equitable mortgage of land/building (plot measuring 19191.58 sq. meters) located at C-26, Sector-62, Noida.	Repayable on demand Applicable interest rate is 9.30% p.a.
INR 145 million (March 31, 2019: INR Nil million) secured by exclusive charge on current assets of MS Global India Automotive Private Limited.	Repayable on demand Applicable interest rate is 8.65% p.a.
<b>iv) Other short term loan from banks</b>	
<b>Foreign Currency loan</b>	
Loan from Shoko Chukin Bank amounting to INR 15 million (March 31, 2019: INR 56 million) secured by current assets of MothersonSumi Infotech and Designs Ltd.	Repayable in 6 months Applicable interest rate @ 1.47% p.a

**Samvardhana Motherson International Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

v) **Unsecured term loans from banks**

**Foreign currency loans**

Loan amounting to INR 26 million (March 31, 2019: INR 30 million) by MothersonSumi Infotech and Designs Ltd. from Shoko Chukin bank.	Repayable in monthly installments upto February 2023. The applicable rate of interest is 1.475%
Loan amounting to INR 1,892 million (March 31, 2019: INR 1,761 million) secured by corporate guarantee given by SAMIL in respect of facility availed by Samvardhana Motherson Holding (M) Private Limited.	Repayable in a single installment on or before 24 September 2021. The applicable rate of interest is 6 month Euribor + 0.95%.
Loan amounting to INR 5,590 million (March 31, 2019: INR 5,701 million) secured by corporate guarantee given by SAMIL in respect of facility availed by Samvardhana Motherson Holding (M) Private Limited.	Repayable in a single installment on or before 20 December 2020. The applicable rate of interest is 6 month Euribor + 0.75%.

vi) **Commercial papers**

Commercial paper amounting to INR Nil million (March 31, 2019: INR 1,386 million)	Repayable in the range of 58 to 84 days from the date of issuance, carrying discount rate within range of 8.50% to 8.68%, the same was repaid during the year
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**20 Other financial liabilities**

	As at March 31, 2020	As at March 31, 2019
Premium on redemption of debentures	102	112
Interest accrued on debentures	202	-
Interest accrued on borrowings	85	54
Employee benefits payable	99	241
Security deposits received	62	50
Payables relating to purchase of fixed assets	370	441
Unpaid dividend	6	6
Recovery against vehicle loan	35	42
Other payables	14	31
<b>Total</b>	<b>975</b>	<b>977</b>

**21 Provisions**

	As at March 31, 2020	As at March 31, 2019
Warranties*	37	61
Others	1	1
<b>Total</b>	<b>38</b>	<b>62</b>

**Warranty**

A provision is recognized for expected warranty claims on products sold during the last year, based on past experience of the level of repairs and returns. Due to the very nature of such costs, it is not possible to estimate the uncertainties relating to the outflows of economic benefits. The group has the following provisions in the books of account:

	For the year ended	
	March 31, 2020	March 31, 2019
Balance at the beginning of the year	61	86
Add: Created during the year	1	-
Less: Written back	25	25
<b>Balance at the end of the year</b>	<b>37</b>	<b>61</b>

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**Samvardhana Motherson International Limited**

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>22 Employee benefit obligation</b>		
Gratuity	310	228
Compensated absences	176	141
Others	134	87
<b>Total</b>	<b>620</b>	<b>456</b>

**A. Defined Benefit Schemes**

**Gratuity**

The Group operates a gratuity plan which is a defined benefit plan and is managed by trust maintained with Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme. Every employee is entitled to a benefit equivalent to fifteen days' salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Group or retirement, whichever is earlier. The benefits vest after five years of continuous service. The Group pays contribution to Life Insurance Corporation of India to fund its plan.

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

	For the year ended	
	March 31, 2020	March 31, 2019
<b>(i) Present value of defined benefit obligation</b>		
<b>Obligations at year beginning</b>	320	261
Service cost - current	47	36
Interest expense	23	19
(Gains) and losses on curtailment and settlement	(10)	-
<b>Amount recognised in profit or loss</b>	<b>60</b>	<b>55</b>
<b>Remeasurements</b>		
Actuarial (gain) / loss from change in financial assumption	29	5
Experience (gains)/losses	15	7
<b>Amount recognised in other comprehensive income</b>	<b>44</b>	<b>12</b>
Benefit payments: Direct payment by Group	(42)	(18)
Employer contribution	(0)	-
Addition on account of business combination (refer note 53)	2	-
Addition (deletion) due to transfer of employee	12	10
<b>Obligations at year end</b>	<b>396</b>	<b>320</b>

**(ii) Fair value of plan assets**

	For the year ended	
	March 31, 2020	March 31, 2019
<b>Plan assets at year beginning, at fair value</b>	92	65
Interest income	6	5
<b>Amount recognised in profit or loss</b>	<b>6</b>	<b>5</b>
<b>Remeasurements</b>		
Return on plan assets, excluding amount included in interest income	-	-
<b>Amount recognised in other comprehensive income</b>	<b>-</b>	<b>-</b>
Benefit paid	(24)	(8)
Employer's contribution	12	30
<b>Plan assets at year end, at fair value</b>	<b>86</b>	<b>92</b>

**(iii) Assets and liabilities recognized in the consolidated balance sheet**

	As at March 31, 2020	As at March 31, 2019
Present value of the defined benefit obligations	396	320
Fair value of the plan assets	86	92
<b>Amount recognized as liability</b>	<b>310</b>	<b>228</b>

**(iv) Defined benefit obligations cost for the year:**

	For the year ended	
	March 31, 2020	March 31, 2019
Service cost - current	47	36
Interest cost (net)	17	14
Actuarial loss	44	12
<b>Net defined benefit obligations cost</b>	<b>108</b>	<b>62</b>

**(v) Investment details of plan assets**

The details of investments of plan assets are as follows:

	As at March 31, 2020	As at March 31, 2019
LIC	68	41
SBI Life Insurance Co. Ltd.	0	18
Deposits with financial institutions, Bonds & Others	0	33
<b>Total</b>	<b>68</b>	<b>92</b>

**Note:** In respect of Employees Gratuity Fund, composition of plan assets is not readily available from LIC of India. The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.



**Samvardhana Motherson International Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

	March 31, 2020	March 31, 2019
<b>(vi) Actuarial assumptions:</b>		
Discount Rate per annum	6.1%-8%	7.5%-8%
Future salary increases	6.5%-10%	5.5%-10%

**Note:** Estimate of future increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

	For the year ended	
	March 31, 2020	March 31, 2019
<b>(vii) Expected Contribution to the Fund in the next year</b>		
Gratuity	65	32

**viii) Sensitivity Analysis**

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is :

	Change in Assumption		Impact	Increase in obligation		Impact	Decrease in obligation	
	March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019
Discount Rate per annum	0.50%	0.50%	Decrease by	14	2	Increase by	4	5
Future salary increases	1.0%	1.0%	Increase by	23	21	Decrease by	(19)	(19)

The above sensitivity analysis is based on a change in assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in balance sheet.

**ix) Risk exposure**

The gratuity scheme is a final salary Defined Benefit Plan that provides for lump sum payment made on exit either by way of retirement, death, disability, voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

**(a) Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds, if bond yield fall, the defined benefit obligation will tend to increase.

**(b) Salary inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation.

**(c) Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to long career employee.

**x) Defined benefit liability and employer contributions**

Weighted average duration of the defined benefit obligation is 5-19 years (March 31, 2019: 5- 19 years)

Expected benefit payments are as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2020					
Defined benefit obligation (gratuity)	37	11	86	279	413
March 31, 2019					
Defined benefit obligation (gratuity)	19	4	32	183	238

**B. Defined Contribution Schemes**

The Group deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident Fund and National Pension Scheme for the benefit of the employees.

Amount recognised in the Statement of profit and loss is as follows (refer note 32):

	For the year ended	
	March 31, 2020	March 31, 2019
Provident fund	347	312
	<u>347</u>	<u>312</u>

**23 Government grants**

	As at March 31, 2020	As at March 31, 2019
Opening balance	26	25
Grants received during the year	-	17
Reclassified to profit and loss	(9)	(16)
Closing balance	<u>17</u>	<u>26</u>

**24 Other non financial liabilities**

	As at March 31, 2020	As at March 31, 2019
Unearned revenue	92	49
Statutory dues payable	227	171
Advance from customers	888	798
Others	2	6
	<u>1,209</u>	<u>1,024</u>

**Samvardhana Motherson International Limited**

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

**25 Equity share capital**

**Authorised share capital**

900,000,000 (March 31, 2019: 900,000,000) Equity shares of INR 10/- each

**Issued, subscribed and fully paid-up shares**

473,613,855 (March 31, 2019: 473,613,855) Equity shares of INR 10/- each

**Total issued, subscribed and fully paid-up share capital**

	As at March 31, 2020	As at March 31, 2019
Authorised share capital	9,000	9,000
Issued, subscribed and fully paid-up shares	4,736	4,736
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>4,736</b>	<b>4,736</b>

**a. Movement in equity share capital**

**As at March 31, 2018**

Share issued during the year

**As at March 31, 2019**

Share issued during the year

**As at March 31, 2020**

	Numbers	Amount
As at March 31, 2018	47,36,13,855	4,736
Share issued during the year	-	-
As at March 31, 2019	47,36,13,855	4,736
Share issued during the year	-	-
<b>As at March 31, 2020</b>	<b>47,36,13,855</b>	<b>4,736</b>

**b. Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of INR10/- per share. Each holder of equity share is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Details of shareholders holding more than 5% shares in the Company**

Name of equity shareholders	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
Shri Sehgal Trustee Company Private Limited	12,15,90,869	25.67%	12,15,90,869	25.67%
Vivek Chaand Sehgal	10,05,27,391	21.23%	10,05,27,391	21.23%
Renu Alka Sehgal (as trustee of Renu Sehgal Trust)	10,98,25,286	23.19%	10,98,25,286	23.19%
Radha Rani Holdings Pte Limited	6,67,80,000	14.10%	6,67,80,000	14.10%
Sojitz Corporation	3,06,12,843	6.46%	3,06,12,843	6.46%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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**Samvardhana Motherson International Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

**26 (a) Reserve and surplus**

Capital reserve on amalgamation
Securities premium
Retained earnings
Reserve fund
General reserve
Capital redemption reserve
Capital reserve on consolidation
<b>Total reserves and surplus</b>

As at March 31, 2020	As at March 31, 2019
2,402	2,402
3,263	3,263
54,066	53,826
2,095	1,756
50	50
43	43
1,031	974
<b>62,950</b>	<b>62,314</b>

(i) **Capital reserve on amalgamation**  
Balance as at the beginning of the year  
**Balance as at the end of the year**

As at March 31, 2020	As at March 31, 2019
2,402	2,402
<b>2,402</b>	<b>2,402</b>

(ii) **Securities premium**  
Balance as at the beginning of the year  
**Balance as at the end of the year**

As at March 31, 2020	As at March 31, 2019
3,263	3,263
<b>3,263</b>	<b>3,263</b>

(iii) **Retained earnings**  
Balance as at the beginning of the year  
Additions during the year  
Remeasurements of post-employment benefit obligation, net of tax  
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (net of tax)  
Interim dividend paid (refer note 39 (e))  
Taxes on interim dividend  
Transfer from FVOCI reserves (refer note 49(i))  
Transfer to Reserve fund (refer note 56)  
Hyperinflation adjustment (refer note 54)  
Others  
**Balance as at the end of the year**

As at March 31, 2020	As at March 31, 2019
53,826	48,761
1,143	6,548
(11)	(13)
(55)	(90)
(213)	(945)
(564)	(504)
	68
(339)	(121)
183	122
96	
<b>54,066</b>	<b>53,826</b>

(iv) **Reserve fund**  
Balance as at the beginning of the year  
Add: amount transferred from retained earnings (refer note 56)  
**Balance as at the end of the year**

As at March 31, 2020	As at March 31, 2019
1,756	1,635
339	121
<b>2,095</b>	<b>1,756</b>

(v) **Capital redemption reserve**  
Balance as at the beginning of the year  
**Balance as at the end of the year**

As at March 31, 2020	As at March 31, 2019
43	43
<b>43</b>	<b>43</b>

(vi) **Capital reserve on consolidation**  
Balance as at the beginning of the year  
Addition on account of acquisition (refer note 53)  
**Balance as at the end of the year**

As at March 31, 2020	As at March 31, 2019
974	334
57	640
<b>1,031</b>	<b>974</b>

(vii) **General reserve**  
Balance as at the beginning of the year  
Add: amount transferred from retained earnings  
**Balance as at the end of the year**

As at March 31, 2020	As at March 31, 2019
50	50
	-
<b>50</b>	<b>50</b>

**Samvardhana Motherson International Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019		
<b>26 (b) Other reserves</b>				
FVOCI equity investments	(461)	31		
Foreign currency translation reserve	4,722	2,393		
Cash flow hedging reserve	(994)	45		
Treasury shares	(682)	(502)		
<b>Total reserves and surplus</b>	<b>2,585</b>	<b>1,967</b>		
	As at March 31, 2020	As at March 31, 2019		
<b>(i) FVOCI equity investments</b>				
Balance as at the beginning of the year	31	104		
Add: Change in fair value of FVOCI equity instruments	49	-		
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (net of tax)	(541)	(5)		
Transfer to retained earnings (refer note 49(i))	-	(68)		
<b>Balance as at the end of the year</b>	<b>(461)</b>	<b>31</b>		
	As at March 31, 2020	As at March 31, 2019		
<b>(ii) Foreign currency translation reserve</b>				
Balance as at the beginning of the year	2,393	2,791		
Addition during the year	(210)	122		
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (net of tax)	2,539	(520)		
<b>Balance as at the end of the year</b>	<b>4,722</b>	<b>2,393</b>		
	As at March 31, 2020	As at March 31, 2019		
<b>(iii) Cash flow hedging reserve</b>				
Balance as at the beginning of the year	45	(518)		
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (net of tax)	(1,039)	563		
<b>Balance as at the end of the year</b>	<b>(994)</b>	<b>45</b>		
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>(iv) Treasury shares</b>				
Balance as at the beginning of the year	18,47,114	(502)	12,68,870	(192)
Purchase of treasury shares	4,78,274	(184)	5,87,944	(312)
Sale of treasury shares	13,900	5	(9,700)	4
Profit on sale of treasury shares	-	(1)	-	(2)
<b>Balance as at the end of the year</b>	<b>23,39,288</b>	<b>(682)</b>	<b>18,47,114</b>	<b>(502)</b>

**Nature and purpose of reserves**

**Capital reserve on amalgamation**

This reserve was created at the time of amalgamation and mergers carried out in earlier years. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

**Reserve fund**

This reserve was created in accordance with Reserve Bank of India Act, 1934 out of the profits of the Company. The reserve is utilised in accordance with the provisions of the Reserve Bank of India Act.

**General Reserves**

This reserve comprises retained earnings of the Group which are kept aside out of Group's profits to meet future (known or unknown) obligations.

**Capital redemption reserve**

This reserve was created at the time of redemption of preference share capital of one of the subsidiary of the Company carried out in earlier years. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**Capital reserve on consolidation**

It represents capital reserve on acquisition of subsidiaries, subsidiaries of joint venture post transition date.

**Cash flow hedging reserve**

The Group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale and inventory purchases and interest rate risk associated with variable interest rate borrowings. For hedging foreign currency risk, the group uses foreign currency forward contracts which are designated as cash flow hedges. For hedging interest rate risk, the group uses interest rate swaps which is also designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (e.g. sales and interest payments).

**Foreign currency translation reserve**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

**FVOCI equity investments**

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**Samvardhana Motherson International Limited**

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

	For the year ended	
	March 31, 2020	March 31, 2019
<b>27 Revenue from operations</b>		
<b>(a) Interest income</b>		
<b>Interest on financial assets measured at Amortised cost</b>		
Loans	327	130
Deposits with banks	35	57
Others	2	20
<b>Total (a)</b>	<b>364</b>	<b>207</b>
<b>(b) Net gain on fair value changes</b>		
<b>(i) Net gain/ (loss) on financial instruments designated at fair value through profit or loss</b>		
Mutual funds	48	28
<b>Total (b)</b>	<b>48</b>	<b>28</b>
<b>Fair value changes:</b>		
Realised	48	27
Unrealised	-	1
<b>Total net gain on fair value changes</b>	<b>48</b>	<b>28</b>
<b>(c) Revenue from contracts with customers</b>		
Sales of products		
Finished goods		
Within India	6,068	7,164
Outside India	1,594	1,797
Traded goods	727	1,250
Sales of services	4,031	3,741
<b>Total (c)</b>	<b>12,420</b>	<b>13,952</b>
<b>(d) Other operating revenue</b>		
Scrap sales	356	449
Job work income	104	67
Export incentives	11	3
Liabilities written back to the extent no longer required	49	5
Other operating income	6	-
<b>Total (d)</b>	<b>526</b>	<b>524</b>
<b>28 Other income</b>		
Rent income	2	3
Gain on sale of investment in joint ventures	-	2
Foreign exchange fluctuations gain (net)	234	55
Gain on sale of property, plant and equipment	5	3
Government grant income	11	16
Miscellaneous income	104	101
<b>Total</b>	<b>356</b>	<b>180</b>

**Samvardhana Motherson International Limited**

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

**29 Finance cost**

Interest and finance charges on financial liabilities measured at amortised cost

Debt securities (refer note 51)

Borrowings other than debt securities

Interest on lease liabilities (refer note 44)

Others

**Total**

For the year ended	
March 31, 2020	March 31, 2019
622	455
512	351
69	-
21	30
<b>1,224</b>	<b>836</b>

**30 Cost of materials consumed**

Opening stock of raw materials

Addition on account of business combination (refer note 53)

Add : Purchases of raw materials

Less: Closing stock of raw materials

Add: Exchange adjustment:

Exchange differences opening stock (gain)/loss

Exchange differences closing stock (loss)/gain

For the year ended	
March 31, 2020	March 31, 2019
330	334
18	-
4,194	5,266
(286)	(330)
1	1
3	(2)
<b>4,260</b>	<b>5,269</b>

**31 Changes in inventory of finished goods, work in progress and stock in trade**

**(Increase)/ decrease in stocks**

Stock at the opening of the year:

Finished goods

Work-in-progress

Stock in trade

**Total A**

Addition on account of business combination (refer note 53)

Finished goods

Work-in-progress

**Total B**

Stock at the end of the year:

Finished goods

Work-in-progress

Stock in trade

**Total B**

Exchange adjustment:

Exchange differences opening stock loss

Exchange differences closing stock (loss)/gain

**Total C**

**(Increase)/ decrease in stocks (A-B+C)**

For the year ended	
March 31, 2020	March 31, 2019
197	178
457	422
96	50
<b>750</b>	<b>650</b>
1	-
1	-
<b>2</b>	<b>-</b>
(205)	(197)
(547)	(457)
(90)	(96)
<b>(842)</b>	<b>(750)</b>
3	(6)
6	(4)
<b>9</b>	<b>(10)</b>
<b>(81)</b>	<b>(110)</b>

**32 Employee benefit expenses**

Salary , wages and bonus

Contribution to provident and other Fund

Gratuity and leave encashment (refer note 22)

Staff welfare expenses

**Total**

For the year ended	
March 31, 2020	March 31, 2019
3,926	3,476
347	312
71	52
114	116
<b>4,458</b>	<b>3,956</b>

**33 Depreciation, impairment and amortization expense**

Depreciation on property, plant and equipment (refer note 14(a))

Impairment on property, plant and equipment (refer note 14(a))

Depreciation on right to use assets (refer note 14(b))

Amortization on intangible assets (refer note 15)

**Total**

For the year ended	
March 31, 2020	March 31, 2019
730	617
496	-
249	-
74	54
<b>1,549</b>	<b>671</b>

**Samvardhana Motherson International Limited****Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

**34 Other expenses**

	For the year ended	
	March 31, 2020	March 31, 2019
Electricity, water and fuel	369	398
Repair and maintenance		
Machinery	145	144
Building	60	29
Others	70	68
Consumption of stores and spare parts	179	252
Conversion charges	293	367
Rates & taxes	48	36
Legal and professional fees (refer note (a) below)	379	373
Travelling expenses	280	293
Freight and forwarding	220	211
Lease rent (refer note 44)	205	423
Design and development charges	636	562
Leaseline and webhosting charges	217	184
Insurance	43	28
Net loss on foreign currency transaction	-	77
Donation	5	10
Royalty	18	25
Director sitting fee	1	3
Commission	2	2
Bad debts/advances written off	-	14
Provision for doubtful debts, advances and loans	51	10
Miscellaneous expenses	436	473
<b>Total</b>	<b>3,657</b>	<b>3,982</b>

**(a) Payment to Group auditor:**

	For the year ended	
	March 31, 2020	March 31, 2019
<b>As Auditor:</b>		
Audit fees (including limited review)	14	9
Other services	2	1
Reimbursement of expenses	1	0
<b>Total</b>	<b>17</b>	<b>10</b>

**35 Tax expenses**

	For the year ended	
	March 31, 2020	March 31, 2019
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profit for the year	169	285
Adjustments for current tax of prior periods on completion of assessment	(33)	0
<b>Total current tax expense</b>	<b>136</b>	<b>285</b>
<b>Deferred tax expenses</b>		
Decrease / (increase) in deferred tax assets (net)	66	(45)
(Decrease) / increase in deferred tax liabilities	49	37
<b>Total deferred tax expense / (benefit)</b>	<b>115</b>	<b>(8)</b>
<b>Income tax expense</b>	<b>251</b>	<b>277</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**

	For the year ended	
	March 31, 2020	March 31, 2019
Profit before income tax expense	(2,169)	(701)
<b>Tax at India's tax rate of 29.12%</b>	(632)	(204)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax effect of amounts which are not chargeable in calculating taxable income (net off non deductible expenses)	107	165
Utilisation of previously unrecognised tax losses	(21)	(19)
Tax effect of losses on which deferred tax assets not recognised	677	380
Difference in tax rates of subsidiaries	156	50
Others	(36)	(95)
<b>Income tax expense</b>	<b>251</b>	<b>277</b>

Tax is calculated at domestic tax rates applicable in the respective countries. The movement in weighted average tax rate is mainly on account of variation in profitability of the Group's subsidiaries in the respective countries. There have been no significant changes in tax rates applicable to the Group's subsidiaries during the year.

**(c) Tax losses**

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The group did not recognise deferred income tax assets in respect of losses amounting to INR 6,330 million (March 31, 2019: INR 4,974 million) that can be carried forward against future taxable income. These losses can be carried-forward as below:

	As at	As at
	March 31, 2020	March 31, 2019
Losses with expiration date	5,132	4,299
Losses without expiration date	1,198	675
	<b>6,330</b>	<b>4,974</b>

**36 Earnings per share**

	For the year ended	
	March 31, 2020	March 31, 2019
<b>a) Basic</b>		
Net profit after tax available for equity Shareholders	1,143	6,548
Weighted average number of equity shares used to compute basic earnings per share	47,36,13,855	47,36,13,855
Basic earnings (INR per share)	<b>2.41</b>	<b>13.83</b>
Diluted earnings* (INR per share)	<b>2.41</b>	<b>13.83</b>

\*The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and dilutive EPS of the Company remains same.

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37 Fair Value Measurement

Financial instruments by category

Financial assets

Investments
Trade receivables
Loans
Cash and cash equivalents
Bank balances other than cash and cash equivalents
Other financial assets
Derivative financial instruments
<b>Total financial assets</b>

	March 31, 2020			March 31, 2019		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Investments	253	353	-	1,034	275	-
Trade receivables	-	-	2,400	-	-	2,791
Loans	-	-	2,262	-	-	5,995
Cash and cash equivalents	-	-	9,055	-	-	921
Bank balances other than cash and cash equivalents	-	-	605	-	-	363
Other financial assets	-	-	1,147	-	-	946
Derivative financial instruments	0	-	-	-	-	-
<b>Total financial assets</b>	<b>253</b>	<b>353</b>	<b>15,469</b>	<b>1,034</b>	<b>275</b>	<b>11,016</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	22,784	-	-	19,580
Lease liabilities	-	-	889	-	-	-
Trade payable	-	-	2,135	-	-	2,353
Other financial liabilities	-	-	975	-	-	977
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>26,783</b>	<b>-</b>	<b>-</b>	<b>22,910</b>

i. Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurements

Financial asset

Financial Investments at FVTOCI / FVTPL

Unquoted investments
<b>Total</b>

	March 31, 2020			March 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Unquoted investments	-	-	606	800	-	509
<b>Total</b>	<b>-</b>	<b>-</b>	<b>606</b>	<b>800</b>	<b>-</b>	<b>509</b>

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Financial assets

Loans
<b>Total financial assets</b>

	March 31, 2020			March 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Loans	-	-	2,262	-	-	5,995
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>2,262</b>	<b>-</b>	<b>-</b>	<b>5,995</b>

Financial liabilities

Debt Securities
Borrowings other than debt securities
Lease liabilities
Other financial liabilities
<b>Total financial liabilities</b>

	March 31, 2020			March 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Debt Securities	-	-	7,900	-	-	4,400
Borrowings other than debt securities	-	-	14,884	-	-	15,180
Lease liabilities	-	-	889	-	-	-
Other financial liabilities	-	-	975	-	-	977
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>24,648</b>	<b>-</b>	<b>-</b>	<b>20,557</b>

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities are considered to be the same as fair value due to their short term maturities.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

ii. Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the use of various valuation method (including NAV and price of recent investment method) investments in equity and preference shares.
- the fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, foreign exchange risk, probability of default.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

iii. Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2020 and March 31, 2019:

	Unquoted equity instruments	Unquoted Preference Shares
<b>As at March 31, 2018</b>	377	483
Disposals during the year	(118)	(263)
Exchange adjustment	16	14
<b>As at March 31, 2019</b>	<b>275</b>	<b>234</b>
Gains/(losses) recognised in other comprehensive income	49	-
Exchange adjustment	29	19
<b>As at March 31, 2020</b>	<b>353</b>	<b>253</b>

**iv. Valuation inputs and relationships to fair value**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date.

The Group's financial assets at fair value through other comprehensive income represent equity shares in an unlisted entities. The management has fair valued the relevant financial instruments using the recent transactions method, utilising information provided directly by the issuer on recent investments.

The below table represents impact of change in transaction price in other comprehensive income:

	March 31, 2020	March 31, 2019
<b>Investments at FVTOCI*</b>		
<b>Sensitivity</b>		
<b>Impact of change in transaction price*</b>		
Decrease in price by 0.50%	(2)	(2)
Increase in price by 0.50%	2	2
* Holding all the other variables constant		

The below table represents impact of change in transaction price in statement of profit and loss:

	March 31, 2020	March 31, 2019
<b>Investments at FVTPL</b>		
<b>Sensitivity</b>		
<b>Impact of change in transaction price*</b>		
Decrease in price by 0.50%	(1)	(2)
Increase in price by 0.50%	1	2
* Holding all the other variables constant		

*(This space has been intentionally left blank)*

### 38 Financial risk management

The Group along with its investments in joint ventures and associates are active suppliers for the automobile industry and exposes its business and products to various market risks, credit risk and liquidity risk. The Group's global presence and decentralised management structure with the main activities in the plants make necessary organised risk management system. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risks in which the Group is exposed to and how it manages the risks:

#### Market risk:

##### A Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency).

The derivative instruments exposure is as follows:

##### (i) Particular of derivative outstanding as at the reporting date

	As at March 31, 2020		As at March 31, 2019	
	Amount in Foreign currency	Amount in INR	Amount in Foreign currency	Amount in INR
<b>Forward contract (Buy)</b>				
EURO	-	-	0	4
USD	-	-	0	11
JPY	-	-	44	27
CNY	-	-	0	3
<b>Forward contract (Sell)</b>				
USD	-	-	-	-
EURO	6	510	-	-

##### B Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Group had below borrowings with variable rates during March 31, 2020 and March 31, 2019.

##### (i) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

	As at March 31, 2020	As at March 31, 2019
Variable rate borrowings	11,853	10,912
Fixed rate borrowings	10,931	8,668
<b>Total borrowings</b>	<b>22,784</b>	<b>19,580</b>

An analysis by maturities is provided in Note (D (ii)) Maturities of financial liabilities below.

##### (ii) Sensitivity analysis

Profit/loss is sensitive to higher/lower interest expense from borrowing as a result of changes in interest rates. Holding all other variable constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rate on floating portion of borrowings.

##### Impact on profit before tax

	March 31, 2020	March 31, 2019
Interest rates-increase by 50 basis points*	(59)	(55)
Interest rates-decrease by 50 basis points*	59	55

\*Holding all other variables constant

##### C Credit risk:

The credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Group and arises principally from the Loans and receivables from group companies, deposits with banking institutions and Investments. The maximum amount of the credit exposure is equal to the carrying amounts of these financial instruments.

#### Loans

Group's lending comprises mainly of unsecured inter corporate deposits given to joint ventures and associates. The credit risk assessment is based on a model that takes into account various historical, current and forward-looking information such as:

- Historical financial information together with forecasts and budgets prepared by the concerned management of respective companies. This financial information includes realised and expected results, solvency ratios, liquidity ratios and any other relevant ratios to measure the investee company's financial performance.
- Any other objectively supportable information on the quality and abilities of the investee company's management relevant for the investee company's performance.

#### Receivables and other financial assets

The liquidity risk encompasses any risk that the Group cannot fully meet its financial obligations. To manage the liquidity risk, cash flow forecasting is performed in the operating divisions of the Group and aggregated by Group finance. The Group's finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities / overdraft facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

##### D Liquidity risk:

The liquidity risk encompasses any risk that the Group cannot fully meet its financial obligations. To manage the liquidity risk, cash flow forecasting is performed in the operating divisions of the Group and aggregated by Group finance. The Group's finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities / overdraft facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

##### (i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period.

	As at March 31, 2020	As at March 31, 2019
Fixed rate		
- Expiring within one year (cash credit and other facilities)	1,045	990

##### (ii) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities:

Year Ended March 31, 2020	Upto 1 year	1 to 5 years	More than 5 years	Total
Borrowings	11,557	11,109	118	22,784
Trade payables	2,135	-	-	2,135
Other financial liabilities	870	105	-	975
Lease liability	219	670	-	889
<b>Total</b>	<b>14,781</b>	<b>11,884</b>	<b>118</b>	<b>26,783</b>
Year Ended March 31, 2019	Upto 1 year	1 to 5 years	More than 5 years	Total
Borrowings	14,582	4,748	250	19,580
Trade payables	2,353	-	-	2,353
Other financial liabilities	967	10	-	977
<b>Total</b>	<b>17,902</b>	<b>4,758</b>	<b>250</b>	<b>22,910</b>

**Samvardhana Motherson International Limited****Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

**39 Capital management****(a) Risk management**

For the purposes of Group's capital management, capital includes issued equity capital and equity reserves attributable to the equity holders of the Group. The primary objective of the Group's management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and requirement of the financial covenants. To maintain or adjust the capital structure, the Group may buy back shares from/issue shares to shareholders. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing borrowings less cash and cash equivalents, other bank balances and current investments.

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Debt securities (refer note 18)	7,900	4,400
Borrowings other than debt securities (refer note 19)	14,884	15,180
Less: Cash and cash equivalents (refer note 3)	(9,055)	(921)
Less: Other bank balances (refer note 4)	(605)	(363)
Less: Investments in mutual funds (refer note 8(iii))	-	(800)
<b>Net Debt (A)</b>	<b>13,124</b>	<b>17,496</b>
Equity share capital	4,736	4,736
Other equity	62,950	62,314
<b>Total capital (B)</b>	<b>67,686</b>	<b>67,050</b>
<b>Capital and net debt (C=A+B)</b>	<b>80,810</b>	<b>84,546</b>
<b>Gearing ratio (A/C)</b>	<b>16%</b>	<b>21%</b>

No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the management.

**(b) Loan covenants**

Under the terms of the major borrowing facilities, the Group is required to comply with certain financial covenants and the Group has complied with those covenants throughout the reporting period.

**(c) Dividends**

On Equity shares of INR 10 each	For the year ended	
	March 31, 2020	March 31, 2019
<b>Interim Dividend</b>		
Amount of dividend paid	213	945
Dividend per equity share (in INR)	0.45	2.00
Dividend distribution tax*	(41)	(193)

\* Amount of dividend distribution tax (DDT) is net of withholding tax credit on dividend received from subsidiary company

*(This space has been intentionally left blank)*

**40 Related parties**

**I. Related party disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below:**

**i) Joint Ventures:**

Motherson Sumi Systems Limited (MSSL) and its subsidiaries  
Anest Iwata Motherson Coating Equipment Private Limited (Joint venture through Samvardhana Motherson Innovative Solutions Ltd (SMISL))  
Motherson Invenzen XLab Private Limited (upto March 31, 2019) (refer note 53(e))  
Anest Iwata Motherson Private Limited (Joint venture through SMISL)  
Valeo Motherson Thermal Commercial Vehicles India Limited (Formerly Spheros Motherson Thermal System Limited)  
Matsui Technologies India Limited  
Frigel Intelligent Cooling Systems India Private Limited  
Fritzmeier Motherson Cabin Engineering Private Limited  
Nissin Advanced Coating Indo Co. Private Limited (Joint venture through SMISL)  
Motherson Bergstrom HVAC Solutions Private Limited  
Magneti Marelli Motherson Auto System Private Limited  
Magneti Marelli Motherson Holding India B.V. (liquidated on June 14, 2019)  
Magneti Marelli Motherson Shock Absorbers India Private Limited  
Youngshin Motherson Auto Tech Limited  
Motherson Auto Solutions Limited (Joint venture through SMISL)

**ii) Associates:**

AES (India) Engineering Limited  
Samvardhana Motherson Global Holdings Limited (SMGHL) and its subsidiaries  
Samvardhana Motherson Polymers Limited

**iii) Companies in which Key Managerial Personnel or their relatives have control/ significant influence:**

Radha Rani Holdings Pte Limited  
Motherson Auto Limited  
Motherson Lease Solution Limited  
Spirited Auto Cars (I) Limited  
Systematic Conscum Limited  
Shri Sehgal's Trustee Company Private Limited  
Advance Technologies and Automotive Resources Pte. Limited  
Field Motors Private Limited  
Motherson Engineering Research and Integrated Technologies Limited  
Swarn Lata Motherson Trust  
Global Environment Management (FZE)  
Motherson Air Travel Agencies Limited  
Motherson Air Travel Agency GmbH  
Calsonic Kansei Motherson Auto Products Private Limited  
Samvardhana Motherson Global FZE, Dubai  
Southcity Motors Private Ltd.  
A Basic Concepts Design Pty Limited  
Edcool Global Pte. Limited  
Nirvana Niche Products Private Limited  
SCCL Infra Projects Limited  
Advantedge Technology Partners Private Limited

**iv) Joint Venturers**

Sojitz Corporation  
Sumitomo Wiring Systems Ltd. , Japan  
Sumitomo Electric Industries Ltd. (formerly Sumitomo Electric Hardmetal Corp., Japan)  
Youngshin Components Co. Ltd.

**v) Private Company in which Director or his relative is a member/director**

Kyungshin Industrial Motherson Private Limited

**vi) Key Managerial Personnel**

**a) Board of Directors**

Mr. Vivek Chaand Sehgal  
Mr. Laksh Vaaman Sehgal  
Mr. Sanjay Mehta  
Mr. Bimal Dhar  
Mr. Ashok Tandon (till March 30, 2019)  
Mr. Ramesh Dhar (till March 30, 2019)  
Mr. Hiroshi Morimoto  
Mr. Vivek Avasthi  
Ms. Geeta Soni  
Ms. Nilu Mehra (till March 30, 2019)  
Mr. Dhruv Mehra  
Ms. Madhu Bhaskar  
Mr. Sanjay Kalia  
Mr. Hideo Hatada  
Mr. Masaki Yamaguchi (Alternate Director to Mr. Hideo Hatada)

**b) Other KMP**

Ms. Pooja Mehra, Company Secretary  
Mr. Manish Goyal, Chief Financial Officer  
Mr. Rajinder Kumar Bansal, Chief Financial Officer

**vii) Relatives of Key Managerial Personnel**

Ms. Vidhi Sehgal (Daughter of Mr. Vivek Chaand Sehgal)  
Ms. Renu Alka Sehgal (Wife of Mr. Vivek Chaand Sehgal)

II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 41 (I) above:

(a) Key management personnel compensation

	March 31, 2020	March 31, 2019
Short-term employee benefits	39	39
Post-employment benefits	-	8
Long-term employee benefits	1	5
<b>Total compensation</b>	<b>40</b>	<b>52</b>

(b) Details of significant transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned above:

S. No.	Particulars	Joint ventures and associates		Key Managerial Persons		Other related parties		Total	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
1	Dividend received	3,387	1,651	-	-	-	-	3,387	1,651
2	Sale of services	3,196	2,707	-	-	60	39	3,256	2,746
3	Sale of goods	1,444	609	-	-	10	18	1,454	627
4	Investments sold*	-	48	-	-	-	382	-	430
5	Investments purchased*	14	581	-	-	-	2	14	583
6	Investment received on liquidation	198	-	-	-	-	-	198	-
7	Loan given during the year*	2,069	6,106	-	-	-	-	2,069	6,106
8	Loan received back during the year*	5,841	42	-	-	-	5	5,841	47
9	Loan taken during the year	216	-	-	-	30	315	246	315
10	Loan repaid during the year	-	161	-	-	56	216	56	377
11	Reimbursement of expenses (net)	-	(11)	-	-	18	13	18	2
12	Interest income*	302	110	-	-	-	110	302	110
13	Interest expense	7	-	-	-	16	8	23	8
14	Purchase of goods	92	129	-	-	421	512	513	641
15	Purchase of services	97	58	1	-	650	601	748	659
16	Purchase of fixed assets	5	3	-	-	719	500	724	503
17	Sale of fixed assets	4	-	-	-	-	-	4	-
18	Security deposit given during the year	1	-	-	-	26	85	27	85
19	Security deposit received back during the year	-	-	-	-	17	4	17	4
20	Dividend paid	-	-	98	435	109	486	207	921
21	Advance taken	7	-	-	-	-	-	7	-
22	Capital advance given	-	-	-	-	-	50	-	50

Balances as at year end:

S. No.	Particulars	Joint ventures and associates		Key Managerial Persons		Other related parties		Total	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
1	Letter of comfort	810	810	-	-	-	-	810	810
2	Security deposit paid	15	10	-	-	232	83	247	93
3	Security deposit received	42	-	-	-	-	8	42	8
4	Trade receivables	775	680	-	-	20	28	795	708
5	Trade payables	40	57	-	-	271	235	311	292
6	Other liabilities	150	204	-	-	-	-	150	204
7	Loans receivable	2,184	5,923	-	-	75	76	2,259	5,999
8	Interest receivable	1	115	-	-	6	-	7	115
9	Advance to supplier	-	3	-	-	-	6	-	9
10	Capital advances	-	-	-	-	50	-	50	-
11	Interest payable	5	-	-	-	21	7	26	7
12	Loans payable	217	-	-	-	350	365	567	365
13	Employee benefit payable	-	-	-	-	-	-	-	-
14	Impairment allowance for investments	-	-	-	-	-	-	-	-
15	Other advances and receivable	96	1	-	-	31	-	127	1

Note : The Group has given letters of support and letters of comfort to its joint venture companies, refer note no 43 (i) & (ii).

