motherson

'Nothing can dim the light that shines from within.'

Annual Report 2020-2021

Year **1/5** of our **2025** plan

Edition 34

Motherson Sumi Systems Limited

Disclaimer.

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Corporate information.

(Late) Smt. S.L. Sehgal
Founder Chairperson

(Late) Sh. K.L. Sehgal
Chairman Emeritus

Board of Directors
Mr. Vivek Chaand Sehgal
Chairman

Mr. Shunichiro Nishimura
Director

Mr. Arjun Puri
Independent Director

Mr. Gautam Mukherjee
Independent Director

Ms. Geeta Mathur
Independent Director

Mr. Naveen Ganzu
Independent Director

Mr. Laksh Vaaman Sehgal
Director

Mr. Takeshi Fujimi
Director

Ms. Rekha Sethi
Independent Director*

Mr. Pankaj Mital
Whole-time Director &
Chief Operating Officer

Chief Financial Officer
Mr. G.N. Gauba

Company Secretary / Investor Cell
Mr. Alok Goel
investorrelations@motherson.com

Registered Office
Unit 705, C Wing, ONE BKC,
G Block, Bandra Kurla Complex,
Bandra East, Mumbai – 400051,
Maharashtra, India

Registrar
KFin Technologies Private Limited
Selenium Building, Tower B
Plot number 31 & 32
Financial District Nanakramguda
Serilingampally Mandal
Hyderabad – 500032,
Telangana, India

Auditors
S.R. Batliboi & Co. LLP
Golf View Corporate Tower-B
Sector-42, Sector Road
Gurugram – 122002,
Haryana, India

Debenture Trustee
Axis Trustee Services Limited
The Ruby, 2nd Floor, SW,
29, Senapati Bapat Marg,
Dadar West, Mumbai- 400 028,
Maharashtra, India

Bankers
- State Bank of India
- Axis Bank Ltd.
- Citibank N.A.
- DBS Bank India Ltd.
- HDFC Bank Ltd.
- ICICI Bank Ltd.
- Standard Chartered Bank
- MUFG Bank Ltd.
- Mizuho Bank Ltd.
- The Hongkong and Shanghai Banking Corporation Ltd.

* Appointed as an Additional Director by the Board on August 10, 2021.

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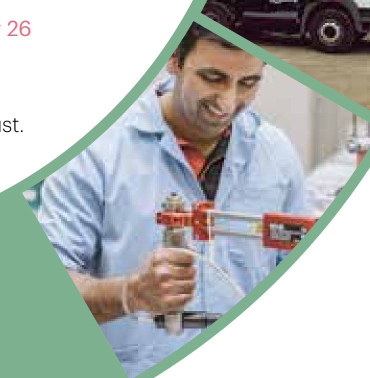


In memoriam of those whom we have lost.

Mahender Singh   Balvindra Kumar Bharati
Rajkumar Nandhakumar   Rajesh Wagjale
Leelamma Johnson   Sumit Kumar   Hiren Patel
Tulsi Giri   Jitender Kumar Singh   Tamil Selvam
Amit Madhok   Rakesh S Chandra   Surendra Prasad
Rajesh Kumar   Sathish Narayanan   Gnanasekar
Dua Dayal   Anoop Singh   Nesamani S
Dev Dutt Aggarwal   Rajesh Kr Gupta
Deepak Kumar Gupta   Monica Saikia   Sharath Gopal
Itti Singh   Sushil Chandra Tripathi   Soudipta Adhikari
Dietmar Motzke   Kraska Bodgan   Kolompár Gyula
John Harris   Policarpo Martinez Valdez
Oscar Emmanuel Robles Aguilar   Katiuse Nossol
Oscar de la Cruz Guillermo   Reynaldo Mercado Acosta
Gilberto Torres de la Cruz   Isaul Dominguez Ibarra
Juan Ramon Palao Portillo   Rosa Velia Garcia Reyna
Felipe Vidal Casimiro   Pablo Torres Cruz
Luis Rodolfo Montoya Ortega   Nieves Rodriguez Casas

Sori Luz Hernandez Chavez   Estela Garza Guerrero
Martin Martinez Balderas   Ruben Uribe Zarate
Ricardo Garcia Padron   Maria de Jesus Diaz Mayo
Rogelio Jimenez Hernandez   Carmen Chablet Zacarias
Daniel Solis Juarez   Jose Santana Rocha Chairez
J. Isabel Martinez Elizalde   Benjamin Salvador Perez
Marcos Garcia Aguas   Juan Hernandez Sanchez
Jesus Candela Cordova   Toribio Gomez Gonzalez
Rosa Maria Sanchez Herrera   Jesus Ayala Escajeda
Eliseo Fuentes Valdes   Daniel Sanchez Rodriguez
Rosa Maria Pereyra Serrato   Placido Guillen de la O
Roberto Sosa Villarreal   Stéphane Riche
Maria Regina Gazca Hernandez   Ruth Cisneros Lucio
Francisco Garcia Guillen   Elia Rauda Cisneros
Mario Alfonso Arellano Ramirez   Tavamani
Margarito Santiago Hernandez   Juan Rodriguez Tiburcio
Ramon Benavente Velazquez   Satyapal Singh
Julia Montero Ignacio   Krishna Singh

We are one family.

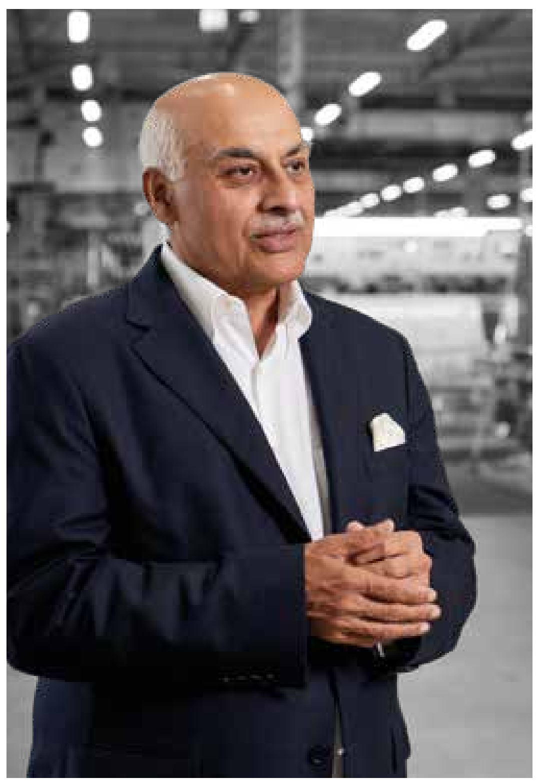
Dear Shareholders,

Let me begin this letter by paying tribute to all those who have lost their lives during the COVID-19 pandemic all over the world. Our thoughts are with all those of you who mourn people in your family and circle of friends and acquaintances. We also think of all Motherson employees who have lost family members during these difficult times. We hope and pray that you all find strength inside to bear this mammoth loss.

It is extremely hard for all of us to believe that our Director, Mr. Sushil Chandra Tripathi, is no longer among us. I want to express my deepest sympathies to his family and friends. Motherson benefitted immensely from his vast experience, knowledge and exceptional leadership skills. It was a great privilege to have known him personally for so many years and then to have worked alongside him for over the last decade.

Few expected that we would ever enter a second year of the pandemic, yet here we are. Fortunately, with mass vaccination programmes underway around the world, many of us are hopeful that going back to some form of our previous lives will become possible. We share this sentiment. At the same time, Motherson is also prepared for this uncertainty to remain for some time to come.

Mr. Sehgal during a corporate film shoot at the Dubai plant.



Despite the exceptional circumstances caused by the pandemic, FY 2020-21 has been a strong start of the sixth 5-year plan for MSSL. Consolidated revenue of your company ended at INR 598 bn (USD 8.2 bn). Operating EBITDA has gone down by 7% and our PAT reduced by 11%. The company reported a consolidated ROCE of 8%. The standalone ROCE came to 24%. Consolidated annualised ROCE calculated on basis of second half year results of financial year 2020-21 is 18%. The dividend payout for FY 2020-21 has been declared at 46% of consolidated profits after taxes, amounting to dividends of INR 1.5 per share. We have received new orders worth EUR 6.2 bn for SMRP BV during FY 2020-21. Interestingly, the Battery Electric Vehicles order book share at SMRP BV grew to 25% of SMRP BV's total order book by the end of FY21. You will read more on this later in this report ("Electrification at Motherson").

We are very grateful for these results, especially in the current environment. We feel blessed by the continued trust from our customers, who have rewarded us with new opportunities and challenges. We are very proud of the unwavering efforts of our teams across the world to support the OEMs throughout this pandemic. Last year when the pandemic started, we expressed confidence that we would emerge stronger from these adverse conditions. So far, we believe that — thanks to our customers and our employees — this is proving true.

One Motherson

This year is a strange and difficult one for all of us. The theme we have chosen for this year's annual report is, "Nothing can dim the light that shines from within." We feel it reflects a duality many of us may be experiencing: we mourn the loss of those who brought light into our lives, but we now carry that light inside us as a guide on our path. At the same time, we look ahead to the future with an unwavering sense of optimism, for the light of the divine and the human spirit always shines through. Together we are strong.

It is in this spirit that we are now becoming One Motherson: this year, we are bringing all our companies and activities in SAMIL under one listed entity. As such, this is MSSL's last annual report before SAMIL merges into MSSL, and is renamed Samvardhana Motherson International Limited (SAMIL).

As we explained during our first-ever virtual Investor Conference last November, this brings tremendous opportunities and strengths, which will help us achieve our Vision 2025.

We are One Family, under one new unified logo, which you see on the cover of this annual report. The logo is an external symbol of the internal unity across all our companies and units around the world. It is unity in diversity that we foster across the ever-increasing range of countries and cultures in which we work. We believe this is one of the greatest strengths of Motherson.

Vaaman will discuss the restructuring in more detail from pg. 15 onwards.

Our first steps towards Vision 2025

Our Vision 2025 target — a topline of $36 bn with 40% ROCE— is ambitious. Achieving it will require closer teamwork, intense sharing and a spirit of growing together. We are moving into new geographies, entering new markets, forming new partnerships and taking on new clients, and as a family, we are stepping up to meet these new challenges together.

Despite the pandemic, our organic growth is robust, as we saw in our Q3 results when we recorded the highest-ever quarterly revenues of Rs. 17,923 crores. Our order book across the world is strong and growing. Our operating cash flows are healthy and as on March 31, 2021, our net debt is lowest in last 17 quarters.

On the inorganic growth front, we acquired a majority stake in Plast Met Group, headquartered in Turkey. This also marked an entry into a new country for us. As always, we are in talks with many potential takeover companies. We are in a strong position to make acquisitions, even in a volatile environment. Our balance sheet has become stronger since OEMs started re-opening their plants beginning last October, and we could begin ramping-up again. Naturally, our criteria for bringing new companies into Motherson have not changed. Acquisitions must create value for our customers and must allow us to achieve our revenue and ROCE targets simultaneously, among others. In other words, we will not make acquisitions only to achieve our top-line goals.

Thanks to unprecedented government stimulus packages around the world, the economic impact of the pandemic on vulnerable companies seems to be less severe than would have been the case otherwise. Nevertheless, many companies are looking for partners or acquirers, and we are actively seeking opportunities that best fit the requirements of our customers. We continue to believe that the economic circumstances created by the pandemic may make the available opportunities more attractive in the coming times. This is especially so, when government support programmes are eventually scaled down.

> "The economic circumstances created by the pandemic may make the available opportunities more attractive."

In this annual report, we will give you a glimpse of the new divisions that will become part of your company from FY 2021-22 onwards. Our companies in Aerospace, Logistics Solutions, Technology & Industrial Solutions and Health & Medical currently act as "startups" within the larger group — an environment that offers the best of both worlds. This is an approach we have followed over the course of our entire history. For example, our Modules & Polymer Products division once was a "startup" as well, and it has since grown into our largest division. Our new initiatives combine the agility and hunger of starting companies with all the strengths of Motherson as a whole. We are already hearing from their customers that the Motherson ethos — the customer focus and unwavering support we provide through thick and thin — make us attractive, even though our size in these new divisions may as yet be modest. We believe our new divisions will meet with great opportunities. We expect to see the first fruits of that soon. On pages 72-95 you can read more about our new divisions.

Another new initiative this year is the publication of our first Sustainability Report. We have always valued

the Environment, Social and Governance metrics. They are an integral part of the way we run and build Motherson.
From this year onwards, you will be able to follow these developments more in-depth in our Sustainability Report. Starting on pg. 22, you will also find an overview of Sustainability at Motherson.

Resilience

A key driver in our quest to reach Vision 2025 is resilience. We saw the importance of it throughout the past year; the situation was dire, and we are still not out of the woods. Globally, auto manufacturers had to shut down their operations, and we had to follow. In our case, out of 272 facilities, only 64 were open by the end of March 2020. This was very difficult for everyone.

Nevertheless, we kept the faith and pulled together. For example, in India there is a lack of capacity in the "chill chain" segment. Daimler approached us to build a cold-storage solution. In response, we developed a process for quickly refurbishing an existing trailer into a "reefer truck" that can carry items requiring refrigeration, such as vaccines. By bringing together expertise, components and technology from across our group, we answered Daimler's request in record time.

> "We have seen an amazing display of togetherness, faith and strength."

Our Regional Chairman's Offices around the world did a phenomenal job of working closely with local governments. Our human resource teams, all our business heads and plant managers kept our people safe by ensuring that COVID-19 regulations were implemented across all our facilities. Our IT teams enabled us to work remotely and always stay connected.
All our teams have adjusted phenomenally well to "working from anywhere", which in some cases has allowed global teams to meet almost daily without travel costs or loss of travel time. Our marketing teams worked with our customers to keep track of their closing and re-opening schedules. We used the past year to improve our operations at SMP Kecskemét and SMP Tuscaloosa, turning these plants around. And finally, our finance teams did an outstanding job of maintaining our financial health and liquidity positions.

We have seen an amazing display of togetherness, faith and strength. Indeed, all of this has made us stronger in ways nobody could have foreseen. Although normalcy is yet to be fully restored, almost all our units are open again. We are optimistic that demand and positive sentiments will continue to increase in the coming year and that this will carry us forward. We are heartened by the spirit we have witnessed inside Motherson and with our customers and collaborators around the world. We are sure that we will all flourish like never before in the years to come.

As always, I want to express deep gratitude to our customers. Thank you for your faith in us during these difficult times. To our investors, thank you for your support, guidance and encouragement. To our collaborators, thank you for sticking with us and helping us to keep the supplies to our customers flowing. To our employees and teams, your commitment and perseverance have brought out the best of Motherson in these difficult times. We also want to express our deep gratitude to the global health workers who are putting their heart and soul into bringing the pandemic under control and caring for those in need. Thank you for all your efforts.

We would like to thank all local, state and national governments, concerned bodies, and the banks and financial institutions in all countries where we operate for their support and collaboration.
On behalf of MSSL, thank you all.

May God bless us and let us all work hard to create the future we all aspire for!

Sincerely,

Vivek Chaand Sehgal
Chairman,
Motherson Sumi Systems Limited

Vision 2025

No. 1
USD 36 billion revenues in 2024-25 with 40% ROCE (consolidated)

No. 2
3CX10
No country, customer or component should contribute more than 10% to our revenues

No. 3
75% of revenues from automotive industry, 25% from new divisions

No. 4
40% of consolidated profit as dividend

The sixth 5-year plan.

Threading through big change.

An interview with our Group Vice Chairman, Laksh Vaaman Sehgal

100%

The objective for the reorganisation of the entire group was threefold. Firstly, to simplify the group structure and enable MSSL shareholders to benefit from 100% shareholding in SMRP BV...

$200 bn

SAMIL brings businesses with an estimated market opportunity value of $200 bn.

Many things have kept Laksh Vaaman Sehgal, the Motherson Vice Chairman, busy over the past year. However, two stand out in particular: the restructuring of the group and charting Motherson and its people through a global health crisis.

We ask 10 questions to get a perspective on both topics.

Q1

You have announced a major restructuring of the Motherson Group. What is the main intention behind it?

It is a comprehensive reorganisation of the entire group, which we felt was necessary to help achieve our ambitious Vision 2025 targets. The objective was threefold. Firstly, to simplify the group structure and enable MSSL shareholders to benefit from a 100% shareholding in SMRP BV. Secondly, make the Indian wiring harness unit a separate and independent entity focused exclusively on this segment and geography. Thirdly, we wanted to create better alignment between the interests of all our stakeholders by bringing all auto-component and allied businesses in SAMIL under one listed entity, as a basis for new growth.

Q2

How will the restructuring be rolled out?

The actual process has two steps. The first step is what we call the "demerger" of the India-based Domestic Wiring Harness from MSSL to form a new company, Motherson Sumi Wiring India Limited (MSWIL). MSWIL will be incorporated as a wholly-owned subsidiary of MSSL and will be listed in India. The second step will be the merger of Samvardhana Motherson International Limited (SAMIL) into MSSL, and the entity be renamed as SAMIL. The entity will then hold 100% of the shares in Samvardhana Motherson Automotive Systems Group BV (SMRP BV). This will bring all the auto-component and allied businesses together under one legal entity called SAMIL.

Q3

What has been the role of your longstanding partner Sumitomo in the restructuring?

It has been Sumitomo's longstanding wish to focus exclusively on the India-based wiring harness activities.

With the restructuring, this is finally happening and we are very happy that this allows us to continue our collaboration in a great way that satisfies both parties.

Q4

How will the shareholders of Motherson benefit from this restructuring?

Over the years, many shareholders have been asking us to simplify the corporate structure. So, many of them are very happy we are doing this.

One clear benefit is that they get 100% access to SMRP BV. A second advantage is that investors in MSSL will now also own shares in SAMIL. Previously, that was not the case. This is significant because SAMIL brings businesses with an estimated market opportunity value of $200 bn. Thirdly, our investors will profit from group synergies. For example, our shared services will grow and achieve further economies of scale, which will bring efficiencies for all of us. Fourthly, we believe that the restructuring will increase our ability to raise capital, both debt and equity, at favourable terms. This will facilitate growth. What is more, the restructuring allows us to create new value for our customers and our partners as well as exciting new career options for our employees. And as a result, this will create new long-term value for our investors as well. The merger of SAMIL into MSSL is expected to be earnings-per-share accretive in FY22, in the first year of the merger.

Q5

What are some of the effects the restructuring will have on Motherson internally?

I think one of the effects of this unified set of group services is that we achieve further efficiencies and cost savings as well as tighter control over the supply chain for each of our divisions. Another advantage is that we are building one integrated talent development programme for the whole group. This ensures that all our leaders and associates live the Motherson philosophy, as we grow to be a $36 bn company. Also, with one logo for the entire group, I think we feel even more that we are all in the same boat, under one name. We work together and grow together, as one team, and one family.

Q6

Let's look at another topic that has kept you very occupied over the past year: guiding Motherson through the pandemic. What has this been like?

From a humanitarian point of view, COVID-19 hit us hard in the past few months, especially in India. We have taken further measures to encourage people to work from home wherever possible. We have vaccinated employees, wherever vaccines are available. In addition, we have increased the insurance coverage for our employees, have facilitated access to medical care facilities for employees and family members in need, and have imported oxygen concentrators for more serious cases. Despite these efforts, we have lost multiple lives.

> "The merger of SAMIL into MSSL is expected to be earnings-per-share accretive in FY22, in the first year of the merger."

This has saddened us deeply. It is hard to put into words how much this effects us on an emotional level. We are working with relatives of the deceased employees to support them. It is an entirely new situation for us.

From the point of view of supporting our customers, our focus is mainly on what we call "breathing with the market". That means we scale up when our customers want us to ramp-up, we scale down and produce lower volumes when that is what they need. Accordingly, we work with our partners and suppliers to keep the supply chain running as smoothly as possible, depending on the local circumstances.

So, as our customers announced the closing of their plants, we too closed our plants to protect the health and safety of our teams. To put things in perspective, only 64 out of our 272 plants were operational as on March 31, 2020. It was an enormous test for all of us, but I think we have handled the crisis remarkably well. It is a testimony to the resilience of Motherson, all our teams, and all our people. It is difficult to express in words how proud I am of how we have managed and overcome the crisis so far.

Q7

The investors have been very supportive during the pandemic. However, there have also been some critical voices during these difficult times. How did you deal with that?

Yes, that is true. Some of our critics thought we had lost the thread and that our magic spark was gone. Our plants were closed, we had difficulties at some of our largest Greenfields, our stock price went down, it was tough. But we knew in our hearts and minds that we were heading in the right direction. We kept going, we kept believing, and we held on to our ethics and principles. We used this period to improve our performance at SMP Kecskemét and SMP Tuscaloosa. With the help of our experts and associates, we have now managed to turn these two plants around. It is a great victory for all of us, and it will have a significant impact on our results going forward. I think the key thing is that we kept going. We kept our focus on our work and then at some point, the outside world started to see it too. Eventually our stock price rebounded as well.

Q8

As part of Vision 2025, Motherson is entering new industries. Can you explain some of the thinking behind this?

Yes, over the past few years we have carefully studied in which industries Motherson could bring

"Achieving Vision 2025 is certainly not plain sailing for us. Then again, achieving our targets was never going to be easy anyway!"

$36 bn
with 40% ROCE

We are building one integrated talent development programme for the whole group. This ensures that all our leaders and associates live the Motherson philosophy as we grow to be a $36 bn company.

value to customers, given our current competencies, customer relations, plant locations, etc. We eventually settled on Aerospace, Logistics Solutions, Technology & Industrial Solutions and Health & Medical as areas from which we believe we can generate 25% of our revenues by 2025.

Of course, we already have a position in Health & Medical and Technology & Industrial Solutions, so these sectors are our strong starting points. As for Logistics Solutions, we are familiar with the nuances because we deliver our own products to our customers through our operations worldwide. Delivering the final products of the automotive OEMs to the dealers is an underserved challenge in India. Given our strong relations with OEMs, again it is a logical step to offer that support. For Aerospace, we have a very strong manufacturing heritage and we are familiar with lower-volume manufacturing to the highest quality standards. In addition, we have manufacturing facilities all over the world to help Aerospace OEMs spread their manufacturing base. So, none of these entries were random, they were all logical adjacencies for us and we are confident we can make our mark in them and add value from the start.

Q9
Motherson is also publishing its first dedicated sustainability report this year. What has prompted this?
Since 1995, the notion of setting new standards in good corporate citizenship has been part of our mission. Sustainability is a strong pillar of that, and we have always placed a lot of importance on the Environment, Social and Governance dimensions in the way we run Motherson.

However, we felt it was a good moment to inform the investor communities around the world of what we are doing in these areas. Sharing our efforts with our investors helps build our reputation as a conscientious corporate citizen, and it will also increase confidence among our customers, many of whom are also prioritising sustainability. Moreover, highlighting our sustainability measures will also foster innovation by raising awareness about our progress and the challenges that lay ahead, which will encourage our employees to become increasingly involved in these very vital initiatives.

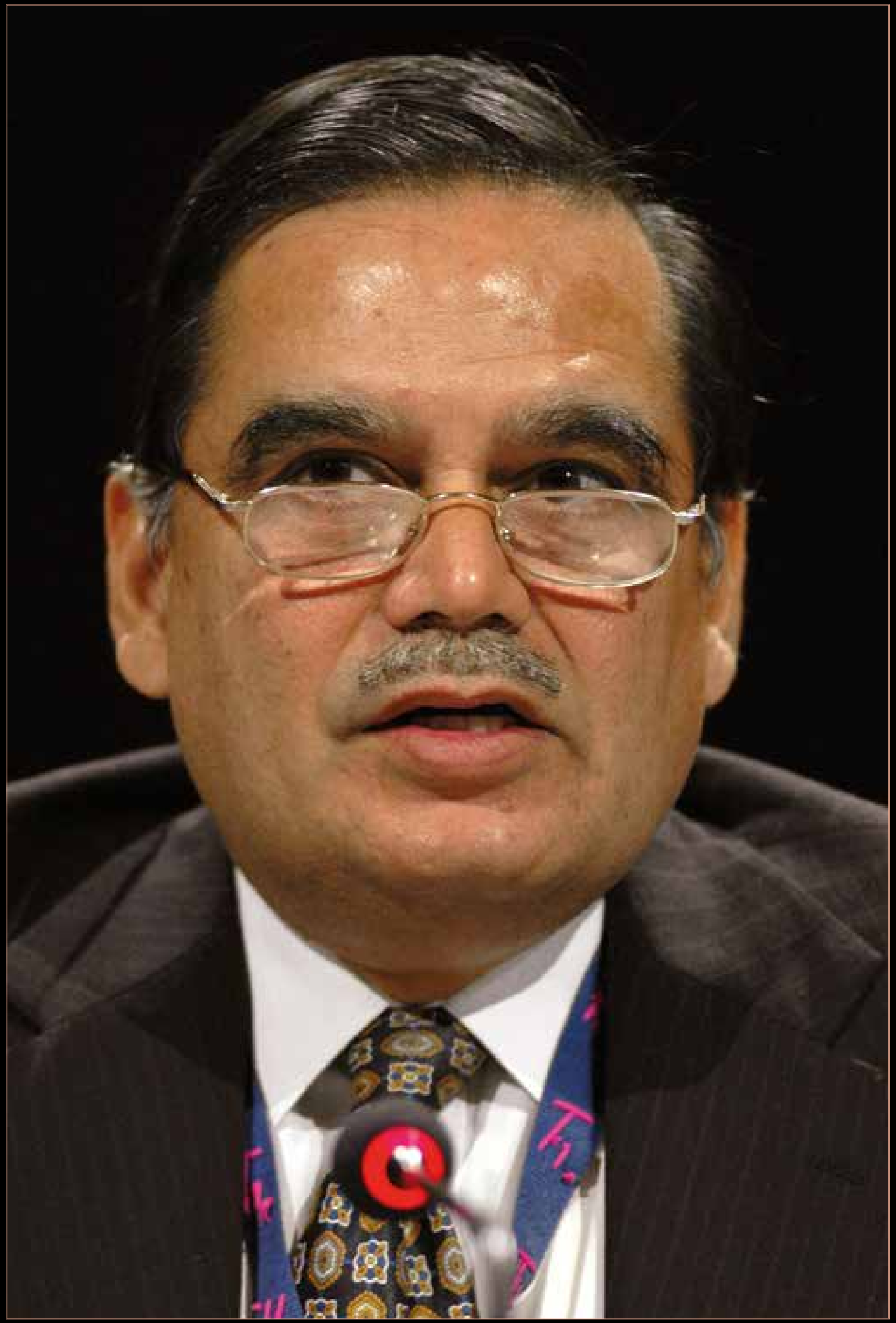
Q10
What are some of the key things you have learned from the past experiences for achieving Vision 2025?
The pandemic has shown that we can do great things together, even in difficult times. It is all about trust, teamwork and faith. We did not let the tough times distract us; we kept believing and did not diverge from our path. Trusting in our abilities and strengths, we persevered throughout the crisis. We are blessed with teams that are simply amazing. Everybody went the extra mile to keep Motherson afloat despite the trying times. We did not let our customers down, and we did not forget our people.