\* Represents transaction based on the contractual terms with the parties and without considering the related Ind AS adjustments.

**41 Segment Information:**

**(a) Description of segments and principal activities**

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments examines the group's performance categorized in to following segments:

Segments	Description
MSSL Standalone	Represents standalone operations of Motherson Sumi Systems Limited, engaged mainly in the business of manufacturing and trading of automobile parts for commercial and passenger vehicles.
SMR	Represents subsidiaries of Samvardhana Motherson Reflectec Group Holdings Limited which are engaged in development, manufacture and supply of rear view mirrors and drive assistance systems.
SMP	Represents subsidiaries of Samvardhana Motherson Automotive Systems Group B.V. (SMRP BV) (an overseas subsidiary of the Company) which are engaged in manufacturing and supplies of plastic parts and system modules for vehicle interiors and exteriors.
PKC	Represents PKC Group Plc including its subsidiaries. PKC is engaged in designing, manufacturing and integrating electrical distribution systems, electronics and related components for commercial vehicle industries, rolling stock manufacturers and other related segments.
Others	Comprise other subsidiaries of the Company (excluding SMR, SMP and PKC mentioned above) that are below the thresholds for separate reporting as operating segments.

The CODM primarily uses a measure of revenue from operation and earnings before interest, tax, depreciation, amortisation and exceptional item (EBITDA) to assess the performance of the operating segments on monthly basis.

**Unallocated:**

Revenue, expenses, assets and liabilities have been identified to a segment on the basis of relationship to operating activities of the segment. Assets and liabilities which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed under unallocated.

**Inter Segment transfer:**

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

**(b) Revenue from operation**

Interest income, rental income, dividend income, income recognised on sales of assets and investment are excluded from segment revenue. Transactions between segments are carried out at arm's length and are eliminated on consolidation. The segment revenue is measured in the same way as in the statement of profit or loss.

	March 31, 2020	March 31, 2019
<b>Revenue from operation (excludes interest income &amp; foreign exchange gain)</b>		
MSSL Standalone	22,979	25,344
SMR	80,651	85,709
SMP	2,12,017	1,99,331
PKC	31,365	32,237
Others	28,094	29,810
<b>Total</b>	<b>3,75,106</b>	<b>3,72,431</b>
<b>Less: Intersegment</b>	<b>5,804</b>	<b>5,477</b>
<b>Total revenue</b>	<b>3,69,302</b>	<b>3,66,954</b>
<b>Less: Revenue not recognised in consolidated financial statements in respect of segments which are accounted for using equity method of accounting</b>	<b>3,56,356</b>	<b>3,52,478</b>
<b>Total revenue as per statement of profit and loss</b>	<b>12,946</b>	<b>14,476</b>
<b>Disaggregated revenue information</b>		
India	8,242	10,407
Outside India	4,704	4,069
	<b>12,946</b>	<b>14,476</b>
<b>Type of goods or Services</b>		
Sales of components and Design & engineering	9,419	11,175
Tool development	2,861	3,043
Others	666	258
<b>Total revenue from contracts with customers</b>	<b>12,946</b>	<b>14,476</b>
<b>Timing of revenue recognition</b>		
At a point in time	8,584	9,981
Over a period of time	4,362	4,495
<b>Total revenue from contracts with customers</b>	<b>12,946</b>	<b>14,476</b>

**Samvardhana Motherson International Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2020**  
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**(c) EBITDA**

	March 31, 2020	March 31, 2019
MSSL Standalone	3,906	4,462
SMR	9,492	9,894
SMP	8,540	8,810
PKC	3,162	2,849
Others	2,071	2,267
<b>Total</b>	<b>27,171</b>	<b>28,282</b>
Add: unallocated income / (expenses)		
Interest income	364	207
<b>Less: Intersegment</b>	<b>32</b>	<b>(14)</b>
<b>Total</b>	<b>27,503</b>	<b>28,503</b>
<b>Less: EBITDA not recognised in consolidated financial statements in respect segments which are accounted for using equity method of accounting</b>	<b>26,899</b>	<b>27,697</b>
<b>EBITDA before group's share in net profit of associates and joint ventures accounted for using the equity method</b>	<b>604</b>	<b>806</b>
Depreciation	(1,549)	(671)
Finance costs	(1,224)	(836)
Company's share in net profit of associates and joint ventures accounted for using the equity method	3,603	7,831
Income tax expense	(251)	(277)
<b>Profit after tax</b>	<b>1,183</b>	<b>6,853</b>

**(d) Segment Assets**

Segment assets are allocated based on the operations of the segment and the physical location of the asset. Assets not used directly in operations of the segment like investments, other common assets are reported as unallocated assets.

	March 31, 2020	March 31, 2019
MSSL Standalone	14,514	14,209
SMR	62,136	47,909
SMP	1,50,416	1,40,763
PKC	17,018	14,900
Others	76,638	64,972
<b>Total</b>	<b>3,20,722</b>	<b>2,82,753</b>
<b>Less: Intersegment</b>	<b>65,754</b>	<b>40,969</b>
<b>Less: Segment assets not recognised in consolidated financial statements in respect of segments which are accounted for using equity method of accounting</b>	<b>2,29,144</b>	<b>2,21,488</b>
<b>Unallocated:</b>		
Deferred tax assets (net)	140	210
Income tax assets (net)	313	233
Investment accounted for using the equity method	73,934	72,923
Other corporate assets and investments	619	1,323
<b>Total assets as per balance sheet</b>	<b>1,00,830</b>	<b>94,985</b>

Total of non-current assets other than financial instruments, investments accounted for using equity methods and deferred tax assets broken down by location of the assets, is shown below

	March 31, 2020	March 31, 2019
India	7,767	6,389
Outside India	607	1,046
	<b>8,374</b>	<b>7,435</b>

**Capital expenditure**

	March 31, 2020	March 31, 2019
MSSL Standalone	1,160	1,329
SMR	2,645	3,244
SMP	7,150	9,117
PKC	953	862
Others	1,735	2,258
	<b>13,643</b>	<b>16,810</b>
<b>Less: Segment capital expenditure not recognised in consolidated financial statements in respect of segments which are accounted for using equity method of accounting</b>	<b>12,151</b>	<b>14,552</b>
<b>Total capital expenditure</b>	<b>1,492</b>	<b>2,258</b>

**(e) Segment liabilities**

Segment liabilities are allocated based on the operations of the segment. Liabilities not used directly in operations of the segment common liabilities like borrowings are reported as unallocated liabilities.

	March 31, 2020	March 31, 2019
MSSL Standalone	9,870	8,694
SMR	33,459	24,204
SMP	1,34,731	1,17,282
PKC	10,891	9,410
Others	43,961	36,229
<b>Total</b>	<b>2,32,912</b>	<b>1,95,819</b>
<b>Less: Intersegment</b>	<b>65,634</b>	<b>40,882</b>
<b>Less: Segment liabilities not recognised in consolidated financial statements in respect segments which are accounted for using equity method of accounting</b>	<b>1,38,611</b>	<b>1,30,459</b>
Deferred tax liabilities (net)	119	84
Income tax liabilities (net)	4	12
Other common / unallocated liabilities	-	-
<b>Total</b>	<b>28,790</b>	<b>24,574</b>



**Samvardhana Motherson International Limited****Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

**42 Assets pledged as security**

The carrying amount of assets pledged as security for borrowings are as follows:

	<u>As at</u> <u>March 31, 2020</u>	<u>As at</u> <u>March 31, 2019</u>
<b>Floating charge</b>		
Cash and cash equivalents	85	51
Inventories	963	573
Trade receivables	1,928	1,823
Other current assets	1,548	691
	<u>4,524</u>	<u>3,138</u>
<b>Fixed charge</b>		
Property plant & equipment	2,991	2,572
Capital work in progress	46	111
Non current investments	2,676	763
Other non-current assets	26	20
	<u>5,739</u>	<u>3,466</u>
Margin money	3,317	-
<b>Total assets pledged as security</b>	<u>13,580</u>	<u>6,604</u>

*(This space has been intentionally left blank)*

**43 Capital and Other Commitments**

**(i) Letter of Support**

The Company has given letters of support to following group companies to enable the said companies to continue their operations.

Joint Ventures	
March 31, 2020	
Nil	
March 31, 2019	
Motherson Invenzen Xlab Private Limited	

**(ii) Letter of comforts issued on behalf of group companies:**

	As at March 31, 2020	As at March 31, 2019
<b>Joint Ventures</b>		
a) On behalf of Magneti Marelli Motherson Shock Absorbers India Private Limited	150	150
b) On behalf of Motherson Auto Solutions Limited	660	660

**(iii) Property plant and equipment**

	As at March 31, 2020	As at March 31, 2019
Estimated value of contracts on capital account remaining to be executed, (Net of advances of INR 21 million (March 31, 2019: INR 153 million))	198	526

**44 Leases**

The Group elected to apply Indian Accounting Standard 116 (Ind AS 116), Leases, with effect from April 01, 2019, using the modified retrospective method. Accordingly, comparatives for the year ended March 31, 2019 have not been restated. The Group assesses each lease contract and if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the Group recognised right to use assets and lease liabilities for those lease contracts except for short-term lease and lease of low-value assets.

As at March 31, 2019, the Group had minimum lease payment commitment under non-cancellable operating leases of INR 121 million. Pursuant to adoption of Ind AS 116, lease liabilities of INR 677 million were recognised on April 01, 2019, the transition date. The difference between the operating lease commitments under Ind AS 17 and lease liabilities recognised under Ind AS 116 is largely due to discounting of lease commitments and adoption of practical expedients on exclusion of short-term leases and leases of lowvalue and other adjustments due to reassessment of terms of the contracts. The Group's lease portfolio consist of multiple leases across various geographies and also there are differences in incremental borrowing rates per geography, so determination of weighted average incremental borrowing rate is not practicable.

As at the transition date April 01, 2019 following impacts were recognised in financial position on account of recognition of right of use assets, lease liabilities and reclassification of existing finance lease assets and liabilities.

Particulars	March 31, 2019	April 01, 2019	Change
Property, plant & equipment	5,096	4,380	(716)
Right-of-use assets	-	1,430	1,430
Prepayments	215	178	(37)
Borrowings (including current maturity of long term borrowing)	15,180	15,079	(101)
Lease Liabilities	-	778	778

The carrying amounts of lease liabilities and the movements during the period is given below:

Particulars	April 01, 2019
Recognised as at April 01, 2019 on account of adoption of ind AS 116	778
Reclassification from borrowings	(101)
	677

Particulars	March 31, 2020
Current Lease liabilities	219
Non current lease liabilities	670

**Amount recognised in Statement of Profit and Loss during the year:**

Particulars	March 31, 2020
Interest expense on lease liabilities (included in finance cost)	69
Depreciation of Right of Use assets	249
Lease expense derecognised	324

Short term and low value lease payments	205
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**45 Contingent liabilities:**

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an on-going basis, with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its consolidated financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the consolidated financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

**(i) Claims against the Group not acknowledged as debts**

<b>Particulars</b>	<b>As at March 31,2020</b>	<b>As at March 31,2019</b>
Excise, sales tax and service tax matters	80	99
Income tax matters	436	470
Unfulfilled export commitment under EPCG Scheme	192	229
Claims made by workmen	50	42
Bank guarantees	168	254
Others (refer note (c) below)	1,926	1,407

(a) The Group does not expect any reimbursements in respect of the above contingent liabilities

(b) It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(c) Motherson Sumi Systems Limited (MSSL) (Joint venture of the Group) has acted as surety in respect of subsidy received by one of its subsidiary, which limits the total liability of the Group to 1.2x of the amount of subsidy granted. As per the conditions of subsidy received from the local government the subsidiary is required to incur certain level of capital expenditure along with maintaining the headcount at certain level for a period of 5 years. As of March 31, 2020, both the conditions have been fulfilled however headcount level needs to be sustained for 5 years therefore MSSL may be contingently liable for INR 2,447 million (March 31, 2019: INR 2,077 million) in the event of non-compliance of subsidy conditions by the subsidiary in the future. Accordingly, own share of group of INR 1,616 million (March 31, 2019: INR 1,372 million) has been included in "others" above.

(d) Above contingent liability includes group share of contingent liability of the associates and joint ventures entities.

For contingent liabilities relating to associates and joint ventures refer to note 47

**(ii) Provident fund matters**

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The Group believes that the judgement will be applicable prospectively and accordingly has considered the applicability of the judgement prospectively. Further, the Group will update its provision for earlier years, on receiving further clarity on the subject.

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**Samvardhana Motherson International Limited**  
Notes to consolidated financial statements for the year ended March 31, 2020  
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**46 Interest in other entities**

**A. Details of subsidiaries which have been consolidated are as follows:**

S.No	Name of the Company	Country of Incorporation	Ownership interest held by the Group		Ownership interest held by the Non-controlling interest		Reporting Dates used for Consolidation
			March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
1	Motherson Sumi Infotech & Designs Ltd.	India	54%	54%	46%	46%	March 31, 2020
2	Samvardhana Motherson Virtual Analysis Ltd. (held by Motherson Sumi Infotech & Designs Ltd.)	India	100%	100%	-	-	March 31, 2020
3	Motherson Auto Engineering Service Ltd. (held by Motherson Sumi Infotech & Designs Ltd.)	India	100%	100%	-	-	March 31, 2020
4	MSD U.S. Inc. (held by Motherson Sumi Infotech & Designs Ltd.)	USA	100%	100%	-	-	March 31, 2020
5	MothersonSumi Infoeek And Designs GmbH (held by Motherson Sumi Infotech & Designs Ltd.)	Germany	100%	100%	-	-	March 31, 2020
6	MothersonSumi Infotech and Designs SG Pre. Ltd. (held by Motherson Sumi Infotech & Designs Ltd.)	Singapore	100%	100%	-	-	March 31, 2020
7	MothersonSumi Infotech & Designs KK (held by MothersonSumi Infotech and Designs SG Pre. Ltd.)	Japan	86%	86%	14%	14%	March 31, 2020
8	Samvardhana Motherson Health Solutions Limited (held by Motherson Sumi Infotech & Designs Ltd.)	India	100%	100%	-	-	March 31, 2020
9	SMI Consulting Technologies Inc. (held by Motherson Sumi Infotech & Designs Ltd.)	USA	100%	100%	-	-	March 31, 2020
10	Samvardhana Motherson Innovative Solutions Ltd (SMISL) (Formerly known as Tigers Connect Travel Systems & Solutions Ltd.)	India	100%	100%	-	-	March 31, 2020
11	Saks Ancillaries Ltd. (held by SMISL)	India	58%	58%	42%	42%	March 31, 2020
12	Motherson Machinery and Automations Ltd. (held by SMISL)	India	100%	100%	-	-	March 31, 2020
13	Motherson Sintermetal Technology B.V. (held by SMISL)	Netherlands	100%	100%	-	-	March 31, 2020
14	Motherson Techno Tools Limited. (held by SMISL)	India	60%	60%	40%	40%	March 31, 2020
15	Samvardhana Motherson Refrigeration Product Ltd (held by SMISL)	India	100%	100%	-	-	March 31, 2020
16	Motherson Sintermetal Products S.A. (held by Motherson Sintermetal Technology B.V.)	Spain	100%	100%	-	-	March 31, 2020
17	Motherson Techno Tools Mideast FZE. (% held by Motherson Techno tools Limited)	UAE	100%	100%	-	-	March 31, 2020
18	Samvardhana Motherson Auto System Private Limited (held by SMISL)	India	100%	100%	-	-	March 31, 2020
19	Motherson Molds and Dicing Limited	India	51%	51%	49%	49%	March 31, 2020
20	Samvardhana Motherson Finance Services Cyprus Limited	Cyprus	100%	100%	-	-	March 31, 2020
21	Samvardhana Motherson Holding (M) Private Ltd. (SMHPL)	Mauritius	100%	100%	-	-	March 31, 2020
22	Motherson Advanced Tooling Solutions Limited #	India	-	-	-	-	March 31, 2020
23	Motherson Sintermetal Technology Limited #	India	-	-	-	-	March 31, 2020
22	Motherson Consultancies Service Limited	India	100%	100%	-	-	March 31, 2020
23	Samvardhana Motherson Auto Component Private Limited	India	100%	100%	-	-	March 31, 2020
24	Samvardhana Motherson Adsys Tech Limited	India	100%	100%	-	-	March 31, 2020
25	MS Global India Automotive Private Limited	India	100%	100%	-	-	March 31, 2020
26	Samvardhana Motherson Maadhyan International Limited	India	100%	100%	-	-	March 31, 2020
27	Samvardhana Motherson Global Carriers Limited (SMGCL)	India	100%	100%	-	-	March 31, 2020
28	Samvardhana Motherson Hamkayones Engineer Logistics Limited (SAMRX) (Formerly known as Samvardhana Motherson 4PL Value Managers Limited (held by SMGCL))	India	50%	100%	50%	-	March 31, 2020
29	CTM India Limited	India	41%	41%	59%	59%	March 31, 2020
30	Samvardhana Employees Welfare Trust	India	100%	100%	-	-	March 31, 2020
31	Motherson Invenzen Xlab Private Limited (refer note 53 (c))	India	51%	0%	49%	-	March 31, 2020



**E. Summarised financial information of joint ventures**

The table below provide summarised financial information for those joint venture that are material to the group.

	Motherson Sumi Systems Limited		Motherson Auto Solutions Limited	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Summarised balance sheet</b>				
<b>Financial assets</b>				
Cash and cash equivalents	48,688	35,399	187	99
Other financial assets	100,103	118,883	7	3
<b>Total financial assets</b>	<b>148,791</b>	<b>154,282</b>	<b>194</b>	<b>102</b>
<b>Total non-financial assets</b>	<b>306,167</b>	<b>279,020</b>	<b>3,275</b>	<b>3,416</b>
<b>Financial liabilities</b>				
Financial liabilities (excluding trade payables)	167,230	146,744	683	821
Trade payables	103,091	106,613	38	38
<b>Total financial liabilities</b>	<b>270,321</b>	<b>253,357</b>	<b>721</b>	<b>859</b>
<b>Total non-financial liabilities</b>	<b>36,378</b>	<b>35,520</b>	<b>5</b>	<b>3</b>
<b>Non controlling Interest</b>	<b>35,650</b>	<b>34,797</b>	<b>-</b>	<b>-</b>
	<b>112,609</b>	<b>109,628</b>	<b>2,743</b>	<b>2,656</b>
Consolidation adjustments and currency translation adjustment	23,061	23,061	(982)	(982)
<b>Net assets</b>	<b>135,670</b>	<b>132,689</b>	<b>1,761</b>	<b>1,674</b>
<b>Reconciliation to carrying amounts</b>				
<b>Opening net assets</b>				
Profit for the year	132,689	122,297	1,674	1,762
Other comprehensive income	11,701	15,735	87	(88)
Other adjustments	1,804	(353)	0	0
Dividend paid	320	589	-	-
	(10,844)	(5,579)	-	-
<b>Closing net assets</b>	<b>135,670</b>	<b>132,689</b>	<b>1,761</b>	<b>1,674</b>
Group's share in %	33.43%	33.43%	66%	66%
Group's share in INR	<b>45,355</b>	<b>44,358</b>	<b>1,162</b>	<b>1,105</b>
<b>Carrying amount</b>	<b>45,355</b>	<b>44,358</b>	<b>1,162</b>	<b>1,105</b>
<b>Summarised statement of profit and loss</b>				
Revenue	635,368	635,229	407	0
Interest income	361	354	3	0
Depreciation and amortisation	27,780	20,582	2.00	0
Interest expense	5,986	4,232	61.00	55
Income tax expense	8,184	11,022	(3)	(11)
Profit from continuing operation	11,701	15,735	87	(88)
Other comprehensive income	1,804	(353)	0	0
<b>Total comprehensive income</b>	<b>13,505</b>	<b>15,382</b>	<b>87</b>	<b>(88)</b>

**Individually immaterial joint ventures**

The group has interests in a number of individually immaterial joint venture that are accounted for using equity method. The group share of investment and profit is disclosed below.

	March 31, 2020	March 31, 2019
Aggregate carrying amount of investments in individually immaterial joint ventures	2,848	2,391
<b>Aggregate amounts of the group's share of:</b>		
Profit / (loss) from continuing operations	572	410

**F. Summarised financial information of Associate**

The table below provide summarised financial information for associate that is material to the group.

	Samvardhana Motherson Automotive Systems Group B.V. (subsidiary of SMGHL)	
	March 31, 2020	March 31, 2019
<b>Summarised balance sheet</b>		
Financial assets	106,693	113,353
Non-financial assets	188,872	168,919
<b>Total assets</b>	<b>295,565</b>	<b>282,272</b>
Financial liabilities	208,171	196,256
Non-financial liabilities	57,065	55,663
<b>Total liabilities</b>	<b>265,236</b>	<b>251,919</b>
Consolidation adjustments and currency translation adjustment	16,620	17,629
<b>Net assets</b>	<b>46,949</b>	<b>47,982</b>

**Reconciliation to carrying amounts**

	March 31, 2020	March 31, 2019
<b>Opening net assets</b>	47,982	42,124
Profit for the year	(1,916)	4,580
Other comprehensive income	613	125
Other movement in net assets	270	1,153
<b>Closing net assets</b>	<b>46,949</b>	<b>47,982</b>
Group's share in %	49%	49%
Group's share in INR	23,005	23,511
<b>Carrying amount</b>	<b>23,005</b>	<b>23,511</b>

**G. Individually immaterial associates**

The group has interests in a number of individually immaterial associates that are accounted for using equity method. The group share of investment and profit is disclosed below.

	March 31, 2020	March 31, 2019
Aggregate carrying amount of individually immaterial associates	1,564	1,558
<b>Aggregate amounts of the group's share of:</b>		
Profit / (loss) from continuing operations	1	(24)

**H. Commitments and contingent liabilities in respect of associates and joint ventures**

	March 31, 2020	March 31, 2019
<b><u>Share of associate's and joint venture's contingent liabilities in respect of:</u></b>		
Excise, sales tax and service tax matters	45	59
Claims made by workmen	49	41
Income tax matters	89	128
Unfulfilled export commitments under EPCG Scheme	38	36
Others	1923	1,406
<b><u>Commitments - associates and joint ventures</u></b>		
Share of joint venture's estimated value of contracts in capital account remaining to be executed, (Net of Advances)	3,252	4,798

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**47 Ind AS 115 Revenue from contracts with customers**

Effective April 1, 2018, the Group has adopted Ind AS 115, 'Revenue from Contracts with Customers', with a modified retrospective approach. The management has evaluated the implications of implementation of new standard on its revenue and has made appropriate adjustments to these results.

The table below represents summary of contract assets and liabilities relating to contracts with customers :

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Receivables	2,400	2,791
Contract assets	369	531
Contract liabilities	888	798

The transaction price allocated to the remaining performance obligations related to development of tools and provision of services are, as follows:

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Within one year	33	55
<b>Total</b>	<b>33</b>	<b>55</b>

Table below provides information on revenue recognised from :

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Amounts included in contract liabilities at the beginning of the year	390	406
	<b>390</b>	<b>406</b>

Contract assets are initially recognised for revenue earned from development of tools and provision of services. Upon completion and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The expected credit loss on contract assets is considered very low and hence no provision for credit loss is recorded in respect of contract assets.

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**Samvardhana Matherson International Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2020**  
 (All amounts are in INR million, unless otherwise stated)

**48 Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to receivables from customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR.

	As at		As at			
	March 31, 2020		March 31, 2019			
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	9,055	-	9,055	921	-	921
Bank balances other than cash and cash equivalents	605	-	605	363	-	363
Derivative financial instruments	0	-	0	-	-	-
Trade Receivables	2,400	-	2,400	2,791	-	2,791
Loans	2,086	176	2,262	301	5,694	5,995
Investments	-	606	606	1,034	275	1,309
Other financial assets	900	247	1,147	671	275	946
<b>Total financial assets</b>	<b>15,046</b>	<b>1,029</b>	<b>16,075</b>	<b>6,081</b>	<b>6,244</b>	<b>12,325</b>
<b>Non-financial assets</b>						
Investment accounted for using the equity method	-	73,934	73,934	-	72,923	72,923
Inventories	1,227	-	1,227	1,172	-	1,172
Income tax assets (net)	-	313	313	-	233	233
Deferred tax assets (net)	-	140	140	-	210	210
Property, plant and equipment	-	5,372	5,372	-	5,096	5,096
Right of use asset	-	1,285	1,285	-	-	-
Capital work in progress	-	388	388	-	1,110	1,110
Investment property	-	13	13	-	14	14
Other intangible assets	-	802	802	-	692	692
Intangible assets under development	-	129	129	-	161	161
Other non-financial assets	-	29	29	-	3	3
<b>Total non-financial assets</b>	<b>767</b>	<b>356</b>	<b>1,123</b>	<b>687</b>	<b>359</b>	<b>1,046</b>
<b>Total assets</b>	<b>17,040</b>	<b>82,761</b>	<b>84,755</b>	<b>1,859</b>	<b>80,801</b>	<b>82,660</b>
<b>Liabilities and equity</b>						
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Trade payables	2,135	-	2,135	2,353	-	2,353
Debt securities	-	7,900	7,900	3,500	900	4,400
Borrowings (other than debt securities)	11,557	3,327	14,884	11,082	4,098	15,180
Lease liabilities	220	669	889	-	-	-
Derivative financial instruments	-	-	-	-	-	-
Other financial liabilities	849	126	975	964	13	977
<b>Total financial liabilities</b>	<b>14,761</b>	<b>12,022</b>	<b>26,783</b>	<b>17,899</b>	<b>5,011</b>	<b>22,910</b>
<b>Non-financial liabilities</b>						
Deferred tax liabilities (net)	-	119	119	-	84	84
Provisions	38	-	38	62	-	62
Employee benefit obligation	153	467	620	135	321	456
Government grants	-	17	17	-	26	26
Other non-financial liabilities	1,209	-	1,209	1,015	9	1,024
Income tax liabilities (net)	4	-	4	12	-	12
<b>Total non-financial liabilities</b>	<b>1,404</b>	<b>603</b>	<b>2,007</b>	<b>1,224</b>	<b>440</b>	<b>1,664</b>

- 49 (i)** During the previous year, the Company sold its investments in equity shares of ETECHACES Marketing & Advertising Private Limited and investments in preference shares of ETECHACES Marketing & Advertising Private Limited and GC Web Ventures Private Limited for, consideration of INR 118 million and INR 263 million respectively to Motherson Lease Solution Limited. These investments were carried in the financial statements at their respective fair values of INR 118 million and INR 263 million pursuant to fair value gain of INR 68 million recognised in Other comprehensive income and 129 million recognised as "Net gain on financial instruments at fair value through profit or loss under "Net gain on fair value changes" in the statement of profit and loss during the previous year ended March 31, 2018. Accordingly, sale of these investments has not resulted in any gain or loss in the previous year. Further fair value gain of INR 68 million recognised in FVOCI reserves in earlier years has been transferred to Retained Earnings in the previous year.
- 49 (ii)** During the year, Magneti Marelli Motherson India Holding BV (MMM BV), a joint venture of the Company has been liquidated. MMM BV had investment in equity shares and compulsorily convertible preference shares (CCPS) in Magneti Marelli Motherson Auto System Private Limited (MMM AS). Upon liquidation of MMM BV, the net assets of MMMBV is distributed to the Company in the form of investments in equity shares and CCPS of MMM AS and cash of Rs. 3 million. The Company has determined that since MMM BV's only investment was in equity shares and CCPS of MMM AS, there is no economic substance to the receipt of investment in MMMAS. Accordingly, the cost of existing investment in equity shares in MMM BV is allocated to cost of investment in equity shares and CCPS in MMM AS in the ratio of relative fair value of both the instruments. The cash received from MMM BV has been netted off with the cost of equity shares and CCPS received from MMM AS. Consequently, no gain/ loss has been recognised on this transaction.
- 50** The Group has established a trust namely Samvardhana Employees Welfare Trust ('the Trust') for welfare of the employees of the Company and its affiliate companies and for the purpose of establishing, instituting, administering, managing, implementing and all other matters incidental to the employee stock option plans and/or any other Share Issue Scheme, by whatever name called, introduced or offered by the Group from time to time. The Trust has been consolidated in the Group's financial statements as the Group has control over the Trust as per Ind AS 110.

The Group had introduced an employee share purchase program in 2006-07, towards which equity shares were allotted to the Trust at par/premium in earlier years. The shares are in turn allotted by the Trust to the employees at the fair value determined by an independent valuer. Employees holding shares of the Company are legal and beneficial owners of the shares. The shares are allotted to the employees at the time of submitting their request at a consideration calculated based on the latest available fair value and these shares vest immediately to employees. Hence, there is no fair value/intrinsic value of benefit provided to employees and there is no obligation of the Group towards the shares allotted to employees. Accordingly, no expense is required to be recognized in the Statement of Profit and Loss of the Group.

The Trust has transferred 1,500 (March 31, 2019: Nil) number of shares of INR 1 million (March 31, 2019: INR Nil) during the year ended March 31, 2020 at exercise price of INR 304 and 12 million (March 31, 2019: 12 million) numbers of shares as on March 31, 2020 to the employees of the Group. As at year end, shares held by the Trust have been considered as treasury shares.

During the year the Trust has debited INR 96 million as on March 31, 2020 to its joint ventures and associates on account of accumulated losses on impairment of INR 96 million on shares held by trust.

- 51 (i)** The Company has outstanding Redeemable Non-Convertible Debentures ("NCDs") amounting to INR 7,000 million (March 31, 2019: INR 3,500 million). During the year, the Company has redeemed debentures amounting to INR 3,500 million (March 31, 2019: INR 4,000 million) along with redemption premium. The Company is registered with the RBI under Section 45-IA of the RBI Act, 1934 as a Core-investment Company ("CIC"), a class of NBFCs, which are regulated by the RBI in terms of the CIC Directions. In accordance of the aforesaid provisions, the Company is not required to and has therefore not created Debenture Redemption Reserve.
- (ii)** During the year, the interest / premium on above mentioned NCDs amounting to INR 622 million (March 31, 2019, INR 455 million) has been booked using EIR method as "Interest and finance charges on debt securities" under the head "Finance costs" in the statement of profit and loss. The outstanding amount of interest accrued / premium payable on maturity of these NCDs has been disclosed as "Interest accrued on debentures" and "Premium on redemption of debentures" under the heads "Other financial liabilities" amounting to INR 202 million (March 31, 2019: INR Nil) and INR 102 (March 31, 2019: INR 112 million) respectively, net of applicable withholding taxes.

52 Additional information required by Schedule III

March 31, 2020:

Name of entity	Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Share in total comprehensive income <sup>1</sup>	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount
Samvardhana Motherson International Limited	5	15,852	8	1,694	(1)	7	9	1,701
<b>Subsidiaries:</b>								
<b>Indian:</b>								
Samvardhana Motherson Adsys Tech Limited	0	(152)	0	(76)	0	(1)	0	(76)
Samvardhana Motherson Auto System Private Limited	0	(67)	0	(29)	0	1	0	(28)
Motherson Techno Tools Limited	0	1,298	0	69	(1)	5	0	74
Motherson Molds and Diecasting Limited	0	130	0	(14)	0	(1)	0	(16)
Motherson Machinery and Automations Limited	0	13	0	3	0	(0)	0	3
Motherson Sumi Infotech & Designs Limited	0	659	0	(17)	7	(51)	0	(67)
Motherson Consultancies Service Limited.	0	39	0	14	0	0	0	14
SAKS Ancillaries Limited	0	110	0	4	0	-	0	4
Samvardhana Motherson Hamakyorex Engineered Logistics Limited	0	812	0	(99)	0	0	(1)	(99)
Samvardhana Motherson Auto Component Private Limited	0	(295)	(1)	(118)	0	0	(1)	(118)
Samvardhana Motherson Global Carriers Limited	0	429	0	(3)	0	(0)	0	(3)
Samvardhana Motherson Maadhyan International Limited	0	(13)	0	(0)	0	0	0	0
CTM India Limited	0	849	1	188	0	(2)	1	186
MS Global India Automotive Private Limited	0	126	(1)	(296)	0	(3)	(2)	(299)
Samvardhana Motherson Innovative Solutions Limited	1	3,598	4	765	0	1	4	766
Samvardhana Motherson Refrigeration Product Limited	0	(249)	0	(15)	0	-	0	(15)
Samvardhana Employees Welfare Trust	0	1	0	(47)	0	-	0	(47)
Samvardhana Motherson Virtual Analysis Limited	0	10	0	0	0	-	0	0
Motherson Auto Engineering Service Limited	0	2	0	40	0	-	0	40
Samvardhana Motherson Health Solution Limited	0	(66)	0	(54)	0	-	0	(54)
Motherson Invenzen Xlab Private Limited	0	(245)	0	(80)	0	(0)	0	(80)
<b>Foreign:</b>								
Motherson Sintermetal Products SA	0	(326)	(6)	(1,169)	0	-	(6)	(1,169)
Samvardhana Motherson Finance Services Cyprus Limited	0	693	0	0	(7)	49	0	49
Motherson Sintermetal Technology BV	(1)	(3,118)	(20)	(3,951)	0	-	(20)	(3,951)
Samvardhana Motherson Holding (M) Private Limited	(1)	(2,139)	(7)	(1,361)	0	-	(7)	(1,361)
MSID US Inc	0	25	0	(8)	0	-	0	(8)
MothersonSumi Infotech and Designs SG Pte Ltd.	0	137	0	46	0	-	0	46
MothersonSumi Infotek and Designs GmbH	0	17	0	5	0	-	0	5
MothersonSumi Infotech & Designs KK	0	(175)	0	(42)	0	-	0	(42)
SMI Consulting Technologies Inc., USA	0	(53)	0	(65)	0	-	0	(65)
Motherson Techno Tools Mideast (FZE)	0	160	0	(26)	0	-	0	(26)
<b>Associates (Investment as per Equity method)</b>								
<b>Indian:</b>								
AES (India) Engineering Limited	0	4	0	(6)	0	(0)	0	(6)
Samvardhana Motherson Polymers Limited	0	350	0	(0)	0	-	0	(0)
SMR Automotive Systems India Ltd.	1	1,755	1	126	5	(34)	0	92
SMRC Automotive Products India Private Limited	0	909	(1)	(158)	0	-	(1)	(158)
<b>Foreign:</b>								
Hubei Zhengao PKC Automotive Wiring Company Ltd.	0	276	0	31	0	-	0	31
Re time Pty Limited	0	5	0	(3)	0	-	0	(3)
Samvardhana Motherson Global Holdings Limited Cyprus	16	48,958	0	9	0	-	0	9
Samvardhana Motherson Automotive Systems Group B.V.	21	64,021	16	3,209	(27)	190	17	3,399
Samvardhana Motherson Reflectec Group Holdings Limited	4	12,986	7	1,427	0	-	7	1,427
SMR Automotive Technology Holding, Cyprus Ltd.	1	2,557	2	456	0	-	2	456
SMR Automotive Brasil LTDA.	0	586	1	104	0	-	1	104
SMR Automotive Mirror Technology Holding Hungary KFT	0	1,354	2	395	0	-	2	395
SMR Holding Australia Pty Limited	0	996	2	397	0	-	2	397
SMR Automotive Australia Pty Limited	0	770	2	492	3	(19)	2	473
SMR Automotive Mirror Technology, Hungary BT	0	379	(1)	(238)	17	(116)	(2)	(354)
SMR Automotive Systems, France S.A.	0	(191)	(1)	(266)	3	(20)	(1)	(286)
SMR Automotive System (Thailand) Limited	0	342	0	(7)	1	(6)	0	(13)
SMR Automotive Mirror Parts and Holdings, UK Ltd.	3	7,821	7	1,336	1	(9)	7	1,327
SMR Patents S.à.r.l.	0	(26)	1	113	0	-	1	113
SMR Automotive Technology Valencia S.A.U.	0	130	0	4	0	-	0	4
SMR Automotive Mirrors UK Limited	0	600	1	142	0	-	1	142
SMR Automotive Mirror Systems Holding Deutschland GmbH	0	1,050	3	518	0	(1)	3	517
SMR Hyosang Automotive Ltd.	0	1,354	0	98	1	(7)	0	91
SMR Automotive Modules Korea Ltd.	1	2,302	(1)	(103)	28	(193)	(2)	(296)
SMR Automotive Beteiligungen Deutschland GmbH	0	96	0	(7)	0	-	0	(7)
SMR Automotive Systems Spain S.A.U.	0	619	2	498	0	-	3	498
SMR Automotive Servicios Mexico S.A de C.V. (Liquidated on July 2, 2019)	0	-	0	-	0	-	0	-
SMR Automotive Vision Systems Mexico S.A. de C.V.	1	1,786	2	448	18	(123)	2	325