Achieving Vision 2025 is certainly not plain sailing for us. Then again, achieving our targets was never going to be easy anyway! What is clear to me however is that Motherson is in a very strong position because of its people, and I am so proud of what each one of us has done. It is our people and our resilience that give me great confidence in our ability to achieve Vision 2025. We are coming out stronger.

In memoriam
Sushil Chandra Tripathi

It is hard for us to believe that Mr Tripathi is no longer among us. We want to express our deepest sympathies to his family and friends.

Motherson benefited immensely from his invaluable guidance over the years. We knew him as a man of great intellect and vision who leaves behind a legacy of incredible commitment, dedication and a passion for business excellence. He was a true Karmayogi and a source of inspiration to all those whose lives he touched. He will remain in our memories for the rest of our lives.



Sustainability at Motherson.

Sustainability has long been part of what we call the Motherson "DNA", that forms the basis of our long-standing business philosophy. Today, Motherson is a global group with multiple divisions that operate independently, but collaborate united by a common approach, functioning as "One Motherson". With more than 150,000 associates in 41 countries across all regions of the globe, we consider ourselves to be corporate citizens of the world.

The responsibility to preserve the planet, to work towards well-being and opportunities for all, fostering long term growth in an ethical way are key issues for all of us at Motherson. Collectively these topics constitute what is commonly referred to as 'Sustainability'. We are taking some significant steps towards energising an increased focus on sustainability and in line with this we are launching a separate Motherson Sustainability Report.

We invite you to read this report from our website which will provide a much greater insight regarding Sustainability at Motherson.

E-S-G

Environment, Social and Governance (ESG) is an increasingly common way of categorising the full scope of sustainability in business. We have adopted this approach to structure our main focus areas; we hope that these familiar categories will help our stakeholders to more easily understand our sustainability reporting and disclosures.

In our last annual report we referred to the United Nations Sustainable Development Goals (UN SDGs) describing their importance as the foundation stones of sustainability. As part of our support and commitment to be part of a united approach to these challenges, Motherson has joined the United Nations' Global Compact. This serves our endorsement of the principles-based approach to doing business that the UN encourages and as an inspiring source of knowledge, guidance and motivation. In our Sustainability Report, you will also see that we connect our sustainability initiatives, actions planned in the areas most important to Motherson and its stakeholders to the UN SDGs.

To define and update our sustainability priorities, we conduct a regular review process in which we map the needs of our stakeholders onto our own ambitions. The global automotive OEMs are rapidly adapting to increasingly sustainable business models and because Motherson always strives to be aligned with changes in the industries we are part of, we will adapt and evolve our plans and actions taken to be in harmony with the needs of our customers and the communities we work in.

Environment at Motherson

Improving the environmental footprint of our operations and within our supply chain is central to our ambitions for a more sustainable future. With help from new technologies and innovations together with more environmentally friendly and natural materials we will provide increasingly sustainable product solutions. With strong industry trends such as electrification in mobility the pace of change is accelerating. By working closely with our customers to meet their needs we have the opportunity to achieve greater value content together with improving economic circularity.

Social dimension at Motherson

Many of our employees note that the working atmosphere at Motherson feels like that of a family. This also means that the health, safety and welfare of our employees are of paramount importance to us. In addition, providing equal opportunities for personal development and career progression are essential. We celebrate the diversity of Motherson and seek to nurture the contributions we make collectively and as individuals.

Governance at Motherson

We hold ourselves to high standards of corporate governance with clear principles of business ethics applied throughout our businesses and supply chain. This is a key element of the guidelines that we ask all our associates to commit to and work hard to maintain. The principles upon which we provide incentives and measure progress create a collaborative behaviour that renders the success of the whole more important than that of the individual. We can achieve so much more together than alone.

As we work towards achieving our five-year plan, understanding the potential effects of our growth on sustainability is a key factor in the assessment of inorganic growth opportunities for Vision 2025 and beyond.

So there is much to be done and great opportunities ahead, the industries we are part of are evolving quickly, we are ready and committed to continue playing our part. In conclusion, we consider all these focus areas and efforts made are an integral part of our aim to be a globally preferred solutions provider for our customers and help to create a sustainable future for us all.

Innovation at Motherson.

Motherson continues to be a pioneer in automotive technology despite global challenges.

chapter 6 innovation

Turning the pandemic into an opportunity to innovate.

The world of mobility is constantly changing. For Motherson, how we react and adapt to change is vital to our customers as we strive to be a preferred solutions provider. There have been many challenges this past year, including the COVID-19 pandemic, which impacted health and safety on a global scale. This did not stop us, however; it inspired us to step up and lend a hand. For example, we drew on the Motherson tradition of innovation to design and manufacture face protection for hospitals as well as protective visors for frontline workers. The group also developed an intelligent refrigerated truck to safely and securely transport COVID-19 vaccines in India. This innovative refrigerated container solution can store vaccines up to a maximum of -20 degrees, and storage temperature can be monitored at all stages of the delivery process.

The risks of COVID-19 compromised our ability to meet with customers and shareholders in person, which we value immensely. It challenged us to find new ways to share our solutions and to stay connected with our customers. To overcome this challenge, we created a virtual "Future Exhibition" that mimics a live showroom where visitors were guided virtually through a series of trends and topics the group is working on. Built in collaboration with third parties, this digital platform will continue to be used for virtual tech shows, allowing us to remain connected to customers and shareholders.

We are committed to staying on the leading edge of industry trends and developments so as to offer our customers the latest in global technology. We are also continually seeking new opportunities in industries undergoing transformation. Combining our in-house expertise, entrepreneurial spirit, and our global network of innovation partners, we will continue to deliver products and services that will meet the needs of this digital platform and will continue to be used for virtual tech shows, allowing us to remain connected to customers and shareholders.

The following trends are the focus areas of the group:

- Immersive interior experience
- Smart vehicle dynamics
- Connected electrification
- Intelligent manufacturing
- Environmental sustainability
- Power to do more

Immersive interior experience

Our customers believe that the cabin of the future should be intuitive, connected and attractive. We have responded by incorporating surface finishes and technologies in our cabin design that enhance the consumer experience. This includes dynamic and ambient lighting, intelligent monitoring systems, surface sensor integration, wireless power and more. We believe that every surface can become a responsive user interface. Motherson has successfully implemented two smart-surface solutions this year, including a plastic alternative rattan material and an interactive force controller. With a seamless sensor and human-machine interface integration, we have the capabilities to transform practically any surface into an intuitive, smart surface.

The group is also focusing on wireless-device charging and powering functions. Our expanded wireless-power portfolio now includes three solutions, Advanced Qi, Magnetic Resonance, and RF Technologies, that can be customised according to the needs of the OEM. We also recently announced a strategic partnership with Aira, the startup on a mission to bring FreePower® to automakers. Additionally, we are collaborating with the first FCC-certified magnetic-resonance technology provider.

As the future of interiors is changing, Motherson is at the forefront of new developments in order to provide our customers with products and services that meet and exceed the new standards in connectivity, comfort and desirability.

Smart vehicle dynamics

The increased production of smart and electric vehicles is generating a need for more connected, communicative and efficient interior and exterior solutions. As a technology-driven expert in automotive exterior components, Motherson is developing exterior products with integrated sensors and lighting that enhance the way vehicles interact with each other and their surroundings.

One such solution is the bumper of the future, or "Future Front-End", which contains seamlessly integrated sensors that communicate to the outside world through smart lighting solutions. Using advanced hidden technologies, we are able to endow exterior surfaces with new functions without compromising design. Additionally, our intelligent camera-based electronic mirrors not only support safer driving but also decrease fuel consumption and improve aerodynamics by reducing drag. The evolution of active aerodynamics continues, and Motherson is prepared to deliver and improve performance and fuel efficiency with innovative solutions such as active spoilers, or "flaps", and state-of-the-art "shutter" systems for cooling units, which will be especially advantageous for electric vehicles.

To achieve the efficiencies required for an electric future, we have made exterior elements actuated and responsive, helping customers create smart and dynamic vehicles.

Electrification of vehicles is driving much of the innovation in the automotive sector. Motherson is uniquely positioned to be at the forefront of this change and is developing a multitude of new technologies.

Connected electrification

Increased vehicle electrification will lead to the transformation of automotive electrical distribution systems. The industry is headed towards vehicles with more electrical components of increasing complexity, which in turn require an electrification system equipped to handle higher voltages. Thus, we are challenging ourselves to make the wiring harness ready for the future.

Vehicles now require complex networks to meet both consumer demand and legislative requirements, and together with customers in all segments, Motherson is designing and developing relevant and appropriate solutions.

1. Motherson offers a range of customisable wireless power solutions including Advanced Qi, Magnetic Resonance, and RF technologies for charging throughout the vehicle.
2. Our demonstration console features Advanced Qi and Magnetic Resonance technologies, allowing multiple devices to charge simultaneously, even with different charging requirements.
3. Connected, communicative and efficient solutions are necessary to enhance the way vehicles communicate with each other and the people around them.
4. With the need for higher complexity, higher voltage, and higher levels of content, Motherson has challenged itself to make the wiring harness future-ready.

1. Our machines are harnessing the power of autonomy as they transport products throughout our facilities.
2. Together with our customers, Motherson is committed to sustainability and working towards carbon-neutral future.
3. Within the group, we have the capabilities and collaboration experience to seamlessly enable any surface to become functional, interactive and sustainable.
4. Motherson is committed to staying on the leading edge of industry trends to offer our customers the latest in global technology.

For example, we have designed and developed high-voltage and battery-management solutions for smart electric trucking, electric off-road applications and premium electric 2W solutions.

This involves high-voltage harnesses for managing, distributing and controlling power. Motherson is among the global leaders in accommodating the increasing complexity of electrical products through operational evolution, and we are well prepared to provide high-voltage solutions for electrification.

Additionally, as more elements in vehicles become computerised, the need for high-speed data processing grows. In response, Motherson has designed and developed specialised cables that facilitate high-definition video content and complex radio and low-frequency interfaces.

This is a growing niche in the market that offers Motherson both a chance to add to our product portfolio, and to have a positive impact on the industry. Through developing these advanced and intelligent solutions, we are becoming increasingly ready to integrate even greater levels of functionality and technical complexity into our products.

Intelligent manufacturing

In our 270+ facilities in 41 countries across the world, we constantly strive to set smart-manufacturing standards where artificial intelligence and automation can work in harmony with the expertise of our highly skilled workforce.

Using the latest in robotics technology, our people and machines work together to drive progress. For example, pick and place robots are routinely used to safely remove hot mouldings from the tooling after each mould cycle and to place the parts on exit conveyors for cooling. We also have automated, guided vehicles that take products between work stations or to and from the finished goods warehouses.

Using machine learning and artificial intelligence, we have developed machines that inspect end products and ensure quality for our customers. Additionally, we use 3D printing to produce smart and responsive surfaces on components integrated into our products.

We are also implementing intelligent processes for assembly simplification, including augmented reality (AR) based solutions that enable machines to accelerate picking, assembling and testing through clear and easy-to-follow guidance. This streamlines throughput as well as optimises workflows and increases productivity, resulting in an overall smarter operation.

As we continue to improve our capabilities, we are proud to utilise additive manufacturing to enable new designs, lighter products, and efficient manufacturing.

Our processes harness the powers of artificial intelligence, big data and blockchain technologies to deliver safer, more efficient and reliable manufacturing systems.

Environmental sustainability

We share our customers' vision for a carbon-neutral future. Motherson is proud to create products for more than 20 million vehicles each year, and as demand increases for eco-friendly and efficient transportation, we strive to develop applications for innovative and sustainable processes and materials.

At Motherson, part of our quest for sustainability involves working with startups and seeking renewable, environment-friendly materials (even from household waste!).

Since the last fiscal year, Motherson has been collaborating with the startup UBQ Materials to evaluate the development of sustainable car parts. This involves UBQ's process of converting household waste into climate-positive material that can be used for injection moulding. This makes productive use of waste while creating lightweight components that reduce overall vehicle weight. Such sustainability-focused solutions help to avoid waste and energy-intensive processes whilst ensuring environment-friendly product design. Motherson's long-term vision is to support our customers in producing a vehicle that is 100% sustainable.

The group is also focused on design and engineering to make current product lines more efficient and sustainable. For example, our EcoMirror's 30% size reduction improves lightweighting and aerodynamics without compromising on design.

As part of our comprehensive commitment to sustainability, Motherson is also investigating the complete lifecycle of sustainable products and processes. This year, Motherson has collaborated with raw-material manufacturers, OEMs and a compliance-management startup utilising blockchain technology to tackle the challenge of tracking and calculating carbon footprint, a step forward on the path towards a circular economy. As a result of this collaboration, Motherson received the Plug & Play Global Innovation Award. The group is proud to provide solutions that will lead to a cleaner tomorrow.

Sustainability is at the core of all of our engineering efforts. Motherson's award winning approach to sustainability has led the way in the industry's move towards more sustainable processes and materials.

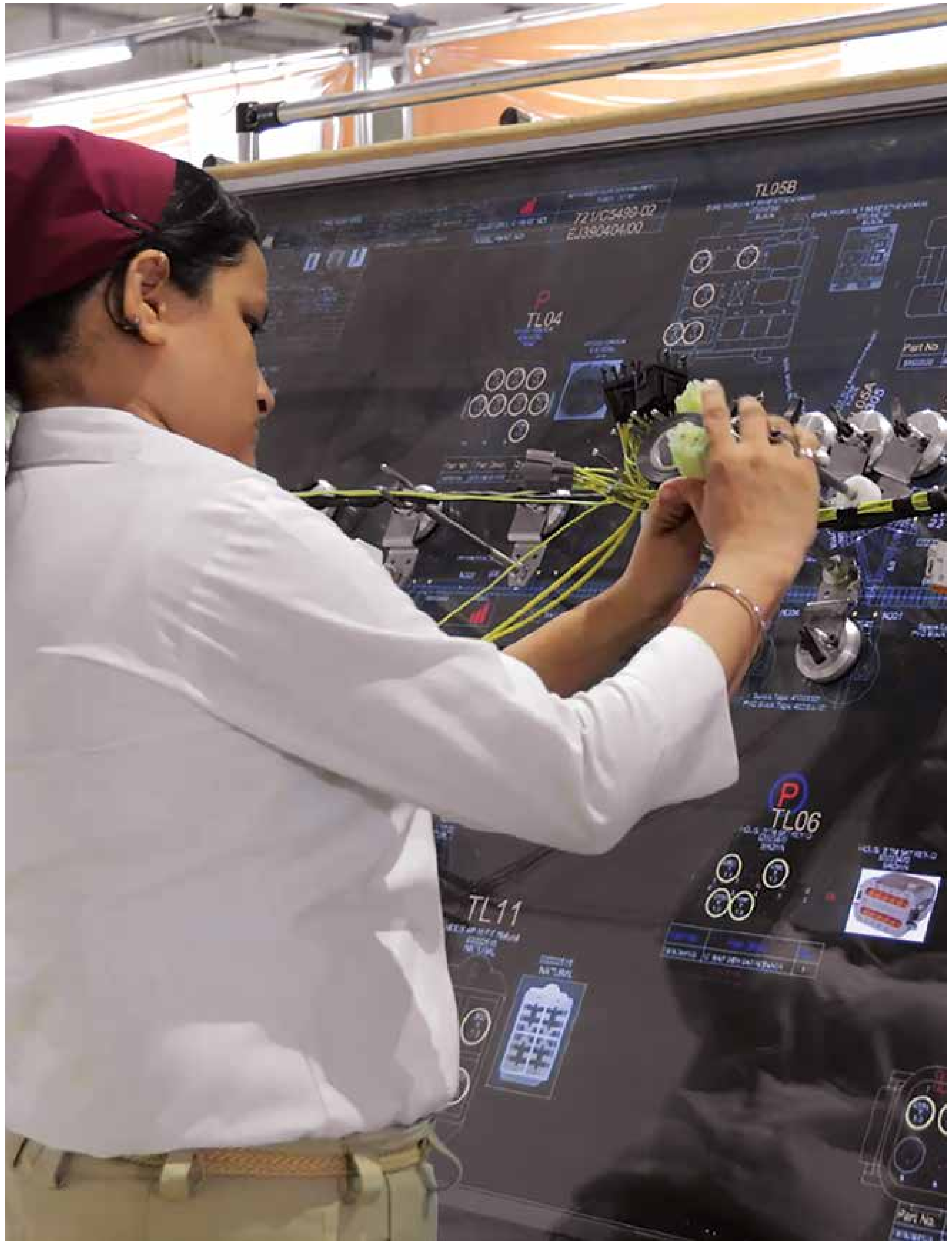
Power to do more

Utilising the expertise of our business divisions around the world, Motherson has the capability to continue diversifying and expanding our portfolio in industries such as Logistics Solutions and Health & Medical.

> Motherson's award winning approach to sustainability has led the way in the industry's move to more sustainable processes and materials.

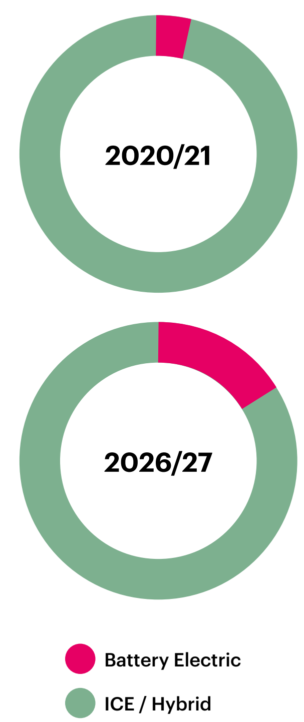
Over the last year, the Motherson Group has provided innovative logistical solutions such as driver-performance monitoring and global freight-management solutions that provide single-window tracking, paperless transactions and analytics on the group's global shipping movements in real time.

In the health and medical industry, Motherson is committed to increasing access to affordable solutions, improving reliability and positively changing the patient experience across the world. The Health & Medical division has introduced a number of innovations in recent years, including blue-light therapy that suppresses melatonin production to control sleep cycles. Motherson is also currently in the developmental stages of an intelligent blood analyser that prepares and analyses a blood draw in a single doctor visit. In partnership with the University of Melbourne, we have created a 3DBioPen that helps restore damaged knee cartilage. In the health and medical field, Motherson aims to touch more than one billion lives in the coming five years through a two-pronged approach: developing proprietary products for the international market and building a large global medical equipment and devices platform through acquisitions.



Electrification at Motherson.

Electrification is accelerating around the world as well as at Motherson, offering a range of exciting new opportunities.



Battery Electric Light Vehicle Share Development (Source: IHS Markit LV Engine Forecast May 2021)

Over the past few years, Electric Vehicles (EVs) have received increasing attention from car buyers, carmakers and regulators across the world. In 2020-21, around 3 mn Battery Electric Light Vehicles were produced globally, equaling a share of nearly 4% of the total worldwide light-vehicle assembly (source: IHS Markit LV Engine Forecast May 2021). Forecasters predict rapid growth in this segment with an estimated production of around 17 mn Battery Electric Light Vehicles and a share of more than 17% expected by 2026-27 (source: IHS Markit LV Engine Forecast May 2021).

Electrification is not just happening in light vehicles but also in trucks and two-wheelers. For truck and bus manufacturers, this is a moment of change: the diesel engines that have dominated the industry are in part being replaced by alternative powertrains and engine types. With falling ownership costs and stricter government regulations for emissions, hybrid solutions, electric engines and fuel-cell powertrains are steadily becoming more and more attractive.

Internal combustion engines (ICE) will likely remain the dominant system both in production and in vehicle stock for the next few years. However, electric drive trains have become a second viable system. Our customers' interest in this development is already evident: the Battery Electric Vehicles order book share at SMRP BV grew to 25% of SMRP BV's total order book by the end of FY21.

Since Motherson does not manufacture engine parts, the shift towards electric engines and fuel-cell power trains will not have a negative effect on our business. On the contrary, the rising share of EV sales has the potential to present new opportunities for Motherson.

Let's look at key developments across the markets of our customers as well as certain specific areas in which we could extend our support.

Sustainability as a driver of electrification

The electrification of vehicle fleets is an important step towards creating more sustainable mobility solutions. In fact, both governments and major carmakers are calling for an increased use of EVs to reduce CO2 emissions and air pollution. In response, the automotive industry has started to focus on bringing new electric powertrain concepts to the market (see insert below), to fulfil both new government regulations as well as the growing user demand.

Which electrification concepts are available in the market today?

All the currently available vehicle types offer opportunities for Motherson.

- **Mild Hybrid** vehicles are the first step towards electrification. They combine a small battery with an internal combustion engine (ICE) and an electric engine powertrain. The electric engine does not drive the car but supports the ICE, such as during acceleration.
- **Full Hybrid** vehicles combine a battery with a higher capacity with a combination of ICE and electric-engine powertrain and are able to drive a short distance with electric power only. The battery is charged internally, i.e., through recuperation.
- **Plug-in Hybrid** vehicles have a full hybrid powertrain with an extended battery capacity, which allows the vehicle to drive distances of around 50 km with the electric engine alone. The battery can be charged externally at a charging station.
- **Battery Electric** vehicles are equipped with a battery and an electric-engine-only powertrain. The vehicle battery is charged mainly externally, but some special solutions like range-extenders (a small ICE engine that recharges the battery) are available.
- **Fuel-cell** vehicles are fully electric vehicles in which the electric energy for the engine is produced internally with H2.

In the short and medium term, subsidies and incentive programmes from both governments and car manufacturers will support the shift from internal combustion engines to electrified powertrains; hybrid technology can be seen as a transitional solution. Within the coming decades, many cities, countries and governments are planning, or have already decided, to ban internal combustion engines from specific areas and to forbid the sale of ICE passenger cars.

Europe and China lead the demand

Motherson supports its customers wherever they ask for our help. With our ever expanding global presence, we are well-placed to support the trend towards EVs.

As the biggest car market in the world, China has seen strong growth in new-energy vehicle sales over the last few years. This is supported by government subsidies and incentive programmes for buying eco-friendly vehicles. In 2020, nearly one million Battery Electric passenger cars were sold in the Chinese market, a market share of around 5%.

Another good example of increased electric mobility is Norway: although the market there is small, in 2020 more than 50% of all newly registered passenger cars had a Battery Electric powertrain.

In Germany and the UK, the two biggest markets in Western Europe, new registrations of Battery Electric cars increased by 207% and 186%, respectively. Overall in Western Europe, the share of Battery Electric cars increased to around 7% (2019: 2.5%)

For Motherson and our Vision 2025, this means new opportunities, both through supplying existing products and services to new customers and supporting the change as the preferred solutions provider with new products.

Potential new opportunities

The changes in the automotive industry will provide Motherson with other opportunities to increase our presence in the market:

Interiors. The drive towards electrification is accompanied by a demand for further decreasing the weight of vehicles. To support this, Motherson is developing new materials for instrument panels that have the same strength but are lighter than what is currently available. In addition, we are developing a range of new materials for aesthetic parts such as new finishes and lighting.

Exteriors. To reduce fuel consumption, our Vision Systems and Modules & Polymer Products divisions are working on optimising the aerodynamics of all our parts.

Wiring solutions. For our Wiring Harness division, EVs offer opportunities in the area of high-voltage cable systems as well as a new generation of power-management control systems.

Infrastructure. The trend towards EVs creates demand for solutions in areas such as charging networks and battery recycling.

Our current order book shows strong interest in our customers' EV models. In addition, the trend towards electrification offers new opportunities in exteriors, interiors, wiring and infrastructure. Motherson is well-positioned to create value for customers in all of these areas.

> "The shift towards electric engines and fuel-cell powertrains will not have a negative effect on our business. On the contrary, it presents exciting new opportunities for Motherson."

Nothing can dim the light that shines from within.

The theme we have chosen for this year's annual report is, "Nothing can dim the light that shines from within." This quote from Maya Angelou refers to the challenges the pandemic has brought for all of us around the world. It has been an unprecedented assault on global health and well-being. The emotional and social costs have been tremendous, not to mention the economic impact.

Despite this situation, our souls and spirits have remained strong. We have kept the faith within ourselves. We have remained positive and optimistic. We believe there is no better antidote to hardship than faith and belief in our ability to persevere, come together and collaborate for the common good. The light of the divine and the human spirit always shines through to guide our path, and we believe this is as good a time as any to remind ourselves of this.

Motherson Sumi Systems Limited.

Motherson Sumi Systems Limited (MSSL) is a specialised, full-system solutions provider catering to a diverse range of customers in the automotive and other industries. As a flagship company of the Motherson Group, MSSL has over 230 facilities across 41 countries and five continents. This global footprint allows the company to provide robust and scalable product support to its customers worldwide.

MSSL's strong and developing product line includes wiring harnesses, vision systems, cockpits, bumpers, door trims, and a broad range of other polymer, elastomer and metal-based products. Our commitment to quality translates into increased value for customers, which in turn fosters trust, long-lasting relationships, and strong financial returns.

We aim to further expand and consolidate our global operations. Over the last five years, there have been some significant developments in our journey, including strong organic growth spurred by the launch of more than 40 new Greenfield and Brownfield projects across the globe. This has empowered MSSL with the capability to support its customers across a wide range of geographies.