Samvardhana Motherson International Limited

Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in INR million, unless otherwise stated)

Name of entity	Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Share in total comprehensive income <sup>1</sup>	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount
SMR Automotive Mirror Stuttgart GmbH	0	654	2	330	7	(49)	1	281
SMR Grundbesitz GmbH & Co. KG	0	166	0	17	0	-	0	17
SMR Mirror UK Limited	0	855	13	2,571	0	-	13	2,571
SMR Automotive Systems USA Inc.	1	3,025	12	2,408	0	-	12	2,408
SMR Automotive Mirror International USA Inc.	3	10,271	15	3,016	(9)	61	16	3,077
SMR Automotive Vision System Operations USA INC	2	7,382	13	2,628	0	-	13	2,628
SMR Automotive Beijing Company Limited	0	257	0	8	(9)	63	0	70
SMR Automotive Yancheng Co. Limited	0	500	0	23	(6)	40	0	64
SMR Automotive Holding Hong Kong Limited	0	307	0	(1)	0	-	0	(1)
SMR Automotive Operations Japan k.k.	0	(41)	0	(85)	0	-	0	(85)
SMR Automotive (Langfang) Co. Limited	0	41	0	49	0	-	0	49
SMR Automotives Systems Macedonia Doel Skopje	0	(9)	0	(0)	0	-	0	(0)
SMR Automotive Industries RUS Limited Liability Company	0	14	0	1	0	-	0	1
Samvardhana Motherson Peguform GmbH	0	(602)	(4)	(815)	0	-	(4)	(815)
SMP Automotive Exterior GmbH	0	1,204	(1)	(107)	0	-	(1)	(107)
SMP Deutschland GmbH	3	9,044	8	1,609	7	(50)	8	1,559
SMP Logistik Service GmbH	0	32	0	0	0	-	0	0
SMP Automotive Solutions Slovakia s.r.o.	0	(969)	0	(51)	0	-	0	(51)
Changchun Peguform Automotive Plastics Technology Ltd.	2	6,129	6	1,234	0	-	6	1,234
Foshan Peguform Automotive Plastics Technology Co. Ltd.	0	468	0	50	0	-	0	50
Shenyang SMP Automotive Plastic Component Co. Ltd.	0	160	0	68	0	-	0	68
SMP Automotive Technology Management Services (Changchun) Co. Ltd.	0	(23)	0	-	0	-	0	-
SMP Automotive Interiors (Beijing) Co. Ltd.	0	852	2	412	0	-	2	412
SMP Automotive Technology Iberica S.L.	2	5,260	5	1,002	0	-	5	1,002
SMP Automotive Technologies Teruel Sociedad Limitada	0	154	0	77	0	-	0	77
Samvardhana Motherson Peguform Barcelona S.L.U	0	232	1	187	0	-	1	187
SMP Automotive Produtos Automotivos do Brasil Ltda	0	(1,279)	(7)	(1,348)	0	-	(7)	(1,348)
SMP Automotive Systems México, S. A. de C. V.	1	3,696	1	296	53	(368)	0	(72)
Samvardhana Motherson Peguform Automotive Technology Portugal, S.A.	0	499	2	464	0	-	2	464
Celulosa Fabril (Cefa) S.A.	0	1,383	2	426	0	-	2	426
Modulos Ribera Alta S.L. Unipersonal	1	2,387	3	533	0	-	3	533
Samvardhana Motherson Innovative Autosystems B.V. & Co. KG	1	1,837	(2)	(372)	0	-	(2)	(372)
Samvardhana Motherson Innovative Autosystems Holding Company B.V.	0	5	0	0	0	-	0	0
Samvardhana Motherson Innovative Autosystems de Mexico, S.A. de C.V.	0	297	(1)	(134)	0	-	(1)	(134)
SM Real Estate GmbH	0	98	0	13	0	-	0	13
Motherson Innovations Lights GmbH & Co. KG	0	24	0	(29)	0	-	0	(29)
Motherson Innovations Lights Verwaltungs GmbH	0	2	0	0	0	-	0	0
SMP Automotive Systems Alabama Inc.	(3)	(9,998)	(43)	(8,688)	0	-	(43)	(8,688)
Tianjin SMP Automotive Components Co. Ltd.	0	85	0	(34)	0	-	0	(34)
SMRC Automotive Interiors Management B.V.	0	6	0	-	0	-	0	-
SMRC Automotive Holdings B.V.	0	566	0	(90)	0	-	0	(90)
SMRC Automotive Holdings Netherlands B.V.	1	3,993	(2)	(374)	0	-	(2)	(374)
SMRC Automotives Techno Minority Holdings B.V.	0	34	0	2	0	-	0	2
SMRC Smart Automotive Interior Technologies USA, LLC	0	-	0	-	0	-	0	-
SMRC Automotive Modules France SAS	1	2,694	9	1,872	(1)	5	10	1,877
Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U.	0	465	0	11	0	-	0	11
SMRC Automotive Interiors Spain S.L.U.	1	2,032	2	355	0	-	2	355
SMRC Automotive Interior Modules Croatia d.o.o	0	6	0	1	0	-	0	1
Samvardhana Motherson Reydel Autotecc Morocco SAS	0	163	0	(69)	0	0	0	(69)
SMRC Automotive Technology RU LLC	0	(124)	(1)	(294)	0	-	(2)	(294)
SMRC Smart Interior Systems Germany GmbH	0	64	0	29	2	(15)	0	14
SMRC Automotive Interiors Products Poland SA	0	74	0	4	0	-	0	4
SMRC Automotive Solutions Slovakia s.r.o.	0	277	(1)	(238)	0	(1)	(1)	(240)
SMRC Automotive Holding South America B.V.	0	261	0	(19)	0	-	0	(19)
SMRC Automotive Modules South America Minority Holdings B.V.	0	19	0	(0)	0	-	0	(0)
SMRC Automotive Tech Argentina S.A.	0	446	0	(40)	0	-	0	(40)
SMRC Fabricacao e Comercio de Produtos Automotivos do Brasil Ltda	0	304	0	38	0	-	0	38
SMRC Automotive Smart Interior Tech Thailand Ltd.	0	500	0	(16)	(1)	10	0	(5)
SMRC Automotive Interiors Japan Ltd.	0	9	0	9	0	(1)	0	7
Shanghai Reydel Automotive Technology Consulting Co. Ltd.	0	10	0	2	0	-	0	2
PT SMRC Automotive Technology Indonesia	0	(28)	0	11	0	-	0	11

Samvardhana Motherson International Limited

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(All amounts are in INR million, unless otherwise stated)

Name of entity	Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Share in total comprehensive income <sup>1</sup>	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount
Yujin-SMRC Automotive Modules Corp.	0	1,057	1	226	(4)	28	1	253
SMRC Automotives Technology Phil Inc. (earlier known as Reydel Automotive Phils Inc.)	0	(18)	0	(14)	0	-	0	(14)
Samvardhana Motherson Global (FZE)	0	115	0	71	0	-	0	71
Motherson Innovations Company Limited	0	591	(3)	(582)	0	-	(3)	(582)
Motherson Innovations Deutschland GmbH	0	31	0	5	0	-	0	5
Motherson Innovations LLC	0	-	0	-	0	-	0	-
Samvardhana Motherson Corp Management Shanghai Co.,Ltd	0	53	0	(24)	0	-	0	(24)
Motherson Osia Innovation llc.	0	-	0	-	0	-	0	-
Eissmann SMP Automotive Interieur Slovensko s.r.o	0	211	(1)	(125)	0	-	(1)	(125)
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	1	2,423	1	259	0	-	1	259
Chongqing SMR Huaxiang Automotive Products	0	524	0	23	0	-	0	23
Tianjin SMR Huaxiang Automotive Part Co. Limited	0	28	0	(1)	0	-	0	(1)
<b>Joint Ventures (Investment as per Equity method)</b>								
<b>Indian:</b>								
Anest Iwata Motherson Coating Equipment Private Limited	0	42	0	1	0	(0)	0	1
Anest Iwata Motherson Private Limited	0	247	0	54	0	(1)	0	53
Frigel Intelligent Cooling Systems India Private Limited	0	4	0	(3)	0	-	0	(3)
Fritzmeier Motherson Cabin Engineering Private Limited	0	290	0	9	0	(1)	0	8
Matsui Technologies India Limited	0	100	0	54	0	(0)	0	53
Motherson Auto Solutions Limited	1	1,810	0	57	0	(0)	0	57
Youngshin Motherson Auto Tech Limited	0	69	0	(18)	0	(0)	0	(18)
Motherson Bergstrom HVAC Solutions Private Limited	0	36	0	8	0	(0)	0	8
Magneti Marelli Motherson Auto System Private Limited	0	1,363	2	409	0	(3)	2	406
Magneti Marelli Motherson Shock Absorbers India Private Limited	0	414	0	(14)	0	(1)	0	(16)
Nissin Advanced Coating Indo Co. Private Limited	0	60	0	(3)	0	(0)	0	(3)
Valeo Motherson Thermal Commercial Vehicles India Limited	0	115	0	28	0	1	0	29
Motherson Sumi Systems Limited	7	20,875	15	3,005	5	(37)	15	2,967
Motherson Innovations Tech Limited (esrt MSSL Automobile Component Limited)	0	1	0	1	0	-	0	1
Motherson Polymers Compounding Solution Limited	0	7	0	3	0	(0)	0	3
Kyungshin Industrial Motherson Limited	0	694	0	66	0	(2)	0	64
Calsonic Kansei Motherson Auto Products Private Limited	0	210	0	7	0	(0)	0	7
<b>Foreign:</b>								
Magneti Marelli Motherson Holding B.V. (liquidated during the year)	0	-	0	-	0	-	0	-
MSSL Overseas Wiring System Ltd., U.K. (liquidated during the year)	0	-	0	-	0	-	0	-
T.I.C.S. Corporation	0	0	0	0	0	-	0	0
PKC Group Ltd	1	3,425	2	361	0	-	2	361
PKC Netherlands Holding B.V (Liquidated on July 31, 2019)	0	27	0	1	0	-	0	1
PK Cables Nederland B.V.(Liquidated on July 31, 2019)	0	(0)	0	(1)	0	-	0	(1)
PKC Wiring Systems Oy	1	2,606	0	71	0	-	0	71
PKC Group Poland Sp. z o.o.	0	(208)	0	(72)	0	-	0	(72)
PKC SEGU Systemelektrik GmbH	0	(71)	0	20	0	-	0	20
PKC Wiring Systems Llc	0	97	0	(72)	0	-	0	(72)
PKC Eesti AS	2	4,745	2	353	0	-	2	353
TKV-Sarijat Oy	0	3	0	1	0	-	0	1
OOO AEK	0	137	0	(14)	0	-	0	(14)
PKC Group Lithuania UAB	0	153	0	32	0	-	0	32
PK Cables do Brasil Ltda	0	202	0	(5)	0	-	0	(5)
PKC Group Canada Inc.	0	98	0	(5)	0	-	0	(5)
PKC Group Mexico S.A. de C.V.	0	43	0	-	0	-	0	-
Project Del Holding S.a.r.l.	0	454	0	(1)	0	-	0	(1)
AEES Manufacturera, S. De R.L. de C.V	0	220	0	0	0	-	0	0
Arneses de Ciudad Juarez, S. de R.L. de C.V.	0	10	0	(0)	0	-	0	(0)
Arneses y Accesorios de México, S. de R.L. de C.V.	0	37	0	42	0	-	0	42
Cableados del Norte II, S. de R.L. de C.V.	0	67	0	13	0	-	0	13
Asesoría Mexicana Empresarial, S. de R.L. de C.V.	0	35	0	5	0	-	0	5
Manufacturas de Componentes Electricos de Mexico S. de R.L. de C.V.	0	1	0	-	0	-	0	-
PKC Group de Piedras Negras, S. de R.L. de C.V.	0	20	0	9	0	-	0	9
PKC Group AEES Commercial, S. de R.L. de C.V.	0	12	0	6	0	-	0	6
PKC Group USA Inc.	(1)	(4,397)	(2)	(314)	0	-	(2)	(314)
AEES Inc.	1	4,234	5	954	0	-	5	954
AEES Power Systems Limited Partnership	0	732	0	81	0	-	0	81
Fortitude Industries Inc.	0	286	0	(15)	0	-	0	(15)
PKC Vehicle Technology (Hefei) Co., Ltd.	0	320	0	32	0	-	0	32
PKC Vehicle technology (Suzhou) Co. Ltd	0	(37)	0	93	0	-	0	93
Jiangsu Huakai-PKC Wire Harness Co., Ltd.	0	1,362	0	52	0	-	0	52
Shandong Huakai-PKC Wire Harness Co. Ltd	0	389	0	49	0	-	0	49
PKC Group APAC Ltd.	0	(675)	0	(64)	0	-	0	(64)
Kabel Technik Polska Sp. z o.o.	0	283	0	(7)	0	-	0	(7)

Samvardhana Motherson International Limited

Notes to consolidated financial statements for the year ended March 31, 2020

(All amounts are in INR million, unless otherwise stated)

Name of entity	Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Share in total comprehensive income <sup>1</sup>	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount
PKC Group Poland Holding Sp. z o.o.	0	258	0	4	0	-	0	4
Groclin Luxembourg S.à r.l.	0	623	0	(1)	0	-	0	(1)
Motherson Rolling Stock Systems GB Limited	0	331	1	228	0	-	1	228
MSSL Mideast (FZE)	3	8,176	1	269	0	-	1	269
MSSL GB Limited	4	11,529	4	775	0	-	4	775
MSSL Mauritius Holdings Limited	1	1,855	1	217	0	-	1	217
MSSL (S) Pte Limited	0	377	0	2	0	-	0	2
Motherson Electrical Wires Lanka Private Limited	0	149	0	99	0	(0)	1	99
MSSL Consolidated Inc. USA	0	586	3	564	0	-	3	564
MSSL Wiring Systems Inc	1	1,517	2	476	9	(66)	2	410
Alphabet De Mexico S.A. de C.V	0	29	0	19	0	-	0	19
Alphabet De Saltillo S.A. de C.V.	0	(3)	0	(9)	0	-	0	(9)
Alphabet De Mexico de Monclova S.A. de C.V	0	4	0	(0)	0	-	0	(0)
MSSL Wirings Juarez S.A. de C.V.	0	2	0	1	0	-	0	1
MSSL Japan Limited	0	9	0	(9)	0	-	0	(9)
MSSL Mexico S.A. De C.V.	0	237	0	41	0	(3)	0	37
MSSL WH System (Thailand) Co. Ltd.	0	132	0	41	0	-	0	41
MSSL Korea WH Limited	0	(4)	0	(2)	0	-	0	(2)
MSSL Ireland Private Limited	0	11	0	1	0	-	0	1
MSSL s.r.l. Unipersonale	0	5	0	1	0	-	0	1
MSSL Estonia WH OÜ	0	632	3	649	0	-	3	649
MSSL Australia Pty Limited	0	89	0	39	0	-	0	39
Motherson Elastomers Pty Limited	0	125	0	38	0	-	0	38
Motherson Investments Pty Limited	0	5	0	2	0	-	0	2
MSSL Global RSA Module Engineering Limited	0	455	1	249	0	-	1	249
Vacuform 2000 (Proprietary) Limited	0	12	0	2	0	-	0	2
MSSL GMBH	0	409	0	(15)	0	-	0	(15)
Samvardhana Motherson Invest Deutschland GmbH	0	23	0	0	0	-	0	0
MSSL Advanced Polymers s.r.o.	0	163	0	16	0	-	0	16
Motherson Techno Precision GmbH	0	18	0	(8)	0	-	0	(8)
Samvardhana Motherson Polymers Management Germany GMBH (Merged with MSSL GmbH from August 30, 2019)	0	-	0	-	0	-	0	-
Motherson Techno Precision México, S.A. de C.V	0	(39)	0	3	0	-	0	3
MSSL Manufacturing Hungary Kft	0	13	0	1	0	-	0	1
Motherson Air Travel Pvt Ltd	0	(171)	0	(66)	0	-	0	(66)
MSSL Tooling (FZE)	0	554	1	153	0	-	1	153
Motherson Wiring System (FZE)	0	(39)	0	2	0	-	0	2
Global Environment Management (FZC)	0	(21)	0	2	0	-	0	2
MSSL M Tooling Ltd	0	-	0	-	0	-	0	-
Minority interest in all subsidiaries	(1)	(1,769)	0	(40)	(3)	23	0	(17)

52 Additional information required by Schedule III

March 31, 2019:

Name of entity	Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Share in total comprehensive income <sup>1</sup>	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount
Samvardhana Motherson International Limited	5	14,404	2	604	(1)	(8)	2	596
<b>Subsidiaries:</b>								
<b>Indian:</b>								
Samvardhana Motherson Adsys Tech Limited	0	(76)	0	(83)	0	0	0	(83)
Samvardhana Motherson Auto System Private Limited	0	(54)	0	(28)	0	0	0	(28)
Motherson Techno Tools Limited	0	1,166	1	218	0	4	1	222
Motherson Molds and Diecasting Limited	0	146	0	3	0	(1)	0	2
Motherson Machinery and Automations Limited	0	10	0	1	0	(0)	0	1
Motherson Sumi Infotech & Designs Limited	0	685	1	184	0	(1)	1	183
Motherson Consultancies Service Limited.	0	25	0	32	0	0	0	32
SAKS Ancillaries Limited	0	106	0	8	0	-	0	8
Samvardhana Motherson Hamakyorex Engineered Logistics Limited	0	(0)	0	(0)	0	-	0	(0)
Samvardhana Motherson Auto Component Private Limited	0	(177)	0	(95)	0	(0)	0	(95)
Samvardhana Motherson Global Carriers Limited	0	(26)	0	(28)	0	-	0	(28)
Samvardhana Motherson Maadhyan International Limited	0	(14)	0	(12)	0	(2)	0	(14)
CTM India Limited	0	750	1	236	0	(1)	1	235
MS Global India Automotive Private Limited	0	425	0	32	0	(4)	0	28
Samvardhana Motherson Innovative Solutions Limited	1	2,825	(3)	(1,047)	0	0	(3)	(1,047)
Samvardhana Motherson Refrigeration Product Limited	0	(234)	0	(14)	0	-	0	(14)
Samvardhana Employees Welfare Trust	0	64	0	(12)	0	-	0	(12)
Samvardhana Motherson Virtual Analysis Limited	0	10	0	0	0	-	0	0
Motherson Auto Engineering Service Limited	0	(37)	0	0	0	-	0	0
Samvardhana Motherson Health Solution Limited	0	(12)	0	(13)	0	-	0	(13)
<b>Foreign:</b>								
Motherson Sintermetal Products SA	0	(387)	(2)	(606)	3	36	(2)	(570)
Samvardhana Motherson Finance Services Cyprus Limited	0	587	0	(2)	0	-	0	(2)
Motherson Sintermetal Technology BV	0	989	0	(30)	0	-	0	(30)
Samvardhana Motherson Holding (M) Private Limited	0	(651)	0	28	0	-	0	28
MSID US Inc	0	31	0	14	0	-	0	14
MothersonSumi Infotech and Designs SG Pte Ltd.	0	11	0	4	0	-	0	4
MothersonSumi Infotek and Designs GmbH	0	82	0	24	0	-	0	24
MothersonSumi Infotech & Designs KK	0	(114)	0	(27)	0	-	0	(27)
SMI Consulting Technologies Inc., USA	0	-	0	(13)	0	-	0	(13)
Motherson Techno Tools Mideast (FZE)	0	171	0	10	0	-	0	10
<b>Associates (Investment as per Equity method)</b>								
<b>Indian:</b>								
AES (India) Engineering Limited	0	10	0	1	0	0	0	1
Samvardhana Motherson Polymers Limited	0	347	0	(1)	0	-	0	(1)
SMR Automotive Systems India Ltd.	1	1,693	1	333	(12)	(147)	1	186
SMRC Automotive Products India Private Limited	0	1,067	0	74	0	-	0	74
<b>Foreign:</b>								
Hubei Zhengao PKC Automotive Wiring Company Ltd.	0	281	0	54	0	-	0	54
Re time Pty Limited	0	14	0	1	0	-	0	1
Samvardhana Motherson Global Holdings Limited Cyprus	16	45,566	0	(35)	0	-	0	(35)
Samvardhana Motherson Automotive Systems Group B.V.	19	55,784	18	5,824	(16)	(200)	16	5,624
Samvardhana Motherson Reflectec Group Holdings Limited	4	10,941	5	1,610	0	-	5	1,610
SMR Automotive Technology Holding, Cyprus Ltd.	1	3,544	1	417	0	-	1	417
SMR Automotive Brasil LTDA.	0	606	0	52	(50)	(608)	(2)	(556)
SMR Automotive Mirror Technology Holding Hungary KFT	1	1,581	2	541	(33)	(409)	0	132
SMR Holding Australia Pty Limited	0	1,054	2	497	18	216	2	713
SMR Automotive Australia Pty Limited	0	741	1	444	(5)	(62)	1	382
SMR Automotive Mirror Technology, Hungary BT	0	824	(5)	(1,693)	3	35	(5)	(1,658)
SMR Automotive Systems, France S.A.	0	78	(1)	(475)	(2)	(27)	(1)	(502)
SMR Automotive System (Thailand) Limited	0	328	0	6	5	64	0	70
SMR Automotive Mirror Parts and Holdings, UK Ltd.	3	7,207	5	1,677	(1)	(8)	5	1,670
SMR Patents S.à.r.l.	0	(135)	0	(139)	0	-	0	(139)
SMR Automotive Technology Valencia S.A.U.	0	117	0	3	0	-	0	3
SMR Automotive Mirrors UK Limited	0	350	1	183	0	-	1	183
SMR Automotive Mirror Systems Holding Deutschland GmbH	0	1,337	3	1,059	0	-	3	1,059
SMR Hyosang Automotive Ltd.	0	1,220	1	210	8	93	1	302
SMR Automotive Modules Korea Ltd.	1	2,385	0	87	(6)	(71)	0	16
SMR Automotive Beteiligungen Deutschland GmbH	0	96	0	(35)	0	-	0	(35)
SMR Automotive Systems Spain S.A.U.	0	401	1	388	0	-	1	388
SMR Automotive Servicios Mexico S.A. de C.V.	0	31	0	(0)	(1)	(10)	0	(10)
SMR Automotive Vision Systems Mexico S.A. de C.V.	1	1,852	1	418	12	152	2	570

**Samvardhana Motherson International Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

Name of entity	Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Share in total comprehensive income <sup>1</sup>	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount
SMR Automotive Mirror Stuttgart GmbH	0	281	(1)	(351)	(4)	(53)	(1)	(404)
SMR Grundbesitz GmbH & Co. KG	0	138	0	(15)	0	-	0	(15)
SMR Mirror UK Limited	0	903	2	684	0	-	2	684
SMR Automotive Systems USA Inc.	1	3,357	8	2,761	49	602	10	3,363
SMR Automotive Mirror International USA Inc.	3	9,486	10	3,273	30	371	11	3,644
SMR Automotive Vision System Operations USA INC	1	4,194	4	1,390	44	538	6	1,928
SMR Automotive Beijing Company Limited	0	240	0	4	8	100	0	104
SMR Automotive Yancheng Co. Limited	0	459	0	(13)	8	101	0	88
SMR Automotive Holding Hong Kong Limited	0	287	0	(1)	0	-	0	(1)
SMR Automotive Operations Japan k.k.	0	45	0	7	0	1	0	8
SMR Automotive (Langfang) Co. Limited	0	(9)	0	(15)	4	44	0	30
SMR Automotives Systems Macedonia Dooel Skopje	0	(9)	0	0	0	-	0	0
SMR Automotive Industries RUS Limited Liability Company	0	13	0	(4)	0	-	0	(4)
Samvardhana Motherson Peguform GmbH	0	(883)	(4)	(1,153)	0	-	(3)	(1,153)
SMP Automotive Exterior GmbH	0	1,021	0	(146)	0	-	0	(146)
SMP Deutschland GmbH	4	10,238	12	3,962	(2)	(26)	12	3,935
SMP Logistik Service GmbH	0	29	0	1	0	-	0	1
SMP Automotive Solutions Slovakia s.r.o.	0	(852)	0	(1)	0	-	0	(1)
Changchun Peguform Automotive Plastics Technology Ltd.	2	5,489	5	1,775	0	-	5	1,775
Foshan Peguform Automotive Plastics Technology Co. Ltd.	0	184	0	43	0	-	0	43
Shenyang SMP Automotive Plastic Component Co. Ltd.	0	85	0	(52)	0	-	0	(52)
SMP Automotive Technology Management Services (Changchun) Co. Ltd.	0	(22)	0	1	0	-	0	1
SMP Automotive Interiors (Beijing) Co. Ltd.	0	645	1	380	0	-	1	380
SMP Automotive Technology Iberica S.L.	1	3,580	1	379	0	-	1	379
SMP Automotive Technologies Teruel Sociedad Limitada	0	138	0	74	0	-	0	74
Samvardhana Motherson Peguform Barcelona S.L.U	0	257	1	234	0	-	1	234
SMP Automotive Produtos Automotivos do Brasil Ltda	0	(833)	(3)	(1,098)	0	-	(3)	(1,098)
SMP Automotive Systems México, S. A. de C. V.	1	3,534	3	857	43	525	4	1,382
Samvardhana Motherson Peguform Automotive Technology Portugal, S.A.	0	365	1	279	0	-	1	279
Celulosa Fabril (Cefa) S.A.	1	1,636	1	485	0	-	1	485
Modulos Ribera Alta S.L. Unipersonal	1	1,697	1	334	0	-	1	334
Samvardhana Motherson Innovative Autosystems B.V. & Co. KG	1	2,077	(1)	(484)	0	-	(1)	(484)
Samvardhana Motherson Innovative Autosystems Holding Company B.V.	0	5	0	0	0	-	0	0
Samvardhana Motherson Innovative Autosystems de Mexico, S.A. de C.V.	0	463	0	58	0	-	0	58
SM Real Estate GmbH	0	78	0	26	0	-	0	26
Motherson Innovations Lights GmbH & Co. KG	0	51	0	(18)	0	-	0	(18)
Motherson Innovations Lights Verwaltungs GmbH	0	1	0	0	0	-	0	0
SMP Automotive Systems Alabama Inc.	0	(491)	(13)	(4,426)	0	-	(13)	(4,426)
Tianjin SMP Automotive Components Co. Ltd.	0	117	0	(88)	0	-	0	(88)
SMRC Automotive Interiors Management B.V.	0	6	2	495	0	-	1	495
SMRC Automotive Holdings B.V.	0	680	10	3,307	0	-	10	3,307
SMRC Automotive Holdings Netherlands B.V.	1	4,085	4	1,232	0	-	4	1,232
SMRC Automotives Techno Minority Holdings B.V.	0	29	0	5	0	-	0	5
SMRC Smart Automotive Interior Technologies USA, LLC	0	-	0	-	0	-	0	-
SMRC Automotive Modules France SAS	0	659	0	111	0	(0)	0	111
Reydel Automotive Holding Spain, S.L.U.	0	422	0	3	0	-	0	3
SMRC Automotive Interiors Spain S.L.U.	1	1,542	1	389	0	0	1	389
Reydel Automotive Croatia d.o.o.	0	5	0	0	0	-	0	0
Reydel Automotive Morocco SAS	0	223	0	10	0	-	0	10
SMRC Automotive Modules Russia LLC	0	147	0	3	0	-	0	3
SMRC Smart Interior Systems Germany GmbH	0	37	0	1	(1)	(12)	0	(11)
Reydel Automotive Poland SA	0	69	0	(2)	0	-	0	(2)
SMRC Automotive Solutions Slovakia s.r.o.	0	493	0	(3)	0	(0)	0	(3)
SMRC Automotive Holding South America B.V.	0	204	0	(16)	0	-	0	(16)
SMRC Automotive Modules South America Minority Holdings B.V.	0	19	0	(0)	0	-	0	(0)
Reydel Automotive Argentina SA	0	358	0	(26)	0	-	0	(26)
Reydel Automotive Brazil Industria e Comercio de Sistemas Automotivos Ltda	0	467	0	46	0	-	0	46
SMRC Automotive Smart Interior Tech Thailand Ltd.	0	482	0	113	0	4	0	118
SMRC Automotive Interiors Japan Ltd.	0	(0)	0	(7)	0	(1)	0	(7)
Shanghai Reydel Automotive Technology Consulting Co. Ltd.	0	8	0	1	0	-	0	1
PT SMRC Automotive Technology Indonesia	0	(40)	0	(3)	0	-	0	(3)



**Samvardhana Motherson International Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

Name of entity	Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Share in total comprehensive income <sup>1</sup>	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount
Yujin-SMRC Automotive Modules Corp.	0	966	0	40	1	10	0	50
Reydel Automotive Phils Inc.	0	(3)	0	(16)	0	-	0	(16)
Samvardhana Motherson Global (FZE)	0	77	0	62	0	1	0	62
Motherson Innovations Company Limited	0	821	(2)	(546)	0	-	(2)	(546)
Motherson Innovations Deutschland GmbH	0	24	0	5	0	-	0	5
Motherson Innovations LLC	0	-	0	-	0	-	0	-
Samvardhana Motherson Corp Management Shanghai Co.,Ltd	0	50	0	(3)	0	2	0	(0)
Motherson Osia Innovation llc.	0	-	0	-	0	-	0	-
Eissmann SMP Automotive Interieur Slovensko s.r.o	0	274	0	(10)	0	-	0	(10)
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	1	2,238	1	337	0	-	1	337
Chongqing SMR Huaxiang Automotive Products	0	671	0	43	0	-	0	43
Tianjin SMR Huaxiang Automotive Part Co. Limited	0	27	0	0	0	-	0	0
<b>Joint Ventures (Investment as per Equity method)</b>								
<b>Indian:</b>								
Anest Iwata Motherson Coating Equipment Private Limited	0	51	0	15	0	(0)	0	15
Anest Iwata Motherson Private Limited	0	229	0	59	0	0	0	59
Frigel Intelligent Cooling Systems India Private Limited	0	8	0	0	0	-	0	0
Fritzmeier Motherson Cabin Engineering Private Limited	0	296	0	29	0	(0)	0	29
Motherson Invenzen Xlab Private Limited	0	(84)	0	(32)	0	(0)	0	(32)
Matsui Technologies India Limited	0	80	0	38	0	0	0	38
Motherson Auto Solutions Limited	1	1,753	0	(57)	0	(0)	0	(57)
Youngshin Motherson Auto Tech Limited	0	76	0	(28)	0	(1)	0	(28)
Motherson Bergstrom HVAC Solutions Private Limited	0	27	0	12	0	0	0	12
Magneti Marelli Motherson Auto System Private Limited	0	1,119	1	267	0	(0)	1	267
Magneti Marelli Motherson Shock Absorbers India Private Limited	0	430	0	26	0	1	0	27
Nissin Advanced Coating Indo Co. Private Limited	0	64	0	7	0	0	0	7
Valeo Motherson Thermal Commercial Vehicles India Limited	0	98	0	25	0	1	0	26
Motherson Sumi Systems Limited	8	21,522	8	2,720	(2)	(19)	8	2,702
MSSL Automobile Component Limited	0	0	0	(0)	0	-	0	(0)
Motherson Polymers Compounding Solution Limited	0	5	0	2	0	(0)	0	2
Kyungshin Industrial Motherson Limited	0	665	0	116	0	0	0	116
Calsonic Kansei Motherson Auto Products Private Limited	0	209	0	16	0	(0)	0	16
<b>Foreign:</b>								
Magneti Marelli Motherson Holding B.V.	0	467	0	(9)	0	-	0	(9)
MSSL Overseas Wiring System Ltd., U.K.	0	-	0	0	0	-	0	0
T.L.C.S. Corporation	0	0	0	0	0	-	0	0
PKC Group Ltd	1	3,098	0	(75)	0	-	0	(75)
PKC Nederland Holding B.V	0	311	0	(12)	0	-	0	(12)
PK Cables Nederland B.V.	0	2	0	(0)	0	-	0	(0)
PKC Wiring Systems Oy	1	2,623	3	1,073	0	-	3	1,073
PKC Group Poland Sp. z o.o.	0	(132)	0	(97)	0	-	0	(97)
PKC SEGU Systemelektrik GmbH	0	(85)	0	(20)	0	-	0	(20)
PKC Wiring Systems Llc	0	161	0	19	0	-	0	19
PKC Eesti AS	1	4,070	2	501	0	-	1	501
TKV-Sarjat Oy	0	2	0	(0)	0	-	0	(0)
OOO AEK	0	163	0	69	0	-	0	69
PKC Group Lithuania UAB	0	112	0	43	0	-	0	43
PK Cables do Brasil Ltda	0	331	0	(2)	0	-	0	(2)
PKC Group Canada Inc.	0	99	0	3	0	-	0	3
PKC Group Mexico S.A. de C.V.	0	48	0	-	0	-	0	-
Project Del Holding S.à.r.l.	0	424	1	187	0	-	1	187
AEES Manufacturera, S. De R.L. de C.V	0	247	0	33	0	-	0	33
Arneses de Ciudad Juarez, S. de R.L. de C.V.	0	13	0	4	0	-	0	4
Arneses y Accesorios de México, S. de R.L. de C.V.	0	10	0	52	0	-	0	52
Cableados del Norte II, S. de R.L. de C.V.	0	68	0	17	0	-	0	17
Asesoría Mexicana Empresarial, S. de R.L. de C.V.	0	35	0	5	0	-	0	5
Manufacturas de Componentes Electricos de Mexico S. de R.L. de C.V.	0	1	0	(0)	0	-	0	(0)
PKC Group de Piedras Negras, S. de R.L. de C.V.	0	17	0	9	0	-	0	9
PKC Group AEES Commercial, S. de R.L. de C.V.	0	8	0	0	0	-	0	0
PKC Group USA Inc.	(1)	(3,718)	(1)	(340)	0	-	(1)	(340)
AEES Inc.	1	3,155	3	910	0	-	3	910
AEES Power Systems Limited Partnership	0	592	0	76	0	-	0	76
Fortitude Industries Inc. (dba ATM)	0	276	0	16	0	-	0	16
PKC Vehicle Technology (Hefei) Co., Ltd.	0	277	0	(16)	0	-	0	(16)
PKC Vehicle technology (Suzhou) Co. Ltd	0	(213)	0	(52)	0	-	0	(52)
Jiangsu Huakai-PKC Wire Harness Co., Ltd.	0	1,262	1	198	0	-	1	198
Shandong Huakai-PKC Wire Harness Co. Ltd	0	170	0	4	0	-	0	4
PKC Group APAC Ltd.	0	(546)	0	(60)	0	-	0	(60)
Kabel Technik Polska Sp. z o.o.	0	291	0	(27)	0	-	0	(27)

**Samvardhana Motherson International Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2020**  
(All amounts are in INR million, unless otherwise stated)

Name of entity	Net Assets <sup>1</sup>		Share in profit or (loss) <sup>1</sup>		Share in other comprehensive income <sup>1</sup>		Share in total comprehensive income <sup>1</sup>	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount	As a % of Consolidated Profit / (loss)	Amount
PKC Group Poland Holding Sp. z o.o.	0	249	0	(8)	0	-	0	(8)
Groclin Luxembourg S.à r.l.	0	580	0	(1)	0	-	0	(1)
Motherson Rolling Stock Systems GB Limited	0	90	0	-	0	-	0	-
MSSL Mideast (FZE)	3	8,124	1	256	0	-	1	256
MSSL GB Limited	4	10,298	1	376	0	-	1	376
MSSL Mauritius Holdings Limited	1	1,513	1	187	0	-	1	187
MSSL (S) Pte Limited	0	360	0	54	0	-	0	54
Motherson Electrical Wires Lanka Private Limited	0	183	0	122	0	0	0	122
MSSL Consolidated Inc. USA	0	333	0	(36)	0	-	0	(36)
MSSL Wiring Systems Inc	0	1,335	2	512	0	(2)	1	510
Alphabet De Mexico S.A. de C.V	0	44	0	26	0	-	0	26
Alphabet De Saltillo S.A. de C.V.	0	21	0	19	0	-	0	19
Alphabet De Mexico de Monclova S.A. de C.V	0	25	0	22	0	-	0	22
MSSL Wirings Juarez S.A. de C.V.	0	1	0	1	0	-	0	1
MSSL Japan Limited	0	17	0	(13)	0	-	0	(13)
MSSL Mexico S.A. De C.V.	0	181	0	26	0	(1)	0	24
MSSL WH System (Thailand) Co. Ltd.	0	85	0	37	0	-	0	37
MSSL Korea WH Limited	0	(2)	0	(1)	0	-	0	(1)
MSSL Ireland Private Limited	0	9	0	0	0	-	0	0
MSSL s.r.l. Unipersonale	0	3	0	1	0	-	0	1
MSSL Estonia WH OÜ	0	(52)	0	47	0	-	0	47
MSSL Australia Pty Limited	0	55	0	25	0	-	0	25
Motherson Elastomers Pty Limited	0	130	0	33	0	-	0	33
Motherson Investments Pty Limited	0	3	0	2	0	-	0	2
MSSL Global RSA Module Engineering Limited	0	457	1	265	0	-	1	265
Vacuform 2000 (Proprietary) Limited	0	12	0	4	0	-	0	4
MSSL GMBH	0	347	0	(24)	0	-	0	(24)
Samvardhana Motherson Invest Deutschland GmbH	0	23	0	0	0	-	0	0
MSSL Advanced Polymers s.r.o.	0	147	0	(29)	0	-	0	(29)
Motherson Techno Precision GmbH	0	25	0	0	0	-	0	0
Samvardhana Motherson Polymers Management Germany GMBH	0	1	0	(0)	0	-	0	(0)
Motherson Techno Precision México, S.A. de C.V	0	(46)	0	12	0	-	0	12
MSSL Manufacturing Hungary Kft	0	11	0	(32)	0	-	0	(32)
Motherson Air Travel Pvt Ltd	0	(95)	0	(60)	0	-	0	(60)
MSSL Tooling (FZE)	0	364	0	91	0	-	0	91
Motherson Wiring System (FZE)	0	(38)	0	1	0	-	0	1
Global Environment Management (FZC)	0	(24)	0	0	0	-	0	0
Global Environment Management Australia Pty Limited (liquidated on April 20, 2018)	0	-	0	-	0	-	0	-
MSSL M Tooling Ltd	0	-	0	-	0	-	0	-
Minority interest in all subsidiaries	0	(1,394)	(1)	(305)	0	(4)	(1)	(309)

**53 Business combination**

**a) Acquisition of Motherson Rolling Stock Systems GB Limited\***

Motherson Sumi systems limited (MSSL) (joint venture of the Group) through one of its subsidiaries, Motherson Rolling Stock Systems GB Limited, signed a definitive agreement with Bombardier Transportation (Rolling Stock) UK Ltd. ("Bombardier") on February 28, 2019 and acquired Bombardier's assets in connection with the production and installation of electrical components and systems for applications in the rail industry, comprising among others the manufacturing of wiring harnesses, panel and cabinet build and electromechanical assemblies in Derby, UK. effective from April 01, 2019. Through this, MSSL will expand its supply of electricals and wiring systems to Bombardier Transportation, to cover UK rolling stock projects.

**i) Assets and Liabilities recognized by MSSL as result of acquisition are as follows:**

<b>Particulars</b>	<b>Amount in INR Million</b>
<b>Assets and liabilities</b>	
Property, plant and equipment	54
Intangible assets	509
Inventories	561
Deferred tax liabilities (net)	(102)
<b>Net identifiable assets acquired</b>	<b>1,022</b>
<b>ii) Calculation of goodwill / (Gain on bargain purchase)</b>	
Purchase consideration	851
Net identifiable assets acquired	1,022
<b>(Gain on bargain purchase)</b>	<b>(171)</b>

MSSL recognised gain on bargain purchase of INR 171 million (GBP 1.88 million) being excess of fair value of identifiable net assets assumed on acquisition over the purchase consideration, out of which the concerned share of gain for the group of INR 57 Million has been recognised under capital reserve on consolidation in year ended March 31, 2020.

**b) Acquisition of Wisetime Oy\***

On March 06, 2020, Motherson Sumi systems limited (MSSL) (joint venture of the Group) through one of its step down subsidiary, PKC Group Ltd additionally acquired 81% shares of Wisetime Oy. MSSL already held 19% shares of Wisetime Oy, therefore it now became 100% subsidiary of the MSSL. Wisetime Oy is a Finnish software company founded in 1991 and has long-term experience in developing industrial Enterprise Resource Planning (ERP) systems.

Wisetime now being part of the Group, will provide growth opportunities and enhances Group's diversification into information technology sector.

**i) Assets and Liabilities recognized by MSSL as result of acquisition are as follows:**

<b>Particulars</b>	<b>Amount in INR Million</b>
<b>Assets and liabilities</b>	
Property, plant and equipment	15
Intangible assets	97
Trade receivables	34
Cash and cash equivalents	74
Borrowings	(13)
Deferred tax liabilities (net)	(20)
Trade payables	(3)
Other current liabilities	(31)
<b>Net identifiable assets acquired</b>	<b>153</b>
<b>ii) Calculation of goodwill / (Gain on bargain purchase)</b>	
Purchase consideration (including fair value of shares held)	444
Net identifiable assets acquired	153
<b>Goodwill</b>	<b>291</b>

MSSL had initially recognised goodwill amounting to INR 291 million (EUR 3.5 million) after provisional fair valuation of its Assets and liabilities, recorded in the consolidated financial statements of MSSL.

**c) Acquisition of Re-Time Pty Limited\***

On August 08, 2019 MSSL group acquired 71.4% stake in Re-Time Pty Limited.

Re-Time Pty Ltd was formed in 2010 to help people re-time their body clocks and improve sleep through Re-Timer light therapy glasses. The company is dedicated to helping people sleep, and to feel and perform better by using the latest sleep science. Re-Timer is assembled in a state of the art clean room, in Adelaide, Australia. Re-Timer has been sold in more than 40 different countries worldwide and is the world's number one selling wearable light therapy device. The acquisition enhances Group's diversification into health sector.

**i) Assets and Liabilities recognized by MSSL as result of acquisition are as follows:**

Particulars	Amount in INR Million
<b>Assets and liabilities</b>	
Property, plant and equipment	11
Intangible assets	3
Inventories	11
Trade receivables	0
Cash and cash equivalents	13
Borrowings	(5)
Provisions	(2)
Accrued employee liabilities	(1)
Trade payables	(2)
<b>Net identifiable assets acquired</b>	<b>28</b>
- thereof attributable to non-controlling interests	8
	<b>20</b>

**ii) Calculation of goodwill / (Gain on bargain purchase)**

	Amount in INR Million
Purchase consideration	20
Net identifiable assets acquired	20
<b>(Gain on bargain purchase)</b>	<b>-</b>

**d) Acquisition of Reydel Automotive Holdings B.V. and Reydel Automotive Management B.V.\***

On August 02, 2018, the Group through one of its associates, Samvardhana Motherson Automotive Systems Group B.V. (SMRP BV) acquired 100% stake in Reydel Automotive Holdings B.V. and Reydel Automotive Management B.V. (jointly Reydel Automotive Group) at a consideration of EUR 173.0 million (INR 13,767 million).

Reydel Automotive Group is a leading global developer and supplier of interior components to the global automotive manufacturers. Reydel's Interiors Product Portfolio includes Instrument Panels, Door Panels, Console Modules, Decorative Parts and Cockpit Modules. Reydel Automotive Group has been subsequently renamed as "Samvardhana Motherson Reydel Companies". (hereinafter referred to as "SMRC"). The acquisition enhances Group's diversification across customer portfolio and geographical footprint.

Value of the assets and liabilities recognised in the financial statement of SMRP BV as a result of acquisition are as follows:

**i) Assets and Liabilities recognized by SMRP BV as result of acquisition are as follows:**

Particulars	Amount in INR Million
<b>Assets and liabilities</b>	
Property, plant and equipment	11,388
Capital work in progress	1,000
Other intangible assets (including intangible assets under development)	1,610
Deferred tax assets (net)	487
Other non-current assets	1,914
Inventories	1,677
Trade receivables	11,918
Cash and cash equivalents	6,550
Other current assets	4,485
Borrowings	(3,512)
Provisions	(259)
Accrued employee liabilities	(4,011)
Deferred tax liabilities (net)	(1,235)
Other non-current liabilities	(1,674)
Trade payables	(12,379)
Other current liabilities	(2,097)
<b>Net identifiable assets acquired</b>	<b>15,863</b>

	<b>Amount in INR Million</b>
<b>ii) Calculation of goodwill / (Gain on bargain purchase)</b>	
Purchase consideration	13,767
Non controlling interest acquired	1,128
Net identifiable assets acquired	(15,863)
<b>(Gain on bargain purchase)</b>	<b>(968)</b>

SMRP BV recognised gain on bargain purchase of INR 968 Million (EUR 12.2 million) being excess of fair value of identifiable net assets assumed on acquisition over the purchase consideration, out of which the concerned share of gain for the group of INR 640 Million has been recognised under capital reserve on consolidation in previous year ended March 31, 2019. The group determined that the excess of fair value over consideration paid is largely attributable to increase in fair values of property, plant and equipment over their book values as well as recognition of intangible assets in respect of customer relationships of SMRC amongst other items, as netted off by related tax impacts.

Gain on bargain purchase resulted from combination of Group's unique position to complement Reydel's business portfolio, its potential ability to manage and grow the business through synergies and a limited number of potential buyers which gave the Group sufficient purchasing power to achieve a beneficial transaction.

\*Represent gross numbers and not own share of group.

**e) Acquisition of control in Motherson Invenzen Xlab Private Limited.**

Motherson Invenzen Xlab Private Limited (MIXLAB) is in the designing and/or manufacturing and/or sub-contracting of audio and infotainment system. The Company has reassessed its control taking into considerations the investments made by the Group including loans given to MIXLAB and the rights available with the company for conversion of the loans into equity. Accordingly, the Group through its subsidiaries gained majority control over MIXLAB with effect from April 01, 2019.

MIXLAB was treated as a joint venture in the consolidated financial statements of the Group prior to April 01, 2019 and accounted for using equity method of accounting prescribed by Ind AS 28. As a result of above event, the Group through its subsidiaries is regarded parent of MIXLAB within the framework of Ind AS 110 and accordingly MIXLAB is treated as a subsidiary of the Group with effect from April 01, 2019. The acquisition of additional control did not involve payment of any further purchase consideration.

The following table summarises the recognised amounts of identifiable assets and liabilities assumed at the date of acquisition.

**i) Assets and Liabilities recognized by SAMIL group as result of acquisition are as follows:**

<b>Particulars</b>	<b>Amount in INR Million</b>
<b>Assets and liabilities</b>	
Property, plant and equipment	1
Other assets (current and non-current)	8
Trade receivables and other assets	19
Inventories	20
Income Tax Assets	1
Cash and cash equivalents	12
Employee benefit obligations	(4)
Other financial liabilities (current and non-current)	(34)
Other liabilities	(3)
Trade payables	(13)
<b>Net identifiable assets acquired</b>	<b>7</b>

**ii) Calculation of goodwill / (Gain on bargain purchase)**

	<b>Amount in INR Million</b>
Purchase consideration (including adjustments in regard to investment and loans)	114
Non controlling interest acquired	3
Net identifiable assets acquired	(7)
<b>Goodwill</b>	<b>110</b>

**Other Information**

**(i) Accounting policy choice for non-controlling interests**

The group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in MIXLAB, the group elected to recognise the non-controlling interests in at its proportionate share of the acquired net identifiable assets. Refer note 2 (d) for accounting policy on non-controlling interests.

(ii) The Group recognised Goodwill of INR 110 million total excess of fair value over identifiable net assets assumed upon consolidation.

**f) Subsequent to the year end, the board of directors of the Company in its meeting held on May 30, 2020 has approved to purchase 725,000 equity shares (96.67% shareholding) of Motherson Air Travel Agencies Limited (MATA) and 10,000 equity shares (49% shareholding) of Motherson Invenzen Xlab Private Limited (MIXLAB) for a consideration of INR 562 million and INR 0.1 million respectively.**

**54 Hyperinflation**

The results and financial position of Argentine subsidiary of Motherson Sumi Systems Limited (MSSL) (joint venture of the Group), SMRC Automotive Tech Argentina S.A., whose functional currency is the currency of a hyperinflationary economy, are first restated in accordance with IND AS 29 and are then translated into the presentation currency.

All balance sheet items of Argentine subsidiary of MSSL have been segregated into monetary and nonmonetary items. Monetary items are units of currency held, and assets and liabilities to be received or paid, in fixed or determinable number of units of currency. These monetary items are not restated because they are already expressed in terms of the current monetary unit. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power, and an entity with an excess of monetary liabilities over monetary assets gains purchasing power, to the extent the assets and liabilities are not linked to a price level. The gain or loss on the net monetary position is included in profit or loss. The effect of inflation on the net monetary position of the entity for the year ended March 31, 2020 has been a loss of INR 29 million (March 31, 2019: gain of INR 41 million).

Non-monetary assets and liabilities (items which are not already expressed in terms of the monetary unit) are restated by applying the relevant index. After the IND AS 29 restatement of nonmonetary assets, it is necessary to consider whether the restated amount of the asset might exceed its recoverable amount. Additionally, the application of IND AS 29 results in the creation of temporary differences because while the book value of non-monetary assets is adjusted for inflation but not equivalent adjustment is made for tax purpose; the effect of such a temporary difference is a deferred tax liability.

**55 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**

The Group has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to fulfil its performance obligations under the contract with customers;(ii) revision of estimations of costs to complete the contract because of additional efforts; (iii) termination or deferment of contracts by customers. The Group has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, property, plant and equipments, goodwill, intangible assets and inventory. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future demand of its products. The Group has performed analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

*(This space has been intentionally left blank)*

**Samvardhana Motherson International Limited**

**Notes to consolidated financial statements for the year ended March 31, 2020**

(All amounts are in INR million, unless otherwise stated)

- 56 As per section 45-IC of Reserve Bank of India Act, 1934 every Non-Banking Financial Company (NBFC) is required to create a Reserve Fund and transfer therein a sum not less than twenty per cent of its net profit. During the current year, Company has earned profit and has transferred an amount of INR 339 million (March 31, 2019: INR 121 million) to Reserve Fund.
- 57 The board of directors of Motherson Sumi Systems Limited (MSSL), a joint venture of the company, in its meeting held on January 30, 2020 had, in principle, approved demerger of its domestic wiring harness business of MSSL into a newly formed legal entity with mirror shareholding, which shall be listed and consolidating shareholding in Samvardhana Motherson Automotive Systems Group B.V. ("SMRP BV"). In this respect, the management of the SAMIL is exploring options / structure for consolidation of the shareholding of SMRP BV and/or other possible group re-organization options. Upon finalization of the proposal, the Board of company would be presented with the structure proposed or reorganization option(s) (as the case may), for further consideration, discussion and/or approval by the Board of the company.
- 58 Amount appearing as zero "0" in the financial statements are below the rounding off norm adopted by the Group.

For S.R. Batliboi & Co. LLP

ICAI Firm registration number: 301003E/ E300005

**PANKAJ CHADHA**  
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Reason: I am approving this document  
Date: 2020.06.18 00:00:12 +05'30'

per Pankaj Chadha

Partner

Membership No. 091813

For and on behalf of the Board of Directors

**VIVEK CHAAND SEHGAL**  
Digitally signed by VIVEK CHAAND SEHGAL  
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**Vivek Chaand Sehgal**

Director

DIN 00291126

**Rajinder Kumar Bansal**  
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**Rajinder Kumar Bansal**

Deputy Chief Financial Officer

PAN- AJVPB1886F

**POOJA MEHRA AUTH**  
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**Pooja Mehra**

Company Secretary

Membership No. FCS 5088

**SANJAY MEHTA**  
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**Sanjay Mehta**

Director

DIN 03215388

**MANISH KUMAR GOYAL**  
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**Manish Kumar Goyal**

Chief Financial Officer

PAN- AESPG3496A

Place: Gurugram

Date : June 17, 2020

Place: Noida

Date : June 17, 2020

# ANNEXURE XV

**S.R. BATLIBOI & Co. LLP**  
Chartered Accountants

2nd & 3rd Floor  
Golf View Corporate Tower - B  
Sector - 42, Sector Road  
Gurugram - 122 002, Haryana, India  
Tel: +91 124 681 6000

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Samvardhana Motherson International Limited

### Qualified Opinion

We have audited the accompanying Special Purpose Interim Condensed Consolidated Financial Statements of Samvardhana Motherson International Limited ("the Holding Company") its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures, which comprise the interim condensed consolidated Balance Sheet as at September 30, 2020, and the interim condensed consolidated Statement of Profit and Loss, including other comprehensive income/loss, interim condensed consolidated Cash Flow Statement and the interim condensed consolidated Statement of Changes in Equity for the period then ended, and a summary of select explanatory notes (hereinafter referred to as "Special Purpose Interim Condensed Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and on consideration of reports of other auditors referred to in paragraphs below, except for the effects of the matters described in 'Basis for Qualified Opinion' section of our report, the accompanying Special Purpose Interim Condensed Consolidated Financial Statements have been prepared, in all material respects, in accordance with the requirements of Indian Accounting Standard (Ind AS) 34 specified under section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

### Basis for Qualified Opinion

We draw attention to Note 2 of the Special Purpose Interim Condensed Consolidated Financial Statements, which describe the basis of accounting and presentation. As stated in the aforesaid note, the management has not disclosed comparative information as required by Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder. Non-compliance to such requirement as part of the disclosure had resulted in qualifying our opinion on the Special Purpose Interim Condensed Consolidated Financial Statements.

We conducted our audit of the Special Purpose Interim Condensed Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Special Purpose Interim Condensed Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Interim Condensed Consolidated Financial Statements.

### Emphasis of Matter- Covid-19 developments

The developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society as a whole, as well as on the operational and financial performance of organizations. The situation changes on a daily basis giving rise to inherent uncertainty. The Group is confronted with this uncertainty as well, which has been disclosed in the Note 31 to the Special Purpose Interim Condensed Consolidated Financial Statements, together with its evaluation thereof. We draw attention to the disclosure.

Our opinion is not modified in respect of this matter.



### **Responsibilities of Management and Those Charged with Governance for the Special Purpose Interim Condensed Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these Special Purpose Interim Condensed Consolidated Financial Statements in accordance with the requirements of Indian Accounting Standard (Ind AS) 34 specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Interim Condensed Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Special Purpose Interim Condensed Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Special Purpose Interim Condensed Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

### **Auditor's Responsibilities for the Audit of the Special Purpose Interim Condensed Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Special Purpose Interim Condensed Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Interim Condensed Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Interim Condensed Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Special Purpose Interim Condensed Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Special Purpose Interim Condensed Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Special Purpose Interim Condensed Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Special Purpose Interim Condensed Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Other matters**

We did not audit the Special Purpose Interim Condensed Financial Statements and other financial information, in respect of 16 subsidiaries, whose Special Purpose Interim Condensed Financial Statements include total assets of Rs. 11,590 million as at September 30, 2020, total revenues of Rs.2,051 million and net cash inflows amounting to Rs. 251 million for the six months period then ended. These Special Purpose Interim Condensed Financial Statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The Special Purpose Interim Condensed Consolidated Financial Statements also include the Group's share of net loss of Rs. 2,721 million for the half year ended September 30, 2020, as considered in the accompanying Special Purpose Interim Condensed Consolidated Financial Statements, in respect of 22 associates and 21 joint ventures, whose Special Purpose Interim Condensed Financial Statements have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion, in so far as it relates to the amounts and disclosures of such subsidiaries, associates and joint ventures is based solely on the report(s) of other auditors. Our opinion is not qualified in respect of this matter.

The accompanying Special Purpose Interim Condensed Consolidated Financial Statements include unaudited Special Purpose Interim Condensed Financial Statements and other unaudited financial information in respect of 9 subsidiaries, whose Special Purpose Interim Condensed Financial Statements and other financial information reflect total assets of Rs 1,022 million as at September 30, 2020, and total revenues of Rs 58 million and net cash outflows of Rs 19 million for the six months period then ended. These unaudited Special Purpose Interim Condensed Financial Statements and other unaudited financial information have been furnished to us by the management. The Special Purpose Interim Condensed Consolidated Financial Statements also include the Group's share of net profit of Rs. 321 million for the period ended September 30, 2020, as considered in the Special Purpose Interim Condensed Consolidated Financial Statements, in respect of 33 associates and 28 joint ventures, whose Special Purpose Interim Condensed Financial Statements, other financial information have not been audited and whose unaudited Special Purpose Interim Condensed Financial Statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, is based solely on such unaudited Special Purpose Interim Condensed Financial Statements and other unaudited financial information. In our opinion and according to the information and

explanations given to us by the Management, these Special Purpose Interim Condensed Financial Statements and other financial information are not material to the Group.

Our opinion above on the Special Purpose Interim Condensed Consolidated Financial Statements, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

This report on the Special Purpose Interim Condensed Consolidated Financial Statements has been issued for use by the management in connection with the proposed scheme of merger of Samvardhana Motherson International Limited with Motherson Sumi Systems Limited (Joint Venture of Samvardhana Motherson International Limited). Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent. 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

**PANKAJ**  
**CHADHA**

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**per Pankaj Chadha**

Partner

Membership Number: 091813

UDIN: 20091813AAAAFA4770

Place of Signature: Gurugram

Date: November 23, 2020

**Samvardhana Motherson International Limited**  
**Interim condensed consolidated balance sheet as at September 30, 2020**  
(All amounts are in INR million, unless otherwise stated)

	Note	As at September 30, 2020
<b>Assets</b>		
<b>Financial assets</b>		
Cash and cash equivalents	6	5,428
Bank balances other than cash and cash equivalents	7	619
Trade receivables	8	2,069
Loans	9	4,995
Investments	10	793
Other financial assets	11	1,295
<b>Total financial assets</b>		<b>15,199</b>
<b>Non-financial assets</b>		
Investment accounted for using the equity method		69,319
Inventories	12	925
Income tax assets (net)	13	370
Deferred tax assets (net)		225
Investment property		13
Property, plant and equipment	14	5,072
Right to use assets	14	1,248
Capital work in progress		234
Intangible assets under development		8
Goodwill		802
Other intangible assets		146
Other non-financial assets	15	874
<b>Total non-financial assets</b>		<b>79,236</b>
<b>Total assets</b>		<b>94,435</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Financial liabilities</b>		
Trade payables		1,517
Debt securities		7,900
Borrowings (other than Debt securities)	16	13,931
Lease liabilities		836
Other financial liabilities	17	1,553
<b>Total financial liabilities</b>		<b>25,737</b>
<b>Non-financial liabilities</b>		
Income tax liabilities (net)	13	21
Deferred tax liabilities (net)		130
Provisions		58
Employee benefit obligation		604
Government grants		17
Other non-financial liabilities	18	1,173
<b>Total non-financial liabilities</b>		<b>2,003</b>
<b>Equity</b>		
Equity share capital		4,736
<b>Other equity</b>		
Reserve and surplus		56,319
Other reserves		3,723
<b>Equity attributable to the owners of the company</b>		<b>64,778</b>
Non-controlling interests		1,917
<b>Total equity</b>		<b>66,695</b>
<b>Total liabilities and equity</b>		<b>94,435</b>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

As per our report of even date

**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number : 301003E/ E300005

per **Pankaj Chadha**  
Partner  
Membership No. 091813

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**For and on behalf of the Board of Directors**

**SANJAY MEHTA**  
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**Sanjay Mehta**  
Director  
DIN 03215388

**VIVEK AVASTHI**  
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**Vivek Avasthi**  
Director  
DIN 00033876

**Rajinder Kumar Bansal**  
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**Rajinder Kumar Bansal**  
Deputy Chief Financial Officer  
PAN- AJVPB1886F

**POOJA MEHRA**  
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**Pooja Mehra**  
Company Secretary  
Membership No. FCS 5088

Place: Gurugram  
Date : November 23, 2020

Place: Noida  
Date : November 23, 2020

	Note	For the half year ended September 30, 2020
<b>Revenue from operations</b>		
Interest income		215
Dividend income		2
Net gain on fair value changes		48
Revenue from contract with customers	19	4,814
Other operating income		198
<b>Total revenue from operations</b>		<b>5,277</b>
Other income		85
<b>Total income</b>		<b>5,362</b>
<b>Expenses</b>		
Finance costs	20	700
Cost of materials consumed	21	1,130
Purchase of stock-in-trade		216
Change in inventories of finished goods, work-in-progress and stock in trade		108
Employee benefits expenses	22	2,070
Depreciation and amortization expense	23	535
Other expenses	24	1,685
<b>Total expenses</b>		<b>6,444</b>
<b>Loss before exceptional item, share of net loss of investments accounted for using equity method and tax</b>		<b>(1,082)</b>
Exceptional item- expense [refer note 4 (ii)]		40
<b>Loss before share of net loss of investments accounted for using equity method and tax</b>		<b>(1,122)</b>
Group's share in net loss of investments accounted for using the equity method (net of tax)		(5,189)
<b>Loss before tax</b>		<b>(6,311)</b>
<b>Tax expenses</b>		
-Current tax expense		49
-Deferred tax credit		(60)
<b>Total tax expense/ (credit)</b>		<b>(11)</b>
<b>Loss for the period</b>		<b>(6,300)</b>
<b>Other comprehensive income</b>		
<b>Items that will be reclassified to profit or loss</b>		
Exchange loss on translation of foreign operations		(192)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (net of tax)		493
		<b>301</b>
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of defined benefit obligations		13
Change in fair valuation of FVOCI equity investments		147
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (net of tax)		(22)
Income tax relating to the above items		(1)
		<b>137</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>438</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>(5,862)</b>
<b>Loss attributable to:</b>		
Owners		(6,331)
Non-controlling interests		31
		<b>(6,300)</b>
<b>Other comprehensive income attributable to:</b>		
Owners		439
Non-controlling interests		(1)
		<b>438</b>
<b>Total comprehensive income attributable to:</b>		
Owners		(5,892)
Non-controlling interests		30
		<b>(5,862)</b>
<b>Earnings per share:</b>		
Nominal value per share: INR 10/- (not annualised)		
Basic (INR per share)		(13.37)
Diluted (INR per share)		(13.37)

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm registration number : 301003E/ E300005

per Pankaj Chadha  
Partner  
Membership No. 091813

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For and on behalf of the Board of Directors

**SANJAY MEHTA**  
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Sanjay Mehta  
Director  
DIN 03215388

**Rajinder Kumar Bansal**  
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Rajinder Kumar Bansal  
Deputy Chief Financial Officer  
PAN- AJVPB1886F

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Vivek Avasthi  
Director  
DIN 00033876

**POOJA MEHRA**  
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Pooja Mehra  
Company Secretary  
Membership No. FCS 5088

Place: Gurugram  
Date : November 23, 2020

Place: Noida  
Date : November 23, 2020

**Sanvardhana Motherson International Limited**  
**Interim condensed consolidated statement of changes in equity as at September 30, 2020**  
 (All amounts are in INR million, unless otherwise stated)

	Amount
<b>A. Equity share capital*</b>	
As at March 31, 2020	4,736
Changes in equity share capital	-
As at September 30, 2020	<u>4,736</u>

\*represents outstanding issued, subscribed, and fully paid-up shares of 473,613,855.

B. Other equity	Securities premium			Capital reserve on amalgamation			Reserve fund			Reserves and surplus			Items of other comprehensive income (OCI)			Total attributable to Owners	Non Controlling interests
	Securities premium	Capital reserve on amalgamation	Reserve fund	General reserve	Capital redemption reserve	Capital consolidation	Impairment reserve	Retained Earning	FVOCI equity instrument	Foreign currency translation reserve	Treasury shares	Cash flow hedging reserve	FYOCI				
Restated balance as at March 31, 2020 (on account of common control transaction- refer note 5(a))	3,263	2,402	2,095	50	50	607	-	54,303	(461)	4,722	(682)	(994)	(461)	65,355	1,857		
Loss for the period	-	-	-	-	-	-	-	(6,331)	-	-	-	-	-	(6,331)	31		
Other comprehensive income	-	-	-	-	-	-	-	(20)	150	(202)	-	511	150	439	(1)		
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,351)</b>	<b>150</b>	<b>(202)</b>	<b>-</b>	<b>511</b>	<b>150</b>	<b>(5,892)</b>	<b>30</b>		
Additions during the period																	
Transfer to/(from) retained earnings	-	-	-	-	-	-	10	(46)	-	-	-	-	-	(36)	36		
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	(6)	-	-	(6)	-		
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Deletion on account of deconsolidation (refer note 3)	-	-	-	-	-	-	-	(116)	-	-	688	-	-	572	-		
Hyperinflation adjustment	-	-	-	-	-	-	-	55	-	-	-	-	-	55	-		
Others	-	-	-	-	-	(3)	-	-	-	(3)	-	-	-	(6)	-		
<b>Balance as at September 30, 2020</b>	<b>3,263</b>	<b>2,402</b>	<b>2,095</b>	<b>50</b>	<b>50</b>	<b>604</b>	<b>10</b>	<b>47,845</b>	<b>(311)</b>	<b>4,517</b>	<b>-</b>	<b>(483)</b>	<b>(311)</b>	<b>60,042</b>	<b>1,917</b>		

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

As per our report of even date

For S.R. Batthoi & Co. LLP  
 Chartered Accountants  
 ICAI Firm registration number : 301003E/E300005

**PANKAJ CHADHA**  
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per Pankaj Chadha  
 Partner  
 Membership No. 091813

For and on behalf of the Board of Directors

**SANJAY MEHTA**  
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Sanjay Mehta  
 Director  
 DIN 03215388

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Vivek Avasthi  
 Director  
 DIN 00033876

**Rajinder Kumar Bansal**  
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Rajinder Kumar Bansal  
 Deputy Chief Financial Officer  
 PAN- AIVPB1886F

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Pooja Mehra  
 Company Secretary  
 Membership No. FCS 5088

Place: Noida  
 Date : November 23, 2020

Place: Gurgaon  
 Date : November 23, 2020

	For the half year ended September 30, 2020
<b>A. Cash flow from operating activities:</b>	
Loss before tax	(6,311)
<b>Adjustments for:</b>	
Share of loss in associates and joint ventures accounted for using the equity method	5,189
Depreciation and amortisation expense	535
Liabilities written back to the extent no longer required	(7)
Provision for impairment on loans written back	(6)
Loss on sale of investments	193
Provision for doubtful debts, advances and loans	11
Gain on sale of property, plant and equipment	(7)
Dividend income	(2)
Interest income	(215)
Fair value changes in financial assets measured at fair value through profit and loss	(48)
Finance cost	700
Unrealised foreign currency loss	37
<b>Operating profit before working capital changes</b>	<b>69</b>
<b>Changes in working capital:</b>	
Decrease in trade payables and other payables	(332)
Increase in employee benefit obligation	81
Increase in other financial liabilities	161
Decrease in other non financial liabilities	(32)
Decrease in trade receivables	254
Increase in other financial assets	(123)
Decrease in other non financial assets	204
Decrease in inventories	137
<b>Cash generated from operations</b>	<b>419</b>
Taxes paid	(70)
<b>Net cash generated from operations</b>	<b>349</b>
<b>B. Cash flow from investing activities:</b>	
Payments for purchase of property, plant and equipments and other intangible assets (including capital work in progress and intangible assets under development)	(209)
Proceeds from sale of property, plant and equipment and other intangible assets	5
Loan to related parties (net)	(2,318)
Proceeds from maturity of deposits with bank	(29)
Consideration paid on acquisition of subsidiary	(430)
Proceeds from sale of investments in subsidiary	45
Dividend income received	2
Interest income received	143
<b>Net cash used in investing activities</b>	<b>(2,791)</b>
<b>C. Cash flow from financing activities:</b>	
Interest paid	(274)
Purchase of treasury shares	(6)
Proceeds from borrowings (other than debt securities)	719
Repayment of borrowings (other than debt securities)	(1,549)
Payment of lease liability	(46)
<b>Net cash used in financing activities</b>	<b>(1,156)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,598)</b>
Cash and cash equivalents at the beginning of the period	9,055
Acquired on acquisition/ (deletion on change in shareholding)	(29)
<b>Cash and cash equivalents as at period end</b>	<b>5,428</b>
<b>Cash and cash equivalents comprise</b>	
Cash on hand	1
Balances with banks	5,427
<b>Cash and cash equivalents as per balance sheet</b>	<b>5,428</b>
<b>Total</b>	<b>5,428</b>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number : 301003E/ E300005

per **Pankaj Chadha**  
Partner

Membership No. 091813

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For and on behalf of the Board of Directors

**SANJAY MEHTA**  
Sanjay Mehta  
Director  
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Director  
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Rajinder Kumar Bansal  
Deputy Chief Financial Officer  
PAN- AJVPB1886F

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Company Secretary  
Membership No. FCS 5088

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Place: Gurugram  
Date : November 23, 2020

Place: Noida  
Date : November 23, 2020

## 1 Corporate Information

The Samvardhana Motherson International Limited ("SAMIL" or "Company") was incorporated in India on December 9, 2004 to act as a Holding Company to hold/ make investments in Group companies which are primarily engaged in business in the automotive sector and is a public limited company domiciled in India. The Company was promoted by Mr. V.C. Sehgal, promoter of the Samvardhana Motherson Group. The Company holds the Certificate of Registration as a Non-Deposit Taking Systemically Important Core Investment Company ("CIC-ND-SI") issued by the Reserve Bank of India ("RBI") under Core Investment Companies (Reserve Bank) Directions, 2016 ("CIC Directions").

The Group comprises of SAMIL and its directly and indirectly held 29 subsidiaries (including stepdown subsidiaries), 90 joint ventures and 102 associates. The Group has manufacturing plants in India, Sri Lanka, Thailand, United Arab Emirates (UAE), Australia, United Kingdom (UK), Germany, Hungary, Portugal, Spain, France, Slovakia, China, South Korea, United States of America (USA), Brazil, Mexico, Czech Republic, South Africa, Serbia, Lithuania, Poland and Russia.

## 2 Basis of accounting and presentation

The Special Purpose Interim Condensed Consolidated Financial Statements for the half year ended September 30, 2020 comprise the interim condensed consolidated balance sheet as at September 30, 2020, and the related interim condensed consolidated statements of profit and loss including other comprehensive income, cash flows, statement of changes in equity and explanatory notes of the Company and its subsidiaries (hereinafter collectively referred to as "the Group") and joint ventures and associates for the half year ended September 30, 2020.

The Special Purpose Interim Condensed Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended except for disclosure/presentation of comparative information as explained below, for use by the management in connection with the proposed scheme of merger of the Company with Motherson Sumi Systems Limited (Joint Venture of the Company) as mentioned below in note 4.

The Special Purpose Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the half yearly financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended March 31, 2020.

The Group has followed the same accounting policies in preparation of these Special Purpose Interim Condensed Consolidated Financial Statements as those followed in the preparation of its annual consolidated financial statements as at and for the year ended March 31, 2020 except for the adoption of new and amended standards and changes described in note 3 below and hence these financials should be read in conjunction with annual consolidated financial statements of the Group as at and for the year ended March 31, 2020.

The Special Purpose Interim Condensed Consolidated Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value;
- Defined benefit pension plans – plan assets measured at fair value;
- Derivative financial instruments

The Special Purpose Interim Condensed Consolidated Financial Statements are presented in INR and all values are rounded to the nearest millions (INR 000,000), except when otherwise stated. Amount appearing as zero "0" in the financial statements are below the rounding off norm adopted by the Group.

The Special Purpose Interim Condensed Consolidated Financial Statements do not include Comparative Information as required by Ind AS 34 and therefore, they do not comply with presentation and disclosure requirements of Ind AS 34 to this extent. Specifically, the Condensed Comparative Consolidated Balance Sheet as at March 31, 2020, the Condensed Consolidated Statement of Profit & Loss for the corresponding half year ended September 30, 2019, the Condensed Consolidated Statement of Changes in Equity for the corresponding half year ended September 30, 2019 and Consolidated Cash Flow Statement for the corresponding half year ended September 30, 2019 has not been presented in these Special Purpose Interim Condensed Consolidated Financial Statements.

## 3 New standards, interpretations and amendments adopted by the Group effective from April 1, 2020

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the Special Purpose Interim Condensed Consolidated Financial Statements of the Group. The following amendments and interpretations, which were effective for the annual periods beginning on or after April 1, 2020, were adopted by the Group. The adoption of these amendments did not have a material impact on the Special Purpose Interim Condensed Consolidated Financial Statements, nor these are expected to have any material impact on financial position or financial performance of the Group going forward.

- Amendments to Ind AS 103- Business Combinations which change the definition of a business to enable entities to determine whether an acquisition is a business combination or an asset acquisition.
- Amendments to its definition of material in Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates clarifying the definition of materiality to aid in application.
- Interest Rate Benchmark Reform (Amendments to Ind AS 109 and Ind AS 107), which modifies some specific hedge accounting requirements to provide relief from the potential effects of uncertainty caused by Interest Rate Benchmark Reform. In addition, the amendments require companies to provide additional information to investors about hedging relationships directly affected by these uncertainties.
- Amendment to Ind AS 116- Leases to make it easier for lessees to account for COVID-19 related rent concessions such as rent holidays and temporary rent reductions. The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before June 30, 2021. The amendment does not affect lessors.

The amendment can be applied immediately to any financial statements—interim or annual—not yet authorized for issue. The amendment is voluntary. The group did not voluntarily adopt this amendment.

A number of other new standards, amendments to standards have been issued that are not yet effective. The impact of these are expected not to be material to the Group.

## 4 (i) The Board of Directors of the Company, at their meeting held on July 02, 2020 approved the Composite Scheme of Amalgamation and Arrangement proposed to be undertaken amongst the Company, Motherson Sumi Systems Limited (MSSL), joint venture of the Company, and a new wholly owned subsidiary of the MSSL (incorporated on July 2, 2020 as Motherson Sumi Wiring India Limited) ("Resulting Company") and their respective shareholders and creditors ("Scheme"). As part of the Scheme, the following steps are proposed to be undertaken:

- a) Demerger of Domestic Wiring Harness undertaking of the MSSL ("DWHU") to the Resulting Company;
- b) Amalgamation of the Company into and with MSSL by absorption, subsequent to the completion of the demerger referred to in (a) above.

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 FY 2021-22.

(ii) Further, exceptional item for the half year ended September 30, 2020 includes legal and professional expenses for INR 40 million incurred on account of this Amalgamation / Arrangement.



5 Acquisition/Disposal of subsidiaries/joint ventures and associates

a. Acquisition of Motherson Air Travel Agency Limited (MATA)

On June 26, 2020, the Group acquired 74% stake in Motherson Air Travel Agency Limited (MATA) at a consideration of INR 430 million. MATA is into travel and hospitality business and provides significant portion of its services to the Group.

i) Assets and Liabilities recognized by Group as result of acquisition are as follows:

Particulars	Amount in INR Million
Property, plant and equipment	303
Other intangible assets (including intangible assets under development)	2
Non current investments	0
Income Tax asset	19
Deferred tax assets (net)	15
Other non-current assets	4
Inventories	1
Trade receivables	46
Cash and cash equivalents	30
Loans	30
Other financial assets	19
Other current assets	10
Borrowings	(86)
Accrued employee liabilities	(4)
Trade payables	(30)
Other financial liabilities	(6)
Other current liabilities	(9)
<b>Net assets acquired</b>	<b>344</b>

ii) Calculation of Capital reserve on consolidation

Particulars	Amount in INR Million
Net assets	344
Share of non controlling interest	(90)
Purchase consideration	(430)
	(176)
<b>Adjustment to reserves</b>	
Addition in Retained earnings	241
Addition in Capital reserve	7
Capital reserve on consolidation	(424)

The acquisition has been accounted using pooling of interest method as specified in Appendix C- Ind AS 103. Accordingly all the assets, liabilities and reserves have been recognised at their carrying value as at April 01, 2019.

b. Sale of stake in subsidiary

During the half year ended September 30, 2020, the Group sold its investments in two of its wholly owned subsidiaries Motherson Sintermetal Products SA (MSP) and Samvardhana Mothersons Adsys Tech Limited (SMAST) at a consideration of EUR 100 (INR 0 million) and INR 46 million respectively. The sale of these investments resulted in loss of INR 193 million which has been disclosed as "Loss on sale of investments in subsidiaries" under the head "Other expenses" in the interim condensed consolidated statement of profit and loss.