Making strides towards inorganic growth

The addition of the PKC Group in 2017 resulted in a substantial expansion into the American and European commercial vehicle markets, a development that helped MSSL become a stronger player within the global transportation market. This increase in MSSL's worldwide presence enabled our customers to access a broader range of solutions and support as well as the benefits of global synergies, vertical integration, innovation and new technologies.

In 2018, MSSL acquired the Reydel Group, subsequently becoming Samvardhana Motherson Reydel Companies (SMRC). The outcome has been very positive: the complementarity of the product lines and expanded global footprint have resulted in closer relations with customers, especially with the French OEMs, which promise future product development, innovation and growth.

The acquisition of Bombardier's UK rolling stock electrical-component and systems business and Bombardier's Electrical Wiring Interconnection Systems (EWIS) business in Huehuetoca, Mexico, has helped MSSL to supply electrical and wiring systems to a bigger segment of the rolling stock industry, bolstering the confidence of our partners and customers.

> "While automotive remains our focus, we are also now targeting substantial revenues from non-automotive industries: Aerospace, Logistics Solutions, Technology & Industrial Solutions and Health & Medical."

From the shop floor to the boardroom, MSSL has always been committed to meeting the needs of its customers. As part of this commitment, we have adopted a research-oriented approach to developing new and innovative technologies for both established and fast-growing markets, making MSSL a leader in the industries in which it operates. The company is also deeply invested in best business practices: by blending design, infrastructure and technology, MSSL aims to efficiently and sustainably expand its product line and reach across industries.

Growth with sustainability

Motherson has always fostered a strong culture of sustainability. We are committed to furthering our engagement in the economic, social and environmental spheres. Recently, there has been a notable shift in the priorities of our customers towards greater sustainability. We keep ourselves aligned to their requirements. At Motherson, sustainability is an integral aspect of our daily lives. We seek to raise the standards we set for ourselves in serving the best interest of all our stakeholders.

Commitment to automotive and diversification
Motherson operates through 10 business divisions, which continue to grow stronger and become more diverse thanks to the support of our customers and the commitment of our people. These divisions are: Wiring Harness, Vision Systems, Modules & Polymer Products, Precision Metals & Modules, Technology & Industrial Solutions, Lighting & Electronics, Aerospace, Logistics Solutions, Health & Medical, and Services. Together, these business divisions help Motherson move closer to its vision of being a globally preferred solutions provider.

While automotive remains our focus, we are also now targeting substantial revenues from non-automotive industries: Aerospace, Logistics Solutions, Technology & Industrial Solutions and Health & Medical. Our entry into these new divisions is based on proven and existing Motherson strengths, allowing us to create value for our customers from the beginning. We are working towards sustainable growth in all these divisions.

Restructuring for long-term value
Simplification of the group structure has been a longstanding request from our shareholders, and the proposed reorganisation is a step in that direction. The reorganisation will help create strong business platforms under the Motherson umbrella, enhancing stakeholder value for the long term. This restructuring will allow MSSL shareholders to participate in 100% value of SMRP BV and will also bring all businesses under listed entities, aligning the interests of all stakeholders. Prior to this change, the investors of MSSL did not own shares in SAMIL; post restructuring, investors will get access to the entire Motherson Group. It demonstrates our commitment to the best interests of all our stakeholders.

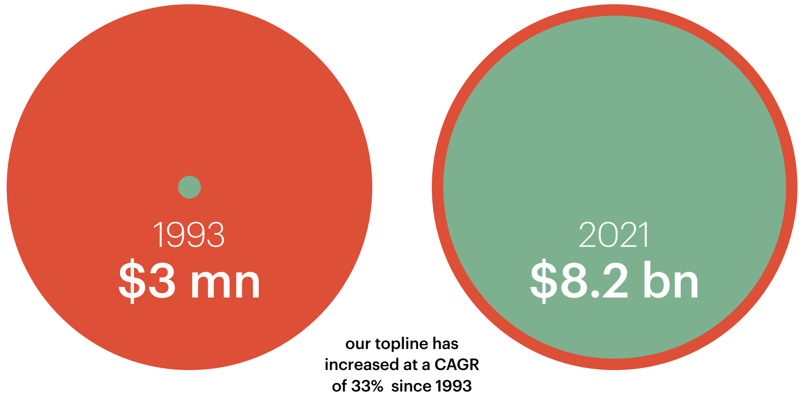
MSSL supported customers through COVID-19
While our priority during the COVID-19 pandemic and recovery has been to quickly adapt to new

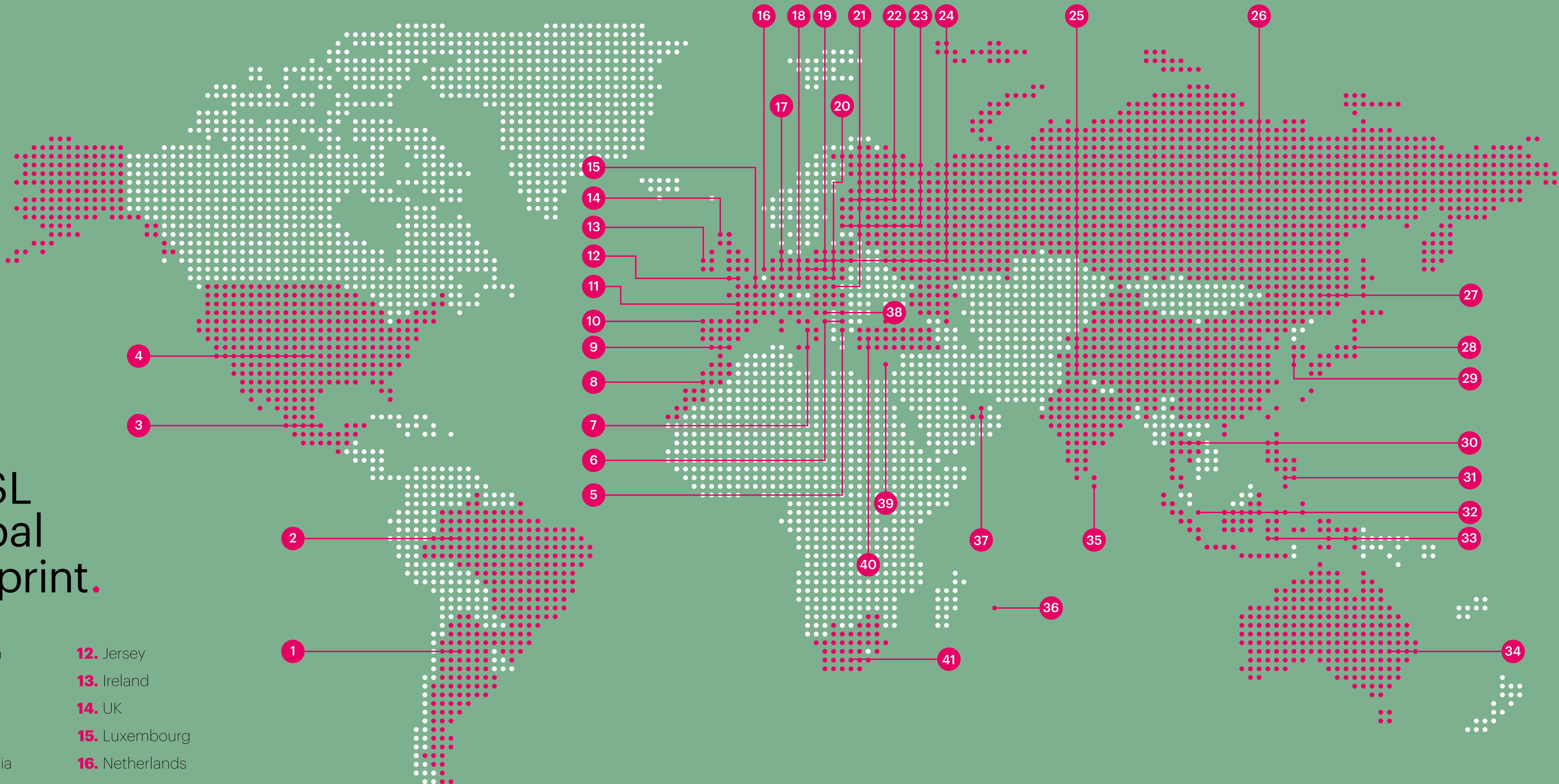
circumstances, we are also taking time for introspection, looking for new opportunities this crisis may have created and preparing ourselves for the future. For us, just surviving the pandemic is not enough; we are committed to thriving in difficult times. Our teams remained positive and resilient throughout the crisis; we worked together to ensure business continuity and the health and safety of our employees. We plan to prepare for future challenges by further strengthening our capabilities to respond to the unexpected, and we stand together to approach such situations with flexibility, resilience, faith and determination.

The future
With Vision 2025 on the horizon, MSSL will continue to focus on meeting growing industry demands as well as the needs of its customers, investors, employees and the communities where it operates. MSSL endeavours to be the engine of its own growth towards a sustainable and profitable future.

Conclusion
We are proud to be part of the increasing success of our customers. Motherson has grown continually over the past 28 years; our topline has increased at a CAGR of 33% since 1993. It went up from $3 mn in 1993 to $8.2 bn in 2021. The principal goal is not just to increase topline growth but to grow sustainably. As part of this philosophy, Motherson also plans to continue reducing risk in the portfolio while maintaining diversity in the customer base, product line and geographical presence of the group as a whole.

chapter 9 mssl overview





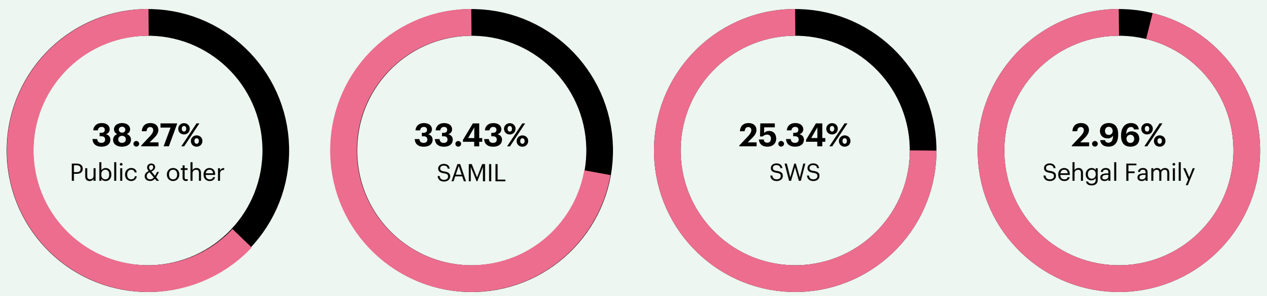
MSSL global footprint.

1. Argentina
2. Brazil
3. Mexico
4. USA
5. Macedonia
6. Serbia
7. Italy
8. Morocco
9. Spain
10. Portugal
11. France
12. Jersey
13. Ireland
14. UK
15. Luxembourg
16. Netherlands
17. Germany
18. Czech Republic
19. Poland
20. Slovakia
21. Hungary
22. Finland
23. Estonia
24. Lithuania
25. India
26. Russia
27. China
28. Japan
29. South Korea
30. Thailand
31. Philippines
32. Singapore
33. Indonesia
34. Australia
35. Sri Lanka
36. Mauritius
37. UAE
38. Croatia
39. Cyprus
40. Turkey
41. South Africa

MSSL shareholder structure.

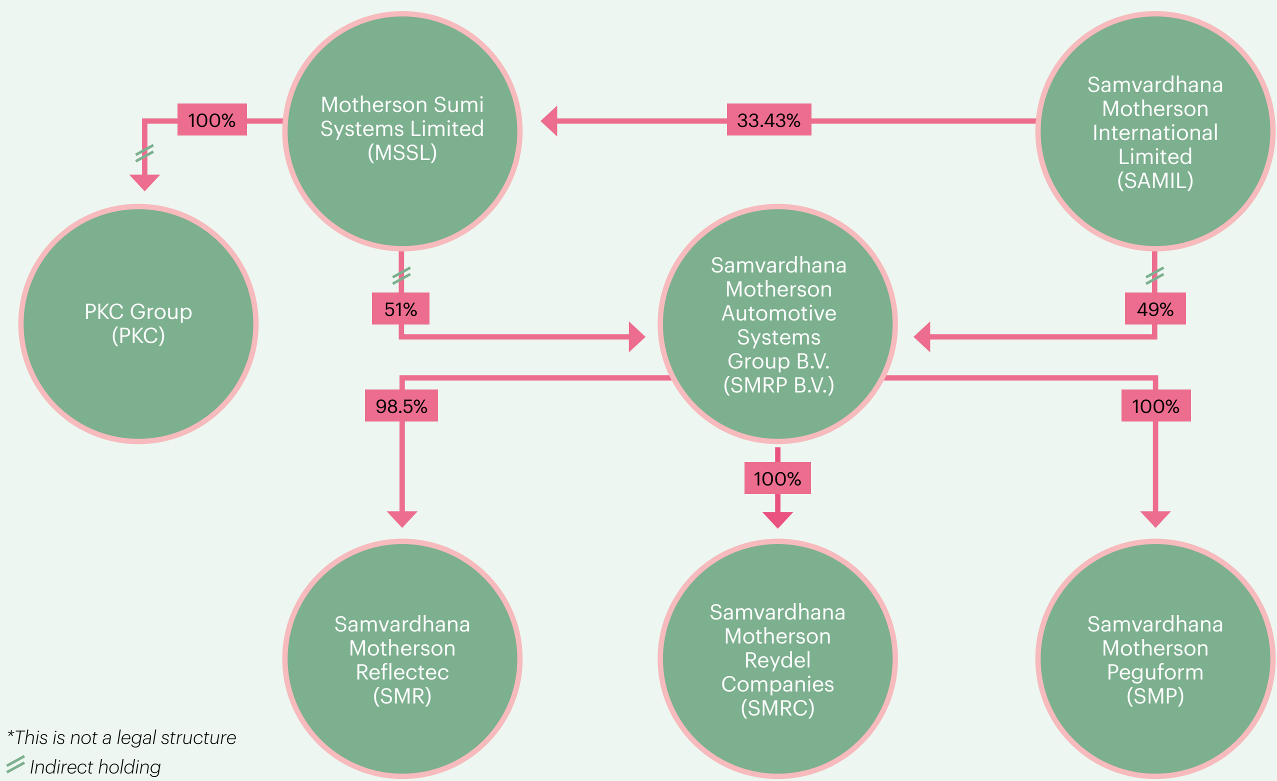
MSSL shareholding pattern

as on 31-03-2021



MSSL shareholdings in major subsidiaries*

as on 31-03-2021



*This is not a legal structure

Indirect holding

Vision, Mission and Values.

Vision: To be a globally preferred solutions provider.

Mission:

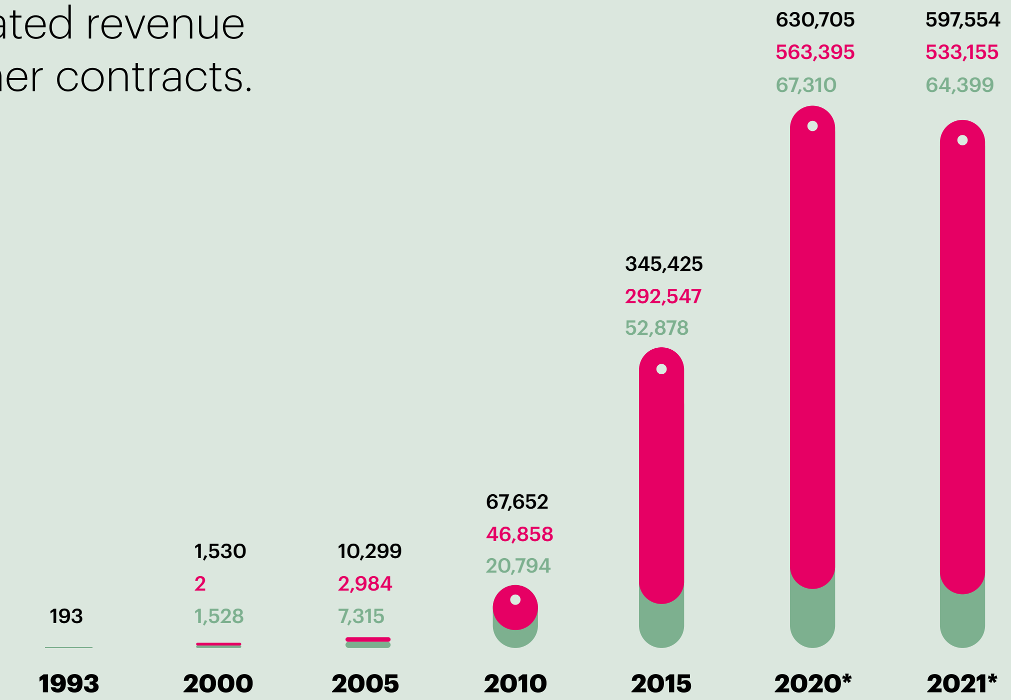
- Ensure customer delight
- Involve employees as "partners" in progress
- Enhance shareholder value
- Set new standards in good corporate citizenship

Values:

- Be a lean, responsive and learning organisation
- Continuously improve to achieve world-class standards and total customer satisfaction
- Proactively manage change
- Maintain high standards of integrity and safety
- Ensure a common culture and a common set of values throughout the organisation
- Recognise individuals' contributions
- Develop stronger leadership skills, greater teamwork and a global perspective
- Constantly upgrade skill levels across the organisation through knowledge sharing programmes

01 Consolidated revenue from customer contracts.

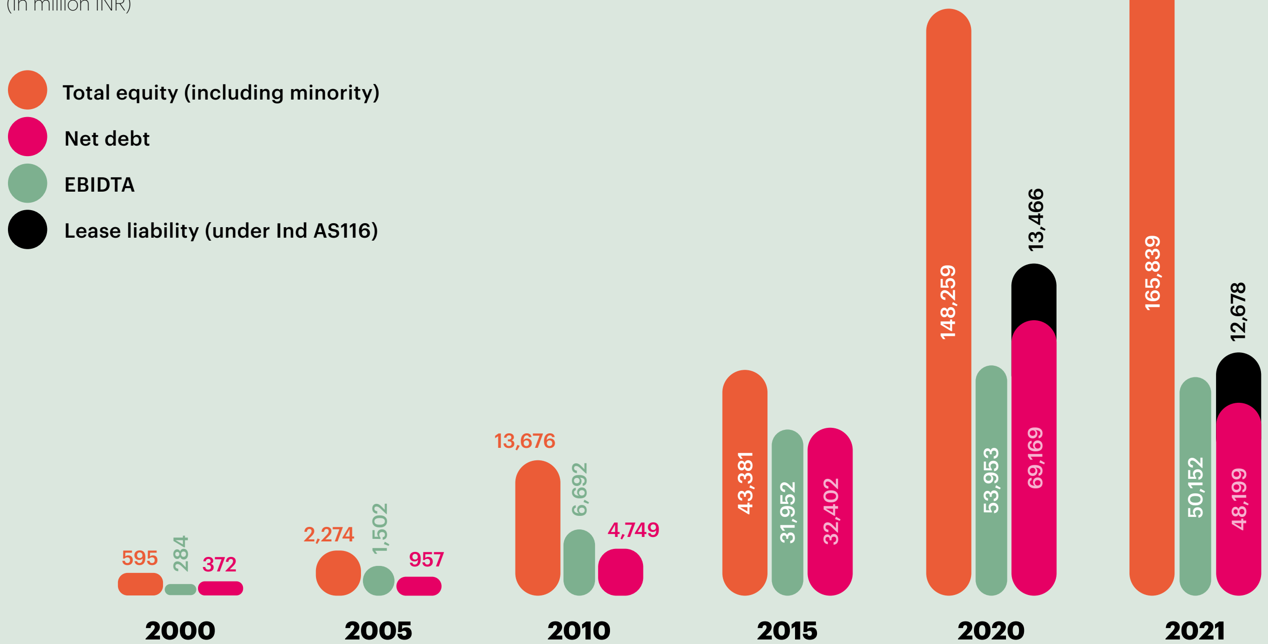
(In million INR)



*Start of COVID-19 in China in the Q4 of FY20 which spread globally with periodic lockdowns in many countries , severely impacting performance of Q1& Q2 in FY21.

02 Total equity, net debt and EBIDTA.

(In million INR)



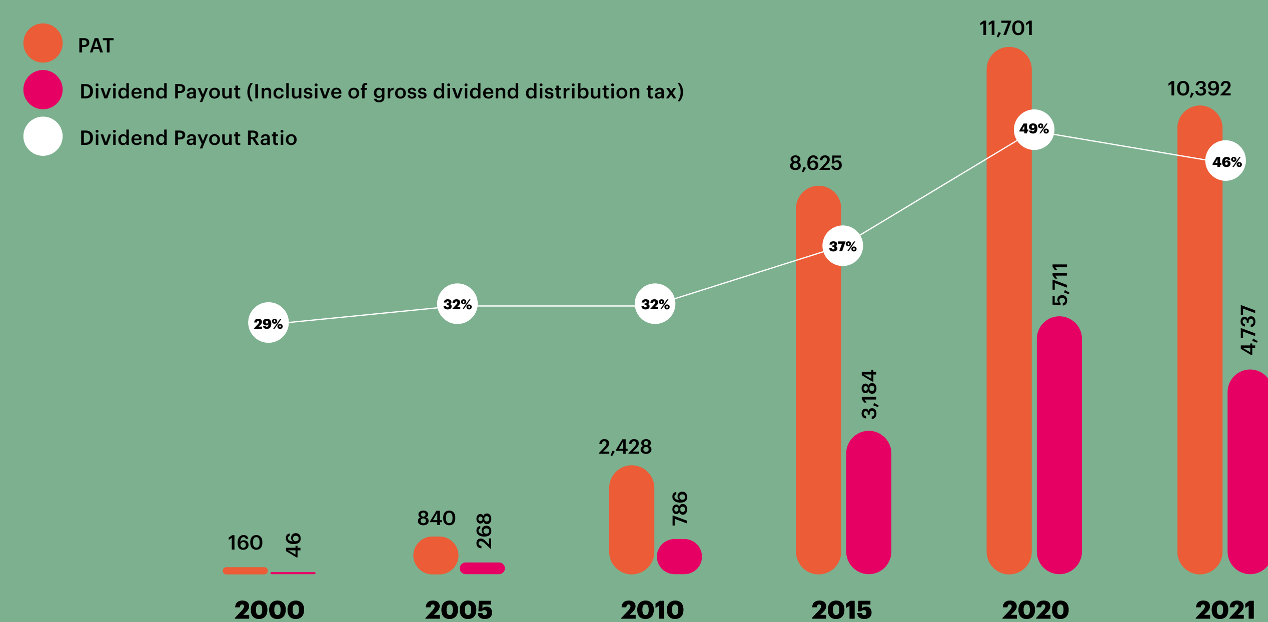
03 Return on Average Capital Employed (ROACE).

*Annualised on basis of H2_FY 2020-21 results.

**Start of COVID-19 in China in the Q4 of FY20 which spread globally with periodic lockdowns in many countries, severely impacting performance of Q1 & Q2 of FY 21. ROACE of H2 FY21 has been annualised and is presented in boxes.

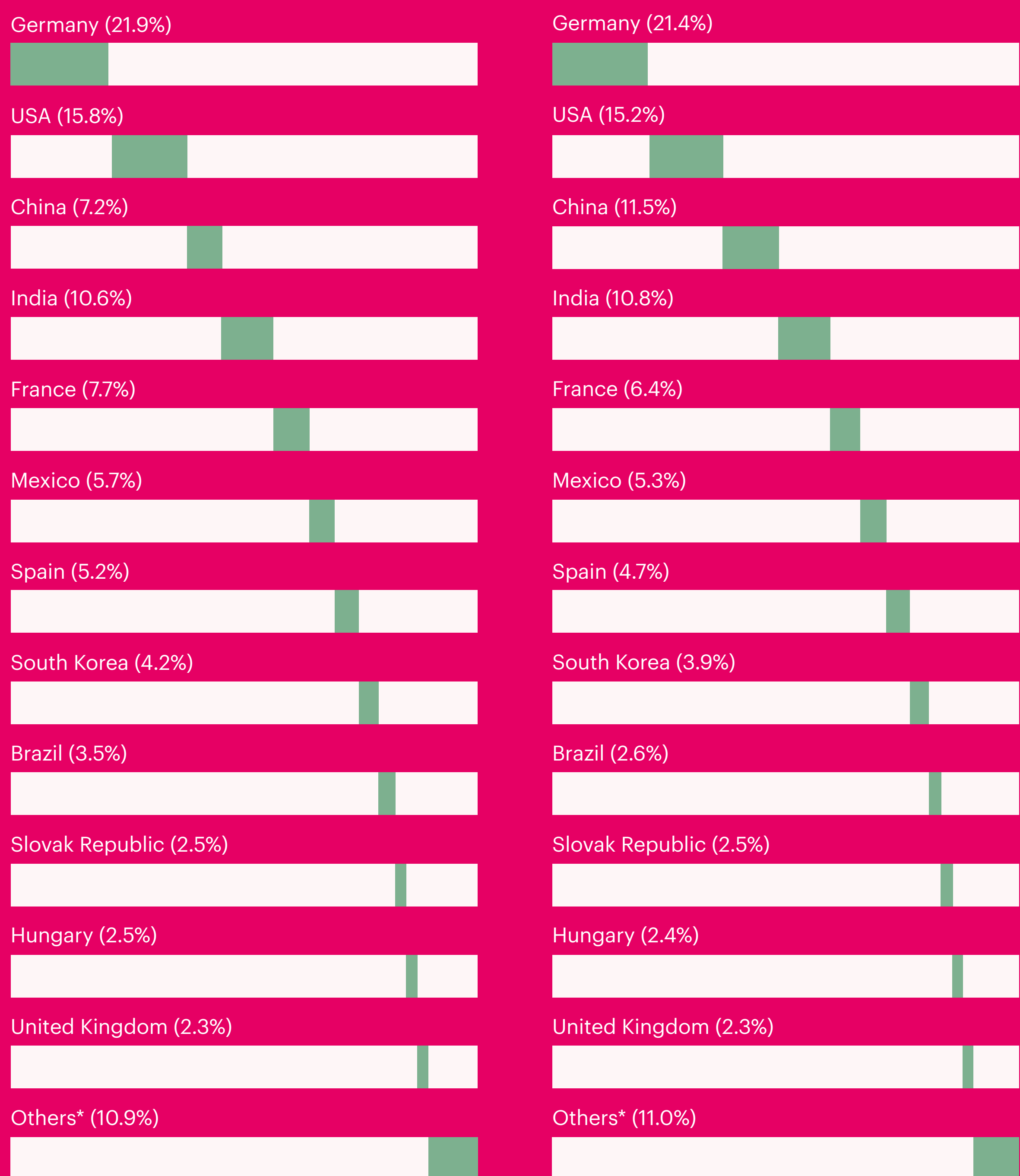
04 PAT and Dividend Payout.

(In million INR)



3CX10 region-wise break-up

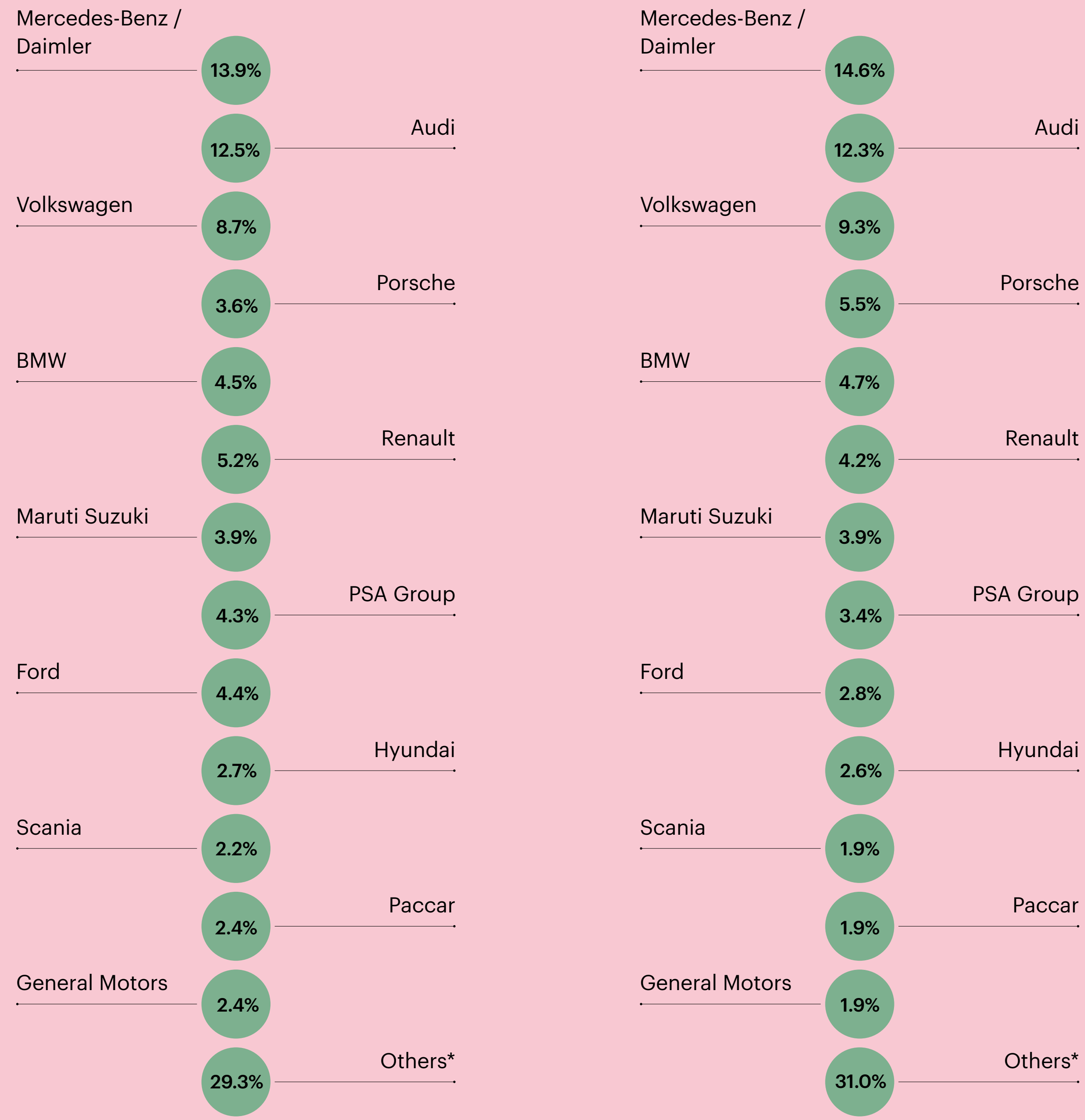
2019-20 | 2020-21



*No country is > 2%

3CX10 client-wise break-up

2019-20 | 2020-21



*No customer is > 2%

chapter 14 portfolio

Portfolio.

01 Wiring Harness

The Wiring Harness division of Motherson is a full service system supplier with complete in-house design, development and manufacturing capability. It is one of the most vertically integrated business divisions with a product range that promotes technological advancement across both the automotive and non-automotive sectors that it supplies to.

02 Vision Systems

Motherson is one of the leading global suppliers of vision systems to the automotive industry and the product range includes interior mirrors, exterior mirrors and camera-based detection which it supplies to almost all major OEMs. Vision Systems is aided by strong vertical integration and provides full-service solutions to its customers.

03 Modules & Polymer Products

The division encompasses the largest business line in Motherson. It develops and produces a highly diversified product range from simple plastic parts to highly integrated systems and modules, supplying to OEMs globally. The group also exhibits capabilities in mould design, tooling and elastomer processing.

04 Precision Metals & Modules

The division is a full system solutions provider for any metal processing including integration of higher level assembly. It offers an array of products in precision machining; modules like cabins for off-highway vehicles and HVAC systems; body parts and process equipment to a wide spectrum of industries.

05 Technology & Industrial Solutions

The division focuses on technology, engineering and manufacturing solutions. It sustains the digital foundation of the group's global operations. It also caters to external clients from different industries globally. This division has a futuristic approach in understanding industry trends and providing solutions. The division has also forayed in the healthcare IT solutions and telematics.

06

Lighting & Electronics

The division consists of a spectrum of businesses that focus on OEM supplies and also do business through direct channels. The product portfolio includes exterior lighting and electronics, passenger car HVAC and compressors, body control module, struts, shock absorbers and products for backward integration The division also engages in the area of direct B2B supply.

07

Aerospace

The Aerospace division of Motherson brings the current capabilities of the group in areas such as wiring harnesses and plastics — into the aerospace industry by providing integrated solutions. The division is simultaneously engaged in developing new products in order to increase its foothold in this segment.

08

Logistics Solutions

The Logistics Solutions division of Motherson aims to bring in efficiency, technology and specialisation in the automotive supply chain. It deals with the logistics of finished vehicles in both the groups' internal supply chain as well as for external customers.

09

Health & Medical

The division is driven by its purpose of positively impacting lives globally by helping people become healthy, and stay healthy. The division works towards realising this by providing products, solutions and services that help people manage and improve their health, and enable people to access affordable care of the highest quality.

10

Services

The division consists of several businesses that engage in direct sales and services to the end customer and supports their manufacturing operations. The business portfolio includes an industrial park; manufacturing engineering, consultation, project management and turnkey supplies to the automotive industry and trading of machine tools and hydraulic products.

"The division is proud to bring the current capabilities of Motherson — including over 270 facilities and expertise in areas such as wiring harnesses and plastics — into the aerospace industry."

Aerospace division

The business portfolio is for the entire Motherson Group which includes both Motherson Sumi Systems Limited (MSSL) and Samvardhana Motherson International Limited (SAMIL) on a combined basis.

Wiring Harness.

The Wiring Harness division continues its pursuit to address the global megatrends by developing products, services and technologies for its customers that are sustainable and address economic, social and environmental needs to build a better future for the planet and its citizens. Engaging with customers, partners and society at an early and appropriate stage enables us in creating solutions that are sustainable and offer improved value for the whole ecosystem.

Our technologies are focused on creating intuitive and SMART products. Our solutions continue to weigh lesser, occupy lesser space and offer superior functional density.

Our long-term presence and collaboration with partners globally have given deep insights in the car, truck and other transportation industries. This wisdom in form of innovative solutions deployed across all the geographies worldwide meets their localised needs profitably. Wiring Harness division enjoys sustainable growth and contributes 30% to group revenues.

With 92 facilities in 21 countries, we have expanded faster than the industry norms over the past five years, achieving a CAGR of 10% in the last 5 years. Both revenue and our range of segments increased, creating opportunities for future growth.

Organic growth

Our organic growth is fuelled by continuous improvements in business practices, human skills, and manufacturing processes to enhance the trust of our partners and to create superior value in the supply chain. Regulatory changes and the trend towards electrification bring opportunities for new Electric/Electronic content. We are seizing these opportunities with innovative solutions which are managing complexity in multi-voltage and alternative powertrain scenarios. Our offering is addressing the ever increasing emissions and safety pressures across all segments. Successful execution of cleaner technologies (e.g. BS-VI) by overcoming uncertainty of the pandemic scenario has resulted in the secular rise of customer share across all segments. Our product lines continue to grow in concert with customer aspirations: if the customer dreams it, the division will seek ways to conceptualise, design and build it.

Our state-of-the-art manufacturing facilities are backed by world-class development centres that house the entire process, from design to validation. This in-house expertise has earned the trust of new customers while deepening relationships with existing customers.

Our growth strategy entails proximity to customer locations, and since 2016, we have setup eight Greenfield projects, bringing the company closer to its customers.

Growth through joint ventures

Partnerships drive innovation within the division as it strives to remain on the cutting-edge of global trends while helping customers fulfil their needs. For example, our oldest collaborations have been with joint-venture partners Sumitomo Wiring Systems, Ltd., Japan, since 1986 and Kyungshin Corporation, Korea, since 1997, resulting in the production of world-class technologies and creating new business opportunities through the years.

Growth through acquisitions

After the acquisition of the PKC Group in 2017, the Wiring Harness division significantly expanded to the American and European commercial vehicle market, also adding the rolling stock portfolio to its product range. To further strengthen this segment, Motherson Sumi Systems Ltd. acquired Bombardier's UK rolling stock electrical-component and systems business in 2019 and Bombardier's Electrical Wiring Interconnection Systems (EWIS) business in Huehuetoca, Mexico in 2021. This helped the company to strengthen its rolling stock product portfolio in the American and European regions and better serve its customers. The customer base is growing globally across regions.

Technology as a tailwind for growth

MSSL constantly works towards integrating sustainable technologies in products and processes. Digital assembly boards, SMART factory concept, SMART glasses are examples of how the division has incorporated digital technologies in its manufacturing for more energy efficiency, complexity management and optimised resource management.

These innovations offer unlimited opportunities for real-time feedback, cross instructions, alerts and industrial-engineering studies in the manufacturing process.

As part of its focus on the future, the division is making its low-voltage harnesses lighter, more efficient and environmentally friendly. It is also expanding into high-voltage distribution systems for electric vehicles. Vertical integration and our capacity to develop semiconductor-based solutions have added value to our product line.

Vision 2025

To reach our 2025 target, the Wiring Harness division is focused on new segments, new industries and new geographies. We believe in creating a positive impact for all our stakeholders and the entire ecosystem in which we operate through continual improvement and sustainability in all aspects of the business.

Vision Systems.

The Vision Systems division is one of the world's leading suppliers of exterior and interior rearview mirrors as well as a global leader in camera monitoring systems for automotive applications. The division currently contributes approx. 18% to group revenues and is continuously seeking opportunities for further expansion to support

Continued focus on the advancement of capabilities and capacities has contributed much to the division's success. It has 32 facilities spread across 16 countries and it strives to meet and exceed customer expectations by providing optimised solutions to suit their requirements from design to delivery. The Vision Systems division drives the organic growth through constant adaptation to address the ever evolving and complex customer needs while maintaining the right processes and values across global operations.

During the last year the division not only won significant new business contracts with existing customers on conventional car lines, it also won exterior mirror contracts for upcoming electric vehicle programmes both from existing as well as new electric vehicle manufacturers in the market. As a result, the division is well placed to address the future needs of our customers.

> With an aim to fuel further profitable growth via expanding its product range, the division won its first contract on high-end technology driven motorcycle mirrors for a premium European brand.

The division also added new customers in Asia and Europe for rear vision systems and is on track to further consolidate its leadership position in these markets. The company was awarded new business from Chinese automakers which will drive further growth in the world's largest automotive market. The diversification in our customer base helps us come closer to our objective of 3CX10 in which no customer, country, or component comprises more than 10% of our total revenue.

With an aim to fuel further profitable growth via expanding its product range, the division won its first contract on high-end technology driven motorcycle mirrors for a premium European brand. This provides the division with a good chance to synergise with competencies and technology it has acquired working on passenger vehicle applications. The new business contract provides a solid foundation to grow further in this product category as more and more technology and content find their way into this segment.

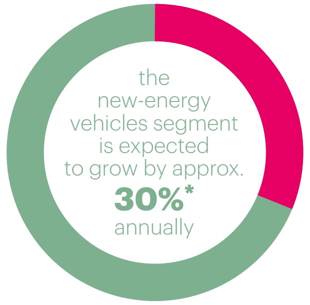
Inorganic growth

In line with Motherson Vision 2025, the division has been working on inorganic opportunities offered by the market. The announcement of the acquisition of a majority stake in Plast Met Group (Turkey) in January 2021 has enabled the company direct access to a sizeable automotive market in Turkey. The new partnership brings strategic advantages to the division in the form of high technology in-house tooling capabilities and a competitive manufacturing footprint in Europe serving as a sourcing hub for future growth in the region. This will also expand the scope for other divisions to get access to opportunities in the region.

Innovative products

The division continues to create innovative and sustainable products for our customers which also positively impact our environment. The EcoMirror from the Vision Systems division is both smaller and lighter than the traditional mirror and helps to significantly reduce the vehicle's overall CO2 output. The technology is successfully launched on multiple platforms and we continue to engage with other customers to put this technology on next-generation products.

"We appreciate the team spirit, grit and determination shown by our people in the very challenging environment resulting from the COVID-19 pandemic helping us steer collectively through these difficult times."



*Internal estimates based on external market research reports.

Another key technology in the division's portfolio is its Camera Monitoring Systems (CMS). The division is one of the leading global suppliers in this market and has contracts from customers in the passenger and commercial vehicle segments. The division successfully delivered the first CMS on passenger vehicles during the course of last year and is working to develop this product line further to meet customer expectations and provide additional growth opportunities.

The division also won new customer contracts on innovative lighting and advance surface technology developed in-house during the last few years and is working to further enhance the market penetration of these products.

Operational excellence

In order to address the growth in the Chinese market and meet the requirements of our customers in the region, the division has established additional capacities in Tianjin, China and successfully started manufacturing and supplying to various customers from this new location.

With an objective of achieving operational excellence, the division successfully deployed the program lifecycle management tool across regions last year and continues to work on multiple new global IT projects. These initiatives are helping the division in optimal utilisation of its resources and allocation of capital. The division has undertaken various digital transformation initiatives resulting in improved operational efficiency.

The Vision Systems division takes pride in being recognised by its customers for its effort to meet their expectations. It received numerous performance awards from various customers across regions, which is a true testament to the trust and confidence the customers have in the division.

Focus on sustainability

Sustainability is a high priority for the division. We are committed to complying with all ethical and human-rights regulations in all the geographies we operate in. We also promote environmental stewardship, proactively engaging in carbon disclosures since 2014, participating in the zero-carbon-emission initiatives of customers, and establishing environmentally conscious supply chains.

People are our strength

The biggest strength of the division is undoubtedly its people. Our people support a culture of excellence and continually encourage and inspire one another towards greater achievement. Together, we aim to create a work environment that promotes long-term and sustainable growth of all our team members. We appreciate the team spirit, grit and determination shown by our people in the very challenging environment resulting from the COVID-19 pandemic helping us steer collectively through these difficult times.

Our team members enthusiastically imbibe the Motherson DNA and Mantras which enable us to better handle challenges and continuously become better and stronger.

Modules & Polymer Products.

The Modules & Polymer Products division delivers a broad range of solutions to our automotive clients, ranging from simple parts to full-system solutions and complex modules. With its broad, multi-market expertise as one of the leading suppliers in Germany, Spain, France, USA, India and many other automotive regions in North America, South America, Africa, Europe and Asia, Motherson is able to serve all car segments, from premium to entry-level.

The Modules and Polymer Products division provides elastomer parts for automotive and non-automotive applications as well as interior and exterior modules and systems for vehicles. We offer fully engineered solutions in door panels, instrument panels, bumpers, centre consoles, roof rails, pillars and rubber parts.

The division currently contributes approx. 47% to the total revenue of Motherson. We have a presence in 24 countries with 102 facilities as well as three important partnerships in Spain, China and Korea.

Over the years, the division has grown organically, driven by expansion through both Greenfield and Brownfield projects. Two new plants, Tuscaloosa and Kecskemét are performing well, bringing in additional business from the premium segment. Though initially challenging, these SMP Greenfield startups have been able to make sustainable improvements which are reflected in positive financial results. We believe these investments will continue to improve our ability to serve customers, which will ultimately translate into improved financial performance.

The acquisition of Reydel in 2018 strengthened our presence in the mid and entry-level segments, bringing new European customers to Motherson and increasing content-per-car with other OEMs. Effective design to cost solutions, technology transfer and synergies have allowed us to offer to our customers the best solutions for quality and cost. The division is set to further build on its strong foundation in its journey towards Vision 2025.

New products and technologies

We are enhancing our customer base by focusing on our current white spaces with American and Asian OEMs. We constantly ask our customers where they want us to grow and in which product lines. For heavy commercial vehicles, we are further capitalising on our comprehensive interior and exterior product portfolio: we are a full-service provider for a range of large OEMs and we can rely on our developing extensive global footprint to bring new offerings for our customers through organic and inorganic growth.

We are working relentlessly towards Vision 2025 with new products and technologies. Both our automotive interior and exterior modules and products will benefit from an increase in content and value such as the integration of sensors, lighting, and the application of advanced materials and surface finishes, all enhancing the solutions that we can deliver to our customers.

Operational improvements

Going forward, operational efficiency will be paramount to ensuring profitable growth and improved ROCE. This includes more efficient use of every square meter of industrial space and systematic improvements of our equipment performance enhanced by our journey towards Industry 4.0. We are committed to carefully balancing our industrial investments by:

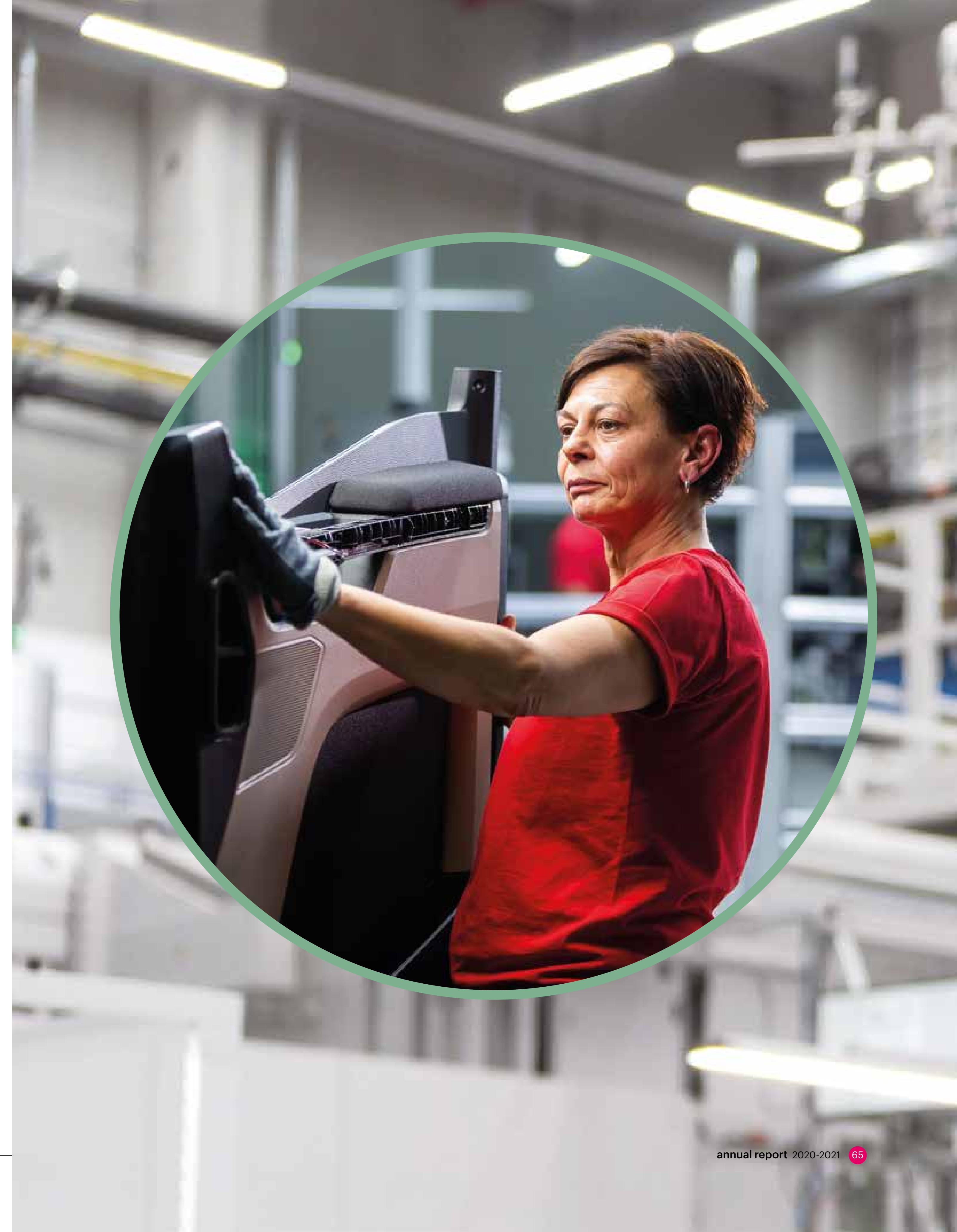
- **Considering footprint expansion on Brownfields instead of Greenfields, wherever possible**
- **Maximising our capacity utilisation**
- **Sharing a worldwide database of industrial assets**

Sustainability

For Motherson, being a trusted partner in the years to come goes far beyond the economic objectives. With everything we do, we are committed to acting sustainably — for the environment, for the communities we serve in and for all our stakeholders. The division is focused on designs, processes and technologies that support CO_2 reduction, both in our own operations and in the products we make for our customers. We also systematically promote environmental and social responsibility by measuring and attempting to minimise our environmental impact, reusing or recycling our waste and aiming for carbon-neutrality in our operations in the long-term with optimised usage of renewable energies.

Our social responsibility starts with health and safety, promoting an accident-free environment for our employees and encouraging all associates to respect the core values of Motherson.

We believe that by listening to our customers and by leveraging the skills and enthusiasm of our associates, we can achieve the ambitions of this five-year period of profitable growth and customer delight.



One Motherson.

In 1975, Motherson was a small company in India with big ambitions. Today, we are a diversified global manufacturing specialist and one of the world's largest and fastest-growing automotive suppliers for OEMs. All this time, we have remained inspired by one vision: to be a globally preferred solutions provider.

To further strengthen ourselves, we are bringing all our companies and activities in SAMIL under one listed entity. One company, one logo, one name: Motherson.

This restructuring will take place over the coming months, creating a powerful new growth platform for the future.

This means that several new divisions will become part of our listed group. We are very excited to present them to you here.

Precision Metals & Modules.

"Motherson is the only cabin manufacturer with the ability to serve the entire spectrum of heavy-duty vehicles, from tractors and harvesters to excavators, dump trucks and backhoes."

The division has successfully acquired the required technologies for any metal processing, including 2D and 3D laser cutting, press brakes, mandrel bending, jigs, fixtures, CED painting, turning, drilling, grooving, milling tools, machining, hot and cold stamping and integration of higher-level assemblies and modules.

The division provides complete solutions in metalworking, from design to development to the manufacturing of a wide range of standard and customised cutting tools, gear-cutting tools and high-precision machined components. The product portfolio also includes thin-film coating services, cold-stamped and hot-formed parts, sintered metal parts, auxiliary equipment and intelligent cooling solutions for the plastic and metal-processing industry.

The division has also developed skills and expertise to integrate multiple subsystems and components to assemble high-level modules like operator cabins and HVAC systems for off-highway equipment, commercial vehicles and buses. The division operates in 20 locations across India and Mexico.

Sub-divisions

Modules

The Modules sub-division offers complete solutions for operator cabins from concept and design to development and prototyping. This includes tool and jig design as well as plug and play safety cabins for the entire spectrum of tractors, harvesters, excavators, dump trucks, backhoes, skid steers, soil compacting, anti-insurgency and riot police safety equipment, etc. Motherson is the only cabin manufacturer in India with design capabilities covering such a wide range of applications. The division integrates over 1000 sub-assemblies and parts in a high-end and complex cabin module to meet customer safety requirements. We are now adding press-tooling capabilities and fuel and hydraulic tanks to our portfolio. Modules also offers complete HVAC systems for buses, trucks and off-highway equipment, including electric buses. The sub-division has strong synergies with the product line of other divisions of Motherson including wiring harness, passenger-car HVAC, polymer products and the aftermarket segment.

Precision machining

Cutting tools are optimised according to the work material and application requirement for turning, milling, drilling, reaming, boring, tool holding, hole-edge machining, broaching and gear cutting. In addition to cutting tools, our units in India manufacture spline gauges, mandrels and master gears. This division also offers fully machined solutions for hydraulic applications, fuel pumps, braking parts and machined sintered parts for powertrain applications. This segment uses state-of-the-art technologies in cutting, deburring and broaching and puts the finishing touches on metal parts for a diverse array of market segments, including automobiles, off-highway vehicles, railway, aerospace, oil and gas, and health care.

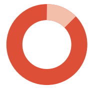
Body parts

The acquisition of the body parts business from MS Group Korea in 2017 brought cold-stamping technologies into the division's range of products and services. With the addition of hot-stamping capabilities, Motherson is poised to compete in the global stamping market.