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**Samvardhana Motherson International Limited****Notes to interim condensed consolidated financial statements for the half year ended September 30, 2020**

(All amounts are in INR million, unless otherwise stated)

	<b>As at</b>
	<b>September 30, 2020</b>
<b>6 Cash and cash equivalents</b>	
Cash on hand	1
Balances with banks:	
- In current accounts	1,527
- Deposits with original maturity of less than three months	3,900
<b>Total</b>	<b>5,428</b>
	<b>As at</b>
	<b>September 30, 2020</b>
<b>7 Bank balances other than cash and cash equivalents</b>	
Deposits with original maturity of more than three months but less than 12 months	613
Unpaid dividend account	6
<b>Total</b>	<b>619</b>
	<b>As at</b>
	<b>September 30, 2020</b>
<b>8 Trade receivables</b>	
Considered good	2,069
Credit impaired	234
Less: Allowances for credit loss	(234)
<b>Total</b>	<b>2,069</b>
	<b>As at</b>
	<b>September 30, 2020</b>
<b>9 Loans</b>	
<b>At Amortised cost</b>	
Unsecured, considered good	
- Loans to related parties	4,986
- Loans to employees	9
<b>Total</b>	<b>4,995</b>
<b>10 Investments</b>	
Represents investments other than investment accounted for using the equity method. No significant addition/deletion in investment since March 31, 2020. Also refer note 25.	
	<b>As at</b>
	<b>September 30, 2020</b>
<b>11 Other financial assets</b>	
Unsecured, considered good (unless otherwise stated)	
Security deposits	
- Unsecured, considered good	278
- Credit impaired	4
	<b>282</b>
Less: Allowances for credit loss	(4)
	278
Interest receivable	489
Unbilled revenue	440
Deposits with original maturity for more than 12 months	31
Others	57
<b>Total</b>	<b>1,295</b>
	<b>As at</b>
	<b>September 30, 2020</b>
<b>12 Inventories</b>	
Raw materials	206
Work-in-progress	405
Finished goods	155
Stock-in-trade	69
Stores and spares	90
<b>Total</b>	<b>925</b>

**Samvardhana Motherson International Limited**

**Notes to interim condensed consolidated financial statements for the half year ended September 30, 2020**

(All amounts are in INR million, unless otherwise stated)

	<b>As at</b>
	<b>September 30, 2020</b>
<b>13 Income tax assets/liabilities</b>	
Income tax assets (net)	370
Income tax liabilities (net)	(21)
<b>14 Property, plant and equipment and Right of use assets</b>	
<b>Property, plant and equipment</b>	<b>Changes in the Gross</b>
	<b>Block</b>
Addition	166
Deletion on disposal of subsidiary	1,195
<b>Right of use assets</b>	<b>Changes in the Gross</b>
	<b>Block</b>
Addition	63
Deletion on disposal of subsidiary	98
<b>15 Other non financial assets</b>	<b>As at</b>
	<b>September 30, 2020</b>
Unsecured, considered good (unless otherwise stated)	
<b>Advances recoverable</b>	
- Unsecured, considered good	360
- Credit impaired	7
	<u>367</u>
Less: Allowances for credit loss	<u>(7)</u>
	<b>360</b>
Capital advances	72
Prepaid expenses	192
Balances with government authorities	245
Others	5
<b>Total</b>	<b><u>874</u></b>
<b>16 Borrowings (other than Debt securities)</b>	<b>As at</b>
	<b>September 30, 2020</b>
<b>At amortised cost</b>	
<b>Secured</b>	
Term loans from banks	
- Rupee loan	2,203
Term loans from other than banks	
- Rupee loan	1,125
Loans repayable on demand from banks	
- Rupee loan	474
Other short term loans from banks	
- Rupee loan	18
- Foreign currency loan	15
<b>Unsecured</b>	
Term loans from banks	
- Foreign currency loan	7,898
Other short term loans from banks	
- Foreign currency loan	2,161
Loan from related parties	37
<b>Total</b>	<b><u>13,931</u></b>

**Samvardhana Motherson International Limited**

**Notes to interim condensed consolidated financial statements for the half year ended September 30, 2020**

(All amounts are in INR million, unless otherwise stated)

	<b>As at</b>
	<b>September 30, 2020</b>
<b>17 Other financial liabilities</b>	
Premium on redemption of debentures	157
Interest accrued on debentures	550
Interest accrued on borrowings	75
Employee benefits payable	175
Security deposits received	63
Payables relating to purchase of fixed assets	393
Unpaid dividend	36
Recovery against vehicle loan	38
Other payables	66
<b>Total</b>	<b>1,553</b>
	<b>As at</b>
	<b>September 30, 2020</b>
<b>18 Other non financial liabilities</b>	
Unearned revenue	131
Statutory dues payable	185
Advance from customers	856
Others	1
<b>Total</b>	<b>1,173</b>
	<b>For the half year ended</b>
	<b>September 30, 2020</b>
<b>19 Revenue from contract with customers</b>	
<b>Sale of Products</b>	
Finished Goods	
Within India	1,945
Outside India	204
Traded Goods	351
<b>Sale of Services</b>	2,314
<b>Total</b>	<b>4,814</b>
	<b>For the half year ended</b>
	<b>September 30, 2020</b>
<b>Timing of Revenue Recognition</b>	
Goods transferred at point in time	2,500
Services transferred over time	2,314
<b>Total Revenue from contracts with customers</b>	<b>4,814</b>
	<b>For the half year ended</b>
	<b>September 30, 2020</b>
<b>20 Finance cost</b>	
Debt securities	407
Others	293
<b>Total</b>	<b>700</b>
	<b>For the half year ended</b>
	<b>September 30, 2020</b>
<b>21 Cost of materials consumed</b>	
Opening stock of raw materials	286
Add : Purchases of raw materials	1,107
Less: Closing stock of raw materials	(206)
Less: Deletion on account of disposal of subsidiary	(59)
Exchange differences opening stock (gain)/loss	1
Exchange differences closing stock (loss)/gain	1
<b>Total</b>	<b>1,130</b>
	<b>For the half year ended</b>
	<b>September 30, 2020</b>
<b>22 Employee benefit expenses</b>	
Salaries, wages and bonus	1,873
Contribution to provident and other funds	131
Gratuity and leave encashment	19
Staff welfare expenses	47
<b>Total</b>	<b>2,070</b>

**Samvardhana Motherson International Limited****Notes to interim condensed consolidated financial statements for the half year ended September 30, 2020**

(All amounts are in INR million, unless otherwise stated)

	<b>For the half year ended September 30, 2020</b>
<b>23 Depreciation and amortization expense</b>	
Depreciation on property, plant and equipment	377
Depreciation on right to use assets	121
Amortization on intangible assets	37
<b>Total</b>	<b>535</b>
	<b>For the half year ended September 30, 2020</b>
<b>24 Other expenses</b>	
Electricity, water and fuel	124
Repair and maintenance	
- Machinery	40
- Building	15
- Others	30
Consumption of stores and spare parts	65
Conversion charges	47
Rates & taxes	8
Legal and professional fees	153
Travelling expenses	38
Freight and forwarding	143
Lease rent	115
Design and development charges	383
Leaseline and webhosting charges	98
Insurance	20
Loss on sale of investment in subsidiaries	193
Donation	8
Royalty	8
Director sitting fee	1
Commission	1
Provision for doubtful debts, advances and loans	11
Miscellaneous expenses	184
<b>Total</b>	<b>1,685</b>

25 Fair Value Measurement

Financial instruments by category

	September 30, 2020		
	FVTPL	FVTOCI	Amortised Cost
<b>Financial assets</b>			
Investments	304	489	-
Trade receivables	-	-	2,069
Loans	-	-	4,995
Cash and cash equivalents	-	-	5,428
Bank balances other than cash and cash equivalents	-	-	619
Other financial assets	-	-	1,295
<b>Total financial assets</b>	<b>304</b>	<b>489</b>	<b>14,406</b>
<b>Financial liabilities</b>			
Debt securities	-	-	7,900
Borrowings (other than debt securities)	-	-	13,931
Lease liabilities	-	-	836
Trade payable	-	-	1,517
Other financial liabilities	-	-	1,553
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>25,737</b>

i. Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurements

	September 30, 2020		
	Level 1	Level 2	Level 3
<b>Financial asset</b>			
<b>Financial investments at FVTOCI / FVTPL</b>			
Unquoted investments	-	-	793
<b>Total</b>	<b>-</b>	<b>-</b>	<b>793</b>

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	September 30, 2020		
	Level 1	Level 2	Level 3
<b>Financial assets</b>			
Loans	-	-	4,995
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>4,995</b>
<b>Financial liabilities</b>			
Debt Securities	-	-	7,900
Borrowings other than debt securities	-	-	13,931
Lease liabilities	-	-	836
Other financial liabilities	-	-	1,553
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>24,220</b>

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities are considered to be the same as fair value due to their short term maturities.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

There is no change/transfer between levels of fair value hierarchy.

ii. Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the use of various valuation method (including NAV and price of recent investment method) investments in equity and preference shares.
- the fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, foreign exchange risk, probability of default.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

iii. Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items:

	Unquoted equity instruments	Unquoted Preference Shares
<b>As at March 31, 2020</b>	<b>353</b>	<b>253</b>
Fair value gains/(losses)	147	58
Exchange adjustment	(11)	(7)
<b>As at September 30, 2020</b>	<b>489</b>	<b>304</b>

**iv. Valuation inputs and relationships to fair value**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date.

The Group's financial assets at fair value through other comprehensive income represent equity shares in unlisted entities. The management has fair valued the relevant financial instruments using the recent transactions method, utilising information provided directly by the issuer on recent investments.

The below table represents impact of change in transaction price in other comprehensive income:

<b>Investments at FVTOCI*</b>	<u><b>September 30,</b></u> <u><b>2020</b></u>
<b>Sensitivity</b>	
<b>Impact of change in transaction price*</b>	
Decrease in price by 0.50%	(3)
Increase in price by 0.50%	3
* Holding all the other variables constant	

The below table represents impact of change in transaction price in statement of profit and loss:

<b>Investments at FVTPL</b>	<u><b>September 30,</b></u> <u><b>2020</b></u>
<b>Sensitivity</b>	
<b>Impact of change in transaction price*</b>	
Decrease in price by 0.50%	(2)
Increase in price by 0.50%	2
* Holding all the other variables constant	

*(This space has been intentionally left blank)*

**Samvardhana Motherson International Limited****Notes to interim condensed consolidated financial statements for the half year ended September 30, 2020**

(All amounts are in INR million, unless otherwise stated)

**26 Capital and other commitments****i) Letter of comforts issued on behalf of group companies:**

<b>Joint Ventures</b>	<b>As at September 30, 2020</b>
a) On behalf of Marelli Motherson Auto Suspension Parts Private Limited (Formerly Magneti Marelli Motherson Shock Absorbers India Private Limited)	150
b) On behalf of Motherson Auto Solutions Limited	660

<b>Property plant and equipment</b>	<b>As at September 30, 2020</b>
Estimated value of contracts on capital account remaining to be executed, (net of advances of INR 72 million)	552

*(This space has been intentionally left blank)*



**27 Contingent liabilities**

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an on-going basis, with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its consolidated financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the consolidated financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

**(i) Claims against the Group not acknowledged as debts**

Particulars	As at September 30, 2020
Excise, sales tax and service tax matters	68
Income tax matters	413
Unfulfilled export commitment under EPCG Scheme	184
Claims made by workmen	50
Bank guarantees	225
Others (refer (c) below)	1,798

(a) The Group does not expect any reimbursements in respect of the above contingent liabilities.

(b) It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(c) Motherson Sumi Systems Limited (MSSL) (Joint venture of the Group) has acted as surety in respect of subsidy received by one of its subsidiary, which limits the total liability of the Group to 1.2x of the amount of subsidy granted. As per the conditions of subsidy received from the local government the subsidiary is required to incur certain level of capital expenditure along with maintaining the headcount at certain level for a period of 5 years. As of September 30, 2020, both the conditions have been fulfilled however headcount level needs to be sustained for 5 years therefore MSSL may be contingently liable for INR 2,538 million in the event of non-compliance of subsidy conditions by the subsidiary in the future. Accordingly, own share of Group of INR 1,676 million has been included in "others" above.

(d) Above contingent liability includes Group share of contingent liability of the associates and joint ventures entities.

**(ii) Provident fund matters**

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The Group believes that the judgement will be applicable prospectively and accordingly has considered the applicability of the judgement prospectively. Further, the Group will update its provision for earlier years, on receiving further clarity on the subject.

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**28. Segment**

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the Group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments examines the Group's performance categorized in to following segments:

**(a) Description of segments and principal activities**

Segments	Description
MSSL Standalone	Represents standalone operations of Motherhood Sumi Systems Limited (MSSL), engaged mainly in the business of manufacturing and trading of automobile parts for commercial and passenger vehicles.
SMR	Represents subsidiaries of Samvardhana Motherhood Reflectec Group Holdings Limited which are engaged in development, manufacture and supply of rear view mirrors and drive assistance systems.
SMP	Represents subsidiaries of Samvardhana Motherhood Automotive Systems Group B.V. (SMRP BV) (an overseas subsidiary of the MSSL) which are engaged in manufacturing and supplies of plastic parts and system modules for vehicle interiors and exteriors.
PKC	Represents PKC Group Plc including its subsidiaries. PKC is engaged in designing, manufacturing and integrating electrical distribution systems, electronics and related components for commercial vehicle industries, rolling stock manufacturers and other related segments.
Others	Comprise other subsidiaries of the Company (excluding SMR, SMP and PKC mentioned above) that are below the thresholds for separate reporting as operating segments.

The CODM primarily uses a measure of revenue from operation and earnings before interest, tax, depreciation, amortisation and exceptional item (EBITDA) to assess the performance of the operating segments on monthly basis.

**Unallocated:**

Revenue, expenses, assets and liabilities have been identified to a segment on the basis of relationship to operating activities of the segment. Assets and liabilities which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed under unallocated.

**Inter Segment transfer:**

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

**(a) Revenue from operation**

Interest income, rental income, dividend income, income recognised on sales of assets and investment are excluded from segment revenue. Transactions between segments are carried out at arm's length and are eliminated on consolidation. The segment revenue is measured in the same way as in the statement of profit or loss.

	September 30, 2020
<b>Revenue from operation (excludes interest income &amp; foreign exchange gain)</b>	
MSSL Standalone	4,257
SMR	30,117
SMP	82,925
PKC	12,516
Others	11,030
<b>Total</b>	<b>140,845</b>
Add: Segment revenue from discontinued operations (MSSL Standalone segment)*	4,277
<b>Less: Intersegment</b>	<b>3,700</b>
<b>Total revenue</b>	<b>141,422</b>
	136,410
<b>Less: Revenue not recognised in consolidated financial statements in respect of segments which are accounted for using equity method of accounting</b>	
<b>Total revenue as per statement of profit and loss</b>	<b>5,012</b>

**(c) Segment Results**

	September 30, 2020
MSSL Standalone	83
SMR	758
SMP	(3,741)
PKC	(141)
Others	(770)
<b>Total</b>	<b>(3,811)</b>
Add: Profit / (loss) of discontinued operation (MSSL Standalone segment)*	86
<b>Less: Intersegment</b>	<b>(413)</b>
<b>Less: Result not recognised in consolidated financial statements in respect of segments which are accounted for using equity method of accounting</b>	<b>(2,715)</b>
<b>Total</b>	<b>(597)</b>
Less: Unallocated expenses	485
Less: Interest expense (net)	5,189
Less: Exceptional Item	40
<b>Total loss before tax</b>	<b>(6,311)</b>

**(d) Segment Assets**

Segment assets are allocated based on the operations of the segment and the physical location of the asset. Assets not used directly in operations of the segment like investments, other common assets are reported as unallocated assets.

	September 30, 2020
MSSL Standalone	20,850
SMR	63,530
SMP	151,341
PKC	17,937
Others	72,081
<b>Total</b>	<b>325,739</b>
Add: Discontinued operation (MSSL Standalone segment)*	4,818
<b>Less: Intersegment</b>	<b>71,425</b>
<b>Less: Segment assets not recognised in consolidated financial statements in respect of segments which are accounted for using equity method of accounting</b>	<b>235,417</b>
<b>Unallocated:</b>	
Deferred tax assets (net)	225
Income tax assets (net)	370
Investment accounted for using the equity method	69,319
Other corporate assets and investments	806
<b>Total assets as per balance sheet</b>	<b>94,435</b>

**Samvardhana Motherson International Limited**

Notes to interim condensed consolidated financial statements for the half year ended September 30, 2020

(All amounts are in INR million, unless otherwise stated)

**(e) Segment liabilities**

Segment liabilities are allocated based on the operations of the segment. Liabilities not used directly in operations of the segment common liabilities like borrowings are reported as unallocated liabilities.

	<b>September 30, 2020</b>
MSSL Standalone	19,055
SMR	33,840
SMP	141,509
PKC	11,866
Others	42,423
<b>Total</b>	<b>248,693</b>
Add: Discontinued operation (MSSL Standalone segment)*	2,351
<b>Less: Intersegment</b>	<b>71,295</b>
<b>Less:</b> Segment liabilities not recognised in consolidated financial statements in respect segments which are accounted for using equity method of accounting	152,160
<b>Unallocated:</b>	
Deferred tax liabilities (net)	130
Income tax liabilities (net)	21
<b>Total</b>	<b>27,740</b>

\* The Scheme mentioned in note 4 has been considered as highly probable by MSSL and meet the criteria prescribed in Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" to be considered as discontinued operation, hence DWH business has been disclosed as discontinued operation in note above.

*(This space has been intentionally left blank)*

**29 Related parties**

Following are the total amount of transactions that have been entered into with related parties during the period ended September 30, 2020, as well as balances with related parties as at September 30, 2020.

**(a) Key management personnel compensation**

	September 30, 2020
Short-term employee benefits	16
Post-employment benefits	1
Long-term employee benefits	2
<b>Total compensation</b>	<b>19</b>

**(b) Details of significant transactions, in the ordinary course of business at commercial terms, and balances with related parties**

Particulars	For the half year ended September 30, 2020			
	Joint ventures and associates	Key Managerial Persons	Other related parties	Total
Dividend received	2	-	2	4
Sale of services	1,932	-	57	1,989
Sale of goods	338	-	3	341
Investments sold*	-	-	45	45
Investments purchased*	-	85	345	430
Loan given*	500	-	1,818	2,318
Reimbursement of expenses (net)	7	-	1	8
Interest income*	10	-	22	32
Purchase of goods	10	-	133	143
Purchase of services	44	1	172	217
Purchase of property, plant and equipment	-	-	45	45
Security deposit given	-	-	80	80
Security deposit received back	-	-	4	4
Capital advance given	-	-	50	50

**Balances as at period end:**

Particulars	As at September 30, 2020			
	Joint ventures and associates	Key Managerial Persons	Other related parties	Total
Letter of comfort	810	-	-	810
Security deposit paid	15	-	140	155
Security deposit received	43	-	-	43
Trade receivables	710	-	22	732
Trade payables	29	-	108	137
Advance received from customers	127	-	-	127
Loans receivable	560	-	4,426	4,986
Interest receivable	6	-	23	29
Loans payable	37	-	-	37
Employee benefit payable	-	2	-	2
Other advances and receivable	1	-	2	3

Note : The Group has given letters of support and letters of comfort to its joint venture companies, refer note no 26 (i).

\* Represents transaction based on the contractual terms with the parties and without considering the related Ind AS adjustments.

**30** The Group had set-up a trust namely Samvardhana Employees Welfare Trust ('the Trust') for welfare of the employees of the Company and its affiliate companies. During the current period, the Company has entered into an irrevocable delegation deed with various beneficiary companies. Accordingly, the Group no longer controls the Trust. Consequently, the Group has derecognised treasury shares of INR 688 million. Further the Group is carrying provision of INR 17 million on account of cost recharge by the Trust.

**31 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**

The Group's operations and consolidated financial statements for the half year ended September 30, 2020 have been adversely impacted by the outbreak of COVID-19 pandemic and the consequent lockdown announced by governments in many of the jurisdictions, the group operates, due to which the operations were suspended for a large part of the half year and resumed only gradually with prescribed regulations and precautions..

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, property, plant and equipments, goodwill, intangible assets and inventory etc. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these special purpose interim condensed consolidated financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future demand of its products. The Group has performed analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. However, given the effect of pandemic on the overall economic activities globally and in particular the countries where the Group operates and in particular on the global automotive industry, the impact assessment of COVID-19 on the interim special purpose interim condensed consolidated financial statements captions is subject to significant estimation and uncertainties given its nature and duration and accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these special purpose interim condensed consolidated financial statements. The Group will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.

As per our report of even date

**For S.R. Batliboi & Co. LLP**

ICAI Firm registration number: 301003E/ E300005

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**per Pankaj Chadha**

Partner

Membership No. 091813

**For and on behalf of the Board of Directors**

**SANJAY  
MEHTA** Digitally signed by  
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**Sanjay Mehta**

Director

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**Vivek Avasthi**

Director

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**Rajinder Kumar Bansal**

Deputy Chief Financial Officer

PAN- AJVPB1886F

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**Pooja Mehra**

Company Secretary

Membership No. FCS 5088

Place: Gurugram

Date : November 23, 2020

Place: Noida

Date : November 23, 2020

# ANNEXURE XVI

**S.R. BATLIBOI & Co, LLP**  
Chartered Accountants

2nd & 3rd Floor  
Golf View Corporate Tower - B  
Sector - 42, Sector Road  
Gurugram - 122 002, Haryana, India  
Tel: +91 124 681 6000

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Motherson Sumi Wiring India Limited

### Opinion

We have audited the accompanying special purpose interim Ind AS financial statements of Motherson Sumi Wiring India Limited ("the Company"), which comprise the interim Balance Sheet as at September 30, 2020, and the interim Statement of Profit and Loss, including other comprehensive income, interim Cash Flow Statement and the interim Statement of Changes in Equity for the period then ended, and notes to the special purpose interim financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose interim Ind AS financial statements give a true and fair view in conformity with the accounting principle generally accepted in India including the Indian Accounting Standard (Ind AS) 34 specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended:

- (a) in the case of the interim Balance Sheet, of the state of affairs of the Company as at September 30, 2020;
- (b) in the case of the interim Statement of Profit and Loss including other comprehensive income, of the loss for the period ended on that date;
- (c) in the case of the interim Cash Flow Statement, of the cash flows for the period ended on that date; and
- (d) in the case of the interim Statement of Changes in Equity, of the changes in equity for the period ended on that date.

### Basis for Opinion

We conducted our audit of the special purpose interim Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Interim Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the special purpose interim Ind AS financial statements.

### Management's Responsibility for the Special Purpose Interim Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these special purpose interim financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The Board of Directors are also responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose interim Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose interim financial statements, Board of Directors are responsible for assessing the ability of the Company's to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Special Purpose Interim Financial Statements**

Our objectives are to obtain reasonable assurance about whether the special purpose interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose interim Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose interim financial statements, including the disclosures, and whether the special purpose interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

### **Other matters - restriction of use**

The accompanying special purpose interim Ind AS financial statements have been prepared, and this report thereon issued, solely for use by the management in connection with the proposed scheme of demerger of Domestic Wiring harness business of Mother'son Sumi Systems Limited ("MSSL" or "Holding Company") into Mother'son Sumi Wiring India Limited. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent. 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

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**per Pankaj Chadha**

Partner

Membership Number: 091813

UDIN: 20091813AAAAFE8561

Place of Signature: Gurugram

Date: December 07, 2020



**MOTHERSON SUMI WIRING INDIA LIMITED**  
**Special Purpose Interim Financial Statements**  
**Interim Balance Sheet**  
**(All amounts in INR million, unless otherwise stated)**

	Notes	September 30, 2020
<b>Assets</b>		
<b>Current assets</b>		
Financial assets		
Cash and cash equivalents	3	0.50
<b>Total current assets</b>		<b>0.50</b>
<b>Total assets</b>		<b>0.50</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity share capital	4	0.50
<b>Other equity</b>		
Reserves and surplus	5	(3.65)
<b>Total equity</b>		<b>(3.15)</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Financial liabilities		
Trade Payables		
Total outstanding dues of micro, small and medium enterprises and	6	
Total outstanding dues of creditors other than micro, small and medium enterprises		3.65
<b>Total current liabilities</b>		<b>3.65</b>
<b>Total liabilities</b>		<b>3.65</b>
<b>Total equity and liabilities</b>		<b>0.50</b>
Summary of significant accounting policies	2	

The accompanying notes are an integral part of the special purpose interim financial statements

As per our report of even date

For **S.R.Batlboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

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per **Pankaj Chadha**  
Partner  
Membership No.: 091813

Place: Gurugram  
Date: December 07, 2020

For and on behalf of the Board of Directors

**SANJAY MEHTA**  
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**Sanjay Mehta**  
Director  
DIN 03215388

Place: Noida  
Date: December 07, 2020

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**V.C. Sehgal**  
Director  
DIN 00291126

Place: Dubai  
Date: December 07, 2020

**MOTHERSON SUMI WIRING INDIA LIMITED**  
**Special Purpose Interim Financial Statements**  
**Interim Statement of Profit and Loss**  
**(All amounts in INR million, unless otherwise stated)**

	Notes	For the period starting from the date of the incorporation i.e. July 02, 2020 and ended as of September 30, 2020
<b>Revenue</b>		
Revenue from operations		-
<b>Total income</b>		<b>-</b>
<b>Expenses</b>		
Other expenses	7	3.65
<b>Total expenses</b>		<b>3.65</b>
<b>Loss before tax</b>		<b>(3.65)</b>
Tax expenses		-
<b>Loss for the period</b>		<b>(3.65)</b>
Other comprehensive income for the period, net of tax		-
<b>Total comprehensive income for the period, net of tax</b>		<b>(3.65)</b>
<b>Earnings per share:</b>		
Nominal value per share: INR 1/- (not annualised)	8	
Basic and diluted		(10.70)
<b>Summary of significant accounting policies</b>	<b>2</b>	

The accompanying notes are an integral part of the special purpose interim financial statements

As per our report of even date

For **S.R.Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

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Membership No.: 091813

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Date: December 07, 2020

For and on behalf of the Board of Directors

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**Sanjay Mehta**  
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Date: December 07, 2020

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**V.C. Sehgal**  
Director  
DIN 00291126

Place: Dubai  
Date: December 07, 2020

**MOTHERSON SUMI WIRING INDIA LIMITED**  
**Special Purpose Interim Financial Statements**  
**Interim Statement of Changes in Equity**  
**(All amounts in INR million, unless otherwise stated)**

**A Equity share capital**

	Notes	Amount
As at July 02, 2020		-
Issue of equity share capital	4	0.50
<b>As at September 30, 2020</b>		<b>0.50</b>

**B Other equity**

	Notes	Reserves and surplus Retained Earnings	Items of OCI	Total
Balance as at July 02, 2020		-	-	-
Loss for the period	5	(3.65)	-	(3.65)
<b>Balance as at September 30, 2020</b>		<b>(3.65)</b>	-	<b>(3.65)</b>

Summary of significant accounting policies 2

The accompanying notes are an integral part of the special purpose interim financial statements

As per our report of even date

For **S.R.Batlboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

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Membership No.: 091813

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Date: December 07, 2020

For and on behalf of the Board of Directors

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**Sanjay Mehta**  
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**V.C. Sehgal**  
Director  
DIN 00291126

Place: Dubai  
Date: December 07, 2020

**MOTHERSON SUMI WIRING INDIA LIMITED**  
**Special Purpose Interim Financial Statements**  
**Interim Cash Flow Statement**  
**(All amounts in INR million, unless otherwise stated)**

	September 30, 2020
<b>A Cash flow from operating activities:</b>	
Loss before tax	(3.65)
<b>Operating profit before working capital changes</b>	<b>(3.65)</b>
<b>Change in working Capital:</b>	
Increase in trade payables	3.65
<b>Cash generated from operations</b>	<b>-</b>
- Income taxes paid	-
<b>Net cash flows from operating activities</b>	<b>-</b>
<b>B Cash flow from Investing activities:</b>	<b>-</b>
<b>C Cash flow from financing activities:</b>	
Proceeds from issue of shares	0.50
<b>Net cash flow from financing activities</b>	<b>0.50</b>
<b>Net increase in cash and cash equivalents</b>	<b>0.50</b>
<b>Net cash and cash equivalents at the beginning of the period</b>	<b>-</b>
<b>Cash and cash equivalents as at current period end</b>	<b>0.50</b>
<b>Cash and cash equivalents comprise of the following</b>	
Balances with banks	0.50
<b>Cash and cash equivalents as per balance sheet (note 3)</b>	<b>0.50</b>

Summary of significant accounting policies (note 2)

**Notes:**

- i) The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- ii) Figures in brackets indicate Cash Outflow.

The accompanying notes are an integral part of the special purpose interim financial statements

As per our report of even date

For **S.R.Batliloi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

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Partner  
Membership No.: 091813

Place: Gurugram  
Date: December 07, 2020

For and on behalf of the Board of Directors

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**Sanjay Mehta**  
Director  
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**V.C. Sehgal**  
Director  
DIN 00291126

Place: Dubai  
Date: December 07, 2020

# MOTHERSON SUMI WIRING INDIA LIMITED

## Notes to Special Purpose Interim Financial Statements

(All amounts in INR million, unless otherwise stated)

### 1. Corporate Information

Motherson Sumi Wiring India Limited ("MSWIL" or "the Company") was incorporated on July 02, 2020 and domiciled in India. It is a wholly owned subsidiary of Motherson Sumi Systems Limited ("MSSL" or "Holding Company"). The address of its registered office is Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra. The Company is a public limited company.

The Company was set up in connection with proposed scheme of demerger of Domestic Wiring harness business of MSSL into the Company by transferring all its business, including assets and liabilities to the Company. Currently, there are no business operations of the Company other than the administrative expenses. The Company is planning to be engaged primarily in the manufacture and sale of components to automotive original equipment manufacturers.

The Board of Directors of MSSL in its meeting dated July 02, 2020, approved a group reorganization plan with the objective of creating value for the shareholders of MSSL. The reorganization plan approved by the respective Boards of the Company and Samvardhana Motherson International Limited ("SAMIL") among other things, entails demerger of Domestic Wiring Harness ("DWH") business from MSSL into the Company.

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 FY2021-22.

The special purpose interim financial statements were authorised for issue in accordance with a resolution of the Board of directors on December 07, 2020.

### 2.1 Significant accounting policies

#### (a) Basis of preparation

The special purpose interim financial statements for the period July 02, 2020 (date of incorporation) to September 30, 2020, which comprise the interim Balance Sheet as at September 30, 2020, and the interim Statement of Profit and Loss, including other comprehensive income, interim Cash Flow Statement and the interim Statement of Changes in Equity for the period then ended, and notes to the special purpose interim financial statements, including a summary of significant accounting policies and other explanatory information.

The special purpose interim financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) 34 specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, for use by the management in connection with the proposed scheme of demerger as mentioned above in note 1.

These are the first financial statements prepared after its incorporation, thus the corresponding amounts (comparatives) for the immediately preceding reporting period for all items shown in the special purpose interim financial Statements are not required to be furnished.

The financial statements have been prepared on a historical cost basis.

The Company's functional currency is Indian Rupee (INR). The financial statements are presented in Indian Rupee (INR) and all values are rounded to the nearest millions (INR 000,000), except when otherwise indicated.

#### (b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Company classifies all other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

# MOTHERSON SUMI WIRING INDIA LIMITED

## Notes to Special Purpose Interim Financial Statements

(All amounts in INR million, unless otherwise stated)

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### (c) Cash and cash equivalents

Cash and cash equivalent includes cash on hand, cash at banks and short term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### (d) Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

### (e) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average number of equity shares outstanding during the period is adjusted for events that have changed the number of equity shares outstanding, without a corresponding change in resources.

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**MOTHERSON SUMI WIRING INDIA LIMITED**  
**Notes to Special Purpose Interim Financial Statements**  
**(All amounts in INR million, unless otherwise stated)**

<b>3 Cash and cash equivalents</b>		<b>September 30, 2020</b>
Balances with banks:		
- in current accounts		0.50
<b>Total</b>		<b>0.50</b>

<b>4 Share capital</b>		<b>September 30, 2020</b>
<b>Authorised:</b>		
330,000,000 Equity shares of INR 1 each		330.00
<b>Issued, subscribed and paid up:</b>		
500,000 Equity shares of INR 1 each		0.50

<b>a Movement in equity share capital</b>		<b>Number</b>	<b>Amount</b>
As at July 02, 2020		-	-
Add: Issued during the period		500,000	0.50
<b>As at September 30, 2020</b>		<b>500,000</b>	<b>0.50</b>

**b Rights, preferences and restrictions attached to shares**  
**Equity Shares:**  
The Company has only one class of equity shares having a par value of INR 1 per share. Each holder of equity is entitled to one vote per share held.  
In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

<b>c Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.</b>		<b>September 30, 2020</b>	
		<b>Nos.</b>	<b>%</b>
<b>Equity shares:</b>			
Motherson Sumi Systems Limited (including 6 shares held by its nominees)		500,000	100%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

<b>5 Reserves and surplus</b>		<b>September 30, 2020</b>
<b>Retained earnings</b>		
As at July 02, 2020		-
Loss during the period		(3.65)
<b>As at September 30, 2020</b>		<b>(3.65)</b>

<b>6 Trade payables</b>		<b>September 30, 2020</b>
Total outstanding dues of micro, small and medium enterprises		-
Total outstanding dues of creditors other than micro, small and medium enterprises		3.65
<b>Total</b>		<b>3.65</b>

<b>7 Other expenses</b>		<b>For the period starting from the date of the incorporation i.e. July 02, 2020 and ended as of September 30, 2020</b>
Rates & taxes		3.25
Payment to auditor:		
- Audit fee		0.10
- Other services - certification		0.30
<b>Total</b>		<b>3.65</b>

**MOTHERSON SUMI WIRING INDIA LIMITED**  
**Notes to Special Purpose Interim Financial Statements**  
**(All amounts in INR million, unless otherwise stated)**

**8 Earnings per share**

	September 30, 2020
Net loss after tax available for equity Shareholders	(3.65)
Weighted average number of equity shares used to compute basic and diluted earnings per share	340,659
Basic and diluted earnings per share of INR 1 each	(10.70)

The Company does not have any potential equity shares and thus, weighted average number of shares for computation of basic EPS and diluted EPS remains same.