Process equipment

The process equipment sub-division combines the division's core competencies with product technology to offer cutting-edge solutions for customers. The division has become a leader in auxiliary equipment, including central conveying systems, dryers, dehumidifiers, mould temperature controllers, etc., in various segments, including automotive, packaging, extrusion and health care.

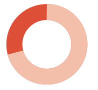
Driven by sustainability goals, the division has now entered into patented adiabatic cooling solutions as a replacement for traditional cooling towers to conserve water and offer precision cooling. The coming years will see the introduction of new technologies in plastic recycling and compound conveying.



11%*

Hot-stamping alone is a $15 bn market and is expected to grow at a CAGR of more than 11%.

*Internal estimates based on external market research reports.



70%

Modules offers HVAC systems for buses, trucks and off-highway equipment and currently has 70% of business shares with the top two truck manufacturers in India.

Expanding the division's product and service line

The division has nearly all the core technologies for metal processing in-house. This unique synergy allows Motherson to increase its content and gain access to customers. Furthermore, as a member of the Motherson Group, the division is also primed to foster innovation through collaboration as well as to expand its product lines, access newer markets and increase its global footprint.

Lighting & Electronics.

The Lighting & Electronics division consists of a spectrum of businesses that focus on OEM supplies. They also do business through direct channels and support the group in various backward integration activities. The division serves the automotive sector together with other multiple industries. The product offering of the division includes passenger car exterior lighting and electronic modules, passenger car HVAC and compressors, body control modules, struts and shock absorbers and products for backward integration like aluminium die-casted components and clutch assembly for HVAC compressors. The division also engages in the area of direct B2B supply, utilising various distributor networks and engaging in direct sales and services to the end customer for automotive parts in the independent aftermarket and marketing of air compressors and paint coating equipment.

The Lighting & Electronics division is one of the largest premium-lighting suppliers in India. The division operates through 17 facilities spread across India, and is fuelled by a product line featuring a number of "market firsts" and technological innovations. The Lighting & Electronics division is poised to contribute to the Motherson Vision 2025 through increased value content, new products, expansion into new geographies, new customers and overall future-readiness.

The Lighting & Electronics division is one of the leaders in exterior lighting in India through a combination of cutting-edge technology and design. In addition to switching from bulbs to LEDs, the division has distinguished its products through signature styling, transforming exterior lighting from a mere functional element into a unique accent.

The division is now exploring the possibilities for LED lighting for two-wheeler applications, an emerging market segment, as well as opportunities to expand into the global market for gas balancers. The division has also gained success in the exports of brushless motors using electronic components for the global HVAC market.

Opportunities in new markets

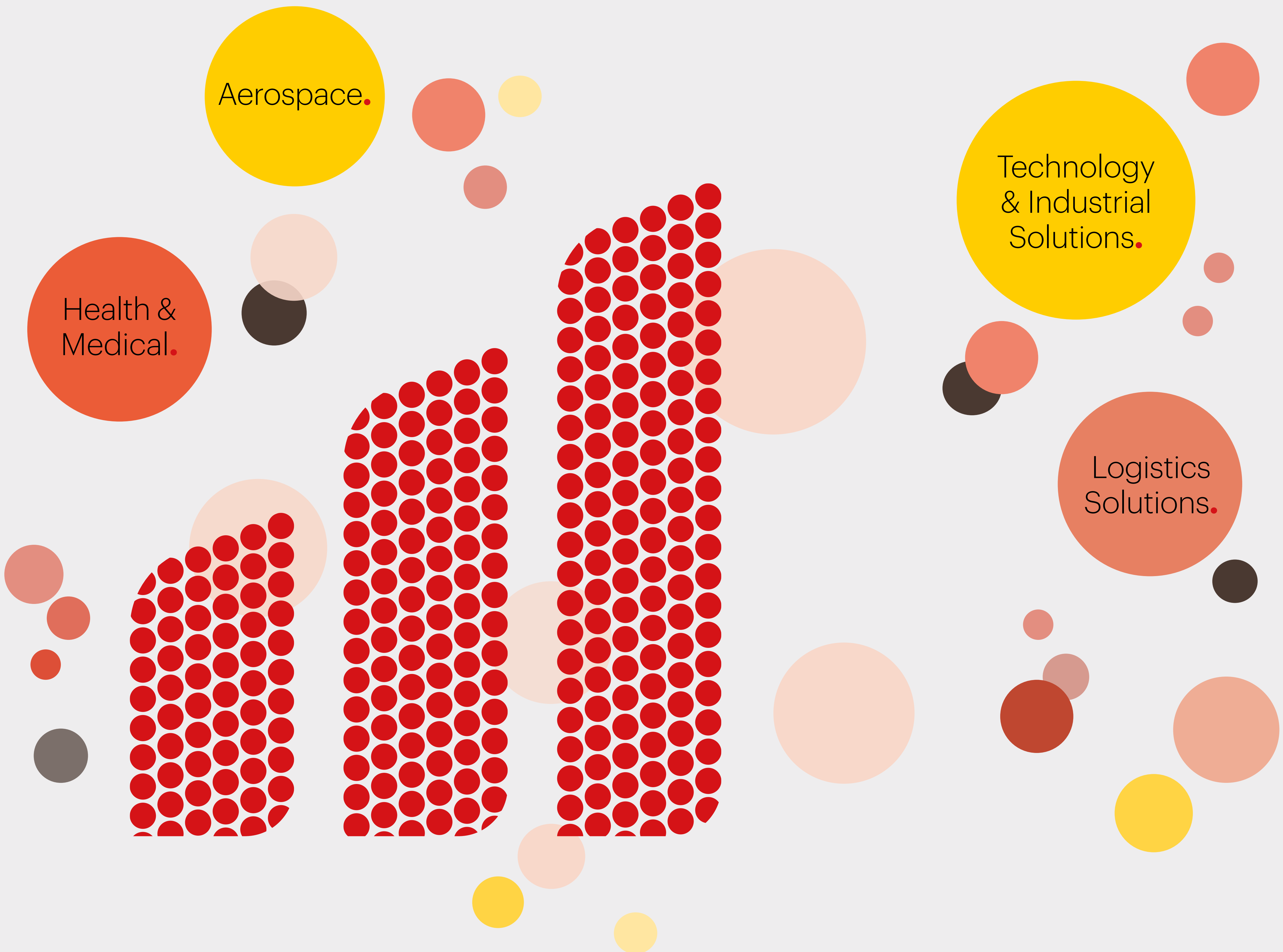
Over the next five years, the Lighting & Electronics division aims to grow in other markets as well. For example, Indian Railways named the division as a supplier of locomotive compressors. The division also capitalised on opportunities presented during the pandemic to enter the medical-compressor market, making significant inroads into this segment in just six months. Both the rail and medical-supply industries are well-poised for future growth, and the division is now in a position to capture more of the market share.

The division is also exploring options for strengthening its hold in the aftermarket and accessories segment. Entry into this market will be bolstered by the reputation of Motherson among OEMs for quality products.

Promise of continuous growth

The Lighting & Electronics division expects to outpace industry growth over the next five years through focus on value-added solutions and continued technological innovation. We also plan to increase our exports by leveraging the strengths of other Motherson companies across the globe. By growing current product lines, integrating new technology, pursuing adjacent expansion and diversifying into new markets, the division projects a significant contribution towards the group's target revenue of $36 bn.

> "The Lighting & Electronics division expects to outpace industry growth over the next five years through focus on value-added solutions and continued technological innovation."



New Divisions.

With the launch of Vision 2025, we are focusing on creating new value for customers in industries that are new for our group. We believe these industries are a logical extension of our current competence, customer relations, plant locations, etc. After careful consideration and preparation, we have decided on Aerospace, Logistics Solutions, Technology & Industrial Solutions and Health & Medical as areas expected to generate 25% of our revenues by 2025. Our new initiatives are led by teams that are flexible and hungry startup companies backed by the strength of our entire group. It gives us great pleasure to present them to you in the pages ahead.

Aerospace.

The Aerospace division aims to become a globally preferred solutions provider by leveraging the expertise and existing capabilities of the group companies while developing new technologies and products to serve global aerospace customers.

chapter 22 aerospace

The aerospace industry at a glance*:
The global market value is expected to reach $5 tn by 2035, and there is a projected need for 40,000 new aircraft to be delivered by 2040. The fastest-growing regions in the aerospace market will be Asia-Pacific and Western Europe with CAGRs of 3.7% and 1.5%, respectively, followed by the Middle East and North America, where the markets are expected to grow at CAGRs of 1.1% and 0.1%, respectively.

*Internal estimates based on external market research reports.

The industry continues to be severely impacted by the COVID-19 crisis, resulting in significant reduction in revenues. As part of the recovery, experts anticipate fundamental changes in aerospace, including consolidation, a greater drive towards sustainability and increased automation.

Current market and opportunities

Given the prevailing uncertainty in the industry, it may seem counterintuitive for Motherson to make an entry into this sector now. On the contrary, Motherson sees great opportunity in the present circumstances, and the division has identified three current conditions that make this a key moment for expansion into this segment: the push for localised supply chains and stronger regional ecosystems, the necessity for consolidation, and the possibilities for disruption and innovation.

Cost-cutting will be essential for businesses as they rebuild post-COVID-19, and keeping as many aspects of production local is one way of reducing expenses. With more than 270 facilities in 41 countries, Motherson offers many key industry businesses a local partner with a proven commitment to high-quality products and dedicated customer service.

Our strengths

Motherson brings several assets that distinguish it within the aerospace sector. In addition to its wide global footprint, the division has the material support and technical capabilities of the entire group at its disposal. With these advantages, the company sees a prime opportunity in this changing landscape to gain a foothold in the industry and become a leader in the establishment of the "new normal" in aerospace.

Consolidation

Experts also forecast consolidation in aerospace and Motherson has extensive experience in forging highly successful partnerships and acquisitions. Furthermore, the wide range of products and services across the group companies make it possible for Motherson to become a full system solutions provider for customers. We can offer streamlined services and in-house expertise through all steps of the customer journey, from product design and development to delivery.

Key focus areas for Motherson

The Aerospace division is starting its journey by focusing on machining and assembly of small to medium sized detailed parts, from nose to the tail of the aircraft. In the next phase, we want to move to offering high complexity parts and assemblies and start to look at the interiors/cabins segments. This will allow us to learn and grow, as our customers gain trust and ask us to do more. The journey is similar to how we started in automotive, where our customers gradually asked us to support them with more complex parts. Thanks to the size of Motherson today, we have the means to accelerate this learning and scale up faster.

Targeting growth through acquisitions

We have already taken important steps towards market entry. For example, the division has set up a new 36,600 square-foot Greenfield facility in Noida, dedicated to aerospace. This facility is closely connected with the wiring harness facilities of the group and is production-ready since April 2021. AS9100D certification for this facility is in progress. Though the Aerospace division is relatively new, it is already envisioning global expansion. The team has established criteria for acquisitions based on geography, size, product, and profitability. We have also shortlisted potential acquisitions in Europe and are preparing the same for North America. Furthermore, we are also reviewing strategic assets in France, Germany, the US, and Canada.

Vision 2025

We aim to make a solid contribution to Vision 2025 by capitalising on the newly emerging opportunities in the industry. By leveraging the current capabilities of the group and its in-house innovation and smart-expansion strategy, the division is poised to become a strong presence in the global aerospace market.

Certification

The facilities of SMIIEL, Noida; Motherson Sumi Systems Limited (MSSL), Bengaluru and Motherson Innovative Engineering Solutions (MINES), Bengaluru have already completed AS9100D certification. Motherson Wiring Systems Inc. (MWSI), Portland, is in the process of attaining certification. Motherson Automotive Elastomers Technology (MAE) in Chennai has already won several orders from ISRO and a private Indian space company.

"The wide range of products and services across the group companies make it possible for Motherson to become a full system solutions provider for its customers."

Six questions with the division head **Kunal Bajaj**

Q1

What were some of the main reasons Motherson decided to enter the aerospace sector?

The principal reason for entering aerospace was part of the diversification strategy of Motherson, called 3CX10, in which no country, component, or customer contributes more than 10% of group revenue. Given our manufacturing prowess in automotive, commercial aerospace was a logical adjacency. Many aircraft components are similar to vehicle parts, but aerospace manufacturing requires a higher level of precision and focus on quality, which is a strength of our group, and we have already achieved certain key certifications. It is all about high-level component manufacturing, subsystem manufacturing and interiors and exteriors. The key in both automotive and aerospace is how you manage the shop floor, and Motherson has an outstanding track record in that area.

Q2

What are some of the major strengths that Motherson brings from its global manufacturing experience and customer relations to your new division?

One major strength is our understanding of manufacturing. We have a deep knowledge of metallics and plastics, which are essential materials in aerospace. In addition, attention to quality and safety are woven into our culture. Our focus on QCDDMSES also resonates well in the aerospace sector, and as part of Motherson, we are already accustomed to meeting industry standards, such as the AS9100 certification.

Q3

What are some of the challenges the aerospace sector is currently facing that Motherson can address?

Aerospace is going through one of its toughest times because of COVID-19. Many strategic suppliers will be in a difficult position, and a lot of the supply chain could disappear. Motherson now has the opportunity to come in and help consolidate the industry and provide global solutions. Our strong manufacturing mindset, the strength of our brand and reputation, our ability to turn around assets and our global presence will all contribute to the success of our customers.

Q4

What are you most excited about when you look at the journey ahead?

We have a target to reach in four years with lockdown everywhere — if we can do that, we'll make history. But we're also on the cusp of a big change in aerospace industry, to be front and centre in this change and to start creating is exciting. We'll also improve our manufacturing skill set, and trying to turn around assets in an industry with huge barriers is also invigorating. Just trying to build this business is very exciting for us.

Q5

Where do you think your division will stand in 2025?

It's hard to say where we will be, given the changes on the horizon. There will be consolidation, developments in the supply chain; there could be new aircraft designs coming, the power system may change...and we have a very good team working towards one vision.

Q6

What makes you most proud of your team and Motherson?

Even though entering a segment with so many barriers is an uphill task, Motherson has given us the wings we need to make a go at this venture. The leadership and promoters are committed to doing this, which is thrilling for us. That support is so important. The group has rallied around us; everybody is supportive and understands what we are trying to achieve. That is an exhilarating feeling.

> "Our strong manufacturing mindset, the strength of our brand and reputation, our ability to turn around assets and our global presence will all contribute to the success of our customers."

Logistics Solutions.

The Logistics Solutions division provides world-class transportation and supply chain solutions both internally for Motherson and for external OEMs. The division operates on the 3MT Strategy: betterment of Men, best-in-class Machines, and standardisation of Methods, all backed by cutting-edge technology. The two legal entities in this division are Samvardhana Motherson Hamakyorex Engineered Logistics Ltd. (SAMRX) and Samvardhana Motherson Global Carriers (SMGCL).

SAMRX is a 50-50 joint venture between Motherson and Hamakyorex (Japan). SAMRX aims to revolutionise finished vehicle (FV) transport in India through technology-enabled, state-of-the-art solutions for OEM customers. Our joint-venture partner Hamakyorex is a listed Japanese logistics company with almost five decades of industry experience, and this partnership allows us to provide the most efficient, advanced, and scalable solutions to our clients.

SMGCL, the group's 4PL logistics division, aims to delight our internal customers with best-in-class products and services. Our road-transport services include Just-in-Time (JIT) distribution to OEM assembly lines, Milk Run vehicles for runs between plants, Loop vehicles for runs between multiple cities, Full and Partial Truck Loads, and Project Cargo. The division is also working with Swarn Lata Motherson Trust (SLMTT) towards setting up of a Centre of Excellence for skilling.

Empowering our drivers

Our strong commitment to the well-being of our drivers distinguishes us from the competition. Drivers are the backbone of our vision, and Motherson is proud to be the first finished vehicles (FV) logistics company that pays drivers a fixed salary instead of per-kilometre or receipt payments, which is the industry norm. Our drivers are also provided with full insurance coverage and have access to Motherson facilities on the road where they can get a hot meal and take some rest.

Technology at the forefront

The Logistics Solutions division uses cutting-edge technology to ensure both efficiency and safety. IoT-enabled sensors in our trucks and advanced analytics provide real-time visibility into operations, allowing us to immediately address problems as well as to make necessary improvements for the long term. We have also developed an in-house driver app to monitor performance, which we also hope to monetise in the future. We are committed to continually improving our safety standards and streamlining our operations for greater efficiency, inspired in part by Hamakyorex's Japanese GEMBA approach.

Growth strategy

We have set up a unit covering air and sea clearing and freight-forwarding services for the group at a global level, and we continue to work on continuous efficiency projects such as virtually managed inventory and warehouse consolidation across group companies, packaging solutions, and manpower consulting focused on logistics.

Currently, we have eight branches in operation and will add two more by the end of 2021. All facilities are located within existing Motherson plants, thereby reducing overhead.

Our business plan is powered by three strategies: Freight Savings, achieved through centralised purchasing and vendor right-sizing; Technology Enablement across the logistics and supply chain through data-driven decision-making; and Logistics Consulting, in which we conduct global benchmarking and process re-engineering to reduce costs or create savings.

16%*

We are proud to have one of the most advanced fleets in the world. Our air-conditioned, best-in-class trucks with French-load carriers provide both the highest degree of safety and comfort for our drivers as well as a higher carrying capacity, thereby reducing our carbon footprint by over 16%.

*Internal estimates based on external market research reports.

10%

The company has 10 plants in the Manesar belt outside New Delhi, where 17 different service providers were being used for transportation needs. Through data-driven decision-making, we managed to right-size the vendor pool down to 3, resulting in a 10% savings on overall freight.

The Swarn Lata Motherson Centre project

A key project of the Logistics Solutions division is the Swarn Lata Motherson Centre, a Centre of Excellence for skilling. The centre address several key challenges surrounding attracting talent in India. Firstly, there is no track in India that can accommodate testing for a fixed vehicle over 32 feet; there are also no cohesive programmes that address the national driver shortage and the centre aims to fill both gaps. With the increasing demand for road transport in India, the division sees the Swarn Lata Centre as an opportunity to cultivate a highly-skilled logistics workforce that is prepared for the future.

We also believe that training, retraining, and upgrading the skills of our talent pool are essential for achieving Vision 2025. The centre will serve as a forum where industry players and OEMs can collaborate on modern automated advancements, such as specialised mechanics and tier engineering. All programmes at the Swarn Lata Centre are focused on fostering direct employability in the industry. We are also considering the establishment of an innovation and entrepreneurship lab to incubate rural entrepreneurs in the mobility and automotive fields.

The vision ahead

The company has a 36-month global freight-consolidation plan that will yield direct savings through freight consolidation and indirect savings through the betterment of trade terms, including credit periods, insurance alignment, and inventory management policies.

In addition, the division is continually seeking new opportunities across supply chain sectors, such as the Inland Containment Depot (ICD) and rail markets, with an estimated value of $9 bn. Motherson forecasts new opportunities for expansion with the end of the government rail monopoly and the current general demand for improved rail logistics.

The cold chain segment is also a key interest, in which our partner Hamakyorex is a global expert. Furthermore, we are planning to monetise our in-house logistics technologies as well as look at trailers and rigs as a vertical integration strategy for our businesses.

Although the Logistics Solutions division is still young, our ambitious plans for future expansion and capitalising on opportunities suggest that our division will become not only a strong contributor to the group but a powerful force for change in the logistics industry.

> "Our division aims to bring standardisation, quality, and measurability frameworks into the industry through our QCDDMSES approach."

Six questions with the division head **Arjun Kochhar**

Q1

What were some of the main reasons why Motherson decided to enter the logistics sector?

We saw this as an opportunity to realise the group's diversification strategy. Currently, 98% of Motherson's businesses are tied to the automotive industry, and the Chairman has suggested expanding into adjacent sectors. Logistics fits into that strategy.

Q2

What are some of the major strengths that Motherson brings from its global manufacturing experience and customer relations to your new division?

Our division aims to bring standardisation, quality, and measurability frameworks into the industry through our QCDDMSES approach. We also have support systems through Motherson such as MothersonSumi INfotech & Designs Ltd. (MIND) and Systematic Conscom Ltd. (SCL) that will allow us to take a collective and collaborative approach — instituting systemic change in the logistics segment. We are also strengthened by the trust in the Motherson brand; our customers know that whatever project we undertake, we will see it through.

Q3

What are some of the challenges the logistics sector is currently facing that Motherson can address?

Logistics in India is currently a fragmented and somewhat unorganised industry; it is ripe for professionalisation and consolidation. Also, finished vehicle (FV) logistics is very asset-heavy, and there is still minimal technology to support it. We also want to create equitable and professional working conditions for commercial drivers; we want them to have a stable paycheque on the first of every month, facilities for having a hot meal and some rest, and insurance.

Q4

What are you most excited about when you look at the journey ahead?

The most exciting thing is the journey itself: the obstacles, the challenges, and the learnings that come along with it. I am also excited about centralising the logistics of the group and interacting with 150,000 people across 41 different countries. What we build and achieve here is going to last a lifetime; it will be our legacy.

Q5

Where do you think your division will stand in 2025?

We hope to provide the group with real-time business intelligence and analytics, making useful information available at all levels. We also hope to make a big difference in the lives of our commercial drivers. I hope to see people going to our Centre of Excellence for training and increasing their employability. Logistics is a thin-margin business, but if we can put it all together and bring a billion dollars in revenue to the group, it would be amazing.

Q6

What makes you most proud of your team and Motherson?

As a team, we have brought together some of the best talent, and there is a trust that binds us, which I am most proud of. I am also proud of our mantras and our commitment to do right by our customers, our people, and society. We don't just say these words; we live by them, and we integrate these core values of Motherson in our work and also within ourselves. Also, the leadership encourages us to dream as big as we can. No opportunity is too large if the fit is right.

> "What we build and achieve here is going to last a lifetime; it will be our legacy."

Health & Medical.

The Health & Medical division is working towards its aspiration of "Positively Touching a Billion Lives" by using cutting-edge technology to create accessible and cost-effective solutions that drive innovation in the healthcare industry. As part of our commitment to helping people improve and better manage their health, the division focuses on designing high-quality, clinical-grade products using the latest technologies and manufacturing them on a global scale.

The current strengths and capabilities of the Health & Medical division are aligned with meeting both current industry needs as well as future challenges. Bolstered by our talented engineering team, the division aims to produce groundbreaking new products in relatively short time frames. Our entry into the industry is also supported by our global manufacturing capabilities, which enable us to provide local solutions across the world. Attention to both quality and cost, the foundations on which Motherson has built deep customer relationships, will further distinguish the division from its competitors in the industry.

Well-poised to support industry developments

We foresee major paradigm shifts in healthcare over the next 5 to 10 years. Firstly, diagnostics will become the point of entry into the healthcare system: people will first be diagnosed and then have a consultation with the appropriate doctor; currently a diagnosis typically comes only after consultation. The second shift will be a focus on preventative medicine, making predictive and pre-emptive practices increasingly important in healthcare.

These paradigm shifts will lead to the widespread adoption of new devices and technologies. This will require proficient design and development capabilities combined with high-quality, high-volume and low-cost manufacturing and a robust and resilient global distribution and supply chain. The Health & Medical division is proud to offer all these services to its customers.

Transforming lives through innovation

Over the years, the division has used its core capabilities to build a strong presence in the health and medical industry, first in Australia, and now globally. The division has designed, developed, manufactured and brought to market new and innovative medical products such as the Re-Timer glasses for treating sleep disorders, created through a partnership in Australia. The group also continues to provide contract manufacturing services to some of the global medical equipment OEMs. In partnership with the University of Melbourne, the division has developed a 3DBioPen, a surgical device for stimulating cartilage regrowth in knee reconstruction. Additionally, together with the University of South Australia and Flinders Medical Centre, we have designed and developed a new diagnostic tool for bladder cancer.

Opportunities for inorganic growth

COVID-19 is having a massive impact on the health sector as well as negative consequences for downstream businesses. The prevailing market conditions present an opportunity to rapidly build our portfolio. We are actively accessing and pursuing multiple M&A opportunities in our current focus segments across North America, Europe and India, and we are proactively pursuing additional possibilities.

Vision 2025

As part of Vision 2025, we plan to expand our business in North America, Europe, India, and Asia. In addition to launching new innovative point of care diagnostic devices and technologies, we will build large, global medical technology platforms inorganically, and will grow the share of medical contract manufacturing business for our existing operations. We aim to positively touch over a billion lives by 2025 and to create a global presence in the health and medical industry.

The Health & Medical division uses its extensive expertise in product design, engineering, artificial intelligence, and other emerging technologies to introduce first-of-their-kind products in the marketplace. The division also has myriad collaborations with universities, hospital systems, and research centres around the world. The division has positioned itself at the forefront of scientific development in the health and medical industry in order to positively impact lives worldwide.

Six questions with the division head **Varun Sood**

Q1

What were some of the main reasons why Motherson decided to enter the health and medical sector?

Our experience and expertise in product design, our global partnerships, and the strong manufacturing background of Motherson inspired us to explore this vertical. From a business standpoint, health and medical devices and equipment will become a bigger focus area for the global market. There is potential for us to have a high impact in this sector using the capabilities and experience that we have already developed.

Q2

What are some of the major strengths that Motherson brings from its global manufacturing experience and customer relations to your new division?

Our design and development capabilities are a major asset; we have already been using our global manufacturing capacity to supply medical equipment OEMs with components. Motherson has a strong tradition of long-lasting customer relationships, which will also be an advantage in our vertical. In addition to medical equipment OEMs, we are also working with universities, research companies, hospitals, and startups. Motherson's focus on customer and partner relationships enables us to have conversations with the industry leaders; it's not transactional — it's truly a trust-based relationship.

Q3

What are some of the challenges the health and medical sector is currently facing that Motherson can address?

The pandemic shed light on some weaknesses in the health and medical sector, especially concerning supply chains. When COVID-19 hit, many global supply chains broke as countries and companies clamped down on supplies to meet the local needs first. With a presence in 41 countries, Motherson offers a "globally local" internal supply chain that is extremely resilient. Thus, in times of crisis, we are less vulnerable than companies that may not have such a significant global footprint.

Q4

What are you most excited about when you look at the journey ahead?