**9 Related party disclosures**

**I. Related party disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below:**

**Entity with control over the Company**

Name	Ownership interest September 30, 2020
Motherson Sumi Systems Limited ("MSSL")	100%

**Relationship where control exists**

**II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 9 (I) above:**

**Transactions with related parties**

	September 30, 2020
<b>Holding company</b>	
Issue of share capital	0.50

As per our report of even date

For **S.R.Batlboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

**PANKAJ  
CHADHA**

Digitally signed by PANKAJ CHADHA  
 DN: cn=PANKAJ CHADHA, e=IN,  
 o=Personal,  
 email=pankaj.chadha@wb.in  
 Reason: I am approving this document.  
 Date: 2020.12.07 18:39:19 +05'30'

per Pankaj Chadha  
 Partner  
 Membership No.: 091813

Place: Gurugram  
 Date: December 07, 2020

**SANJAY  
MEHTA**

Digitally signed  
 by SANJAY  
 MEHTA  
 Date: 2020.12.07  
 16:49:54 +05'30'

Sanjay Mehta  
 Director  
 DIN 03215388

Place: Noida  
 Date: December 07, 2020

**VIVEK  
CHAAND  
SEHGAL**

Digitally signed by  
 VIVEK CHAAND  
 SEHGAL  
 Date: 2020.12.07  
 16:52:51 +05'30'

V.C. Sehgal  
 Director  
 DIN 00291126

Place: Dubai  
 Date: December 07, 2020



**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF MOTHERSON SUMI SYSTEMS LIMITED (“COMPANY”) ON JULY 2, 2020, EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT BETWEEN THE COMPANY, SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED AND A WHOLLY OWNED SUBSIDIARY OF THE COMPANY WHICH IS IN THE PROCESS OF BEING INCORPORATED UNDER THE NAME OF MOTHERSON SUMI WIRING INDIA LIMITED ON THE SHAREHOLDERS, PROMOTER AND NON-PROMOTER SHAREHOLDERS, AND KEY MANAGERIAL PERSONNEL OF THE COMPANY**

**1. Background**

- 1.1 The proposed scheme of amalgamation and arrangement between Motherson Sumi Systems Limited (“**Company**”), Samvardhana Motherson International Limited (“**SAMIL**”), a new company which is in the process of being incorporated as a wholly owned subsidiary of the Company (“**Resulting Company**”), and their respective shareholders and creditors (“**Scheme**”), under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Act**”), was approved by the board of directors of the Company (“**Board**”) pursuant to resolution dated July 2, 2020.
- 1.2 The provisions of Section 232(2)(c) of the Act require the Board to adopt a report explaining the effect of the arrangement pursuant to the Scheme on each class of shareholders, key managerial personnel, and promoters and non-promoter shareholders, and to set out, in particular, the share entitlement ratio, specifying any special valuation difficulties, if any and the same is required to be circulated to the equity shareholders at the time of seeking their approval to the Scheme as may be directed by the National Company Law Tribunal, Mumbai bench (“**NCLT**”).
- 1.3 This Report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act.
- 1.4 The following documents were placed before the Board:
- (a) The draft of the proposed Scheme approved by the Board pursuant to its resolution dated [July 2, 2020];
  - (b) The joint report, dated July 2, 2020, issued by Price Waterhouse & Co. LLP, Chartered Accountants and BSR & Associates LLP, Chartered Accountants and the valuation report, dated July 2, 2020, issued by Incwert Advisory Private Limited, a registered valuer, describing the methodology adopted by them in arriving at, and recommending, the Demerger Share Entitlement Ratio (*as defined below*), Merger Share Exchange Ratio 1 (*as defined below*) and Merger Share Exchange Ratio 2 (*as defined below*) (“**Valuation Reports**”);
  - (c) The fairness opinions, July 2, 2020, issued by Axis Capital Limited, a Securities and Exchange Board of India (“**SEBI**”) Registered (Category-I) Merchant Banker and DSP Merrill Lynch Limited, a SEBI Registered (Category-I) Merchant Banker, respectively, providing the fairness opinions on the Demerger Share Entitlement Ratio, Merger Share Exchange Ratio 1 and Merger Share Exchange Ratio 2, recommended by the valuers (“**Fairness Opinions**”); and
  - (d) Report of the Audit Committee of the Board dated July 2, 2020; and

- (e) Auditor's certificate, dated July 2, 2020, issued by M/s S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/IE300005), the statutory auditors of the Company, to the effect that the Scheme is in compliance with applicable accounting standards specified by the Central Government under Section 133 of the Act.
- 1.5 The Board noted the rationale for the Scheme, as set forth in detail in the Scheme, and is therefore not reiterated in this Report.
2. **Effect of the Scheme in terms of Section 232(2)(c) of the Act**
- 2.1 Effect of the Scheme on the Promoter and Non-Promoter Shareholders:
- 2.1.1 The Scheme provides for the following:
- (a) demerger of the Domestic Wiring Harness Undertaking or the DWH Undertaking (as defined in the Scheme) into the Resulting Company ("**Demerger**"); and
- (b) amalgamation of SAMIL with the Company by absorption, subsequent to the completion of the demerger referred to in (a).
- 2.1.2 Demerger
- (a) As consideration for the Demerger, the Resulting Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of the Company as on the Record Date 1 (as defined in the Scheme), 1 (one) equity share(s) of Re. 1 (Rupee one) each of the Resulting Company for every 1 equity share(s) of Re. 1 (Rupee one) each of the Company ("**Demerger Share Entitlement Ratio**").
- (b) Demerger Share Entitlement Ratio is based on the Valuation Reports. The Valuation Reports have been duly considered by the Board of the Company which has come to the conclusion that Demerger Share Entitlement Ratio is fair and reasonable.
- (c) Further, since the Resulting Company will be a wholly owned subsidiary of the Company, simultaneous upon the Demerger under the Scheme becoming effective, the shareholding of the Company and its nominees in the Resulting Company shall stand cancelled.
- (d) Pursuant to the Demerger, the equity shares issued by the Resulting Company will be listed on the BSE Limited and National Stock Exchange of India Limited.
- (e) The equity share capital of the Company shall not undergo any change as a result of the Demerger.
- 2.1.3 Amalgamations
- (a) As consideration for the amalgamation of SAMIL into and with the Company, the Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of SAMIL as on the Record Date 2 (as defined in the Scheme), 51 (fifty one) equity share(s) of Re. 1 (Rupee One) each of the Company for every 10 (ten) equity share(s) of Rs. 10 (Rupees Ten) each of SAMIL ("**Merger Share Exchange Ratio**").
- (b) Merger Share Exchange Ratio is based on the Valuation Reports. The Valuation Reports have been duly considered by the Board of the Company which has come to the conclusion that Merger Share Exchange Ratio is fair and reasonable.

- (c) Simultaneous with the amalgamation of SAMIL into and with the Company, the shareholding of SAMIL in the Company shall stand cancelled.
- (d) There will be a change in the shareholding pattern of the Company pursuant to the amalgamation of SAMIL into and with the Company, as per the Scheme, in accordance with the share exchange ratios. Indicative shareholding pattern of the Company, post the amalgamation of SAMIL into and with the Company in accordance with the Scheme, is set out below:

Category	Shareholding of the Company as on June 26, 2020	Indicative post-Scheme shareholding of the Company
Promoter and Promoter Group	61.73%	68.15%
Public	38.27%	31.85%*

*\*\*including indicative post-Scheme shareholding of 5.10% of the Company to be held by the non-promoter shareholders of SAMIL.*

## 2.2 Effect of the Scheme on the Directors and Key Managerial Personnel

Upon the Scheme becoming effective, all the directors and key managerial personnel of the Company will continue as directors and key managerial personnel of the Company and would in no way be affected by the Scheme.

## 2.3 Effect of the Scheme on the Creditors:

Upon the Scheme becoming effective, the creditors relating to the DWH Undertaking shall become the creditors of the Resulting Company. Further, the general or multipurpose borrowings, if any, of the Company will be apportioned basis the proportion of the value of the assets transferred in the Demerger of the DWH Undertaking to the total value of the assets of the Company immediately before the said Demerger or in such other manner as maybe determined by the Boards of the Company and Resulting Company.

The Scheme does not involve any compromise or arrangement with the creditors of the Company. The liability of the Company towards its creditors is neither being reduced nor being extinguished under the Scheme and the Scheme is therefore not prejudicial to the interests of the creditors of the Company.

## 2.4 Effect of the Scheme on the Depositors / Deposit Trustee:

As on date, the Company does not have any outstanding public deposits and therefore the question of the Scheme having an effect on any such depositors and deposit trustee does not arise.

## 2.5 Effect of the Scheme on the Debenture holders / debenture trustee:

Currently, NCDs issued by Company are listed on BSE Limited. The rights of the debenture-holders shall not be affected by the Scheme. The liability of the Company towards the debenture-holders is neither being reduced nor being extinguished under the Scheme. The debenture-holders of the Company would in no way be affected by the Scheme.

## 2.6 Effect of the Scheme on the employees of the Company:



2.6.1 Upon the Demerger becoming effective, in terms of the Scheme, all employees of the DWH Undertaking, as determined by the Board of the 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 Company, on the Effective Date 1. The services of such employees with the 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. In these circumstances, the rights of such employees of the Company would in no way be affected by the Scheme.

2.6.2 The employees of the Remaining Business (*as defined in the Scheme*) of the Company shall continue as employees of the Company and would in no way be affected by the Scheme.

2.7 Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of the Company:

The directors and key managerial personnel of the Company may be deemed to be concerned / interested in the Scheme only to the extent of their shareholding in the companies forming a part of the Scheme and/or to the extent the directors are common directors in the said companies and/or to the extent the said directors or key managerial personnel are partners, directors, members of the companies, firms, association of persons, body corporate and/or beneficiary of trust, who hold shares in any of the said companies.

3. No special valuation difficulties were reported in determination of the Demerger Share Entitlement Ratio and Merger Share Exchange Ratio by the Valuers.

#### 4. **Conclusion**

While deliberating the Scheme, the Board considered its impact on each of the shareholders, promoters and non-promoter shareholders, key managerial personnel, creditors and employees. Scheme is in the best interest of the promoters and non-promoter shareholders, key managerial personnel, creditors and employees and no prejudice is caused to them in any manner by the Scheme.

**For and on behalf of Motherson Sumi Systems Limited**



**Name: S.C. Tripathi**  
**Designation: Independent Director and Chairman for the meeting.**

**Date: July 2, 2020**  
**Place: Noida**



## ANNEXURE XVIII

### Samvardhana Motherson International Limited

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED ("COMPANY") ON July 2, 2020, EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT BETWEEN THE COMPANY, MOTHERSON SUMI SYSTEMS LIMITED, A NEW COMPANY WHICH IS IN THE PROCESS OF BEING INCORPORATED AS A WHOLLY OWNED SUBSIDIARY OF MOTHERSON SUMI SYSTEMS LIMITED ON SHAREHOLDERS, PROMOTER AND NON-PROMOTER SHAREHOLDERS, AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

#### 1. Background

- 1.1 The proposed scheme of amalgamation and arrangement between Samvardhana Motherson International Limited ("**Company**"), Motherson Sumi Systems Limited ("**MSSL**"), a new company which is in the process of being incorporated as the wholly owned subsidiary of MSSL ("**Resulting Company**") and their respective shareholders and creditors ("**Scheme**"), under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**"), was approved by the board of directors of the Company ("**Board**") pursuant to resolution dated July 2, 2020.
- 1.2 The provisions of Section 232(2)(c) of the Act require the Board to adopt a report explaining the effect of the arrangement pursuant to the Scheme on each class of shareholders, key managerial personnel, and promoters and non-promoter shareholders, and to set out, in particular, the share entitlement ratio, specifying any special valuation difficulties, if any and the same is required to be circulated to the equity shareholders at the time of seeking their approval to the Scheme as may be directed by the National Company Law Tribunal, Mumbai bench ("**NCLT**").
- 1.3 This Report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act.
- 1.4 The following documents were placed before the Board:
  - (a) The draft of the proposed Scheme approved by the Board pursuant to its resolution dated July 2, 2020;
  - (b) The joint report, dated July 2, 2020 issued by Price Waterhouse & Co. LLP, Chartered Accountants and BSR & Associates LLP, Chartered Accountants and the valuation report, dated July 2, 2020, issued by Incwert Advisory Private Limited, a registered valuer, describing the methodology adopted by them in arriving at, and recommending, the Demerger Share Entitlement Ratio (*as defined below*) and Merger Share Exchange Ratio (*as defined below*) ("**Valuation Reports**"); and
  - (c) The fairness opinion, dated July 2, 2020, issued by Kotak Mahindra Capital Company Limited, a Securities and Exchange Board of India Registered (Category-I) Merchant Banker, respectively, providing the fairness opinion on the Merger Share Exchange Ratio recommended by the valuers ("**Fairness Opinion**").
- 1.5 The Board noted the rationale for the Scheme, as set forth in detail in the Scheme, and is therefore not reiterated in this Report.



#### Corporate Headquarters:

Plot No.1, Sector-127, Noida-Greater Noida Expressway  
Noida - 201301, U.P., India  
Tel. No.: +91-120-6679500, Fax: +91-120-6679270  
Website: www.smil.co.in / www.motherson.com  
Email: smil@motherson.com

#### Registered Office:

Unit 705, C Wing. ONE BKC, G Block,  
Bandra Kurla Complex, Bandra East,  
Mumbai, Maharashtra, India - 400051.  
Phone: +91-22-61354800, Fax: +91-22-61354801  
CIN No.: U74900MH2004PLC287011

## 2. Effect of the Scheme in terms of Section 232(2)(c) of the Act

### 2.1 Effect of the Scheme on the Promoter and Non-Promoter Shareholders:

#### 2.1.1 The Scheme provides for the following:

- (a) demerger of the Domestic Wiring Harness Undertaking or DWH Undertaking (as defined in the Scheme) into the Resulting Company ("**Demerger**");
- (b) amalgamation of the Company with MSSL by absorption, subsequent to the completion of the Demerger referred to in (a);

2.1.2 As consideration for the amalgamation of the Company into and with MSSL, MSSL shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of the Company as on the Record Date 2 (as defined in the Scheme), 51 equity share(s) of Re. 1 each of MSSL for every 10 equity share(s) of Rs. 10 each of the Company ("**Merger Share Exchange Ratio**").

2.1.3 Merger Share Exchange Ratio is based on the Valuation Reports. The Valuation Reports have been duly considered by the Board which has come to the conclusion that Merger Share Exchange Ratio is fair and reasonable.

2.1.4 The shares issued by MSSL to the shareholders of the Company, pursuant to the Scheme, will be listed on BSE Limited and the National Stock Exchange of India Limited.

2.1.5 Upon the amalgamation of the Company into and with MSSL, the Company shall stand dissolved without being wound-up, without any further act or deed and the name of the Company shall be struck off from the records of the Registrar of Companies.

2.1.6 Simultaneous with the amalgamation of the Company into and with MSSL, the shareholding of the Company in MSSL shall stand cancelled.

### 2.2 Effect of the Scheme on the Directors and Key Managerial Personnel:

Under the Scheme, with effect from the Effective Date 2, the Company shall, without any requirement of a further act or deed, stand dissolved without being wound up. In the circumstances, the key managerial personnel and directors of the Company will cease to be the key managerial personnel and directors of the Company.

### 2.3 Effect of the Scheme on the Creditors:

Upon the amalgamation of the Company into and with MSSL coming into effect on the Effective 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 Company shall, without any further act or deed, become the debts, liabilities, contingent liabilities, duties and obligations of MSSL.

Under the Scheme, there is no compromise or arrangement with the creditors of the Company. With effect from the Effective Date 2 and as provided in Part II of the Scheme, the creditors of the Company shall become the creditors of MSSL. The liability of the Company towards its creditors, under the Scheme, is neither being reduced nor being extinguished.



X

2.4 Effect of the Scheme on the Depositors / Deposit Trustee:

As on date, the Company does not have any outstanding public deposits and therefore the question of the Scheme having an effect on any such depositors and deposit trustee does not arise.

2.5 Effect of the Scheme on the Debenture holders / debenture trustee:

Currently, Non-Convertible Debentures ("NCDs") issued by Company are listed on BSE Limited. The rights of the debenture-holders shall not be affected by the amalgamation of the Company into and with MSSL, pursuant to the Scheme. Consequent upon the amalgamation of the Company into and with MSSL, and subject to regulatory approval, if any, all the listed NCDs of the Company shall vest in MSSL on the same terms and conditions, as if it were the issuer of the NCDs. Subject to the requirements, if any, imposed by BSE Limited, and other terms and conditions agreed with BSE Limited, the NCDs which stand transferred to MSSL pursuant to the Scheme shall be listed and/ or admitted to trading on the BSE Limited, where the NCDs are currently listed.

2.6 Effect of the Scheme on the employees of the Company:

Upon the amalgamation of the Company into and with MSSL coming into effect on the Effective Date 2, all employees of the Company shall be deemed to have become employees of MSSL, 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 Company, on Effective Date 2. The services of such employees with the 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. In these circumstances, the rights of the employees of the Company would in no way be affected by the Scheme.

2.7 Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of the Company:

The directors and key managerial personnel of the Company may be deemed to be concerned / interested in the Scheme only to the extent of their shareholding in the companies forming a part of the Scheme and/or to the extent the directors are common directors in the said companies and/or to the extent the said directors or key managerial personnel are partners, directors, members of the companies, firms, association of persons, body corporate and/or beneficiary of trust, who hold shares in any of the said companies.

3. No special valuation difficulties were reported in determination of the Merger Share Exchange Ratio by the Valuers.

4. **Conclusion**

While deliberating the Scheme, the Board considered its impact on each of the shareholders, promoters and non-promoter shareholders, key managerial personnel, creditors and employees. Scheme is in the best interest of the promoters and non-promoter shareholders, key managerial personnel, creditors and employees and no prejudice is caused to them in any manner by the Scheme.



X

**Certified true copy**

**For and on behalf of Samvardhana Motherson International Limited**



A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains the text "Samvardhana Motherson International Limited" around its perimeter. The signature is a cursive scribble that partially obscures the stamp.

**Name: Sanjay Mehta**  
**Designation: Director** ✓

**Note: The features / details set out above being only the salient features of the Scheme, the equity shareholders / creditors of the Company are requested to read the entire text of the Scheme to get themselves fully acquainted with the provisions thereof. Words and expressions used above and not defined but defined in the Scheme, shall have the same meanings respectively assigned to them in the Scheme.**



**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF MOTHERSON SUMI WIRING INDIA LIMITED (“COMPANY”) ON JULY 17, 2020, EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT BETWEEN MOTHERSON SUMI SYSTEMS LIMITED, SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED AND THE COMPANY ON THE SHAREHOLDERS, PROMOTER AND NON-PROMOTER SHAREHOLDERS, AND KEY MANAGERIAL PERSONNEL OF THE COMPANY**

**1. Background**

- 1.1 The proposed scheme of amalgamation and arrangement between Motherson Sumi Systems Limited (“**MSSL**”), Samvardhana Motherson International Limited (“**SAMIL**”), Motherson Sumi Wiring India Limited (“**Company**”), and their respective shareholders and creditors (“**Scheme**”), under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Act**”), was approved by the board of directors of the Company (“**Board**”) pursuant to resolution dated July 17, 2020.
- 1.2 The provisions of Section 232(2)(c) of the Act require the Board to adopt a report explaining the effect of the arrangement pursuant to the Scheme on each class of shareholders, key managerial personnel, and promoters and non-promoter shareholders, and to set out, in particular, the share entitlement ratio, specifying any special valuation difficulties, if any and the same is required to be circulated to the equity shareholders at the time of seeking their approval to the Scheme as may be directed by the National Company Law Tribunal, Mumbai bench (“**NCLT**”).
- 1.3 This Report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act.
- 1.4 The following documents were placed before the Board:
- (a) The draft of the proposed Scheme approved by the Board pursuant to its resolution dated July 17, 2020;
  - (b) The joint report, dated July 2, 2020, prepared by Price Waterhouse & Co. LLP, Chartered Accountants and BSR & Associates LLP, Chartered Accountants and the valuation report, dated July 2, 2020, issued by Incwert Advisory Private Limited, a registered valuer, describing the methodology adopted by them in arriving at, and recommending, the Demerger Share Entitlement Ratio (“**Valuation Reports**”);
  - (c) The fairness opinions, both dated July 2, 2020, issued by Axis Capital Limited, a SEBI Registered (Category-I) Merchant Banker and DSP Merrill Lynch Limited, a SEBI Registered (Category-I) Merchant Banker, respectively, providing the fairness opinions on the Demerger Share Entitlement Ratio recommended by the valuers (“**Fairness Opinions**”); and
  - (d) Auditor’s certificate, dated July 2, 2020, issued by M/s S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/IE300005), the statutory auditors of the Company, to the effect that the Scheme is in compliance with applicable accounting standards specified by the Central Government under Section 133 of the Act.
- 1.5 The Board noted the rationale for the Scheme, as set forth in detail in the Scheme, and is therefore not reiterated in this Report.

Regd. Office:  
**Motherson Sumi Wiring India Limited**  
 Unit – 705, C Wing, ONE BKC, G Block Bandra Kurla Complex, 1  
 Bandra East Mumbai – 400051, Maharashtra (India)  
 Tel: 022-61354800, Fax: 022-61354801  
 CIN No.: U29306MH2020PLC341326  
 E-mail: investorrelations@motherson.com



## 2. **Effect of the Scheme in terms of Section 232(2)(c) of the Act**

### 2.1 Effect of the Scheme on the Promoter and Non-Promoter Shareholders:

#### 2.1.1 The Scheme provides for the following:

- (a) demerger of the Domestic Wiring Harness Undertaking or the DWH Undertaking (as defined in the Scheme) of MSSL into the Company ("**Demerger**"); and
- (b) amalgamation of SAMIL with MSSL by absorption, subsequent to the completion of the demerger referred to in (a).

2.1.2 As consideration for the Demerger, the Company shall, without any further act or deed and without receipt of any cash, issue and allot to the shareholders of MSSL, as on the Record Date (as defined in the Scheme), 1 (one) equity share(s) of Re. 1 (Rupee one) each of the Company for every 1 equity share(s) of Re. 1 (Rupee one) each of MSSL ("**Demerger Share Entitlement Ratio**") On the Demerger becoming effective, the shareholding of the Company will be a mirror-image of MSSL as on the Record Date.

2.1.3 Demerger Share Entitlement Ratio is based on the Valuation Reports. The Valuation Reports have been duly considered by the Board of the Company which has come to the conclusion that Demerger Share Entitlement Ratio is fair and reasonable.

2.1.4 Further, since the Company is a wholly owned subsidiary of MSSL, simultaneous upon the Demerger under the Scheme becoming effective, the shareholding of MSSL and its nominees in the Company shall, without any further application, act, instrument or deed, stand automatically cancelled.

2.1.5 Post the effectiveness of the Demerger, in terms of the Scheme, the equity shares issued by the Company shall be listed and admitted for trading on the BSE Limited and National Stock Exchange of India Limited.

2.1.6 As such, on the Demerger becoming effective in terms of the Scheme, the Company will cease to be a wholly owned subsidiary of MSSL.

### 2.2 Effect of the Scheme on the Directors and Key Managerial Personnel

As on date, the Company does not have any key managerial personnel and therefore the question of the Scheme having an effect on any key managerial personnel does not arise.

Upon the Demerger becoming effective as per the terms of the Scheme, the board of directors of the Company will be reconstituted.

### 2.3 Effect of the Scheme on the Creditors:

As on date, the Company does not have any creditors and therefore the question of the Scheme having an effect on any creditors does not arise.

### 2.4 Effect of the Scheme on the Depositors / Deposit Trustee:

As on date, the Company does not have any outstanding public deposits and therefore the question of the Scheme having an effect on any such depositors and deposit trustee does not arise.



2.5 Effect of the Scheme on the Debenture holders / debenture trustee:

As on date, the Company does not have any debenture holders and therefore the question of the Scheme having an effect on any debenture holders and debenture trustee does not arise.

2.6 Effect of the Scheme on the employees of the Company:

2.6.1 As on date, the Company does not have any employees and therefore the question of the Scheme having an effect on any employee does not arise.

2.6.2 Upon the Demerger becoming effective, in terms of the Scheme, all employees of the DWH Undertaking, as determined by the Board of MSSL, shall be deemed to have become employees of the 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 MSSL, on Effective Date 1 (as defined in the Scheme). The services of such employees with MSSL up to the Effective Date 1 (as defined in the Scheme) 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.

2.7 Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel of the Company:

As on date, the Company does not have any key managerial personnel.

The directors of the Company may be deemed to be concerned / interested in the Scheme only to the extent of their shareholding in the companies forming a part of the Scheme and/or to the extent the directors are common directors in the said companies and/or to the extent the said directors are partners, directors, members of the companies, firms, association of persons, body corporate and/or beneficiary of trust, who hold shares in any of the said companies.

3. No special valuation difficulties were reported in determination of the Demerger Share Entitlement Ratio and Merger Share Exchange Ratio by the Valuers.

4. **Conclusion**

While deliberating the Scheme, the Board considered its impact on the shareholders and other stakeholders of the Company. In the opinion of the Board, the Scheme is in the best interest of the shareholders and other stakeholders and no prejudice is caused to them in any manner by the Scheme.

**For and on behalf of Motherson Sumi Wiring India Limited**



Name: **Sanjay Mehta**  
Designation: **Director**

Date: **July 17, 2020**  
Place: **Noida**



# ANNEXURE XX

## FOR PRIVATE CIRCULATION TO THE SHAREHOLDERS OF MOTHERSON SUMI SYSTEMS LIMITED ONLY

THIS IS A DISCLOSURE DOCUMENT PREPARED IN CONNECTION WITH THE PROPOSED COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT AMONGST MOTHERSON SUMI SYSTEMS LIMITED ("TRANSFEROR COMPANY" OR "MSSL"), SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED ("AMALGAMATING COMPANY" OR "SAMIL" OR "COMPANY"), MOTHERSON SUMI WIRING INDIA LIMITED ("RESULTING COMPANY" OR "MSWIL") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230 TO 232 AND OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013 ("SCHEME"). THE SCHEME IS ALSO AVAILABLE ON THE WEBSITES OF MSSL, BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") WHERE THE EQUITY SHARES OF MSSL ARE LISTED.

THIS DISCLOSURE DOCUMENT CONTAINS 9 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL PAGES.

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR TRANSFERRED PURSUANT TO THIS DISCLOSURE DOCUMENT.

This disclosure document has been prepared in connection with the Scheme, pursuant to the Securities and Exchange Board of India ("SEBI") Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 (as amended), ("SEBI Circular") read with Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended. This disclosure document dated March 26, 2021 should be read together with the Scheme and the notice to the shareholders of Motherson Sumi Systems Limited and Samvardhana Motherson International Limited in connection with the Scheme.

### SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED

**Registered Office:** Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai Maharashtra-400051

**Corporate Office:** 12<sup>th</sup> Floor, Plot No. 1, Sector-127, Noida, Noida Greater Noida Expressway, U.P.-201301

**Contact Person:** Pooja Mehra, Company Secretary **Email:** poojamehra@samil.motherson.com

**Telephone:** +91-22-61354800, +91-120-6679500 **Website:** smil.co.in **CIN:** U74900MH2004PLC287011

#### NAME OF THE PROMOTERS OF THE COMPANY

1. Mr. Vivek Chaand Sehgal;
2. Mr. Laksh Vaaman Sehgal; and
3. Mrs. Renu Alka Sehgal (as a Trustee of Renu Sehgal Trust).

#### SCHEME DETAILS LISTING AND PROCEDURES

Brief particulars of the Scheme are as follows:

- I. Demerger of the DWH Undertaking (as defined in the Scheme) of the Transferor Company and vesting of the same with the Resulting Company, pursuant to which the shareholders of the Transferor Company, as of the record date, will be issued 1 Equity Share of INR 1 each of the Resulting Company for every 1 Equity Share of INR 1 each of the Transferor Company. Further, the Equity Shares held by the Transferor Company in the Resulting Company shall stand cancelled. The equity shares issued by the Resulting Company, pursuant to the Scheme,



will be listed on BSE and NSE.

- II. Amalgamation of the Amalgamating Company into and with the Transferor Company, by absorption, subsequent to the completion of the demerger referred to in (I) above, pursuant to which, the shareholders of the Amalgamating Company, as of the record date, will be issued 51 Equity Share of INR 1 each of the Transferor Company, for every 10 Equity Share of INR 10 each of the Amalgamating Company. Further, the Equity Shares held by the Amalgamating Company in the Transferor Company shall stand cancelled. Upon effectiveness of the Scheme, the Amalgamating Company shall stand dissolved without being wound up. Further, the Scheme provides for the Transferor Company to be renamed as 'Samvardhana Motherson International Limited' on the amalgamation becoming effective.

The Scheme is subject to approvals and sanctions as mentioned in the Scheme.

#### ELIGIBILITY

In compliance with the SEBI Circular read with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

#### INDICATIVE TIMELINES

This Disclosure Document is filed pursuant to the Scheme, and is not an offer to the public at large. Given that the Scheme requires approval of various regulatory authorities including and primarily, the National Company Law Tribunal ("NCLT"), the exact time frame cannot be established with certainty.

#### GENERAL RISKS

Investors are advised to read the risk factors carefully before taking an investment decision. For taking an investment decision, investors must rely on their own examination of the Company and the Scheme, including the risks involved. The equity shares have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the Disclosure Document. Specific attention is invited to section titled "Risk Factors" at page 8 of this Disclosure Document.

**Name of Statutory Auditors**

S.R. Batliboi & Co. LLP

#### PROMOTERS OF THE COMPANY

##### **Mr. Vivek Chaand Sehgal**

Mr. Vivek Chaand Sehgal is the Chairman of the Company. He established Motherson in 1975 by starting a partnership firm with his mother and he has been associated with the Company since December 9, 2004. Under the leadership of Mr. Sehgal, Motherson has evolved as one of the leading solutions provider to the global automotive industry.

Among the many accolades he has received, Mr. Sehgal was awarded ETAuto Global Indian of the Year Award at the ETAuto Global Auto Business Summit 2018 and Entrepreneur of the year 2018 by Forbes India.

##### **Mr. Laksh Vaaman Sehgal**

Mr. Laksh Vaaman Sehgal has been associated with various companies of the Motherson Group and he has been a Director of the Company since December 9, 2004. Mr. Laksh Vaaman Sehgal has a Bachelor of Science in Business Administration from Boston University, USA and a Master of Business Administration (MBA) degree from Columbia Business School (USA).



**Mrs. Renu Alka Sehgal (as a Trustee of Renu Sehgal Trust)**

Mrs. Renu Alka Sehgal is a Promoter of the Company and holds shares in the Company in the capacity of a trustee of the Renu Sehgal Trust. She has been associated with the Company since December 9, 2004.

**BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY**

**Overview:**

Samvardhana Motherson International Limited is a public limited company incorporated on December 9, 2004 under the laws of India. It is a non-deposit taking Core Investment Company (CIC) registered with the Reserve Bank of India. It holds 33.43% of the total paid up equity share capital of Motherson Sumi Systems Limited and is engaged in the business of holding and nurturing its investments in various subsidiaries and joint-venture companies.

The businesses housed under SAMIL through its subsidiaries and joint ventures include automotive lighting systems, extruded and injection moulding tools and components heating ventilating and air conditioning (HVAC) systems for vehicles cabins for off-highway vehicles stamped and machined metal products, cutting tools etc.

The strategy of SAMIL so far has been three-fold:

- Understanding different products, related manufacturing processes and technologies;
- Develop strong foothold in the domestic market and use the knowledge and skills developed in domestic markets to leverage inorganic opportunities globally; and
- Being the focal point in providing support services to the group.

**BOARD OF DIRECTORS**

Sr. No.	Name	Designation	Experience including current / past positions held in other firms
1.	Mr. Vivek Chaand Sehgal	Director (Chairman)	Mr. Vivek Chaand Sehgal was appointed on the Board of the Company on December 9, 2004 and serves as its Chairman. He also serves as the Chairman on the board of MSSL. He established Motherson in 1975 by starting a partnership firm with his mother.
2.	Mr. Laksh Vaaman Sehgal	Director	Mr. Laksh Vaaman Sehgal was appointed on the Board of the Company on December 9, 2004. He is also on the Board of MSSL.
3.	Mr. Vivek Avasthi	Director	Mr. Vivek Avasthi was appointed on the Board of the Company on August 5, 2013. He serves as a director on the Boards of, <i>inter alia</i> , Motherson Auto Solutions Limited and



			Samvardhana Motherson Health Solution Limited.
4.	Ms. Geeta Soni	Director	Ms. Geeta Soni was appointed on the Board of the Company on March 15, 2014. She is serving as a director on the Boards of, <i>inter alia</i> , Sisbro Motor and Workshop Private Limited and Moon Meadows Private Limited.
5.	Mr. Bimal Dhar	Director	Mr. Bimal Dhar was appointed on the Board of the Company on September 10, 2012. He is also serving as a director on the Boards of, <i>inter alia</i> , CTM India Limited and MothersonSumi Infotech & Designs Limited.
6.	Mr. Dhruv Mehra	Director	Mr. Dhruv Mehra was appointed on the Board of the Company on March 15, 2014. He serves as a director on the Boards of, <i>inter alia</i> , Adventure Auto Cars India Limited and Motherson Spirited Auto Retails India Limited.
7.	Mr. Hiroshi Morimoto	Director	Mr. Hiroshi Morimoto was appointed on the Board of the Company on June 1, 2009. He also serves as a director on the Board of Motherson Auto Solutions Limited..
8.	Mr. Sanjay Mehta	Whole Time Director	Mr. Sanjay Mehta was appointed on the Board of the Company on May 24, 2018. He serves as a director on the Boards of, <i>inter alia</i> , Motherson Techno Tools Limited and Marelli Motherson Automotive Lighting India Private Limited.
9.	Mr. Sanjay Kalia	Independent Director	Mr. Sanjay Kalia was appointed on the Board of the Company on September 16, 2019. He serves as a director on the Boards of, <i>inter alia</i> , Spirited Auto Cars (I) Limited and Motherson Auto Solutions Limited.
10.	Ms. Madhu Bhaskar	Independent Director	Ms. Madhu Bhaskar was appointed on the Board of the Company on June 18, 2014. She also serves as a director on the Boards of, <i>inter alia</i> , Samvardhana Motherson Innovative Solutions Limited and Motherson Auto Limited.



11.	Mr. Shigeru Ogura	Director	Mr. Shigeru Ogura was appointed on the Board of the Company on June 17, 2020. He is also serving as a director on the Boards of Motherson Auto Solutions Limited and Autrans India Private Limited.
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#### OBJECTS OF THE SCHEME

The Scheme seeks to achieve the following objectives:

- (a) creation of separate and distinct entities housing the DWH Undertaking (as defined in the Scheme) and the Remaining Business (as defined in the Scheme) 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 the Company;
- (f) consolidation of 100% of the shareholding in Samvardhana Motherson Automotive System Group BV in MSSL along with consolidation of all joint ventures and subsidiaries of Samvardhana Motherson Automotive System Group BV under MSSL;
- (g) consolidation of the 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
- (h) to ensure standalone focus on the Domestic Wiring Harness Business of MSSL.

#### PRE-SCHEME SHAREHOLDING PATTERN

Sr. No.	Particulars	Pre-Scheme No. of Shares	% Holding
1.	Promoter and Promoter Group	42,84,32,262*	90.46
2.	Public	4,51,81,593	9.54
	<b>Total</b>	<b>47,36,13,855</b>	<b>100</b>

\* Includes shares held by our promoters, namely, Mr. Vivek Chaand Sehgal (10,05,27,391 shares), Mr. Laksh Vaaman Sehgal (200 shares) and Mrs. Renu Sehgal, as trustee of the Renu Sehgal Trust (10,98,25,286 shares) and members of the promoter group, namely, Ms. Geeta Soni (14,86,360 shares), Ms. Nilu Mehra (4,79,000 shares), Ms. Vidhi Sehgal (47,70,956 shares), Motherson Engineering Research and Integrated Technologies Limited (1,45,45,200 shares), Shri Sehgal's Trustee Company Private Limited, as trustee of Sehgal Family Trust (12,15,90,869 shares), Advanced Technologies and Automotive Resources Pte. Ltd (84,27,000 shares), Radha Rani Holdings Pte Limited (6,67,80,000 shares).





**CONSOLIDATED AUDITED FINANCIAL INFORMATION**

Amount in INR Million (unless otherwise stated)

	<u>As of and for the six months ended September 30, 2020</u>	<u>As of and for the year ended March 31, 2020</u>	<u>As of and for the year ended March 31, 2019</u>	<u>As of and for the year ended March 31, 2018</u>
Total income from operations (net) (note 1)	5,277	13,358	14,711	10,297
Net profit / (loss) before tax and extraordinary items (note 2)	(6,311)	1,434	7,130	17,269
Net profit / (loss) after tax and extraordinary items (note 3)	(6,300)	1,183	6,853	15,938
Equity share capital	4,736	4,736	4,736	4,736
Reserves and surplus	56,319	62,950	62,314	56,488
Net worth (note 4)	58,049	63,571	63,172	58,296
Basic earnings per share (Rs.)* (note 5)	(13.37)	2.41	13.83	33.17
Diluted earnings per share (Rs.)* (note 5)	(13.37)	2.41	13.83	33.17
Return on Net Worth (%) (note 5)	(10.91%)	1.80%	10.37%	26.95%
Net Asset Value per share (Rs.) (note 5)	122.57	134.23	133.38	123.09

\*Re-computations have been made, where underlying disclosures in the respective financial statements were wrongly computed

**Notes:**

1. Amounts presented above against the "Total income from operations (net)" represents the amount disclosed as "Total revenue from operations" in the respective audited consolidated financial statements.
2. Amounts presented above against the "Net Profit/ (loss) before tax and extraordinary items" represents the amount disclosed as "Profit/ (loss) before tax" in the respective audited consolidated financial statements.
3. Amounts presented above against the "Net Profit/ (loss) after tax and extraordinary items" represents the amount disclosed as "Profit / (loss) for the year" in the respective audited consolidated financial statements.
4. Net Worth is calculated as below:

Amount in INR Million (unless otherwise stated)

Particulars	As of September 30, 2020	As of March 31, 2020	As of March 31, 2019	As of March 31, 2018
Equity Share Capital	4,736	4,736	4,736	4,736
Reserves and Surplus	56,319	62,950	62,314	56,488
<b>Less</b>				
Capital reserve on consolidation	(604)	(1,031)	(974)	(334)



Capital reserve on amalgamation	(2,402)	(2,402)	(2,402)	(2,402)
Treasury shares	-	(682)	(502)	(192)
<b>Net Worth</b>	<b>58,049</b>	<b>63,571</b>	<b>63,172</b>	<b>58,296</b>

Net worth is calculated as per definition given under Section 2(57) of the Companies Act, 2013.

5. Basic earnings per share (Rs.), diluted earnings per share (Rs.), Return on net worth (%) and Net asset value per share (Rs.) are calculated as below:

**Amount in INR Million (unless otherwise stated)**

Particulars	As of and for the six months' period ended September 30, 2020	As of and for the year ended March 31, 2020	As of March and for the year ended 31, 2019	As of March and for the year ended 31, 2018
Profit/(Loss) attributable to owners (A)	(6,331)	1,143	6,548	15,708
Net Worth (Note 4) (B)	58,049	63,571	63,172	58,296
Outstanding Equity Shares* (number) (C)	473,613,855	473,613,855	473,613,855	473,613,855
Basic earnings per share (Rs.) (A/C) @	(13.37)	2.41	13.83	33.17
Diluted earnings per share (Rs.) (A/C) @	(13.37)	2.41	13.83	33.17
Return on Net Worth (%) (A/B)	(10.91%)	1.80%	10.37%	26.95%
Net asset value per share (Rs.) (B/C)	122.57	134.23	133.38	123.09

\*Outstanding equity shares represents the issued, subscribed, and fully paid-up shares as of each financial year/ period end.

@ Re-computations have been made, where underlying disclosures in the respective financial statements were wrongly computed.

6. Financial statements for the year ended March 31, 2018 were prepared under the erstwhile applicable accounting standards "IGAAP". Hence, figures for the year ended March 31, 2018 have been extracted from the comparative figures present in the audited consolidated IND AS financial statements for the year ended March 31, 2019.
7. Above consolidated audited financial information includes consolidated financial information of Samvardhana Motherson International Limited (the "Company" or "SAMIL") and its subsidiaries (together referred to as "the Group"), its associates and joint venture for the half year ended September 30, 2020. During the half year ended September 30, 2020, the Company has disposed off 2 subsidiaries namely "Motherson Sintermetal Products SA (MSPSA)" and "Samvardhana Motherson Adsys Tech Limited (SMAST)" and their results were included in the consolidated financial statement of SAMIL till date of the disposal. Contribution from MSPSA and SMAST to the consolidated financial statements for SAMIL for the half year ended September 30, 2020 in adjusted total revenue for operation was Rs. 86 Million, Loss after Tax (including loss on sale of subsidiary) was Rs. 378 Million and Earnings before Interest, Tax, Depreciation and Amortization (including loss on sale of subsidiary) was Rs. (-332) Million.