I am personally most excited about the possibility of touching a billion lives, and that's what is driving us: about truly impacting lives of people. If you can reach a billion people, you will of course make money, but it's the impact in their lives that is most exciting.

Q5

Where do you think your division will stand in 2025?

Our primary aim is to touch a billion lives by 2025. As part of that goal, we hope to be making a difference both as a contract manufacturer for global medical OEMs and other such companies as well as through designing and producing our own products. This will advance us towards our goal of touching a billion lives.

Q6

What makes you most proud of your team and Motherson?

We're proud of the work we have done in product development. Recently we brought our Blood Analyser from the drawing board to manufacturing readiness in about 11 months, an unprecedented speed for such a process. We are also proud to be part of the Motherson family and the way it approaches business relationships. The notion that we will stand by our customers, partners and stakeholders, that we will do what is right for them creates trust and drives long-lasting relationships. We're honest about what we cannot do; we value transparency, and we'll help solve problems. This philosophy is deeply ingrained in the company, which is a very big advantage. It's the way we are, which is unique.

Technology & Industrial Solutions.

The Technology and Industrial Solutions division supports the digital infrastructure of Motherson and provides end-to-end IT solutions to customers worldwide. It provides critical IT support to all Motherson companies and assists them with product development, validation, prototyping, CAE services and tool design. We are also working with customers in fields such as healthcare and telematics, providing a range of services and products.

Presently, the division is in a dynamic growth phase: we have set industry benchmarks. Our products and capabilities are among the best in the industry, priming us for both internal and external growth. We currently operate in eight countries across three continents, a substantial global footprint that translates into value for our customers. In the coming years, we plan to expand in Europe and enter new markets in Australia and New Zealand.

The division was launched in 2000 as MothersonSumi Infotech & Designs (MIND), a joint venture with Sumitomo Wiring Systems Ltd. (SWS). During its first decade, MIND concentrated on projects and services, and thereafter it evolved into a product-based high-tech vertical. In 2015, we established an analytics centre of competence that became the launchpad of our product-based offerings. In 2016, MI-XLAB (Motherson Invenzen XLAB) was formed, a company for embedded and electronic products. The IoT team was set up in 2017 as part of our journey towards Industry 4.0, and two years later, our first full-suite MES project with iDACS (IoT-based ERP) was realised. ROBIS for Hardware Automation and Samvardhana Motherson Health Solution Limited (SMHS) for healthcare solutions were also added to the portfolio in 2019.

All four core businesses of the division — MIND, ROBIS, MI-XLAB, and SMHS — are making great strides in their respective segments, each contributing to our rapid development.

MIND
MIND is currently a full-fledged IT company with CMMI Level 5 certification, allowing us to service large-scale enterprise IT operations. With an infrastructure of 5,000+ servers, it handles more than 200,000 support tickets from 30,000+ IT users each year. With our state-of-the-art network and security monitoring centres, we are able to keep the digital infrastructure at Motherson running and secure at all times.

ROBIS
ROBIS is also one of the key businesses of the division, providing world-class offerings in hardware automation and robotics, from concept design and development to customised implementation. The product line focuses on material handling and conveyor systems, automated assembly and testing, and user-guidance systems.

MI-XLAB
With MI-XLAB, we are developing a portfolio of products for telematics, logistics enablement, and other operational IoT uses. Several hardware modules sold under the Rollr brand have already gained traction in the market.

SMHS
Another important contributor to our success is SMHS, our healthcare IT business that focuses on developing innovative solutions around compliance, drug safety, and operational excellence. Drawing on expertise from the software vertical, SMHS developed ePulse, which facilitates data digitalisation, machine integration and monitoring and advanced data analytics for pharmaceutical companies.

Key drivers for growth
The Technology & Industrial Solutions division has identified four key growth drivers that will pave the road toward Vision 2025. The first is Industry 4.0, which is projected to have a market value of $310* bn by 2023. Currently there is demand for fully-connected factories and machines, plant automation and advanced analytics. We are already developing customised products to meet these needs, drawing on the resources of the division and the group as a whole.

Another key driver is Global Business Services (GBS), applying expertise and technology to streamline operations for excellence, efficiency and cost reduction. A key element in GBS is robotic process automation (RPA), and we are continually improving our capabilities in this domain both for internal use and for serving the global marketplace. We are also exploring the growth potential in Digital & Engineering Services (DEX), which has a projected market value of $2.5* tn by 2025. The entry into this market will be founded on three pillars: product support, product re-engineering, and product cost management. We are currently cultivating an extensive network of digital and design partners, and our aim is to provide end-to-end solutions for customers.

The fourth and final driver will be Cloud Services, a field in which the division has strengthened itself both horizontally and vertically. We are proud of our partnerships with five industry leaders — AWS, Google, Azure, VMware, and Oracle — and we continue to strengthen our cloud capabilities through ongoing improvements and learning. Our experience in providing hybrid cloud services to the group companies puts us in a solid position to manage the cloud infrastructure of global organisations.

The road ahead
The Technology & Industry Solutions division grew its revenue at a rate of 22% CAGR between FY15 - FY20, and with our ambitious plans for expansion in multiple segments and new geographies, we are on track to grow even more on the journey to Vision 2025. By strengthening our market position, collaborating with industry partners to grow existing markets, and entering new territories, we are taking an integrated approach towards a robust and secure future.

*Internal estimates based on external market research reports.

Six questions with the division head **Rajesh Thakur**

Q1
What were some of the main reasons why Motherson decided to enter the technology and industrial solutions sector?

I firmly believe that today, every company is a technology company, and technology is now everywhere. If you look at the past decade, the unification of digital business models, intelligent automation, analytics, and creative talent has transformed the way we do business. Now, more than ever, decisions related to information and technology have become more crucial for organisations. We as a Technology and Industrial Solutions division focus relentlessly on driving technology-led transformations.

Today, we take pride in being an end-to-end IT solutions provider to over 200 customers across 41+ countries to help them realise opportunities and grow.

Right from the beginning, our focus is to enable a seamless organisation of the future for our customers through,

- Consulting-led approach to solving complex business challenges
- Cloud-first, automation-first, and data-first approach to creating exponential value
- Early adoption of Industry 4.0 and digital-engineering initiatives with homegrown products
- Extensive knowledge base and service improvement plans to expedite transformation across industries
- Seamless integration of technologies with reliable cost predictability

Q2
What are some of the major strengths that Motherson brings from its global manufacturing experience and customer relations to your new division?

For the last 40+ years, Motherson is leading an automotive revolution, and solving design & engineering problems. Today, with the help of next-gen technologies and the group's core expertise in manufacturing the division is working to optimise automotive & manufacturing operations. The three-core strengths and tenets of our vision are:

- **Domain expertise** - Today, Industry 4.0 initiatives for most companies are limited to specific manufacturing operations such as procurement and shop floor activities. We can help enterprises realise the full benefit of Industry 4.0 implementation by connecting the task dots—or the bots—across the entire value chain. Also, we are leveraging data digitalisation with the help of advanced analytics for pharmaceutical companies.
- **Digital mindset** - I firmly believe that there can be no smart manufacturing without a smart workforce. As the number of digital technology components and their usage increase in manufacturing, we are focusing on upgrading and rethinking strategies to upskill our workforce.
- **Digital operations** – We have a strong focus on inbound and outbound logistics management and production processes. Operations functions include production planning, inventory management, transportation management, order processing, supply chain management, and aftermarket services.

Q3
What are some of the challenges the technology and industrial solution sector is currently facing that Motherson can address?

Today, we see Technology and Industrial Solutions division as a proactive digital partner to help customers in their evolution journey. Our organisation stands on two strong pillars: one makes it digitally empowered, and the other makes it innovation and prediction driven by leveraging data and analytics power. Our capabilities help us to:

- **Imagine** – Enable solutions and services for our customers with our design thinking approach
- **Perform** – This is where our core competency around providing Industry 4.0 solutions, digital engineering and intelligent automation services is extremely critical for customers in the digital age
- **Operate** – Focused on enabling a robust digital foundation through smart infrastructure services for customers to navigate seamlessly in their digital journey
- **Innovate** – Adapting to a modern way of developing applications, business performance solutions leveraging AI/ML and identifying and developing applications that are focused on productivity

I believe we are well-positioned to lead and tackle digital transformation challenges for our clients across every industry. We don't see digital as a one-time event but as a continuous journey to help our clients with their digital evolution.

Q4

What are you most excited about when you look at the journey ahead?

Technology and Industrial Solutions division has started to create a niche for itself in its areas of operation. The excitement is for the fact that the journey isn't just external based, it is also an internal change throughout the organisation as we envision the division to be an enabler, employer & service provider of choice among its peers.

The division now has a presence in eight regions, each region having its own identity, demography and cultural nuances. The journey to establish will be beyond just technology. We have launched a slew of initiatives to bring about a change in learning, adopting new models, collaboration amongst teams. All this, while together creating a massive buzz in the sector!

This phase of transformation and feeling of oneness for the common objective is what makes this journey a pleasure.

Q5

Where do you think your vertical will stand in 2025?

We believe by 2025 it will have reinvigorated itself as a global IT behemoth. Also, we see all our products & services playing an active part in the transformation of the Motherson Group as well as working towards establishing it as a high-tech manufacturer.

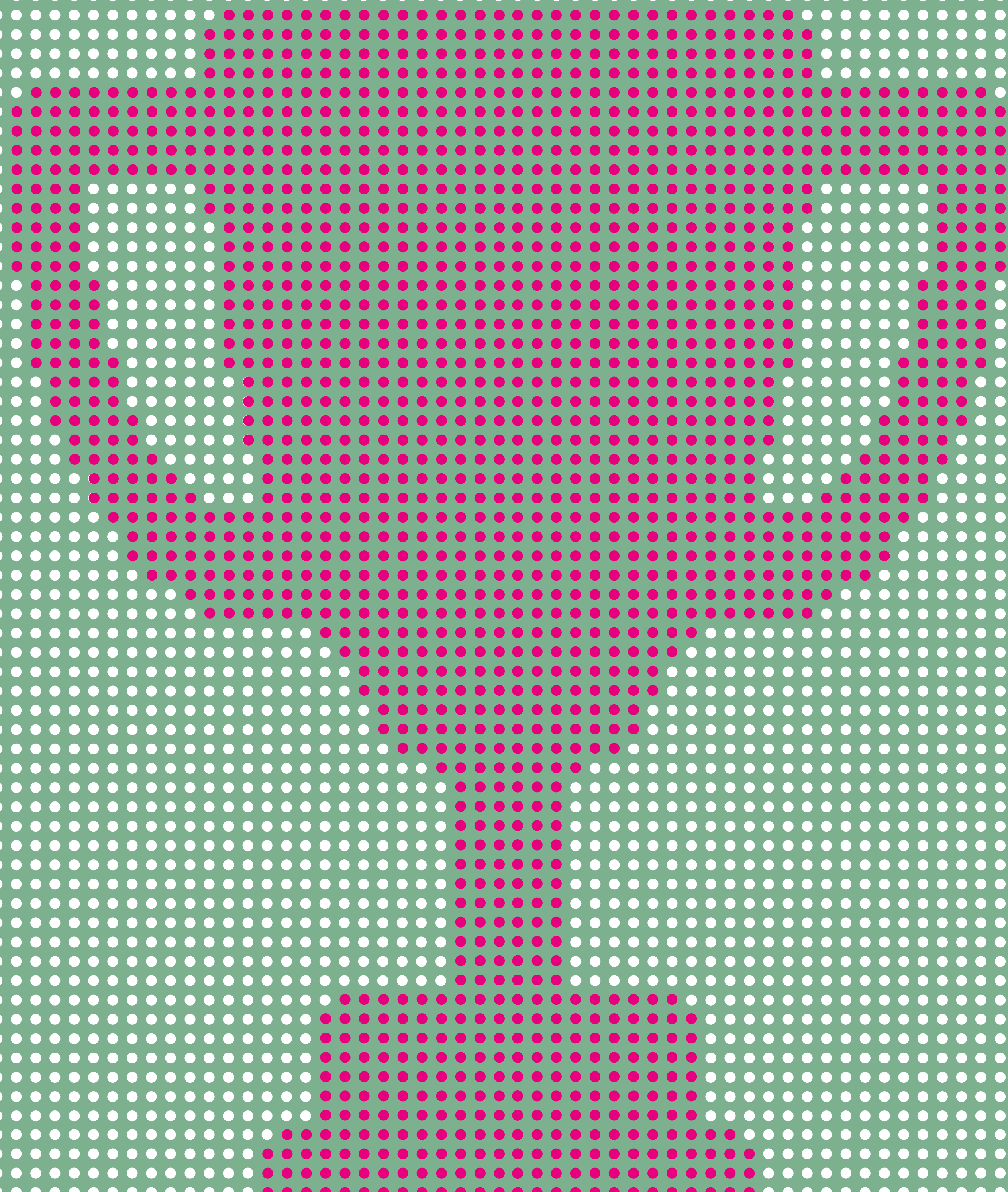
Technology and Industrial Solutions division shall also have industry agnostic solutions and products that can help the group diversify into new industries and domains with consummate ease. We are already in the process of augmenting our capabilities in the new domains that Motherson has entered in and will continue to do so as the group expands organically and inorganically. We will enable this while also independently empowering ourselves to become a global IT preferred partner.

Q6

What makes you most proud of your team and Motherson?

It will be our pragmatic approach towards employee engagement. In my experience, the culture at Motherson instils a passion for the work and commitment towards the organisation. It fosters exceptional performance, encourages self-starters, enhances customer engagement, and ensures business resilience. In effect, it drives measurable outcomes, productivity, and innovation, leading to broader success for the organisation. I would also like to acknowledge the efforts made by our team during these unprecedented times to keep running mission-critical activities for our customers. It's their contribution that makes our

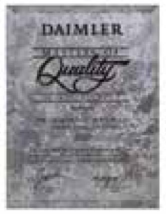
"We are well-positioned to lead and tackle digital transformation challenges for our clients across every industry. We don't see digital as a one-time event but as a continuous journey to help our clients with their digital evolution."



Awards and Recognitions.

The Awards and Recognitions we receive every year from our customers and the industry bodies are of tremendous importance to all of us at Motherson. They signal that our customers recognise and value the efforts of our teams to continuously improve. This fills us with great satisfaction and motivates us to do even better next year. It is with great pride and gratitude that we bring together this year's awards and recognitions from across our group. We thank our customers deeply for their continued trust in us.

Daimler


Masters of Quality Award
(Wiring Harness)

Toyota


Zero PPM
(Wiring Harness)


Quality Award
(Wiring Harness)


Quality and Logistics Excellence Performance Award
(Vision Systems)


Supplier Superior Award
(Modules and Polymer Products)


Zero PPM
(Modules and Polymer Products)


Delivery Award
(Modules and Polymer Products)


Quality Award
(Modules and Polymer Products)

Volkswagen


Certificate of Appreciation
(Modules and Polymer Products)

Tata Motors


Best Supplier for Top Issue Resolution PPM Improvement
(Wiring Harness)


Commendable Performance in Quality Month
(Wiring Harness)


Certificate of Appreciation for exceptional support during COVID-19
(Modules and Polymer Products)

Nissan


Supplier Quality Award
(Vision Systems)


Outstanding Quality Performance
(Vision Systems)

Hyundai


Supplier of the Year
(Vision Systems)


Best Performance
(Wiring Harness)

chapter 26 awards

GM

Certificate of Excellence Gold Supplier Status
(Modules and Polymer Products)

SAIC-GM

Best Aftersales Supplier of the Year
(Vision Systems)

Mahindra & Mahindra

Supplier Excellence Award
(Modules and Polymer Products)

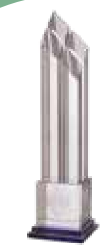
Certificate of Gratitude in support of Thar project
(Vision Systems)

Paccar

SPM Master Award
(Wiring Harness)

Quality Achievement
(Wiring Harness)

Navistar



Diamond Supplier Award
(Wiring Harness)

Ashok Leyland

Best Supplier
(Wiring Harness)

Foton Group

Win-Win Cooperation Award
(Wiring Harness)

Advanced Quality Golden Award
(Wiring Harness)

Best Cooperation Award
(Wiring Harness)

Long-Time Cooperation Award
(Wiring Harness)

SAIC Maxus

Technical Support Award
(Wiring Harness)

JAC Group

Creative Idea Award
(Wiring Harness)

Win-Win Cooperation Award
(Wiring Harness)

Foton Daimler

Excellent Supplier Quality
(Wiring Harness)

Dongfeng

Best Supplier Award
(Wiring Harness)

SANY Group

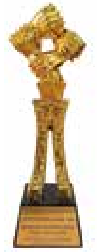
Quality Improvement Award
(Wiring Harness)

Excellent Supplier Award
(Wiring Harness)

CNH Industrial

Top Supplier VAVE
(Wiring Harness)

Larsen & Toubro



Supplier of Choice Award
(Wiring Harness)

KASEZ

Best Swachch Unit Award
(Wiring Harness)

Highest Export Award
(Wiring Harness)

1. Supplier Awards

Mahindra & Mahindra
Supplier Excellence Award
Spares Category
(Modules and Polymer Products)

Tata Motors
Certificate of Appreciation
(Modules and Polymer Products)

MCI
Silver Performance Award
(Wiring Harness)

CNH Indusrial
Suppliers Excellence Award
Aftermarket Solutions
(Wiring Harness)

Suppliers Excellence Award
Technology & Innovation
(Wiring Harness)

PSA Group
Programme
Management Award
(Modules and Polymer Products)

2. Quality Awards

Caterpillar
Best Quality
Performance Award
(Wiring Harness)

DAF
Quality Achievement
(Wiring Harness)

3. Delivery

Komatsu
Best Delivery Performance
(Wiring Harness)

MANAGEMENT DISCUSSIONS AND ANALYSIS

BUSINESS BACKGROUND AND UPDATE

Motherson Sumi Systems Limited (hereinafter called, MSSL or the Company) is a full system solutions provider catering to a diverse range of customers globally in the automotive and other industries. MSSL is the flagship company of the "Motherson Group" and was established in 1986 as a joint venture with Sumitomo Wiring Systems, Japan (SWS) and is listed on BSE (formerly Bombay Stock Exchange) and National Stock Exchange of India (NSE). As on March 31, 2021, the Company had 462,862 shareholders (March 31, 2020: 325,656 shareholders).

The Company has a strong and evolving line of product range and is well recognised as a Leading Supplier to Original Equipment Manufacturers (OEMs) mainly in the automotive industry. The product portfolio of the Company comprises electrical distribution systems (wiring harnesses), electronics components, automotive rearview mirrors, moulded plastic parts and assemblies, extruded and injection moulding tools and components, moulded and extruded rubber components, interior and exterior polymer modules like cockpits / IPs, door trims, bumpers and machined metal products etc.

MSSL is a focused, dynamic, and progressive company providing customers with innovative and value-added products, services, and solutions with its diverse product portfolio. With a diverse customer base of nearly all the leading automobile manufacturers globally, the Company operates from its over 230 facilities in 41 countries across five continents.

MSSL is today the largest auto ancillary in India and enjoys market leadership positions in many of its product segments globally. It is one of the leading suppliers of rearview mirrors globally, a leading supplier of polymer modules in Europe and is a market leader for wiring harnesses for heavy-duty commercial vehicles in the American & European markets.

The Company is one of the largest manufacturers of wiring harnesses and electrical components globally and is a complete solutions provider to all its customers - from the product and concept development stage with complete in-house design capability & global engineering support to manufacturing and aftersales service. Wiring harness portfolio has strong vertical integration and supports its customers with increased content & capabilities, components manufacturing, testing & validation and production engineering as well as enterprise production planning systems. The Company has 82 wiring harness facilities across 22 countries globally.

The Company's subsidiary, Samvardhana Motherson Automotive Systems Group BV (SMRP BV) business consist of Samvardhana Motherson Reflectec (referred to as SMR) and Samvardhana Motherson Peguform (referred to as SMP), Samvardhana Motherson Reydel Companies (referred to as SMRC- erstwhile Reydel Automotive Group acquired by SMRP BV in August 2018) and Samvardhana Motherson Innovative Autosystems (referred to as SMIA).

SMRP BV Group has a presence in all the major global automotive production hubs, with 70 production facilities spread across 24 countries and strategically located close to the manufacturing plants of the OEM customers and serving with the support of a workforce of more than 30,000.

SMR is one of the largest producers of rear-view vision systems for the automotive industry and supplies interior mirrors, exterior mirrors and camera-based detection systems to almost all major car makers globally. SMP develops and manufactures plastic parts and highly integrated modules for the automotive industry. It is a specialist in cockpits, door panels, bumper modules and innovative plastic vehicle body parts. SMRC has full capability to design, develop and manufacture complete and functional modular interior systems. Its expertise in manufacturing, materials, design and styling helps in providing innovative, cost-and-weight-efficient products. SMIA is a complete source for profiles and moulded parts made of thermoplastics.

The Company has a presence through various subsidiaries located in other countries, catering to the requirements of OEMs as a Tier 1 supplier.

Group Restructuring

The Board of Directors, in its meeting on July 02, 2020, had approved a group reorganisation plan with the objective of simplifying the structure, thereby creating value for the shareholders of the Company ("MSSL"). The reorganisation plan among other things entails demerger of Domestic Wiring Harness ("DWH") business from MSSL into a new company Motherson Sumi Wiring India Limited ("MSWIL") with mirror shareholding and subsequent merger of Samvardhana Motherson International Limited (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, which shall be renamed as SAMIL.

Step 1: Demerger of Domestic Wiring harness business (DWH) from MSSL into MSWIL, which will be listed :

All the shareholders of MSSL, as on record date, will be issued shares of MSWIL in the ratio of 1:1, thereby mirroring the shareholding of MSSL.

The demerger accomplishes the long-standing demand from the company's joint venture partner, Sumitomo Wiring Systems Japan (SWS) to keep its participation focused on wiring harnesses business in India, which is its core area of business interest as well as the basis/starting point of the joint venture established in 1986. This will help to enhance focus on the business and it will be better equipped to meet the current and future needs of wiring harnesses for the customers in the domestic market.

The scheme of demerger of DWH into MSWIL has been considered as highly probable and meets 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 financial published for FY 2020-21.

Step 2: Merger of Samvardhana Motherson International Ltd. (SAMIL) :

Samvardhana Motherson International Ltd. (SAMIL) is the principal holding company of Motherson Group. SAMIL is holding (i) 49% stake in SMRP BV; (ii) 33.4"% shareholding in MSSL; (iii) 33.4% shareholding in MSWIL, pursuant to demerger in Step 1; and (iv) stakes in other businesses and JVs held by SAMIL. Post-merger of SAMIL into MSSL, (which will be renamed as SAMIL (New), new SAMIL will hold 100% of SMRPBV, 33.4% stake in MSWIL as well as stakes in other businesses and JVs. The existing stake of 33.4% held by SAMIL in MSSL will be cancelled.

SAMIL has joint ventures with global industry leaders such as Marelli, Valeo, Matsui, Anest Iwata, Fritzmeier, Bergstrom, Nissin etc. and has incubated several high growth businesses, some of which enjoy market leadership positions in respective fields.

The businesses housed under SAMIL include automotive lighting systems, extruded and injection moulding tools and components, IT and design services, heating ventilating and air-conditioning systems for commercial vehicles, cabins for off-highway vehicles, stamped and machined metal products, cutting tools etc.

Benefit :

The reorganization will enable pursuance of focused strategic priorities for the listed entities, while at the same time these entities continue to benefit from the parentage of the group.

The reorganisation will align between the interests of all stakeholders by bringing all automotive and allied businesses in SAMIL under one listed entity, thereby creating a strong platform for future growth.

The reorganisation also offers greater operational and financial flexibility to pursue organic and inorganic opportunities.

Status :

Shareholders meeting, convened by the Hon'ble National Company Law Tribunal (NCLT), Mumbai was held on April 29, 2021, in which public shareholders (non-promoters) have voted in favour of the proposal with an overwhelming majority, thus paving the way for successful completion of the proposed restructuring.

Post filing of the shareholder's meeting documentation, the Company has approached NCLT for second motion petition to approve the scheme. Post the approval from Hon'ble NCLT, the company will work with the stock exchanges for the listing of the securities i.e., shares of demerged entity MSWIL as well as new shares which are to be issued to the shareholders of SAMIL. Listing is estimated to be completed by Quarter 2 FY2021-22 subject to the receipt of the necessary approvals.

COVID-19 Pandemic Update

COVID- 19 has severely impacted the whole world, affecting lives adversely, disrupting businesses and causing an unprecedented deterioration of the global economy. Following the outbreak of the COVID-19 pandemic towards the end of 2019 in China, we witnessed the spread of this across the world from the last quarter of FY2019-20 and through the first quarter of FY2020-21. Production activities at our plants across the globe were disrupted heavily during this period.

With its culture of adaptability, resilience and ingenuity, Motherson responded effectively to the challenges of the pandemic. The Company's topmost priority during this time has been and continues to be protecting our employees, the wider community and its business. We complied with all local and country-specific regulations, protecting the health and safety of our employees and aligning our operations with the suspension in the production of our customers.

In China, the production volumes which had declined in the early months of Quarter 4 - FY2019-20, started to recover early in the first quarter of FY2020-21 as the spread of the virus got contained in this region. However other geographies did not see production starting to normalise until the later part of Quarter 1 and consequently, our results for the quarter ended June 30, 2020, were significantly impacted.

The Company has been monitoring the evolving pandemic through the months and has been modulating our preparedness to best serve our employees, customers and communities at all times. Throughout the first and second quarters of FY2020-21, the Company closely monitored the situation and the government's responses to the COVID-19 pandemic in respective countries, working closely with customers to minimise the impact on our operations during periods of lockdown and to utilise where possible any relevant support initiatives provided to business in different countries by respective economies.

Employee communication and engagement remained at the heart of our approach and was facilitated by technology. To foster a more connected organisation, the Company has been using various media to stay connected with the workforce. During this time, the Company geared itself to provide requisite infrastructure to all its employees to work efficiently and with maximum productivity from their homes. Wherever manufacturing facilities were deemed essential or had opened adhering to local guidelines, the Company provided a safe environment to its employees, meeting all the safety guidelines. Where considered essential to operate, the Company modified shift planning and provided infrastructure like masks, sanitisers, disinfectants etc. to promote safe working conditions for its employees and support staff.