8. As on September 30, 2020, Loans include loans to related parties amounting to Rs. 4,986 Million which includes amongst others, loan to SMR Automotive Systems India Limited amounting to Rs. 500 Million and Samvardhana Motherson Global Holdings Limited amounting to Rs. 3,890 Million.

#### INTERNAL RISK FACTORS



**For the purpose of risk factors, the term “Company” includes its subsidiaries and associates.**

1. The Company has operations in various countries across the world and any adverse change in the political environment in these countries may have an adverse impact on growth strategies of the Company.
2. Company is subject to costs, risks and uncertainties, including those associated with laws and regulations in domestic and foreign jurisdictions in which it operates, tariffs and trade relations and international political conditions. Breach of applicable laws and regulations, including those related to environmental, health and safety regulations could adversely affect the business, operations and reputation of the Company. New or changed laws, regulations and standards may lack specificity and are subject to varying interpretations. Their application in practice may evolve over time, as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs of compliance as a result of ongoing revisions to such corporate governance standards.
3. The Company transacts a significant portion of its business in US Dollars, Euro and other foreign currencies and accordingly faces foreign currency exposure from its sales in other countries and from its purchases from overseas suppliers in U.S. Dollars and other currencies and is exposed to substantial risk on account of adverse currency movements in global foreign exchange markets.
4. Any disruption of the operations of the manufacturing, design, engineering and other facilities of the Company, its subsidiaries, associates and joint ventures could materially and adversely affect the business, financial condition and results of operations of the Company on consolidated basis.
5. If the Company is unable to anticipate, identify, understand and respond timely to rapidly evolving technological and market trends and preferences and develop new products to meet the customers' demands and to adapt to major changes and shifts in the automotive market, business operations of the Company may be materially adversely affected.
6. The outbreak of Coronavirus (COVID-19) which has been declared as a pandemic by the World Health Organisation has significantly impacted life and businesses around the globe. Governments across the world, including in India, have taken measures to contain the outbreak, including imposition of nation-wide lockdowns from time to time. This has impacted the operations and financial results of the Company. Further, the emergence of mutated strains of COVID-19 may impact the Company in specific and the global automotive industry in general.
7. The Company relies on the skill and experience of its management team and other key personnel and the loss of any of these team members or the inability to attract and retain qualified personnel could have a material adverse effect on its business operations.



SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION	
A. Total number of outstanding litigations against the Company and the amount involved	NIL
B. Brief details of the top 5 material outstanding litigations against the Company and the amount involved	NIL
C. Regulatory action, if any- disciplinary action taken by SEBI or stock exchanges against the Promoters in the last 5 financial years including outstanding action, if any.	NIL
D. Brief of outstanding criminal proceedings against the Promoters	NIL

ANY OTHER IMPORTANT INFORMATION OF THE COMPANY
NIL

DECLARATION BY THE COMPANY
<p>We hereby declare that all relevant applicable provisions of the Companies Act, 1956, the Companies Act, 2013 and the applicable guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Disclosure Document is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Disclosure Document are true and correct.</p> <p>   <b>SANJAY MEHTA</b>  <b>Place:</b> Noida  <b>Date:</b> March 26, 2021 </p> 

# ANNEXURE XX1

## FOR PRIVATE CIRCULATION TO THE SHAREHOLDERS OF MOTHERSON SUMI SYSTEMS LIMITED ONLY

THIS IS A DISCLOSURE DOCUMENT PREPARED IN CONNECTION WITH THE PROPOSED COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT AMONGST MOTHERSON SUMI SYSTEMS LIMITED ("TRANSFEROR COMPANY" OR "MSSL"), SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED ("AMALGAMATING COMPANY" OR "SAMIL"), MOTHERSON SUMI WIRING INDIA LIMITED ("RESULTING COMPANY" OR "MSWIL" OR "COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230 TO 232 AND OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013 ("SCHEME"). THE SCHEME IS ALSO AVAILABLE ON THE WEBSITES OF MSSL, BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") WHERE THE EQUITY SHARES OF MSSL ARE LISTED.

THIS DISCLOSURE DOCUMENT CONTAINS 8 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL PAGES.

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR TRANSFERRED PURSUANT TO THIS DISCLOSURE DOCUMENT.

This disclosure document has been prepared in connection with the Scheme, pursuant to the Securities and Exchange Board of India ("SEBI") Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 (as amended), ("SEBI Circular") read with Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended. This disclosure document dated March 25, 2021, should be read together with the Scheme and the notice to the shareholders of Motherson Sumi Systems Limited in connection with the Scheme.

### MOTHERSON SUMI WIRING INDIA LIMITED

**Registered Office:** Unit 705, C Wing, ONE BKC, G Block Bandra Kurla Complex, Bandra East, Mumbai -400051, Maharashtra, India.

**Corporate Office:** Plot No. 1, Sector-127, Noida-201301, Uttar Pradesh- 201301, India

**Contact Person:** Mr. Sanjay Mehta, Director      **Email:** investorrelations@motherson.com

**Telephone:** 0120-6679500      **Website:** Nil      **CIN:** U29306MH2020PLC341326

#### NAME OF THE PROMOTER OF THE COMPANY

Motherson Sumi Systems Limited

#### SCHEME DETAILS, LISTING AND PROCEDURES

Brief particulars of the Scheme are as follows:

- I. Demerger of the DWH Undertaking (*as defined in the Scheme*) of the Transferor Company and vesting of the same with the Resulting Company, pursuant to which the shareholders of the Transferor Company, as of the record date, will be issued 1 Equity Share of INR 1 each of the Resulting Company, for every 1 Equity Share of INR 1 each of the Transferor Company. Further, the Equity Shares held by the Transferor Company in the Resulting Company shall stand cancelled. The equity shares issued by the Resulting Company, pursuant to the Scheme, will be listed on BSE and NSE (collectively "**Stock Exchanges**"), post the effectiveness of the Scheme,



pursuant to the SEBI Circular.

- II. Amalgamation of the Amalgamating Company into and with the Transferor Company, by absorption, subsequent to the completion of the demerger referred to in (I) above, pursuant to which, the shareholders of the Amalgamating Company, as of the record date, will be issued 51 Equity Share of INR 1 each of the Transferor Company, for every 10 Equity Share of INR 10 each of the Amalgamating Company. Further, the Equity Shares held by the Amalgamating Company in the Transferor Company shall stand cancelled. Upon effectiveness of the Scheme, the Amalgamating Company shall stand dissolved, without being wound up. Further, the Scheme provides for the Transferor Company to be renamed as 'Samvardhana Motherson International Limited', or such other name as may be decided by the board of directors of the Amalgamated Company, post the effectiveness of the Scheme.

The Scheme is subject to approvals and sanctions as mentioned in the Scheme.

#### ELIGIBILITY


- In compliance with the SEBI Circular, read with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;
- The equity shares sought to be listed are proposed to be allotted by the Company to the shareholders of MSSL, as on the record date, pursuant to the Scheme to be sanctioned by the National Company Law Tribunal ("NCLT"), Mumbai Bench, under Sections 230 and 232 of the Companies Act, 2013; and
- The percentage of shareholding of post-scheme public shareholders and Qualified Institutional Buyers (QIBs) of the listed entity, i.e., MSSL, and MSWL shall not be less than 25%.

#### INDICATIVE TIMELINES

This Disclosure Document is filed pursuant to the Scheme and is not an offer to the public at large. Given that the Scheme requires approval of various regulatory authorities including and primarily, the NCLT, the exact time frame cannot be established with certainty.

#### GENERAL RISKS

Investors are advised to read the risk factors carefully before taking an investment decision. For taking an investment decision, investors must rely on their own examination of the Company and the Scheme, including the risks involved. The equity shares have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the Disclosure Document. Specific attention is invited to section titled "Risk Factors" at page 7 of this Disclosure Document.

Name of the Merchant Banker and contact details	 <b>AXIS CAPITAL</b> Axis Capital Limited Contact Person: Mr. Sagar Jatakiya Telephone: +91 22 4325 2183 E-mail: <a href="mailto:mswl@axiscap.in">mswl@axiscap.in</a>
Name of Statutory Auditors	S.R. Batliboi & Co. LLP

#### PROMOTER OF THE COMPANY

Motherson Sumi Systems Limited ("MSSL") is a public limited company, incorporated under the laws of



India and having its registered office at Unit 705, C Wing, One BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra, India. The CIN of MSSL is L34300MH1986PLC284510.

MSSL was originally incorporated as 'Motherson Sumi Systems Private Limited' on December 19, 1986 having its registered office in New Delhi. The word 'Private' was deleted from the name of MSSL on April 29, 1987. Consequent to the shifting of registered office of MSSL from New Delhi to the State of Maharashtra, a fresh certificate of incorporation dated August 5, 2016 was issued by Registrar of Companies, Mumbai.

The Equity Shares of MSSL are listed on BSE and NSE. Further two series of non-convertible debentures ("NCDs") issued by MSSL are listed on BSE.

MSSL 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. MSSL 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 names of the promoter and promoter group of MSSL who hold equity shares as on December 31, 2020 are as follows:

Name of Promoter and Promoter Group	Total Number of Shares held in MSSL (Face Value of Re 1/- each)	Shareholding as a percentage of total number of shares
Mr. Vivek Chaand Sehgal	7,31,65,402	2.32
Samvardhana Motherson International Limited ("SAMIL")	1,05,57,50,653	33.43
Ms. Geeta Soni	86,10,328	0.27
Ms. Renu Sehgal	1,50,085	0.00
Ms. Nilu Mehra	78,69,690	0.25
Mr. Laksh Vaaman Sehgal	123	0.00
H.K. Wiring Systems Limited	76,60,351	0.24
Radha Rani Holdings Pte Limited	34,42,623	0.11
Sumitomo Wiring Systems Limited	79,26,37,291	25.10
<b>Total</b>	<b>1,94,92,86,546</b>	<b>61.73</b>

#### BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

MSWIL was incorporated on July 2, 2020 as a wholly owned subsidiary of MSSL.

The main objects of MSWIL as per its memorandum of association are as follows:

- To manufacture, produce, develop, fabricate, assemble, buy, sell, distribute, import, export, alter, repair, remodel, hire, exchange, repair, service and otherwise deal in wiring harness of every kind and description, component and parts thereof including electrical parts and electronic parts, spare parts, developing software's, accessories, tools, implements, materials and products thereof, including for the automobiles or any other application(s), within India.
- To own, develop, purchase or by any other means acquire and protect, prolong and renew any patents, trademarks, rights (including intellectual property rights), brevets, inventions, licenses,



protections, concessions or any other such right which may appear likely to be advantageous or useful to the Company and to spend money, directly or indirectly, in carrying out research and development activities, experimenting upon, testing and improving or seeking to improve any patent, inventions, or rights (including intellectual property rights), licenses, protections, concessions or any other such right which the Company may develop, get developed, acquire or propose to acquire and to use, turn to account, manufacture under, exploit, grant license, sublicenses, concessions, right to use, privileges or enter into such other arrangements, for consideration or otherwise, in respect of aforesaid patents, trademarks, right (including intellectual property rights), brevets, inventions, licenses, protections, concessions or any other such right.

Currently, MSWIL is not carrying on any business activity. After the Scheme becomes effective, all the activities, business and operations of DWH Undertaking (*as defined in the Scheme*) of MSSL in relation to the Domestic Wiring Harness Business (*as defined in the Scheme*), i.e., all the activities, business, operations and undertakings of MSSL in relation to designing, development, prototyping, validation, manufacturing, sale and supply of wiring harnesses within India, shall stand transferred to and vested in MSWIL in the manner stipulated under the Scheme.

BOARD OF DIRECTORS			
Sr. No.	Name	Designation	Experience
1.	Mr. Vivek Chaand Sehgal	Director	Mr. Vivek Chaand Sehgal has been a Director of the Company since its date of incorporation and serves as its Chairman. He established Motherson in 1975 by starting a partnership firm with his mother.
2.	Mr. Sanjay Mehta	Director	Mr. Sanjay Mehta has been a Director of the Company since its date of its incorporation. He serves as a Director on the Boards of, <i>inter alia</i> , Motherson Techno Tools Limited and Marelli Motherson Automotive Lighting India Private Limited.
3.	Mr. Laksh Vaaman Sehgal	Director	Mr. Laksh Vaaman Sehgal has been a Director of the Company since its incorporation. He also serves as a Director on the Boards of SAMIL and MSSL.
4.	Mr. Kunal Malani	Director	Mr. Kunal Malani was appointed on the Board of the Company on July 17, 2020 as an additional director. He also serves as a Director on the Boards of Samvardhana Motherson Automotive System Group BV and Motherson Invenzen Xlab Private Limited.
5.	Mr. Gautam Mukherjee	Director	Mr. Gautam Mukherjee was appointed on the Board of the Company on July 17, 2020. He also serves as an Independent Director on the Board of MSSL.
6.	Mr. Naveen Ganzu	Director	Mr. Naveen Ganzu was appointed on the



*Handwritten signature*



			Board of the Company on July 17, 2020. He also serves as an Independent Director on the Board of MSSL.
--	--	--	--

#### OBJECTS OF THE SCHEME

The Scheme seeks to achieve the following objectives:

- (a) creation of separate and distinct entities housing the DWH Undertaking (as defined in the Scheme) and the Remaining Business (as defined in the Scheme) 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 SAMIL, 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 MSSL, the Company, and SAMIL, 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 Samvardhana Motherson Automotive System Group BV in MSSL along with consolidation of all joint ventures and subsidiaries of Samvardhana Motherson Automotive System Group BV under MSSL;
- (h) consolidation of SAMIL 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.

#### PRE-SCHEME SHAREHOLDING PATTERN

Sr. No.	Particulars	Pre-Scheme No. of Shares face value of Re. 1/- each	% Holding
1.	Motherson Sumi Systems Limited (Promoter and Promoter Group)	4,99,994	100



*(Handwritten signature)*

2.	Mr. Pankaj Mital*	1	Negligible
3.	Mr. G.N. Gauba*	1	Negligible
4.	Mr. Sanjay Mehta*	1	Negligible
5.	Mr. Vivek Avasthi*	1	Negligible
6.	Mr. C.V. Raghu*	1	Negligible
7.	Mr. Jitender Mahajan*	1	Negligible
8.	Public	NIL	NIL
	<b>Total</b>	<b>5,00,000</b>	<b>100</b>

\* Holding as nominee of the Promoter.

<b>AUDITED FINANCIALS</b>	
<b>Amount in Rupees Millions (unless otherwise stated)</b>	
<b>As of September 30, 2020</b>	
Total income from operations (net) (note 1)	-
Net profit / loss before tax and extraordinary items (note 2)	(3.65)
Net profit / loss after tax and extraordinary items (note 3)	(3.65)
Equity share capital	0.50
Reserves and surplus	(3.65)
Net worth (note 4)	(3.15)
Basic earnings per share (Rs.) (note 5)	(10.70)
Diluted earnings per share (Rs.) (note 5)	(10.70)
Return on networth (%) (note 6)	-
Net Asset Value per share (Rs.) (note 7)	(6.29)

**Notes:**

- Amounts presented above against the "Total income from operations (net)" represents the amount disclosed as "Total income" in the audited special purpose interim financial statements.
- Amounts presented above against the "Net Profit/ (loss) before tax and extraordinary items" represents the amount disclosed as "Loss before tax" in the audited special purpose interim financial statements.
- Amounts presented above against the "Net Profit/ (loss) after tax and extraordinary items" represents the amount disclosed as "Loss for the period" in the audited special purpose interim financial statements.
- Net Worth is calculated as below:

<b>Amount in Rupees Million (unless otherwise stated)</b>	
<b>As of September 30, 2020</b>	
Equity Share Capital	0.50
Reserves and Surplus	(3.65)
Net Worth	(3.15)
- Amounts presented above is not on annualised basis and are as extracted from the audited special purpose interim financial statements.
- Return on net worth (%) is not determinable, considering the negative net worth position as of September 30, 2020.
- Net asset value per share (INR) is calculated as below:

<b>Amount in Rupees Million (unless otherwise stated)</b>	
<b>As of September 30, 2020</b>	
Particulars	



Net worth	(3.15)
Outstanding number of equity shares*	5,00,000
Net asset value per share	(6.29)
*Outstanding equity shares represents the issued, subscribed, and fully paid up shares as of period end.	

#### INTERNAL RISK FACTORS

1. The Company was recently incorporated on July 2, 2020. The Company does not carry on any business activity as on the date of this document. Accordingly, it may be difficult to evaluate the business and future prospects of the Company.
2. The Scheme for transfer and vesting of the DWH Business of MSSSL to the Company with effect from the Appointed Date 1 (as defined in the Scheme) is subject to the conditions / approvals as envisaged under the Scheme, including approval of the shareholders SAMIL and MSSSL and approval of the National Company Law Tribunal, Mumbai Bench. Any failure to receive such approvals will result in non-implementation of the Scheme and the objects and benefits mentioned in the proposed Scheme will not be achieved.
3. The Company is an unlisted company and its equity shares are not available for trading on any Stock Exchange. The equity shares of the Company are subject to the listing approval(s) of the Stock Exchange. Further, there is no guarantee that the equity shares of the Company will be listed on the Stock Exchanges in a timely manner. Further, once listed, there is no guarantee that there will be liquid market for the equity shares.
4. The DWH Business will depend on suppliers, some of whom are competitors, for the supply of raw materials and components that are critical to manufacturing processes. Company's production could also be adversely affected by any quality or reliability issues with any of the component suppliers. If the Company receives low-quality or defective components or raw materials, this may delay production or lower the quality of finished products. Any such delays or quality defects may affect relationship of the Company with its customers and result in a material adverse effect on the business, prospects, results of operations, cash flows and financial condition.
5. The DWH Business is dependent on its manufacturing facilities which are located on lands which will be leased / sub-leased from MSSSL. The manufacturing operations will be subject to the continuity of these leases.
6. The Domestic Wiring Harness Business requires a number of approvals, licenses, registrations and permits for its business and failure to obtain or renew them in a timely manner may adversely affect its operations.
7. The Company's ability to pay dividend in the future will depend upon the future earnings, financial condition, cash flows, capital expenditure, long-term target payout ratios, growth & investment opportunities, current capital ratios, current and prospective financial performance and other macro & micro- economic factors.
8. The loss of or shutdown of operations at any of its manufacturing facilities may have a material adverse effect on its business, financial condition and results of operations. Further, the outbreak of Coronavirus (COVID-19) which has been declared as a pandemic by the World Health Organisation has significantly impacted life and businesses around the globe.



Governments across the world, including in India, have taken drastic measures to contain the outbreak, including implementing nation-wide lockdowns from time to time.

9. Specific risks relating to the DWH Business *inter-alia* includes:

- Any increase in prices of raw materials will raise MSWIL's manufacturing costs and could affect the profitability.
- The Company's future growth will be contingent upon our ability to finance our working capital requirements.
- The industry is competitive and increased competitive pressure may adversely affect the results of our operations.
- Change in the regulatory environment may significantly impact the Company's business model and operations.
- Product liability and other civil claims and costs incurred as a result of product recalls could have a material adverse effect on our business, financial condition and results of operations.

#### SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against the Company and the amount involved	Nil
B. Brief details of the top 5 material outstanding litigations against the Company and the amount involved	Nil
C. Regulatory action, if any- disciplinary action taken by SEBI or stock exchanges against the Promoters in the last 5 financial years including outstanding action, if any.	Nil
D. Brief of outstanding criminal proceedings against the Promoters	Nil

#### ANY OTHER IMPORTANT INFORMATION OF THE COMPANY

Nil

#### DECLARATION BY THE COMPANY

We hereby declare that all relevant applicable provisions of the Companies Act, 2013 and the applicable guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Disclosure Document is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in the Disclosure Document are true and correct.

**Place:** Noida

**Date:** March 25, 2021

For Motherson Sumi Wiring India Ltd.



Director

# ANNEXURE XXIIA



## Format of holding of specified securities

- 1 Name of Listed Entity : Motherson Sumi Systems Ltd.
- 2 Scrip Code/Name of Scrip/Class of Security : Equity
- 3 Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) : Reg.31(1)(b)
- a. If under 31(1)(b) then indicate the report for Quarter ending : 31.12.2020
- b. If under 31(1)(c) then indicate date of allotment/extinguishment : Not Applicable

**Declaration :** The Listed entity is required to submit the following declaration to the extent of submission of information:

Particulars	Yes*	No*
1. Whether the Listed Entity has issued any partly paid up shares?		No
2. Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3. Whether the Listed Entity has any shares against which depository receipts are issued?		No
4. Whether the Listed Entity has any shares in locked-in?		No
5. Whether any shares held by promoters are pledge or otherwise encumbered?	Yes	
6. Whether the listed entity has any significant beneficial owner?		No**

\* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

\*\* The Promoter Group shareholding, inter-alia, is held by Samvardhana Motherson International Limited ("SAMIL") which holds 33.43% in the Company as on December 31, 2020. SAMIL being Core Investment Company duly registered with the Reserve Bank of India as an investment vehicle, is exempt from the Companies (Significant Beneficial Owners) Rules, 2018 ("SBO Rules") on the investments made it. The Company does not have any other Significant Beneficial Owner as the SBO Rules.

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1987) (VII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Class eg. X	Class eg. Y	Total			Total as a % of (A+B+C)	No. (a)	As a % of total Shares held (b)	No. (a)	
(A)	Promoter & Promoter Group	9	1949286546	0	0	1949286546	61.73	1949286546	0	0	61.73	0	0	140230000	7.19	1949286546	
(B)	Public	358331	1208647691	0	0	1208647691	38.27	1208647691	0	0	38.27	0	0	NA	NA	1198890482	
(C)	Non Promoter- Non Public	0	0	0	0	0	NA	0	0	0.00	0.00	0	0	NA	NA	0	
(C1)	Shares underlying DRs	0	0	0	0	0	NA	0	0	0.00	0.00	0	0	NA	NA	0	
(C2)	Shares held by Employees Trust	0	0	0	0	0	NA	0	0	0.00	0.00	0	0	NA	NA	0	
	<b>Total</b>	<b>358340</b>	<b>3157934237</b>	<b>0</b>	<b>0</b>	<b>3157934237</b>	<b>100.00</b>	<b>3157934237</b>	<b>0</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>140230000</b>	<b>4.44</b>	<b>3148177028</b>	





**Table II - Statement showing Shareholding pattern of the Promoter and Promoter Group**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)			(10)	(11)		(12)	(13)		(14)	(15)
								No. of Shares Underlying convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (X)/(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)			Number of equity shares held in dematerialized form (XIV)			
										No. (a)		As a % of total Shares held (b)	No. (a)			As a % of total Shares held (b)		
(a)	Indian																	
(a)	Individuals/Hindu Undivided Family																	
	GEETA SONI	1	8610328	0	8610328	0	8610328	0	8610328	0	8610328	0	8610328	0	0.00	0	0.00	8610328
	RENU SEHAL	1	150085	0	150085	0	150085	0	150085	0	150085	0	150085	0	0.00	0	0.00	150085
	NEELU MEHRA	1	7869690	0	7869690	0	7869690	0	7869690	0	7869690	0	7869690	0	0.00	0	0.00	7869690
	LAKSH VAMAN SEHGAL	1	123	0	123	0	123	0	123	0	123	0	123	0	0.00	0	0.00	123
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0
(c)	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0
(d)	Any Other (Body Corporates)	1	1055750653	0	1055750653	0	1055750653	0	1055750653	0	1055750653	0	1055750653	0	33.43	0	0.00	1055750653
	SAMVARDHANA MOTHERSON INTERNATIONAL LIMITED	1	1055750653	0	1055750653	0	1055750653	0	1055750653	0	1055750653	0	1055750653	0	33.43	0	0.00	1055750653
	Sub-Total (A1)	5	1072380879	0	1072380879	0	1072380879	0	1072380879	0	1072380879	0	1072380879	0	33.96	0	0.00	1072380879
(2)	Foreign																	
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)																	
	VIVEK CHAAND SEHGAL	1	73165402	0	73165402	0	73165402	0	73165402	0	73165402	0	73165402	0	2.32	0	0.00	73165402
(b)	Government	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0
(c)	Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0
(e)	Any Other (Body Corporates)	3	803740265	0	803740265	0	803740265	0	803740265	0	803740265	0	803740265	0	25.45	0	0.00	803740265
	SUMITOMO WIRING SYSTEMS LIMITED	1	792837291	0	792837291	0	792837291	0	792837291	0	792837291	0	792837291	0	25.10	0	0.00	792837291
	H.K. WIRING SYSTEMS LIMITED	1	7660351	0	7660351	0	7660351	0	7660351	0	7660351	0	7660351	0	0.24	0	0.00	7660351
	RADHA RANI HOLDINGS PTE LTD.	1	3442623	0	3442623	0	3442623	0	3442623	0	3442623	0	3442623	0	0.11	0	0.00	3442623
	Sub-Total (A12)	4	876906667	0	876906667	0	876906667	0	876906667	0	876906667	0	876906667	0	27.77	0	0.00	876906667
	Total Shareholding of Promoter and Promoter Group (A1)+(A12)	9	1949286546	--	1949286546	--	1949286546	--	1949286546	--	1949286546	--	1949286546	0	61.73	0	0.00	1949286546

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in dematerialized suspense account, voting rights which are frozen etc.

Note:  
 (1) PAN would not be displayed on website of Stock Exchange(s).  
 (2) The term "Encumbrance" has the same meaning as assigned under regulation 28(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.







Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category & Name of the Shareholders (I)	PAN (II)	No. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2) (A+B+C2)	Number of Locked in shares (XII)	Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV) (Not Applicable)	
								No. of Voting Rights		As a % of total Shares held (Not Applicable)			As a % of total Shares held (Not Applicable)	No. (Not Applicable)		
								Class X	Class Y							Total
(1) Custodian/DR Holder	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
(a) Name of DR Holder (if available)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
(2) Employee Benefit Trust (Under SEBI (Share based Employee Benefit) Regulations, 2014)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Non-Promoter Non Public Shareholding (C) = (C1)+(C2)	0	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting  
**(Kindly start filing data from Row No - 3)**

No. of shareholders	No. of Shares
133	799129



Format of holding of specified securities

- 1 Name of Listed Entity : Motherson Sumi Systems Ltd.
- 2 Scrip Code/Name of Scrip/Class of Security : Equity
- 3 Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) : Reg.31(1)(b)
- a. If under 31(1)(b) then indicate the report for Quarter ending : 31.12.2020\*\*
- b. If under 31(1)(c) then indicate date of allotment/extinguishment : Not Applicable

**Declaration :** The Listed entity is required to submit the following declaration to the extent of submission of information:

Particulars	Yes*	No*
1. Whether the Listed Entity has issued any partly paid up shares?		No
2. Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3. Whether the Listed Entity has any shares against which depository receipts are issued?		No
4. Whether the Listed Entity has any shares in locked-in?		No
5. Whether any shares held by promoters are pledged or otherwise encumbered?#		No
6. Whether the listed entity has any significant beneficial owner?##	Yes	

\* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

\*\*The post shareholding been computed on the basis of shareholding of Amalgamating Company i.e. SAMIL and Transferor Company, i.e. MSSL, as on December 31, 2020. The post shareholding may change on the basis of shares held as on the date of allotment.

#The existing pre-scheme shareholding of SAMIL is getting cancelled pursuant to the amalgamation as per the scheme and therefore the pledge on such shares are shown after removing it. The actual pledge position as on the record date may be different.

## Pursuant to Companies (Significant beneficial owners) Amendment Rules, 2019, Significant beneficial owner means an individual as per Sec 90(1) who acting alone or together, or through one or more persons or trust, possesses one or more of the following rights or entitlements in such reporting company, holds indirectly, or together with any direct holdings, not less than ten per cent of the shares



Table 1 - Summary Statement holding of specified securities																
Category (i)	Category of shareholder (ii)	Nos. of shareholders (iii)	No. of fully paid up equity shares held (iv)	No. of Party paid-up equity shares held (v)	No. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii) = (iv)+(v)+(vi)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (viii) As a % of (A+B+C2)	No. of Voting Rights			No. of Shares Underlying convertible securities (including Warrants) (x)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (xi) = (vii)+(x) As a % of (A+B+C2)	Number of Locked in shares (xii)		Number of Shares pledged or otherwise encumbered (xiii)	Number of equity shares held in dematerialized form (xiv)
								Class eg: X	Class eg: Y	Total			Total as a % of (A+B+C)	No. (a)		
(A)	Promoter & Promoter Group	13	3078540427	0	0	3078540427	68.15	3078540427	0	3078540427	68.15	0	0.00	NA	NA	3078540427
(B)	Public	360863	1439073817	0	0	1439073817	31.85	1439073817	0	1439073817	31.85	0	0.00	NA	NA	1276301795
(C)	Non Promoter- Non Public	0	0	0	0	0	NA	0	0	0	0.00	0	0.00	NA	NA	0
(C1)	Shares underlying DRs	0	0	0	0	0	NA	0	0	0	0.00	0	0.00	NA	NA	0
(C2)	Shares held by Trust for Odd lots	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	NA	4
	Total	360876	4517614244	0	0	4517614244	100	4517614244	0	4517614244	100	0	0.00	0	0	4354842226



Category & Name of the Shareholders (i)	PAN (ii)	No. of Shareholder (iii)	No. of fully paid up equity shares held (iv)	Partly paid-up equity shares held (v)	Nos. of shares underlying Depository Receipts (vi)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked In shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights		As a % of total Shares held (b)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class - Equity	Class - Y								
(1) Indian		5	588762520	0	0	588762520	12.98	0	0	0	0.00	0	0.00	0	0.00	588762520	
(a) Individuals/Hindu Undivided Family																	
	AAQPS392F	1	16190764	0	0	16190764	0.36	0	0	0	0.00	0	0.00	0	0.00	16190764	
	ACHPS0380A	1	150085	0	0	150085	0.00	0	0	0	0.00	0	0.00	0	0.00	150085	
	NEELU MEHRA	1	10312590	0	0	10312590	0.23	0	0	0	0.00	0	0.00	0	0.00	10312590	
	AKVPM4398C	1	123	0	0	123	0.00	0	0	0	0.00	0	0.00	0	0.00	123	
	LAKSHI VAAMAN SEHGAL	1	560108958	0	0	560108958	12.40	0	0	0	0.00	0	0.00	0	0.00	560108958	
	AAADR1988B	1	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	
(b) Central Government/ State Government(s)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	
(c) Financial Institutions/ Banks		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	
(d) Any Other (Body Corporates)		2	694293951	0	0	694293951	15.37	0	0	0	0.00	0	0.00	0	0.00	694293951	
	AAUCS3994E	1	620113431	0	0	620113431	13.73	0	0	0	0.00	0	0.00	0	0.00	620113431	
	Shri Sehgal's Trustee Company Private Limited (As Trustee of Sehgal Family Trust)	1	74180520	0	0	74180520	1.64	0	0	0	0.00	0	0.00	0	0.00	74180520	
	AAACGM2051J	1	1281056471	0	0	1281056471	28.36	0	0	0	0.00	0	0.00	0	0.00	1281056471	
	Motiherson Engineering Research & Integrated Technologies Limited	7	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	
Sub-Total (A)(1)																	
(2) Foreign		2	610187991	0	0	610187991	13.51	0	0	0	0.00	0	0.00	0	0.00	610187991	
(a) Individuals (Non-Resident Individuals/ Foreign Individuals)		1	585855098	0	0	585855098	12.87	0	0	0	0.00	0	0.00	0	0.00	585855098	
	AFDPS4266B	1	1020	0	0	1020	0.00	0	0	0	0.00	0	0.00	0	0.00	1020	
	Lalsh Vaamin Sehgal	1	24331875	0	0	24331875	0.54	0	0	0	0.00	0	0.00	0	0.00	24331875	
	AOAPS3642C	1	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	
Sub-Total (A)(2)																	
(b) Government		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	
(c) Institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	
(d) Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	
(e) Any Other (Body Corporates)		4	1187295985	0	0	1187295985	26.28	0	0	0	0.00	0	0.00	0	0.00	1187295985	
	SUMITOMO WIRING SYSTEMS LIMITED	1	792837291	0	0	792837291	17.55	0	0	0	0.00	0	0.00	0	0.00	792837291	
	H.K. WIRING SYSTEMS LIMITED	1	7660351	0	0	7660351	0.17	0	0	0	0.00	0	0.00	0	0.00	7660351	
	AACCR1689K	1	344020823	0	0	344020823	7.62	0	0	0	0.00	0	0.00	0	0.00	344020823	
	RADHA RANI HOLDINGS PTE LTD.	1	42877700	0	0	42877700	0.95	0	0	0	0.00	0	0.00	0	0.00	42877700	
	Advance Technologies and Automotive Resources Pte Ltd	1	1797483956	0	0	1797483956	39.79	0	0	0	0.00	0	0.00	0	0.00	1797483956	
Sub-Total (A)(3)		6	3078540427	0	0	3078540427	68.15	0	0	0	0.00	0	0.00	0	0.00	3078540427	
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		13	3078540427	0	0	3078540427	68.15	0	0	0	0.00	0	0.00	0	0.00	3078540427	

Note: Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

(1) PAN would not be displayed on website of Stock Exchange(s).  
(2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.





Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category & Name of the Shareholders (i)	PAN (ii)	No. of Shareholder (iii)	No. of fully paid up equity shares held (iv)	Partly paid-up equity shares held (v)	Nos. of shares underlying Depository Receipts (vi)	Total shares held (VII) = IV+V+VI	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VI)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV) (Not Applicable)	
								Class X	Class Y	Total			Total as a % Total Voting rights	No.	As a % of total Shares held	No. (Not Applicable)		As a % of total Shares held (Not Applicable)
(1) Custodian/DR Holder	NA	0	0	0	0	0	0.00	0	0	0.00	0	0	0	0	0	0	0	
(a) Name of DR Holder (if available)	NA	0	0	0	0	0	0.00	0	0	0.00	0	0	0	0	0	0	0	0
(2) Trust for odd lots shares			0	0	0	0	0.00	0	0	0.00	0	0	0	0	0	0	0	0
<b>Total Non -Promoter - Non Public Shareholding (C)= (C1)+(C)2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



Details of Shares which remain unclaimed for Public may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting

No. of shareholders	No. of Shares
133	799129

\* Included under public (non-institutional)





Sr. No.	Details of the SBO					Details of the registered owner					Details of holding/ exercise of right of the SBO in the					Date of creation / acquisition of significant beneficial interest#
	Name	PAN	Passport No. in case of a foreign national	Nationality	Nationality (Applicable in case of Any other is selected)	Name	PAN	Passport No. in case of a foreign national	Nationality	Nationality (Applicable in case of Any other is selected)	Shares	Voting rights	Rights on distributable dividend or any other distribution	Exercise of control	Exercise of significant influence	
1	Mr. Vivek Chaand Sehgal	AFDPS4265B	PE0414598	Other	Australia	Mr. Vivek Chaand Sehgal	AFDPS4265B	PE0414598	Other	Australia	12.97	NA	NA	NA	NA	NA
2	Mr. Vivek Chaand Sehgal	AFDPS4265B	PE0414598	Other	Australia	Motherson Engg. Research and Integrated Tech. Ltd.	AAACGM2051J	NA	India	NA	0.4	NA	NA	NA	NA	NA
3	Mr. Vivek Chaand Sehgal	AFDPS4265B	PE0414598	Other	Australia	Advance Technologies & Automotive Resources Pte. Ltd.	AAKCA4508Q	NA	Singapore	NA	0.48	NA	NA	NA	NA	NA
4	Mr. Vivek Chaand Sehgal	AFDPS4265B	PE0414598	Other	Australia	Radha Rani Holdings Pte. Ltd.	AACCR1689K	NA	Singapore	NA	3.81	NA	NA	NA	NA	NA
5	Mr. Laksh Vaaman Sehgal	AOAPSI364K	PE0403640	Other	Australia	Renu Sehgal Trust	AAADR1988B	NA	India	NA	9.92	NA	NA	NA	NA	NA
6	Mr. Laksh Vaaman Sehgal	AOAPSI364K	PE0403641	Other	Australia	Motherson Engg. Research and Integrated Tech. Ltd.	AAACGM2051J	NA	India	NA	0.4	NA	NA	NA	NA	NA
7	Mr. Laksh Vaaman Sehgal	AOAPSI364K	PE0403642	Other	Australia	Advance Technologies & Automotive Resources Pte. Ltd.	AAKCA4508Q	NA	Singapore	NA	0.48	NA	NA	NA	NA	NA
8	Mr. Laksh Vaaman Sehgal	AOAPSI364K	PE0403643	Other	Australia	Radha Rani Holdings Pte. Ltd.	AACCR1689K	NA	Singapore	NA	3.81	NA	NA	NA	NA	NA

# To be effective post approval of the Scheme and consequent allotment of shares



# ANNEXURE XXIIB

## Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1.	Name of Entity: Samvardhana Motherson International Limited
2.	Scrip Code/Name of Scrip/Class of Security:
3.	Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) <span style="float: right;">December 31, 2020</span>
	a. If under 31(1)(b) then indicate the report for Quarter ending
	b. If under 31(1)(c) then indicate date of allotment/extinguishment
4.	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-

Particulars	Yes*	No*
1 Whether the Listed Entity has issued any partly paid up shares?		No
2 Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3 Whether the Listed Entity has any shares against which depository receipts are issued?		No
4 Whether the Listed Entity has any shares in locked-in?		No
5 Whether any shares held by promoters are pledged or otherwise encumbered?		No

\* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.