In an effort to mitigate the impact of lost revenue, the Company instituted many new initiatives across the globe aimed at cost management, curtailing non-critical business activities, capital expenditure or investments, and optimising working capital to conserve cash flows and maintain liquidity for the business. Governments in various parts of the world instituted employment protection schemes during this period where they are bearing part of the employee costs. We have actively engaged with the governments on these schemes to reduce fixed costs during the period of production interruption by implementing payroll flexibility measures.

Capital expenditure across facilities globally was monitored and our production was aligned with customer launches. The Company has always followed its philosophy of "breathing with the market": feeling the pulse of our customers so that our production aligns with demand.

We have been working closely with customers for the realisation of receivables as well as with the supply chain for smooth continuity of operations as globally there is relaxation in lockdown restrictions.

We focused on monetising working capital for project-related engineering sales (moulds, tools etc.) by actively working with our customers. The period of the slowdown was utilised in ensuring upkeep and maintenance of the facilities during the lockdown period. Operations were further streamlined with improved layouts and processes.

During the second half of the fiscal year, we continued to work in close alignment with our customers as production volumes recovered and continued despite the implementation of further partial lockdown restrictions being implemented in different countries.

Also, the Company utilised its manufacturing capabilities to respond to the sudden and drastic material needs that arose at the heart of this crisis. Many of our global facilities produced protective visors including face masks, face shields, and ventilators for doctors, firefighters, nurses, and medical researchers to meet local surges in demand.

We continue to monitor the situation very closely and work towards getting stronger and more resilient. Continual adaptation, agility, faith, determination and a "never give up" attitude are attributes that will help us steer through these challenging times and will further strengthen our capabilities.

Global and Indian Economy outlook

The global economy is on course of recovery from the COVID-19 pandemic induced recession since the start of the year 2020. The recovery has been strong but has been uneven across geographies, industries and income levels. While some countries are still reeling under different virus mutations and resulting waves, a major part of the global economy is set to look upwards. The global economy is set to expand by 5.6% in 2021, its strongest in post-recession pace in the past 80 years (source: World Bank report). Monetary and other support at the policy level have helped stabilise selected countries. Industries such as consumer goods, especially IT and related services and automotive in selected markets have seen a surge in demand.

For the global automotive industry, the evolution of the coronavirus and how governments across the world continue to react to it remains the biggest challenge. At present, it is also about how quickly governments vaccinate their population, which will set the tone for the overall recovery. Recovery indicators from China are encouraging. The shortage of semiconductor chips globally will continue to impact the industry until the overall situation and issues pertaining to the supply chain are resolved.

India as one of the fastest-growing major economies in the world, is expected to be one of the top three global economic powers in the next decade. India is now the world's 5th largest economy by nominal GDP according to IMF. Stable democracy and strong global collaborations are some of the factors responsible for this gradual rise. This is evident from the leap which India has taken in the Ease of Doing Business Rankings, from 130th rank in 2016 to 63rd rank in 2020. The focus on attracting foreign investments, coupled with multiple industry initiatives such as production linked incentive schemes have encouraged the private sector (especially the manufacturing sector) and enhanced India's overall competitiveness. Easy availability of finance and credit facilities have also helped industries.

Owning to the improvements in the overall industrial activities, India has become one of the leading automotive hubs. India is the 5th largest automotive market for passenger and commercial vehicles combined. Almost all major automotive OEMs have a presence in India. India is also a leading automotive exporter. Recently announced voluntary vehicle scrappage policy will lead to the scrapping of old unfit vehicles plying on the Indian roads which in turn is expected to fuel the demand for new vehicles. This will also befit the environment and will contribute to bringing the pollution levels down. The push for electric vehicles and related infrastructure is also another major factor in the Indian automotive story.

Automotive Industry

Below table shows Global Light vehicle production in last three years:

Vehicle Production: Region (units in '000)	FY 2018-19	FY 2019-20	FY 2020-21
Europe	21,663	20,178	16,528
North America	16,918	15,862	12,856
South America	3,376	3,138	2,271
Asia & Africa (including India)	50,784	44,684	45,418
Total	**92,741**	**83,861**	**77,072**

Source: IHS

The global automotive industry encountered a challenging phase, with OEMs especially facing multiple obstacles due to lockdowns in most parts of the world. The COVID- 19 posed significant challenges from the end of FY2019-20 and continued in first quarter of FY2020-21, however the recovery in the subsequent quarters was rapid. The quarter wise vehicle production for FY2020-21 is as follows :

Region	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Europe	2,254,058	4,366,641	5,238,876	4,668,054
North America	1,375,824	4,017,466	3,850,870	3,611,467
South America	157,915	674,063	763,419	675,746
Greater China	6,082,008	6,429,060	7,815,897	5,775,060
Asia (Excluding – China, Mideast & Including – India)	2,465,898	4,589,518	5,370,878	5,129,629
Mideast / Africa	304,047	462,832	514,182	478,974
Total	**12,639,750**	**20,539,580**	**23,554,122**	**20,338,930**

The Indian Automotive market also observed a similar trend. Performance of Indian auto industry during the last three years in Production units is as follows:

Figures in thousand

Category	FY 2018-19	FY 2019-20	FY 2020-21
Passenger Vehicles	4,028	3,425	3,062
Growth%	0%	-15%	-11%
Commercial Vehicles	1,112	757	625
Growth%	24%	-32%	-17%
Three Wheelers	1,269	1,133	611
Growth%	24%	-11%	-46%
Two Wheelers	24,500	21,033	18,350
Growth%	6%	-14%	-13%
Quadricycle	5	6	4
Growth%	215%	22%	-37%

Source: SIAM Report

Quarterwise production for the FY2020-21 was as follows:

Category	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Passenger Vehicles	144,860	840,151	1,020,905	1,056,306
Commercial Vehicles	28,939	147,551	213,257	235,192
Three Wheelers	62,332	144,260	197,882	206,697
Two Wheelers	1,250,032	5,566,642	5,884,063	5,649,204

FINANCIAL PERFORMANCE - FY2020-21:

During the period of lockdowns/low activities, during the first quarter of FY2020-21, the Company initiated a number of steps towards cost reduction, conservation of cash by reduced working capital as well as control on capital expenditures across the Company. The results of these efforts are reflected in financial performance, particularly in the second half of FY 2020-21 (i.e. October 2020- December 2020 and January 2021 – March 2021 quarterly performance).

INR Million	FY 2019-20				FY 2020-21				% Change			
	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Revenue	166,910	158,277	155,512	150,006	84,312	155,568	179,231	178,443	-49.5%	-1.7%	15.3%	19.0%
Within India	18,098	16,123	16,171	16,918	3,713	16,874	20,833	22,979	-79.5%	4.7%	28.8%	35.8%
Outside India	148,812	142,154	139,341	133,088	80,599	138,694	158,398	155,464	-45.8%	-2.4%	13.7%	16.8%
EBITDA	13,030	13,898	13,092	13,933	(5,852)	15,628	20,482	19,952	-144.9%	12.4%	56.4%	43.2%
PBT	5,173	6,211	4,412	4,758	(14,058)	7,007	11,752	11,201	-371.8%	12.8%	166.4%	135.4%
PAT	3,316	3,846	2,705	1,833	(8,104)	3,376	7,984	7,136	-344.4%	-12.2%	195.2%	289.1%

The above figures include DWH, classified as Discontinuing operations.

On a full-year basis, the highlights were :

- During FY 2020-21, the Company reported revenue of ₹ 597,554 million (USD 8.2 billion at an exchange rate of ₹ 73.11 against 1 USD) against ₹ 630,705 million (USD 8.3 billion at an exchange rate of ₹ 75.55 per USD) for FY 2019-20.

- Reported Earnings before Interest Tax and Depreciation (EBITDA) consolidated basis was ₹ 50,210 million for FY 2020-21 as compared to ₹ 53,953 million in FY 2019-20. Reported profit before tax and profit after tax was ₹ 15,903 million and ₹ 10,392 million (FY2019-20: ₹ 20,554 million and ₹ 11,701 million) respectively.
- Share of profits of associates & Joint Ventures for FY 2020-21 amounted to ₹ 849 million compared to ₹ 575 million in FY 2019-20.
- Reported Earnings Per Share (EPS) is ₹ 2.26 per share, compared to ₹ 2.57 per share in FY 2019-20.
- SMRP BV benefitted from mid-term revenue visibility, with an estimated Order Book of EUR 15.6 billion as on March 31, 2021. During the year ended March 31, 2021, new orders worth EUR 6.2 billion of lifetime sales were received.

The table below shows consolidated revenue of operations of the Company within India and outside India in FY2020-21 with 89% of the revenue generated from outside :

₹ in Million

Consolidated	FY 2019-20		FY 2020-21		Growth %
	%	Amount	%	Amount	
Customers within India	11%	67,310	11%	64,399	-4%
Customers outside India	89%	563,395	89%	533,155	-5%
Total		**630,705**		**597,554**	**-5%**

DEBT POSITION & LIQUIDITY:

We reported our lowest level of debts in the last 16 quarters. Our strong balance sheet with a net leverage ratio of 1.22 gives us the flexibility to invest for the future and do inorganic acquisitions. The Company's comparative debt position for the last 3 years is as follows:

₹ in Million

	Consolidated		
	March 31, 2019	March 31, 2020	March 31, 2021
Long term debt	80,995	82,730	74,892
Debt due in one year	5,914	1,089	18,435
Short term debt	28,433	34,079	14,250
Gross debt#	115,342	117,898	107,577
Cash and Bank Balance	35,425	48,728	59,378
Net debt*	79,917	69,170	48,199
# Excludes lease liabilities recognized on implementation of Ind AS 116 (wef April 01, 2019)	-	13,466	12,678

During the year, the company got its NCD program rated by India Rating and was given an AAA rating with a negative outlook. The Company issued listed, rated, redeemable, senior, secured non-convertible debentures of ₹ 5,000 million (Coupon : 7.84% p.a) in April 2020 and unsecured, redeemable non-convertible debentures of ₹ 21,300 million (Coupon : 6.65% p.a.) in September 2020 in India.

During the year, the SMRPBV also entered an agreement with the lenders of its revolving credit facility to extend the maturity of the facility by 2 years thereby prolonging the Company's access to committed source of liquidity until June 2023 for a facility size of EUR 450 million until June 2021 and EUR 350 million thereafter until June 2023.

DIVIDEND PAYOUTS:

For FY 2020-21 the Company proposed a dividend of ₹ 1.50 per share for FY 2020-21 which will be paid after approval at the ensuing annual general meeting. Dividend payout ratio for FY 2020-21 is 46% of consolidated profits and 91% of standalone profits.

REVIEW OF CONSOLIDATED FINANCIALS

Consolidated financial results:

The Company's consolidated financial results, which does not include the performance of the Domestic Wiring Harness business (classified as discontinued operations, FY2019-20 figures also have been re-classified) are summarized in the table below.

₹ in Million

Results (continuing operations)	FY 2019-20	FY 2020-21	% change
Total revenue from contract with customers	602,783	569,513	-6%
Cost of goods sold	349,688	325,979	-7%
Employee cost	143,726	140,996	-2%
Other expenses	67,335	63,135	-6%
EBITDA*	48,422	45,226	-7%
Finance costs	5,928	5,115	-14%
Depreciation and amortisation expense	27,210	29,260	8%
Profit before tax from continuing operations	16,223	11,733	-28%
PAT (concern share)	8,098	7,125	-12%
Earnings per share	2.57	2.26	-12%

**Before dividend income and interest income*

Major cost contributors

Cost of Material

For the financial year ended March 31, 2021, the cost of material was ₹ 325,979 million against ₹ 349,688 million for the corresponding previous financial year ended March 31, 2020.

As a % of revenue, the cost of material was 57.2% for the fiscal year ended March 31, 2021, which is lower as compared to 58.0% for the fiscal year ended March 31, 2020.

The raw material required for its major product categories are:

- Key raw materials for the Polymer Division are polypropylenes, polycarbonates, ABS and various grades of nylons and resins. Finished products contain decorative (leather, textile and foils) materials, chrome, fasteners, wiring harnesses, electronics, electrical parts, die-casting, plastic and metal parts. The major raw material used in the manufacture of tools and moulds is alloy steel.
- Key inputs for the SMR (mirror) Division are glass actuators, power folds, glass, electro-chromatic glass ("EC glass"), wiring harnesses, electronics, electrical parts, die casting, plastic parts and resins.
- Key raw material for the Company's Wiring Harness Division is copper.

Employee cost

Overall employee cost decreased by 2% in FY 2020-21 which was 25% of total revenue for the year. The reduction in absolute cost is due to various payroll flexibility measures adopted by the Company to optimise costs post COVID-19 outbreak, payroll compensations from governments in various geographies as part of payroll assistance measures as well as rationalisation of manpower to improve operational efficiencies, particularly at new Greenfield plants.

Employee cost is the second largest contributor after raw materials in the total cost structure. What determines this cost is the size of operations, geographical reach and skill requirements from customers.

Other Expenses

This year across the Company cost-saving measures were initiated at all levels from the initial stage of procurement to production and administration. This resulted in a reduction of 6% in this head compared to the previous year. Other expenses primarily consist of general administrative expenses, energy cost, repair & maintenance cost, rental & lease cost, freight & forwarding cost, auditor's remuneration, net foreign exchange loss and legal & professional fees etc.

Finance Costs:

Finance costs consist primarily of interest expenses on borrowings, finance leases, loan processing fees, commitment charges. Mark to market loss/gain on fair value hedge and foreign exchange loss/(gain) on long term loan facilities are also part of finance cost.

Total finance costs of ₹ 5,115 million for FY 2020-21 is substantially lower as compared to ₹ 5,928 million during FY 2019-20. Reduction was achieved by efficient management of cash/working capital leading to reduction of gross as well as net debt and reduced cost of borrowing by raising funds at a much lower cost.

Exceptional (income) / expenses

Exceptional expense amounting to ₹ 623 million for the year ended March 31, 2021 includes EUR 5 million one-time costs on account of early redemption of USD 375 million senior secured notes and write-off of unamortized transaction in SMRPBV and ₹ 199 million in connection to this scheme of arrangement for group reorganisation.

Depreciation and Amortization Expenses:

Depreciation & Amortisation refers to the amount recognized in the income statement reflecting the amortized value of the tangible and intangible assets on a straight-line basis over the estimated useful life of the asset and includes depreciation on Right of Use Assets recognized under INDAS 116 in respect of leasing contracts.

For the fiscal year ended March 31, 2021, Depreciation and Amortization expenses were ₹ 29,260 million in comparison to ₹ 27,210 million for the fiscal year ended March 31, 2020.

Share of profits from associates/JVs :

The Company's share in net profit of associates and joint ventures is ₹ 849 million in FY2020-21 as compared to ₹ 575 million in FY2019-20

Income Taxes:

Income tax represents the sum of tax currently payable under the laws of each jurisdiction in which the business is conducted and deferred tax as per accounting standards. Taxes are calculated at domestic tax rates applicable in the respective countries.

For the year ended March 31, 2021, there was an income of ₹ 694 million on account of taxes as compared to ₹ 6,881 million expenses for the fiscal year ended March 31, 2020. This is largely due to recognition of deferred tax assets in respect of prior periods as well as utilisation of carry forward losses on account of improvement in performance at Greenfields and other locations.

Consolidated financial position:

As on March 31, 2021, the assets and liabilities relating to Domestic Wiring Harness business (classified as Discontinued operations) have been grouped under Assets held for distribution and liabilities relating to business held for distribution.

₹ in Million

Financial Position	March 31, 2020	March 31, 2021	% change
Property, plant and equipment	147,138	143,738	-2.3%
Right-to-use assets	15,596	14,383	-7.8%
Capital work-in-progress	8,154	8,383	2.8%
Investment properties	1,197	1,281	7.0%
Goodwill	24,060	24,718	2.7%
Other intangible assets	19,874	17,257	-13.2%
Other assets			
- Inventory	51,566	49,956	-3.1%
- Trade receivables	65,782	71,877	9.3%
- Cash & bank balance	48,789	59,062	21.1%
- Other assets	72,802	72,405	-0.5%
Assets classified as held for distribution	-	17,790	
Total assets	**454,958**	**480,850**	**5.7%**
Liabilities of continuing operations (other than loans)	175,335	187,362	6.9%
Liabilities directly associated with the assets held for distribution	-	8,353	
Net assets	**279,623**	**285,135**	**2.0%**
Source of funding:			
Net worth	109,026	122,023	11.9%
Reserve on amalgamation and consolidation	3,583	3,583	0.0%
Non controlling interests	35,650	40,233	12.9%

₹ in Million

Financial Position	March 31, 2020	March 31, 2021	% change
Loans outstanding:			
- Payable within one year	1,010	18,370	1718.8%
- Short-term loans	34,079	13,575	-60.2%
- Long-term loans	82,612	74,687	-9.6%
- Lease liabilities	13,663	12,664	-7.3%
Total loans	**131,364**	**119,296**	**-9.2%**
Cash & bank balance (excluding unpaid dividend)	48,728	59,006	21.1%
Loans (net of cash and bank balances)	**82,636**	**60,290**	**-27.0%**
Net Debt (excluding INDAS 116)	**68,973**	**47,626**	**-30.9%**

The above reported cash and bank balance (excluding unpaid dividend) of ₹ 59,006 million as on March 31, 2021 includes cash and bank balance at SMRP BV & PKC amounting to ₹ 43,278 million (EUR 505 million) and ₹ 6,234 million (EUR 73 million) respectively.

Cash & bank balance of ₹ 372 million relating to DWH are included in Assets classified as held for distribution.

Ratio Analysis:

₹ in Million

Key Ratios	FY2019-20	FY2020-21	change
Debtor Turnover (days)	33	35	5.9%
Inventory Turnover (days)	26	30	18.4%
Interest Coverage Ratio	8.74	9.68	10.8%
Current ratio	1.23	1.22	-0.6%
Debt Equity Ratio	0.82	0.67	-17.5%
Operating Profit Margin	3.6%	3.0%	-16.7%
Net profit Margin	1.4%	1.3%	-9.3%
Net Debt to EBITDA	1.52	1.13	-25.5%

Key indicators are mentioned at the end of MANAGEMENT DISCUSSIONS AND ANALYSIS.

CAPITAL EXPENDITURE

During the year, The Company as a whole incurred capital expenditure of ₹ 19,325 million (Previous Year ₹ 21,942 million) which has been financed from internal accruals within the group. Segment-wise break-down of expenditure is as follows:

₹ in Million

Segment	FY2019-20	FY2020-21
MSSL Standalone	3,471	1,904
SMP	10,825	11,342
SMR	4,068	2,796
PKC	2,852	2,989
Others	726	294
Total	**21,942**	**19,325**

The details of capital expenditure are described in respective segments.

CASH FLOW

During the financial year 2020-21, the Company generated a strong cash flow position after meeting operating expenses including capital expenditure. The operating cash flows (after working capital) for FY 2020-21 were ₹ 50,513 million (FY 2019-20: ₹ 63,520 million) with a lower CAPEX of ₹ 19,325 million (FY 2019-20: ₹ 21,942 million). The following table summarises the Company's consolidated cash flows for the current and previous years.

Consolidated Cash Flow Statement:

₹ in Million

Consolidated Cash Flow (Including discontinuing operations)	FY2019-20	FY2020-21
Cash flow from operations	**74,296**	**56,113**
Taxes paid	(10,776)	(5,600)
Cash flow from operating activities	**63,520**	**50,513**
Capital Expenditure (Net of disposal)	(21,942)	(19,325)
Proceeds from sale / (payment for purchase) of investments (net)	33	(73)
Consideration paid on acquisition of subsidiaries & associates	(1,228)	-
Cash flow from other investing activities	738	463
Cash flow from Investing activities	**(22,399)**	**(18,935)**
Proceeds & (repayments) of borrowings	(6,214)	(11,325)
Dividend paid	(12,794)	(1,612)
Cash flow from other financing activities	(9,021)	(8,038)
Cash flow from financing activities	**(28,029)**	**(20,975)**
Net Increase/(Decrease) in Cash & Cash Equivalents	13,092	10,603
Net Cash and Cash equivalents at the beginning of the year	35,399	48,688
Cash and cash equivalents as at current year closing*	**48,688**	**59,366**

**(including exchange difference on bank balances in foreign currency with banks)*

Operating Activities

Net cash generated from operating activities during FY2020-21 was ₹ 50,513 million. Cash generated from operations before changes in working capital & income tax was ₹ 49,681 million.

Investing Activities

Net cash flow utilised in investing activities during FY2020-21 was ₹ 18,935 million. This was primarily utilised for the purchase of property, plant & equipment amounting to ₹ 19,325 million (the same is explained in "Capital Expenditure").

Financing Activities

Net cash flow utilised in financing activities during FY2020-21 was ₹ 20,975 million. Dividend from profits of FY 2019-20 was declared and paid as interim dividend in March 2020 itself. The dividend paid during the year was ₹ 1,607 million to minority shareholders of the joint ventures fully consolidated in the annual financial.

During the year the company raised ₹ 26,300 million from the Indian debt market. These funds were partly utilised for the successful early redemption of EUR 375 million senior secured notes of SMRPBV which had maturity in December 2021.

REVIEW OF PERFORMANCE BY SEGMENT/ SUBSIDIARIES

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the group.

The group's CODM examines the group's performance in five reportable segments of the business.

The following table shows the performance of different business segments during FY2020-2021 as compared to FY2019-20:

₹ in Million

Particulars	FY2019-20		FY2020-21		Growth %	
	Revenue#	EBITDA	Revenue#	EBITDA	Revenue	EBITDA
MSSL Standalone (continued operations)	39,411	6,154	36,353	4,892	-7.8%	-20.5%
SMR	121,541	14,598	111,319	12,209	-8.4%	-16.3%
SMP	319,430	12,930	304,800	17,932	-4.6%	38.7%
PKC	93,580	9,457	89,819	5,827	-4.0%	-38.3%
Others*	42,331	5,378	39,781	4,286	-6.0%	-20.3%
Intersegment	(13,510)	(95)	(12,559)	80		
MSSL Consol (continued operation)	**602,783**	**48,422**	**569,513**	**45,226**	**-5.5%**	**-6.6%**
Discontinued operations- DWH	39,282	5,531	41,167	4,984	4.8%	-9.9%
Intersegment (between continuing and discontinued operations)	(11,360)	-	(13,126)	-		
MSSL Consolidated	**630,705**	**53,953**	**597,554**	**50,210^**	**-5.3%**	**-6.9%**

#Revenue from contracts with customers

*Others comprise other subsidiaries of the Company (excluding SMR, SMP & PKC segment) that are below the thresholds for separate reporting as operating segments

^Includes exchange gain on loan given amounting ₹ 58 million

The details and performance of each segment are described in respective sections.

REVIEW OF STANDALONE PERFORMANCE & FINANCIALS

The Company is engaged in the design, development, assembly and supply of wiring harnesses to its customers in domestic market and overseas markets. Also, the Company is manufacturing wires which are supplied to its wiring harnesses plants as well as its joint venture company. The other businesses of standalone are polymer business, elastomer business as well as metal machining.

The performance of the standalone business was adversely impacted during the first quarter of FY 2020-21 due to lockdown in India. The Company undertook various initiatives for cost measures, preparing for startup, supporting the customers during the pandemic for emergency requirements such as ventilator assembly, supply of harnesses to overseas customers, keeping health and safety of employees on top priority. In order to ensure continuity of business post-opening, the Company ensured support and engagement of its employees.

The results of these efforts are reflected in the performance of the Company for October-2020 to March-2021, as reflected in the following table :

₹ in Million

	FY 2019-20				FY 2020-21				% Change			
	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Revenue	18,269	16,417	16,256	17,200	4,314	17,138	20,692	22,963	-76.4%	4.4%	27.3%	33.5%
Within India	15,459	13,680	13,737	14,454	2,994	14,826	18,052	19,920	-80.6%	8.4%	31.4%	37.8%
Outside India	2,810	2,737	2,519	2,746	1,320	2,312	2,640	3,043	-53.0%	-15.5%	4.8%	10.8%
EBITDA	3,287	2,593	2,738	3,067	(1,032)	2,887	3,879	4,142	-131.4%	11.3%	38.4%	32.7%
PBT excluding dividend	2,497	1,872	1,947	2,203	(1,787)	2,135	3,142	3,537	-171.3%	14.0%	61.4%	60.6%
Dividend Income	0	304	123	2,668	0	0	0	0				
PAT	1,720	1,742	1,665	3,860	(1,253)	1,519	2,492	2,449	-172.8%	-12.8%	49.7%	-36.6%

The above figures include DWH, classified as Discontinuing operations.

On full year basis, the highlights were :

- During FY 2020-21 the standalone sales declined by 4% at ₹ 65,107 million against ₹ 68,142 million for FY 2019-20 due to domestic market conditions.
- Reported Earnings before interest and depreciation (EBITDA) was ₹ 9,876 million as compared to ₹ 11,685 million in FY 2019-20.
- The Profit before exceptional items and tax (PBT) and Profit after Tax (PAT) were ₹ 7,027 million (previous year: ₹ 11,614 million) and ₹ 5,207 million (previous Year: ₹ 8,988 million) respectively.

Currently, 86% of sales at standalone are to the domestic customers while the remaining 14% sales originate from outside of India as shown by the below table.

₹ in Million

MSSL Standalone	FY2019-20		FY2020-21		Growth %
	%	Amount	%	Amount	
Customers within India	84%	57,330	86%	55,792	-3%
Customers outside India	16%	10,812	14%	9,315	-14%
Total		**68,142**		**65,107**	**-4%**

(A) Standalone financial results:

With the proposed reorganization, the wiring harnesses business catering to the domestic customers will be demerged into a separate listed entity with mirror shareholding.

The other businesses which shall continue within MSSL include design, development and manufacturing of wiring harnesses to overseas customers and manufacture of wires in addition, the Modules and Polymer Division (Motherson Automotive & Engineering – MATE) is engaged in design, development and supply of modules such as instrument panel assembly (Dash Board), door trim assembly, front and rear bumpers, exterior grill, functional parts such as Inside and outside handles, roof rails, air louvres etc. Further, the component division, SMIIEL manufactures high precision parts such as connectors, relay boxes, junction boxes, terminals etc. Other businesses of MSSL India include Elastomer Division with product range such as door grommets, pads & Bushes, Gaskets & O rings, vibration mounts, suspension bushes, rubber to metal parts etc. and Metal Division manufactures high precision machined metal components and assemblies.