**Samvardhana Motherson International Limited**

Table I - Summary Statement holding of specified securities

Category (i)	Category of shareholder (ii)	Nos. of shareholders (iii)	No. of fully paid up equity shares held (iv)	No. of Partly paid-up equity shares held (v)	No. of shares underlying Depository Receipts (vi)	Shareholding as a % of total no. of shares (calculate as per SCRR, 1957) (viii) As a	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding (including convertible securities) (x)	Shareholding, as a % assuming full conversion of convertible securities (xi)=	Number of Locked In shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerial ised form (xiv)
							Class eg: X	Class eg: y	Total (X+Y)			Total as a % of (A+B+C)	No. (a)	As a % of total Shares held(b)	No. (a)	
(A)	Promoter & Promoter Group	10	428432262	0	0	90.4602	428432262	0	428432262	90.4602	0	0.0000	0	0.0000	428432262	
(B)	Public	2531	45181593	0	0	9.5398	45181593	0	45181593	9.5398	0	0.0000	NA	NA	41086782	
(C)	Non Promoter - Non Public	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	NA	NA	0	
(C1)	Shares Underlying DRs	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	NA	NA	0	
(C2)	Shares Held By Employee Trust	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	NA	NA	0	
	Total	2541	473613855	0	0	100.0000	473613855	0	473613855	100.0000	0	0.0000	0	0.0000	469519044	





**Samvardhana Motherson International Limited**

**Table II - Statement showing shareholding pattern of the Promoter and Promoter Group**

Category & Name of the shareholders (i)	PAN (ii)	Nos. of shareholders (iii)	No. of fully paid up equity shares held (iv)	Partly paid-up equity shares held (v)	No. of shares underlying Depositor Receipts (vi)	Shareholding % as per SCRR, 1957 As a % of (A+B+C2) (vii) =	Number of Voting Rights held in each class of securities (ix)			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (x) = (viii)+(ix)	Number of Locked in shares (xi)		Number of Shares pledged or otherwise encumbered (xiii)		Number of equity shares held in dematerialised form (xiv)
							No of Voting Rights (A+B+C)	Class eg: X	Class eg: Y		Total % of (A+B+C)	No. (a)	% of total held (b)	No. (a)	
1															
(a) Indian															
Individuals / Hindu Undivided Family															
Renu Alka Sehgal	AADTR1988B	3	11179064	0	0	23.6038	11179064	0	0	23.6038	0	0.0000	0	0.0000	111790646
Geeta Soni	AAOP58392F	1	109825280	0	0	109825280	109825280	0	0	23.1868	0	0.0000	0	0.0000	109825286
Nilou Mehra	AKVPM4396C	1	1486360	0	0	1486360	1486360	0	0	0.3138	0	0.0000	0	0.0000	1486360
Central Government / State Government(s)															
Financial Institutions / Banks															
(b) Any Other (Specify)															
Bodles Corporate		2	13613606	0	0	28.7441	13613606	0	0	28.7441	0	0.0000	0	0.0000	136136069
Shri Sehgal's Trustee Company Private Limited	AAUCS3994E	1	13613606	0	0	28.7441	13613606	0	0	28.7441	0	0.0000	0	0.0000	136136069
Motherson Engineering Research And Integrated Tec	AAACCM2051J	1	121590865	0	0	25.6730	121590865	0	0	25.6730	0	0.0000	0	0.0000	121590869
Sub Total (A)(1)		5	24792671	0	0	3.0711	14545200	0	0	3.0711	0	0.0000	0	0.0000	14545200
Foreign															
Individuals (Non-Resident Individuals / Foreign Individuals)															
Vivek Chaand Sehgal	AFDPS4265B	3	10529854	0	0	22.2330	10529854	0	0	22.2330	0	0.0000	0	0.0000	105298547
Vidhi Sehgal	AOAP33642C	1	100527391	0	0	21.2256	100527391	0	0	21.2256	0	0.0000	0	0.0000	100527391
Lallesh Vaarman Sehgal	AOAP51364K	1	4770956	0	0	1.0074	4770956	0	0	1.0074	0	0.0000	0	0.0000	4770956
Government															
Institutions															
Foreign Portfolio Investor															
(c) Any Other (Specify)															
Bodles Corporate		2	75207000	0	0	15.8794	75207000	0	0	15.8794	0	0.0000	0	0.0000	75207000
Radhya Rani Holdings Pte Ltd	AAACR1689K	1	66780000	0	0	14.1001	66780000	0	0	14.1001	0	0.0000	0	0.0000	66780000
Advance Technologies And Automotive Resources Pl	AAAKCA4508Q	1	8427000	0	0	1.7793	8427000	0	0	1.7793	0	0.0000	0	0.0000	8427000
Sub Total (A)(2)		5	18050554	0	0	38.1124	18050554	0	0	38.1124	0	0.0000	0	0.0000	180505547
Total Shareholding Of Promoter And Promoter Group (A) = (A)(1)+(A)(2)		10	42843226	0	0	90.4602	42843226	0	0	90.4602	0	0.0000	0	0.0000	428432262

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note :

(1) PAN would not be displayed on website of Stock Exchange(s)

(2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(f) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



**Samvardhana Mothercon International Limited**  
Table III - Statement showing shareholding pattern of the Public shareholder

Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Shareholding % as per SCRR, 1957 As a % of Total nos. shares held (A+B+C2)	Number of Voting Rights held in each class of securities			Shares Underlying Outstanding convertible securities (including securities held)	Ing. as a % assuming full conversion of convertible securities (XII)= (X)/(XI)*100	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form (XIV)	
							Class eg: X	Class eg: Y	Class eg: Z			Total (A+B+C)	No. (a)	As a % of total Shares held(b)	No. (a)		As a % of total Shares held(b)
1																	
(a) Institutions																	
(b) Mutual Fund		0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0	
(c) Venture Capital Funds		0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0	
(d) Alternate Investment Funds		0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0	
(e) Foreign Venture Capital Investors		0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0	
(f) Foreign Portfolio Investor		0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0	
(g) Financial Institutions / Banks		0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0	
(h) Insurance Companies		0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0	
(i) Provident Funds / Pension Funds		0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0	
(j) Any Other (Specify)		0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0	
(k) Sub Total (B)(1)		0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0	
2 Central Government/ State Government(s)/ President of India																	
(a) Sub Total (B)(2)		0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0	
3 Non-Institutions																	
(a) Individuals																	
(b) i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		2250	4834265	0	0	1.0207	4834265	0	4834265	1.0207	0	0.0000	0	NA	NA	3267087	
(c) ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		94	4907431	0	0	1.0362	4907431	0	4907431	1.0362	0	0.0000	0	NA	NA	4624681	
(d) NBFCs registered with RBI		0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0	
(e) Trust Employee		0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0	
(f) Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0	
(g) Any Other (Specify)		187	35439897	0	0	7.4829	35439897	0	35439897	7.4829	0	0.0000	0	NA	NA	33195014	
(h) Trusts		2	2335888	0	0	0.4932	2335888	0	2335888	0.4932	0	0.0000	0	NA	NA	1567421	
(i) Foreign Nationals		158	477339	0	0	1.0008	477339	0	477339	1.0008	0	0.0000	0	NA	NA	2000	
(j) Hindu Undivided Family		1	600	0	0	0.0001	600	0	600	0.0001	0	0.0000	0	NA	NA	600	
(k) Foreign Companies		2	31613920	0	0	6.6750	31613920	0	31613920	6.6750	0	0.0000	0	NA	NA	30612843	
(l) Solita Corporation	AANC6096C	1	30612843	0	0	6.4637	30612843	0	30612843	6.4637	0	0.0000	0	NA	NA	30612843	
(m) Non Resident Indians (Non Repat)		13	545000	0	0	0.1151	545000	0	545000	0.1151	0	0.0000	0	NA	NA	545000	
(n) Non Resident Indians (Repat)		10	417150	0	0	0.0881	417150	0	417150	0.0881	0	0.0000	0	NA	NA	417150	
(o) Bodies Corporate		1	50000	0	0	0.0106	50000	0	50000	0.0106	0	0.0000	0	NA	NA	50000	
(p) Sub Total (B)(3)		2531	45181593	0	0	9.5398	45181593	0	45181593	9.5398	0	0.0000	0	NA	NA	41086782	
(q) Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)		2531	45181593	0	0	9.5398	45181593	0	45181593	9.5398	0	0.0000	0	NA	NA	41086782	

Details of the shareholders acting in Concert including their Shareholding (No. and %):

No. of shareholders	No. of Shares

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/ unclaimed suspense account, voting rights which are frozen etc.

Note :

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.

**Samvardhana Motherson International Limited**

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category & Name of the shareholders (i)	Nos. of shareholders (ii)	Nos. of sharehold-ers (iii)	No. of fully paid up equity shares held (iv)	Partly paid-up equity shares held (v)	No. of shares underlying Depository Receipts held (vi)	Shareholding % as per SCRR, 1957 As a % of (A+B+C2) X (viii) As a % of (A+B+C) (ix)	Number of Voting Rights held in each class of securities			Shares Underlying Outstanding (x)	Being, as a % assuming conversion of convertible securities (including securities held by) (xi) =	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form (xiv)	
							No of Voting Rights Class eg: X	Total % of (A+B+C)	No. (a)			As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	No. (a)		As a % of total Shares held(b)
1 Custodian/DR Holder		0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	NA	NA	0		
2 Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	NA	NA	0		
Total Non-Promoter- Non Public Shareholding (C)= (C1)+(C)(2)		0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	NA	NA	0		

Note :

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to disclose name of all holders holding more than 1% of total number of shares
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.



# ANNEXURE XXIIC

## Format of holding of specified securities

- 1 Name of Listed Entity : Motherson Sumi Wiring India Ltd.
- 2 Scrip Code/Name of Scrip/Class of Security : Equity
- 3 Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) : Reg.31(1)(b)
- a. If under 31(1)(b) then indicate the report for Quarter ending : 31.12.2020
- b. If under 31(1)(c) then indicate date of allotment/extinguishment : Not Applicable

**Declaration :** The Listed entity is required to submit the following declaration to the extent of submission of information:

Particulars	Yes*	No*
1. Whether the Listed Entity has issued any partly paid up shares?		No
2. Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3. Whether the Listed Entity has any shares against which depository receipts are issued?		No
4. Whether the Listed Entity has any shares in locked-in?		No
5. Whether any shares held by promoters are pledge or otherwise encumbered?		No
6. Whether the listed entity has any significant beneficial owner?		No**

\* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

\*\* The Company is wholly owned subsidiary of Motherson Sumi Systems Limited. Motherson Sumi Systems Limited, inter-alia, is held by Samvardhana Motherson International Limited ("SAMIL") which holds 33.43% in the Company as on June 30, 2020. SAMIL being Core Investment Company duly registered with the Reserve Bank of India as an investment vehicle, is exempt from the Companies (Significant Beneficial Owners) Rules, 2018 ("SBO Rules") on the investments made it. The Company does not have any other Significant Beneficial Owner as the SBO Rules.





Table I - Summary Statement holding of specified securities

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCFR, 1987) (VIII) As a % of (A+B+C2)	No. of Voting Rights (IX)			Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (X) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Class eg: X	Class eg: Y	Total		Total as a % of (A+B+C)	No. (a)	As a % of total Shares held (b)	No. (e)	
(A)	Promoter & Promoter Group*	1	500000	0	0	500000	100.00	500000	0	500000	100.00	0	0.00	NA	NA	500000
(B)	Public	0	0	0	0	0	0	0	0	0	0.00	0	0.00	NA	NA	0
(C)	Non Promoter- Non Public	0	0	0	0	0	NA	0	0	0	0.00	0	0.00	NA	NA	0
(C1)	Shares underlying DRs	0	0	0	0	0	NA	0	0	0	0.00	0	0.00	NA	NA	0
(C2)	Shares held by Employee Trust	0	0	0	0	0	NA	0	0	0	0.00	0	0.00	NA	NA	0
	<b>Total</b>	<b>1</b>	<b>500000</b>	<b>0</b>	<b>0</b>	<b>500000</b>	<b>100</b>	<b>500000</b>	<b>0</b>	<b>500000</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500000</b>

\*Shares been held along with & nominees and to be issued to the subscribers in demat form.



Table II - Statement showing shareholding pattern of the Promoter and Promoter Group																		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
								No. of Voting Rights	Total									
Category & Name of the Shareholders	PAN	No. of Shareholder	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	As a % of (A+B+C2)	No. of Voting Rights	Total	Class-Equity	Class Y	No. of Shares Underlying convertible securities (including Warrants)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital)	No. of Locked in shares	Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialized form		
(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		
(a) Indian		0	0	0	0	0	0	0	0	0	0	0	0.00	0	0	0	0.00	0
(b) Individuals/Hindu Undivided Family		0	0	0	0	0	0.00	0	0	0	0	0	0.00	0	0	0	0.00	0
(c) Central Government/ State Government(s)		0	0	0	0	0	0.00	0	0	0	0	0	0.00	0	0	0	0.00	0
(d) Financial Institutions/ Banks		0	0	0	0	0	0.00	0	0	0	0	0	0.00	0	0	0	0.00	0
(e) Any Other (Body Corporates)		1	500000	0	0	500000	100.00	500000	0	500000	0	0	100.00	0	0	0	0.00	500000
(f) MOTHERSON SUMI SYSTEMS LIMITED	AAACM0405A	1	500000	0	0	500000	100.00	500000	0	500000	0	0	100.00	0	0	0	0.00	500000
(g) Sub-Total (A)(1)		1	500000	0	0	500000	100.00	500000	0	500000	0	0	100.00	0	0	0	0.00	500000
(2) Foreign		0	0	0	0	0	0.00	0	0	0	0	0	0.00	0	0	0	0.00	0
(a) Individuals (Non-Resident Individuals/ Foreign Individuals)		0	0	0	0	0	0.00	0	0	0	0	0	0.00	0	0	0	0.00	0
(b) Government		0	0	0	0	0	0.00	0	0	0	0	0	0.00	0	0	0	0.00	0
(c) Institutions		0	0	0	0	0	0.00	0	0	0	0	0	0.00	0	0	0	0.00	0
(d) Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0	0	0	0	0.00	0	0	0	0.00	0
(e) Any Other (Body Corporates)		0	0	0	0	0	0.00	0	0	0	0	0	0.00	0	0	0	0.00	0
(f) Sub-Total (A)(2)		0	0	0	0	0	0.00	0	0	0	0	0	0.00	0	0	0	0.00	0
(g) Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		1	500000	0	0	500000	100.00	500000	0	500000	0	0	100.00	0	0	0	0.00	500000

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note:

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



Table III - Statement showing shareholding pattern of the Public shareholder

Category & Name of the Shareholders (I)	PAN (II)	No. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = IV+V+VI	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			Total Shareholding, as a % assuming full conversion of securities (as a percentage of diluted share capital) (X) = (VII) x (X) / (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights				No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class - Equity	Class - Y	Total						
(1) Institutions		0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0
(a) Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0
(b) Alternate Investment Funds		0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0
(c) Foreign Venture Capital Investors		0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0
(d) Foreign Portfolio Investors		0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0
(e) Financial Institutions / Banks		0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0
(f) Insurance Companies		0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0
(g) Provident Funds / Pension Funds		0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0
(h) Any Other (Specify)		0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0
(i) Sub-Total (B)(1)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(2) Central Government/ State Government(s) / President of India		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(j) Sub-Total (B)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(3) Non-Institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(a) Individuals - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs. ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0
(b) NBFCs registered with RBI		0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0
(c) Employee Trusts		0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0
(d) Overseas Depositories (holding DRs/balancing figure)		0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0
(e) Any Other (Specify)		0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0
(i) Sub-Total (B)(3)		0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0
(ii) Sub-Total (B)(1)+(B)(2)+(B)(3)		0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0
(4) Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)		0	0	0	0	0	0.00	0	0	0	0	0	0	0	0	0

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note:

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the name of following persons: Institutions/Non Institutions holding more than 1% of total number of shares.
- (3) Where the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.



Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category & Name of the Shareholders (I)	PAN (II)	No. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV) (Not Applicable)	
								Class X	Class Y	Total			As a % of total Shares held	No. (Not Applicable)	As a % of total Shares held	No. (Not Applicable)		
																		Class X
(1) Custodian/DR Holder	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
(a) Name of DR Holder (if available)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
(2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Non -Promoter Non Public Shareholding (C)= (C)(1)+(C)(2)	0	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--



Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting  
**(Kindly start filing data from Row No - 3)**

No. of shareholders	No. of Shares
0	0



Format of holding of specified securities

- 1 Name of Listed Entity : Motherson Sumi Wiring India Limited
- 2 Scrip Code/Name of Scrip/Class of Security : Equity
- 3 Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c) : Reg.31(1)(b)
- a. If under 31(1)(b) then indicate the report for Quarter ending : 31.12.2020\*\*
- b. If under 31(1)(c) then indicate date of allotment/extinguishment : Not Applicable

**Declaration :** The Listed entity is required to submit the following declaration to the extent of submission of information:

Particulars	Yes*	No*
1. Whether the Listed Entity has issued any partly paid up shares?		No
2. Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3. Whether the Listed Entity has any shares against which depository receipts are issued?		No
4. Whether the Listed Entity has any shares in locked-in?		No
5. Whether any shares held by promoters are pledge or otherwise encumbered?#	Yes	
6. Whether the listed entity has any significant beneficial owner?		No

\* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

\*\*The post shareholding been computed on the basis of shareholding of Transferor Company, i.e. MSSL, as on December 31, 2020. The post shareholding may change on the basis of shares held as on the date of allotment.

# The pledge of shares of Resulting Company is based on existing pledge on shares of Transferor Company and the actual position as on the record date may be different.





Table I – Summary Statement holding of specified securities

Category (i)	Category of shareholder (ii)	Nos. of shareholders (iii)	No. of fully paid up equity shares held (iv)	No. of Partly paid-up equity shares held (v)	No. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii) = (iv)+(v)+(vi)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1987) (viii) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (ix)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (x)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (xi) = (vii)+(x) As a % of (A+B+C2)	Number of Locked in shares (xii)		Number of Shares pledged or otherwise encumbered (xiii)		Number of equity shares held in dematerialized form (xiv)
								Class egr. X	Class egr. Y	Total			Total as a % of (A+B+C1)	No. (a)	As a % of total Shares held (b)	No. (a)	
(A)	Promoter & Promoter Group	9	1949286546	0	0	1949286546	61.73	1949286546	0	0	61.73	0	0	140230000	7.19	1949286546	
(B)	Public	358331	1208647691	0	0	1208647691	38.27	1208647691	0	0	38.27	0	0	NA	NA	1198890482	
(C)	Non Promoter- Non Public	0	0	0	0	0	NA	0	0	0	0.00	0	0	NA	NA	0	
(C1)	Shares underlying DRs	0	0	0	0	0	NA	0	0	0	0.00	0	0	NA	NA	0	
(C2)	Shares held by Employee Trust	0	0	0	0	0	NA	0	0	0	0.00	0	0	NA	NA	0	
	Total	358340	3157934237	0	0	3157934237	100.00	3157934237	0	0	100.00	0	0	140230000	4.44	3148177028	



**Table II - Statement showing shareholding pattern of the Promoter and Promoter Group**

(1)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (iv)+(v)+(vi)	Shareholding % calculated as per SCRR, 1957 (A+B+C2) (viii)	(ix)			No. of Shares Underlying convertible securities (including Warrants) (x)	Shareholding as a % assuming full conversion of convertible securities (as a diluted share capital) (xi) = (viii)/(x) (A+B+C2)	(xii)		Number of Shares pledged or otherwise encumbered (xiii)	Number of Locked in shares (xiv)	(xv)	
								No. of Voting Rights		Total			No. (a)	As a % of total Shares held (b)			No. (a)	As a % of total Shares held (b)
								Class-Equity	Class Y									
(1) Indian																		
(a)	Individuals/Hindu Undivided Family	4	16630226	0	0	16630226	0.53	16630226	0	16630226	0.53	0	0	0	0.00	0	0.00	16630226
	GEETA SONI	1	8610328	0	0	8610328	0.27	8610328	0	8610328	0.27	0	0	0	0.00	0	0.00	8610328
	ACHPS0360A	1	150085	0	0	150085	0.00	150085	0	150085	0.00	0	0	0	0.00	0	0.00	150085
	NEELU MEHRA	1	7869690	0	0	7869690	0.25	7869690	0	7869690	0.25	0	0	0	0.00	0	0.00	7869690
	LAKSH VAAAMAN SEHGAL	1	123	0	0	123	0.00	123	0	123	0.00	0	0	0	0.00	0	0.00	123
(b)	Central Government/ State Government(s)	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
(c)	Financial Institutions/ Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
(d)	Any Other (Body Corporates)	1	1055750653	0	0	1055750653	33.43	1055750653	0	1055750653	33.43	0	0	0	0.00	0	0.00	1055750653
	MOTHERSON SUMI SYSTEMS LIMITED	1	1055750653	0	0	1055750653	33.43	1055750653	0	1055750653	33.43	0	0	0	0.00	0	0.00	1055750653
	AAACM04G5A	5	1072380879	0	0	1072380879	33.96	1072380879	0	1072380879	33.96	0	0	0	0.00	0	0.00	1072380879
(2) Foreign																		
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	1	73165402	0	0	73165402	2.32	73165402	0	73165402	2.32	0	0	0	0.00	0	0.00	73165402
	VIVEK CHAND SEHGAL	1	73165402	0	0	73165402	2.32	73165402	0	73165402	2.32	0	0	0	0.00	0	0.00	73165402
(b)	Government	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
(c)	Financial Institutions/Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
(e)	Any Other (Body Corporates)	0	803740265	0	0	803740265	25.45	803740265	0	803740265	25.45	0	0	0	0.00	0	0.00	803740265
	SUMITOMO WIRING SYSTEMS LIMITED	0	792637291	0	0	792637291	25.10	792637291	0	792637291	25.10	0	0	0	0.00	0	0.00	792637291
	H.K. WIRING SYSTEMS LIMITED	1	7660351	0	0	7660351	0.24	7660351	0	7660351	0.24	0	0	0	0.00	0	0.00	7660351
	RAJHA RANI HOLDINGS PTE LTD.	1	3442623	0	0	3442623	0.11	3442623	0	3442623	0.11	0	0	0	0.00	0	0.00	3442623
	Sub-Total (A)(2)	4	876906667	0	0	876906667	27.77	876906667	0	876906667	27.77	0	0	0	0.00	0	0.00	876906667
	Total Shareholding of Promoter and Promoter Group (A)-(A)(1)+(A)(2)	9	1949286546	0	0	1949286546	61.73	1949286546	0	1949286546	61.73	0	0	0	0.00	0	0.00	1949286546

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note:  
 (1) PAN would not be displayed on website of Stock Exchange(s)  
 (2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



Table III - Statement showing Shareholding pattern of the Public shareholder

(1)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)			(ix)	(x)	(xi)	(xii)		(xiii)
							(A)	(B)	(C)				(a)	(b)	
(a)	Mutual Funds	23	340350734	0	0	340350734	10.79	340880794	10.79	0	0	0	0	NA	340350734
	ICI PRUDENTIAL GROWTH FUND	1	110980971	0	0	110980971	3.51	110980971	3.51	0	0	0	0	NA	110980971
	SBI MULTI ASSET ALLOCATION FUND	1	35461005	0	0	35461005	1.12	35461005	1.12	0	0	0	0	NA	35461005
	AXIS MULTICAP FUND	1	115210260	0	0	115210260	3.65	115210260	3.65	0	0	0	0	NA	115210260
(b)	Venture Capital Funds	0	0	0	0	0	0.00	0	0.00	0	0	0	0	NA	0
(c)	Alternate Investment Funds	6	10992067	0	0	10992067	0.35	10992067	0.35	0	0	0	0	NA	10992067
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0.00	0	0.00	0	0	0	0	NA	0
(e)	Foreign Portfolio Investors	521	509067332	0	0	509067332	16.09	509067332	16.09	0	0	0	0	NA	509067332
	HERMES INVESTMENT FUNDS PLC ON BEHALF OF HERMES GLOBAL EMERGING MARKETS FUND	1	40471960	0	0	40471960	1.26	40471960	1.26	0	0	0	0	NA	40471960
(f)	Financial Institutions / Insurance Companies	13	6352704	0	0	6352704	0.26	6352704	0.26	0	0	0	0	NA	6352704
	ICI PRUDENTIAL LIFE INSURANCE COMPANY LTD.	2	90222720	0	0	90222720	2.85	90222720	2.85	0	0	0	0	NA	90222720
	Franklin Templeton / Franklin Funds	0	0	0	0	0	0.00	0	0.00	0	0	0	0	NA	0
(g)	Any Other (Specify)	378	968516617	0	0	968516617	30.33	968516617	30.33	0	0	0	0	NA	968516617
(2)	Central Government / State Government / President of India	0	0	0	0	0	0	0	0	0	0	0	0	NA	0
(3)	Non-institutions	0	0	0	0	0	0	0	0	0	0	0	0	NA	0
(4)	Individuals - Shareholders holding nominal share (Fig. 2) i.e. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	346532	150905160	0	0	150905160	4.78	150905160	4.78	0	0	0	0	NA	150905160
	NBFCs registered with RBI	43	57124042	0	0	57124042	1.81	57124042	1.81	0	0	0	0	NA	57124042
(b)	Employee Trusts	2	2243	0	0	2243	0.00	2243	0.00	0	0	0	0	NA	2243
(c)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0.00	0	0.00	0	0	0	0	NA	0
(d)	Any Other (Specify)	0	0	0	0	0	0.00	0	0.00	0	0	0	0	NA	0
(e)	Foreign Nationals	1	628920	0	0	628920	0.02	628920	0.02	0	0	0	0	NA	628920
	NON RESIDENT INDIANS	2	525	0	0	525	0.00	525	0.00	0	0	0	0	NA	525
	CLEARING MEMBERS	376	10691705	0	0	10691705	0.34	10691705	0.34	0	0	0	0	NA	10691705
	INDIAN CORPORATES	1022	25413889	0	0	25413889	0.80	25413889	0.80	0	0	0	0	NA	25413889
	TRUSTS	24	122357	0	0	122357	0.00	122357	0.00	0	0	0	0	NA	122357
	Sub total (iii)	357753	260132074	0	0	260132074	7.92	260132074	7.92	0	0	0	0	NA	260132074
	Total Public Shareholding (ii) - (i)(1)-(i)(2)-(i)(3)	339211	130667691	0	0	130667691	38.37	130667691	38.37	0	0	0	0	NA	130667691

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %). Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in dematerialized suspense account, voting rights which are frozen etc. Note:





**Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder**

Category & Name of the Shareholders	PAN (II)	No. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Party paid up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding % as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as a % assuming full conversion of convertible securities as a percentage of diluted No.	Number of Locked in shares (XI)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV) (Not Applicable)
								No. of Voting Rights					As a % of total Shares held (Not Applicable)	As a % of total Shares held (Not Applicable)	As a % of total Shares held (Not Applicable)		
								Class X	Class Y	Total						No.	
(1) Custodian/ DR Holder																	
(a) Name of DR Holder (if available)																	
(2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)																	
<b>Total Non - Promoter - Non Public Shareholding (C) = (C1)+(C1C1) (C1)+(C1C1) (C1)+(C1C1) (C1)+(C1C1)</b>	<b>0</b>																

<p>Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting (Kindly start filling data from Row No - 3)</p>	
No. of shareholders	No. of Shares
133	799129



# ANNEXURE XXIII

**S.R. BATLIBOI & Co. LLP**  
Chartered Accountants

2nd & 3rd Floor  
Golf View Corporate Tower - B  
Sector - 42, Sector Road  
Gurugram - 122 002, Haryana, India  
Tel: +91 124 681 6000

**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

**PANKAJ  
CHADHA**  
Digitally signed by PANKAJ CHADHA  
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email=pankaj.chadha@srbl.in  
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Date: 2020.07.02 21:40:55 +05'30'

**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

**PANKAJ  
CHADHA**

Digitally signed by PANKAJ CHADHA  
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s=Personal,  
email=pankaj.chadha@sri.in  
Reason: I am approving this document  
Date: 2020.07.02 21:41:22 +05'30'

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  
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## 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 Motherson 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 relatable 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 relatable 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.
<b>Authorised Capital</b>	
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
<b>Total</b>	<b>630,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
315,79,34,237 Equity Shares of Rs. 1 each	315,79,34,237
<b>Total</b>	<b>315,79,34,237</b>

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

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

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

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

Share Capital	Amount in Rs.
<b>Authorised Capital</b>	
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
<b>Total</b>	<b>630,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
315,79,34,237 Equity Shares of Rs. 1 each	315,79,34,237
<b>Total</b>	<b>315,79,34,237</b>

## 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 MSSL 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 its 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 MSSSL, 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 MSSSL 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 MSSSL 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 Buddha 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 Kuruvamedu, 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 Buddha Nagar Uttar Pradesh, Pin Code -201301
19	SBU 26- Noida Sector 64	A-8 & 9, Sector-64, Noida Dist. Gautam Buddha 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, aeriails 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 wirs, 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, hings, 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
Mr. Vivek Chaand Sehgal S/o Sh. K.L. Sehgal B-300, New Friends Colony, New Delhi- 110065 Business	100	Sd/- Vivek Chaand Sehgal	Sd/- (K Sourji Rajan) S/o M.K. Krishnamachari Chartered Accountant Phone: 80963 240A, Pocket I Mayur Vihar Delhi- 110091.

Place: New Delhi  
Date: December 10, 1986

Alok  
Goel

Digitally signed  
by Alok Goel  
Date: 2020.07.02  
20:56:25 +05'30'

# ANNEXURE XXIV

**S.R. BATLIBOI & Co. LLP**

Chartered Accountants

2nd & 3rd Floor  
Golf View Corporate Tower - B  
Sector - 42, Sector Road  
Gurugram - 122 002, Haryana, India  
Tel: +91 124 681 6000

## 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 Wiring India Limited  
Plot No.1, Sector 127, Noida, Greater Noida Expressway,  
Uttar Pradesh - 201301

We, the statutory auditors of Motherson Sumi Wiring India Limited (hereinafter referred to as "the Company" or "Resulting Company"), a wholly owned subsidiary of Motherson Sumi Systems Limited, have examined the proposed accounting treatment specified in Clause 15.2 of Section I of the Composite Scheme of Amalgamation and Arrangement amongst Motherson Sumi Systems Limited ("MSSL" or "Transferor Company" or "Amalgamated Company"), Samvardhana Motherson International Limited ("Amalgamating Company"), the Company (as incorporated on July 2, 2020 ("Resulting Company")), and their respective shareholders and creditors for demerger of Domestic Wiring Harness Undertaking of the MSSL to the Company; amalgamation of the Samvardhana Motherson International Limited into and with the MSSL 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 required by the Company for submission to MSSL. 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"), MSSL is required to submit this certificate 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. 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

**PANKAJ  
CHADHA**

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per **Pankaj Chadha**  
Partner  
Membership Number: 091813  
UDIN: 20091813AAAADN2307

Place: Gurugram  
Date: July 21, 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 Wiring India Limited  
Plot No.1, Sector 127, Noida, Greater Noida Expressway,  
Uttar Pradesh – 201301

1. This certificate is issued in accordance with the terms of our service scope letter dated July 21, 2020 and Engagement Agreement dated July 21, 2020, between S.R. Batliboi & Co LLP (“we” or “us” or “SRBC”) with Motherson Sumi Wiring India Limited (hereinafter the “Company”).
2. At the request of the Company, we have examined the proposed accounting treatment specified in Clause 15.2 of Section I of the Composite Scheme of Amalgamation and Arrangement amongst Motherson Sumi Systems Limited (“MSSL” or “Transferor Company” or “Amalgamated Company”), Samvardhana Motherson International Limited (“Amalgamating Company”), the Company (as incorporated on July 2, 2020 (“Resulting Company”)), and their respective shareholders and creditors for demerger of Domestic Wiring Harness Undertaking of the MSSL to the Company; amalgamation of the Samvardhana Motherson International Limited into and with the MSSL 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 for submission to MSSL. 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”), MSSL is required to submit this certificate 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 compliance with the Scheme and 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:

# S.R. BATLIBOI & CO. LLP

Chartered Accountants

- a. Read the draft Scheme and the proposed accounting treatment as specified in Clause 15.2 of Section I, which is attached to this certificate for identification purposes.
  - 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.
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 for onward submission to MSSL for 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, 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

**PANKAJ  
CHADHA**

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per Pankaj Chadha

Partner

Membership Number: 091813

UDIN: 20091813AAAADN2307

Place: Gurugram

Date: July 21, 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**

**MOTHERSON SUMI WIRING INDIA LIMITED**

**Resulting Company**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**SANJAY  
MEHTA**

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by SANJAY  
MEHTA

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## 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 hereinafter) 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**" or "**Amalgamated Company**") is a public limited company incorporated on December 19, 1986, under the Laws (as defined in Section I of this Scheme) 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

Motherson Sumi Wiring India Limited ("**Resulting Company**") is a public limited company incorporated on July 2, 2020, 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 the Resulting Company is U29306MH2020PLC341326. The Resulting Company is a wholly owned subsidiary of MSSL.

#### 2.3 Amalgamating Company

Samvardhana Motherson International Limited ("**Amalgamating Company**"), 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. The 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 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, 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 resultant MSSL. 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 Motherson 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.

3.3 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.

3.4. 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 (as defined in Section I of this Scheme) and vesting of the same in the Resulting Company, 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 (as defined in Section II of this Scheme), 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 relatable 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) **"Resulting Company"** means Motherson Sumi Wiring India Limited;
- (q) **"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;
- (r) **"SEBI"** means the Securities and Exchange Board of India;
- (s) **"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;
- (t) **"Stock Exchanges"** means collectively BSE Limited and the National Stock Exchange of India Limited; and
- (u) **"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.
<b>Authorised Capital</b>	
605,00,00,000 Equity Shares of Re. 1 each	605,00,00,000
2,50,00,000 preference shares of Rs. 10 each	25,00,00,000
<b>Total</b>	<b>630,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
315,79,34,237 Equity Shares of Re. 1 each	315,79,34,237
<b>Total</b>	<b>315,79,34,237</b>

2.2 The capital structure of the Resulting Company, as on July 2, 2020, is as under:

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

## 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 employees 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 (Two Crore Fifty Lakhs) 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.

- 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 Clause 7.1 of Section I of this Scheme above, a portion of the authorized share capital of the Transferor Company, amounting to Rs. 300,00,00,000 (Indian Rupees Three Hundred Crores), comprising of 300,00,00,000 (Three Hundred Crore) Equity Shares of Re. 1 (Indian Rupee One) each, shall stand transferred and be deemed to be added to the authorized share capital of the Resulting Company as on Effective Date 1, without any requirement of any further act or deed on the part of the Transferor Company, including payment of stamp duty and fees payable to the RoC, and the memorandum of association and articles of association of the Resulting 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 Section 4, Section 13, Section 61 and/or other applicable provisions of the Companies Act, if any, would be required to be separately passed, and for this purpose, the stamp duties and fees paid on the authorized share capital of the Transferor Company in the past shall be deemed to have been utilized and applied to the increased authorized share capital of the Resulting Company and there would be no requirement of any further payment of stamp duty and/or fee by the Resulting Company for increase in and utilization of the authorized share capital to that extent, provided that, if applicable, the Resulting Company shall pay the requisite fees on its authorised share capital enhanced by the demerger, in terms of Section 233(11) of the Companies Act.



## 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 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 Share Entitlement 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 a wholly owned subsidiary of the Transferor Company. Accordingly, simultaneous with the issuance of the Equity Shares in accordance with Clause 8 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 Minimum Alternate Tax (MAT) credit), central value added tax (CENVAT), customs, value added tax (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, minimum alternate tax (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 3 (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.
<b>Authorised Capital</b>	
90,00,00,000 Equity Shares of Rs. 10 each	900,00,00,000
<b>Total</b>	<b>900,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
47,36,13,855 Equity Shares of Rs. 10 each	473,61,38,550
<b>Total</b>	<b>473,61,38,550</b>

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

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

## 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 NCDs 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 MSSL 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**

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 Section 4, Section 13, Section 61 and/or other applicable provisions of the Companies Act, if any, would be required to be separately passed, 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. Provided that, 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 3 (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 Share of Re. 1 (Indian Rupee One) each of the Amalgamated Company for every 10 (Ten) Equity Share of Rs. 10 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**

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 its 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 MSSSL, 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 MSSSL 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 filings 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, tax deducted at source (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, minimum alternate tax (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(b) 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**

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 MSSSL 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 Paragraph 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 230-232 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 Buddha 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 Kuruvemedu, 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 Buddha Nagar Uttar Pradesh, Pin Code -201301
19	SBU 26- Noida Sector 64	A-8 & 9, Sector-64, Noida Dist. Gautam Buddha 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 storers 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 promoting 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, alpha stable 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, aerials 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 unsheathed wires, industrial cables.
57. To manufacture, produce, process or assemble and deal in all sorts of air and gas treatment plants and equipment, air-conditioning plants, refrigeration and equipment, 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 equipment, port material, handling, equipment, process plants and washing plants.
59. To undertake the manufacture or production of calcined petroleum coal and calcined anthracite 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, metalliferous 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, head, 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, optical 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, hings, 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 including 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. 1230,00,00,000 (Indian Rupees One Thousand Two Hundred and Thirty Crores) consisting of 1230,00,00,000 (One Thousand Two Hundred and Thirty Crores) 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
Mr. Vivek Chaand Sehgal S/o Sh. K.L. Sehgal B-300, New Friends Colony, New Delhi- 110065 Business	100	Sd/- Vivek Chaand Sehgal	Sd/- (K Sourji Rajan) S/o M.K. Krishnamachari Chartered Accountant Phone: 80963 240A, Pocket I Mayur Vihar Delhi- 110091.

Place: New Delhi  
Date: December 10, 1986

**SANJAY MEHTA** Digitally signed  
by SANJAY  
MEHTA  
Date:  
2020.07.21  
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