Standalone financial results :

The Company's standalone financial results which do not include the performance of Domestic Wiring harness business (classified as Discontinued operation, FY2019-20 figures also have been re-classified) are summarised in the table below

₹ in Million

Results (Continuing operations)	FY 2019-20	FY 2020-21	% change
Total revenue from contract with customers	39,411	36,353	-8%
Cost of goods sold	23,318	21,845	-6%
Employee cost	5,134	5,025	-2%
Other expenses	5,852	5,415	-7%
EBITDA*	6,153	4,893	-20%
Finance costs	248	897	262%
Depreciation and amortisation expense	2,313	1,983	-14%
Profit before tax from continuing operations	6,708	2,432	-64%
PAT (concern share)	5,385	1,941	-64%
Earnings per share	1.71	0.61	-64%

**Before dividend income and interest income*

(B) Standalone financial position:

As on March 31, 2021, assets and liabilities relating to Domestic Wiring Harnesses business (classified as discontinued operations) have been grouped under Assets held for distribution and liabilities relating to business held for distribution

₹ in Million

Financial Position	March 31, 2020	March 31, 2021	% change
Property, plant and equipment	15,819	14,304	-9.6%
Right-to-use assets	2,716	2,455	-9.6%
Capital work-in-progress	903	281	-68.9%
Investment properties	747	835	11.8%
Other intangible assets	0	0	0.0%
Other assets			
- Inventory	9,931	5,544	-44.2%
- Trade receivables	8,675	5,185	-40.2%
- Cash & bank balance	2,366	2,556	8.0%
- Other assets	50,872	86,398	69.8%
Assets held for distribution	-	17,872	
Total assets	**92,029**	**135,429**	**47.2%**
Liabilities of continuing operations (other than loans)	14,463	11,013	-23.9%
Liabilities directly associated with the assets held for distribution	-	8,464	
Net assets	**77,566**	**115,952**	**49.5%**

₹ in Million

Financial Position	March 31, 2020	March 31, 2021	% change
Source of funding:			
Net worth	60,781	65,657	8.0%
Reserve on amalgamation and consolidation	1,663	1,773	6.6%
Loans outstanding:			
- Payable within one year	0	12,010	
- Short-term loans	2,279	1,525	-33.1%
- Long-term loans	11,915	34,265	187.6%
- Lease liabilities	928	722	-22.2%
Total loans	**15,122**	**48,522**	**220.9%**
Cash & bank balance (excluding unpaid dividend)	2,305	2,500	8.5%
Loans (net of cash and bank balances)	**12,817**	**46,022**	**259.1%**
Net Debt (excluding INDAS 116)	**11,889**	**45,300**	**281.0%**

The Company incurred CAPEX of ₹ 1,904 million at standalone level, which includes, the addition of wire manufacturing capacity at Pithampur (Madhya Pradesh), expansion of polymer facilities by addition of injection moulding machines & Other balancing equipment at Becharaji and Chennai, expansion of capacity for rubber components both at Noida & Chennai, the addition of equipment for wiring harness at Pithampur, Chennai, NCR for catering to domestic customers as well as the addition of new machines at Kandla for exports.

Ratio Analysis:

Key Ratios	FY2019-20	FY2020-21	change
Debtor Turnover (days)	62	76	22.9%
Inventory Turnover (days)	36	48	31.8%
Interest Coverage Ratio	51.05	6.40	-87.5%
Current ratio	1.93	1.99	3.3%
Debt Equity Ratio	0.24	0.79	233.6%
Operating Profit Margin	18.3%	9.9%	-45.8%
Net profit Margin	14.4%	5.6%	-61.0%
Net Debt to EBITDA	1.31	8.57	555.7%

Key indicators are mentioned at the end of MANAGEMENT DISCUSSIONS AND ANALYSIS.

Standalone Cash Flow statement:

₹ in Million

Standalone Cash Flow (Including discontinuing operations)	FY2019-20	FY2020-21
Cash flow from operations	**12,944**	**4,663**
Taxes paid	(2,582)	(1,262)
Cash flow from operating activities	**10,362**	**3,401**
Capital Expenditure (Net of disposal)	(3,470)	(1,904)
Dividend received from subsidiaries & Joint ventures	3,067	0
Proceeds from sale / (payment for purchase) of investments (net)	-	(8,636)
Loan (to)/repaid by related parties (net)	(112)	(26,725)
Cash flow from other investing activities	18	251
Cash flow from Investing activities	**(497)**	**(37,014)**

₹ in Million

Standalone Cash Flow (Including discontinuing operations)	FY2019-20	FY2020-21
Proceeds & (repayments) of borrowings	2,371	34,611
Dividend paid	(10,797)	(5)
Cash flow from other financing activities	(500)	(476)
Cash flow from financing activities	**(8,926)**	**34,130**
Net Increase/(Decrease) in Cash & Cash Equivalents	939	517
Net Cash and Cash equivalents at the beginning of the year	1,333	2,300
Cash and cash equivalents as at current year closing*	**2,300**	**2,867**

**(excluding exchange difference on bank balances in foreign currency with banks)*

Operating profit before working capital changes was at ₹ 9,573 million, compared to ₹ 11,486 million for FY 2019-20.

During the year the Company successfully raised funds through non-convertible debentures amounting to ₹ 26,300 million in April 2020 & September 2020 with a maturity of 3 years in FY 2023-24 and term loan amounting to ₹ 8,500 million.

These funds were then used for advancing loans to foreign subsidiaries amounting to ₹ 26,725 million for debt reduction. Also, the company subscribed for EUR 100 million compulsorily convertible preference shares of its subsidiary in Mauritius.

DOMESTIC WIRING HARNESS BUSINESS (Classified as Discontinued Operations)

The Board of Directors in its meeting dated July 02, 2020, approved a group reorganisation plan with the objective of creating value for the shareholders of the Company ("MSSL"). The reorganisation 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 ("MSWIL").

As described earlier, DWH business has been disclosed as discontinued operation in Standalone financial results. Accordingly, FY2019-20 figures in the financial results have also been restated.

Financial results of DWH operations:

₹ in Million

Results	FY 2019-20	FY 2020-21	% change
Total revenue from contract with customers	39,282	41,167	5%
Cost of goods sold	24,350	26,405	8%
Employee cost	7,043	7,578	8%
Other expenses	2,575	2,688	4%
EBITDA*	5,531	4,981	-10%
Finance costs	58	88	51%
Depreciation and amortisation expense	570	503	-12%
Profit before tax from continuing operations	4,906	4,396	-10%
PAT	3,603	3,267	-9%
Earnings per share	1.14	1.03	-9%

 # Before interest income and dividend income

Financial position of DWH operations:

₹ in Million

Financial Position	March 31, 2021
Property, plant and equipment	1,559
Right-to-use assets	138
Capital work-in-progress	1
Other assets	
- Inventory	7,986
- Trade receivables	6,749
- Cash & bank balance	372
- Other assets	1,088
Total assets	**17,893**
Liabilities (other than loans)	9,834
Net assets	**8,059**
Source of funding:	
Net worth	7,100
Loans outstanding:	
- Short-term loans	675
- Long-term loans	139
- Lease liabilities	145
Total loans	**959**
Cash & bank balance (excluding unpaid dividend)	372
Loans (net of cash and bank balances)	**587**
Net Debt (excluding INDAS 116)	**442**
Capital expenditure (Net of disposals)	311

Ratio Analysis:

Key Ratios	FY2019-20	FY2020-21	change
Debtor Turnover (days)	33	44	36.3%
Inventory Turnover (days)	59	63	5.8%
Interest Coverage Ratio	135.24	66.31	-51.0%
Current ratio	1.36	1.68	23.4%
Debt Equity Ratio	0.08	0.11	40.9%
Operating Profit Margin	12.7%	11.0%	-13.5%
Net profit Margin	9.3%	8.0%	-13.9%
Net Debt to EBITDA	0.00	0.09	3043.7%

➢ **Samvardhana Motherson Automotive System Group B.V (SMRP BV), Netherlands (Consolidated with its Subsidiaries & Joint Venture)**

REVIEW OF CONSOLIDATED FINANCIALS

Following are the summary financials for the financial year ended March 31, 2021:

EUR in Million

Income Statement of SMRPBV Group	FY2019-20	FY2020-21
Revenue from contract with customers	5,601	4,806
EBITDA (Reported)	337	338
% to Sales	6.0%	7.0%
Finance cost	67	50
Depreciation	231	232
PBT	43	61
PAT (Concern share)	(11)	32

Order book at SMRP BV

As on March 31, 2021, the order book of SMRP BV was worth EUR 15.6 billion, providing adequate revenue visibility. Share of Electric vehicles (EVs- purely EVs programs and not electric version of multi power train vehicles) in the order book is at 25% as EV launches are front ended.

During the year ended March 31, 2021, new orders worth EUR6.2 billion of lifetime sales were received. Orders worth EUR 4.2 billion of lifetime sales were put into commercial production and therefore taken out from the order book.

Performance of SMR

SMR Group is one of the largest producers of rear-view vision systems for the automotive industry and supplies interior mirrors, exterior mirrors, and camera-based detection systems to almost all major car makers globally. SMR is present in 16 countries, has 23 manufacturing facilities and 2 module centres.

SMR is a global Tier I supplier of rearview vision systems to all the leading automobile OEMs, including Hyundai Kia, Ford, General Motors, PSA, Renault/Nissan, Suzuki, Fiat, Toyota, Tata JLR, Volvo, BMW, Audi, Daimler and Volkswagen.

SMR's revenue was lower at EUR 1,286 million for the year as compared to EUR 1,543 million for the year ended March 31, 2020.

Despite this impact of the shutdown on production, SMR achieved an EBITDA margin of 11.0% during the year ended as compared to 12.0% EBITDA margin for the previous year ended March 31, 2020.

The table below shows the performance of SMR

EUR in Million

SMR Results#	FY2019-20	FY2020-21
Revenue from contract with customers	1,543	1,286
EBITDA*	185	141

As per financials prepared under Ind AS for the purpose of consolidation.

* Before interest income and dividend income

During the year 2020-21, SMR incurred capital expenditure amounting to EUR 33 million. The CAPEX was mainly incurred for adding production capacities and new capabilities at existing facilities.

Acquisition by SMR

On January 18, 2021, the Company through its subsidiary SMR Automotive Mirrors Stuttgart GmbH signed a share purchase agreement for the acquisition of 75% stake in Plast Met Plastik Metal San. İmalatveTic.A.Ş.(PM-Bursa) and Plast Met Kalıp San.veTic.A.Ş.(PM-Istanbul) together known as Plast Met group (Turkey) for a total purchase consideration of EUR 16.9 million (subject to final adjustments). The transaction has been completed on April 29, 2021.

Plast Met is a large automotive supplier in Turkey for injection moulded parts and sub-assemblies, and owns a state of art commercial tool room engaged in manufacturing and supplying high-end injection moulding tools to customers worldwide. The group is based out of Turkey and is an important supplier of plastic moulded parts, related subassemblies, and injection moulding tools. It reported a turnover of EUR 33 million in 2019 and EUR 28 million (unaudited) in 2020. Two facilities of Plast Met are located at Istanbul and Bursa in Turkey and employ approximately 400 personnel. Building on the capabilities of the Plast Met group, SMRP BV will be able to support its customers in the European region more efficiently.

Performance of SMP

SMP Group produces various polymer-based interior and exterior products for light vehicles. SMP focuses on the premium segment and is a leading global supplier of door panels, instrument panels and bumpers. SMP's facilities are strategically located in close proximity to the plants of its OEM customers, allowing for minimal lead times and transport costs and efficient inventory management through "just-in-time" and "just-in-sequence" deliveries to customers.

SMP Group also includes Samvardhana Motherson Reydel Companies (SMRC) which was acquired in August 2018 and Samvardhana Motherson Innovative Autosystems (SMIA) acquired in January 2015 by SMRP BV Group.

Samvardhana Motherson Reydel Companies (SMRC) is a leading global developer and supplier of interior components to global automotive manufacturers. SMRC's interiors product portfolio includes instrument panels, door panels, console modules, decorative parts and cockpit modules. Samvardhana Motherson Innovative Autosystems (SMIA) is a specialist supplier of extruded and injection-moulded components, mainly to the automotive industry.

SMP (including SMRC & SMIA) has 47 manufacturing facilities in 20 countries.

SMP revenue witnessed a decline of 13% over the corresponding previous year as sales decreased to EUR 3,520 million in March 31, 2021 from EUR 4,055 million in March 31, 2020.

As mentioned earlier, the decline in revenues is largely due to production disruptions during the first quarter of the year on account of the COVID-19 pandemic.

EBITDA for the fiscal year ended March 31, 2021, was EUR 207 million representing 5.9% of revenue, vis-a-vis EBITDA for the corresponding previous fiscal year ended March 31, 2020 at EUR 164 million, representing 4.0% to revenue.

During the year ended March 31, 2021, SMP incurred capital expenditure amounting to EUR 131 million. Capital expenditure during the year was driven by modernisation of existing facilities, customer program related expenditure as well as a new vertical integration plant for SMP business in Serbia which is scheduled to commence production during the next financial year 2021-22.

➢ **PKC Group Plc. (PKC)(Consolidated with its Subsidiaries & Associate)**

PKC Group is a global partner engaged in designing, manufacturing and integrating electrical distribution systems, electronics and related architecture components for the commercial vehicle industry, rolling stock manufacturers and other selected segments. In addition, PKC designs and manufactures electrical cabinets, power packs and electrical distribution systems for leading rolling stock manufacturers.

COMMERCIAL VEHICLES

The table below shows the production of commercial vehicles in the main global markets during the last 3 financial years.

Production Units	FY2018-19	FY2019-20	FY2020-21
North America			
Heavy Duty Trucks	340,889	316,816	222,162
Medium Duty Trucks	285,568	283,970	237,667
Light Vehicles (Pick-up & SUV)	10,695,984	10,608,274	9,119,570
Europe			
Heavy Duty Trucks	422,851	367,501	262,241
Medium Duty Trucks	73,953	68,158	52,228
Brazil			
Heavy Duty Trucks	77,841	89,535	70,124
Medium Duty Trucks	26,309	22,917	19,261
China			
Heavy Duty Trucks	1,119,112	1,142,193	1,906,097
Medium Duty Trucks	161,468	131,594	205,570
Grand Total	**13,203,975**	**13,030,958**	**12,094,920**

Source: LMC Automotive

The global commercial vehicles market had a de-growth of 7% during FY2020-21 as compared to FY2019-20.

The financial year was impacted by the COVID-19 lockdowns in Europe, North and South America during the first quarter of the fiscal year. Demand improved gradually during the year as the global economy started to recover from the pandemic and the demand for transportation of goods increased as can be seen from the following table :

Production Units	FY2020-21			
	Apr-Jun	Jul – Sep	Oct-Dec	Jan - Mar
North America				
Heavy Duty Trucks	28,550	59,588	65,105	68,919
Medium Duty Trucks	40,018	68,920	64,672	64,057
Europe				
Heavy Duty Trucks	42,166	69,240	74,540	76,295
Medium Duty Trucks	10,207	13,354	14,322	14,345
Brazil				
Heavy Duty Trucks	8,360	17,754	25,751	18,259
Medium Duty Trucks	1,646	5,623	6,721	5,271
China				
Heavy Duty Trucks	524,377	424,254	444,166	513,300
Medium Duty Trucks	48,388	46,031	57,471	53,680
Grand Total	**703,712**	**704,764**	**752,748**	**814,126**

The truck market in China remained strong throughout the fiscal year and PKC recorded all-time high revenues in China by all three joint ventures. PKC expanded the manufacturing footprint in China by setting up new plants close to the customer locations in Chongqing and Fuyang. The new plants will enable short delivery times and flexible production to meet the customer requirements and to provide excellent customer service.

Demand in agricultural, construction and recreational product segments remained strong during the year.

Since the acquisition by MSSL, PKC has improved its performance on many fronts. Revenue grew organically in all geographical areas with a strong commercial market in Europe, North America along with penetration in the Brazilian market.

This financial year was impacted by the COVID-19 lockdowns in Europe, North and South America during the first quarter of the fiscal year impacting PKC"s performance for that period.

The table below shows the performance of PKC during the last two years after its association with the group.

EUR in Million

PKC Results#	FY2018-19	FY2019-20	FY2020-21
Revenue from contract with customers	1,188	1,188	1,037
EBITDA*	105	120	67
Finance Costs	6	8	8
Depreciation and amortisation	30	41	41
Profit before tax	72	73	23
Taxes	16	17	1
Profit after tax	55	56	23
Minority Interests	3	2	6
PAT (concern share)	52	54	17

 # As per financials prepared under Ind AS for the purpose of consolidation.

** Before interest income and dividend income*

In terms of the financial performance, revenue for the full year decreased from EUR 1,188 million in FY2019-20 to EUR 1,037 million in FY2020-21 (-13%) because of customer shutdowns in Quarter 1, FY2020-21. Revenue increased by +7% during the second half of FY2020-21 vs. the second half of FY2019-20 reflecting the recovery of demand in all key markets. Profitability decreased compared to the previous year. EBITDA decreased from EUR 120 million in FY2019-20 to EUR 67 million in FY2020-21, primarily due to the EBITDA loss incurred in Quarter 1 FY2020-21 (Quarter 1 EBITDA decreased by EUR 41 million YoY) due to customer shutdowns and the company retained its employees to ensure fast & smooth ramp-up of operations after the lockdown period. FY2020-21 second half profitability was improved vs. previous year

PKC, via its Mexican subsidiary, Motherson Rolling Stocks S. de R.L. de C.V. (MRS), signed an asset sale and purchase agreement to acquire the activities of Electrical Wiring Interconnection Systems (EWIS) operations at Bombardier Transportation's manufacturing site in Huehuetoca, Mexico (BT Ensambles México) in October 20, 2020. The acquisition will further strengthen the global partnership with Bombardier Transportation and expand the Rolling Stock division's capabilities to serve the North American customer base. The acquisition was closed on April 30, 2021.

During the FY2020-21, the PKC group incurred CAPEX of EUR 35 million. PKC completed the expansion of the production facilities in Serbia to accommodate two important new program launches at the beginning of FY2021-22, demonstrating the trust the customers have shown towards the group. Also, the construction works of the Greenfield plant in Ras Al Khaimah was completed and a gradual ramp-up of production started during the second half of the fiscal year.

Wholly owned Subsidiaries:

Subsidiaries	Nature of business	Currency	Revenue	
			FY 2019-20	FY 2020-21
MSSL Mideast (FZE) MSSL Holding:100% Location: Sharjah Free Trade Zone, UAE	Manufacturing of wiring harness for supplies to leading manufacturers of material handling equipment, construction equipment, agricultural machines, garbage handling trucks etc. as well to SMR.	EUR	42	36
MSSL (GB) LTD. MSSL Holding:100% Country: New Castle, UK	Wiring harness and related modules to niche segments in the UK. During the year MSSL (GB) acquired business of Motherson Rolling Stock Systems GB Limited. With this acquisition MSSL (GB) entered into the rolling stock segment of UK market.	GBP	11	40
MSSL Wiring System MSSL Holding: 100% Country: USA (one manufacturing facility) and Mexico (four manufacturing facilities)	MSSL Wiring System along with four fellow subsidiaries in Mexico i.e. Alphabet de Mexico, S.A. de C.V., Alphabet de Mexico de Monclova, S.A. de C.V. and Alphabet de Saltillo, S.A. de C.V., MSSL Wiring Juarez, S.A. de C.V. has five manufacturing facilities, a warehouse, an engineering and administrative centre and a new design and support office. It designs and manufactures wiring harness products for sale principally to the commercial, agricultural and off-highway vehicle markets, as well as assembles entire instrument panels that are configured specifically to an OEM customer's specifications in the commercial vehicle market.	USD	242	202
Motherson Electrical Wires Lanka Private Limited MSSL Holding: 100% Country: Sri Lanka	Manufacturing wires for automotive applications. It supplies wires to different manufacturing locations of MSSL.	USD	19	15
MSSL Tooling (FZE) MSSL Holding:100% Country: UAE	Manufacturing high-quality plastic moulded components, injection moulded precision tools & plastic parts. The Company has also facilities for post moulding operations and assembly. MTL supplies to Tier 1 customers and supports the polymer business in Europe. The Company serves the auto components, pharmaceuticals, construction-anchors industries.	EUR	19	27
MSSL Advanced Polymers s.r.o MSSL Holding: 100% Country: Czech Republic	Supplies products to leading European automotive Tier-I suppliers. The product range includes connecting door rods, plastic parts safety belts, connectors, sensing elements, covers, parts for pneumatic dispatch, visible parts for roof rays, plastic parts for fuel tanks etc.	EUR	20	17

Subsidiaries	Nature of business	Currency	Revenue	
			FY 2019-20	FY 2020-21
MSSL GmbH MSSL Holding: 100% Country: Germany	Supplies plastic components to Tier 1 customers and acts as the holding Company and corporate office providing support to the European entities.	EUR	23	25
Motherson Techno Precision GmbH MSSL Holding: 95.1% Country: Germany	Serves automobile and auto component manufacturers and tier 1 customers. The product range includes precision turned parts for fuel injection, fuel pump, emission controls, pressure sensors, air condition systems etc.	EUR	8	5
Motherson Techno Precision México, S.A. de C.V MSSL Holding: 95.1% Country: Mexico	Provides engineering, design and prototype services, mainly to wiring harness customers in the Americas.	EUR	10	7
MSSL Manufacturing Hungary Kft MSSL Holding: 100% Country: Hungary	The company was formed in October 2016 by acquiring the land, building and machinery of Abraham es Tarsa Kft. It is in the business of plastic moulding	EUR	14	9
MSSL s.r.l. Unipersonale MSSL Holding: 100% Country: Italy	Provides engineering, design and prototype services, mainly to wiring harness customers in Europe. During the year MSSL GmbH sold the holding in MSSL s.r.l. Unipersonale to MSSL (GB) LTD.	EUR	0	0
MSSL Global RSA Module Engineering Ltd. MSSL Holding: 100% Country: South Africa	Manufacturing of moulded parts like bumpers, instrument panels, door trims, Interior Trims and fully robotic paint shop for painting body colour matched parts for leading OEMs.	ZAR	1,211	1,395
MSSL Japan Limited MSSL Holding:100% Country: Japan	Supplies wiring harness for heavy commercial vehicles.	JPY	1,902	1,864
MSSL México, S.A. De C.V. MSSL Holding: 100% Country: Mexico	Supplies wiring harness within MSSL and to customers in local and the USA markets.	USD	25	20
MSSL WH System (Thailand) Co. MSSL Holding: 100% Country: Thailand	Manufacturing of wiring harness for leading OEMs.	THB	575	523
MSSL Korea WH Ltd. MSSL Holding: 100% Country: Korea	Supply wiring harness in Korea.	KRW	2,627	1,488
MSSL Ireland Pvt. Ltd. MSSL Holding: 100% Country: Ireland	Provides design services, mainly to wiring harnesses customers. It also provides logistics support services to MSSL and MSSL Mideast, enabling them to supply online to customers in Europe.	EUR	0	0

Subsidiaries	Nature of business	Currency	Revenue	
			FY 2019-20	FY 2020-21
Motherson Wiring System (FZE) MSSL Holding: 100% Country: UAE	Providing building on lease at UAE to Motherson Group companies and receiving rental income for the same.	EUR	0	0
MSSL (S) Pte Ltd. MSSL Holding: 100% Country: Singapore	Provides support to MSSL and its group companies mainly for international purchasing. The Company is also a holding company for the group investments in MSSL Japan, MSSL México S.A. De C.V., MSSL WH System (Thailand) Co., Ltd and MSSL Korea WH Limited.	SGD	2	2
Global Environment Management (FZC) MSSL Holding: 100% Country: UAE	Marketing its key product Aerobin in Australia. The product re-cycles household and garden wastes into beneficial compost without any use of electricity or chemicals which helps in avoiding the dumping of household waste into landfills.	USD	0	1
MSSL Mauritius Holdings Ltd. MSSL Holding: 100% Country: Mauritius	The Company is holding investments in Global Environment Management (FZC), Samvardhana Motherson Global Holdings Ltd., MSSL Global RSA Module Engineering Limited, Vacuform 2000 (Pty) Limited and MSSL Australia Pty. Ltd.	EUR	9	12
MATA Ireland MSSL Holding: 100% Country: Ireland	The company has one aircraft which is used for passenger air transportation services.	EUR	1	3

** Amounts are below the rounding off norm adopted by the Company.*

Other details about subsidiaries are explained in the "Consolidated financials" section, which forms part of this report.

Other than wholly-owned subsidiaries:

The Company has the following joint venture subsidiaries which are consolidated:

Subsidiaries	Nature of business	Currency	Revenue	
			FY 2019-20	FY 2020-21
MSSL Australia Pty. Ltd. MSSL Holding: 80% Country: Australia	The Company is a holding company and corporate office providing support to the Australian entities.	AUD	3	3
MSSL Investment Pty. Ltd. MSSL Holding: 80% Country: Australia	Providing land and building on lease at Bendigo to its fellow subsidiary Motherson Elastomers Pty Ltd.	AUD	1	1

Subsidiaries	Nature of business	Currency	Revenue	
			FY 2019-20	FY 2020-21
Motherson Elastomer Pty Ltd MSSL Holding: 80% Country: Australia	Manufactures orbitread tyre compounds, conveyor belting rubber compounds, automotive component rubber compounds, weather strips, glass runs, boot and hood seals, tank straps, rubber flares, bonded components, suspension bushes, engine and transmission mounts, bump stops, large engine gaskets, silent blocs, industrial mountings and couplings, auto and truck suspension components. MEPL caters to the automotive, mining, tyre retreaders, construction, defence, and rail industries.	AUD	49	49
Vacuform 2000 (Pty) Limited MSSL Holding: 51% Country: South Africa	Manufacturing of Vacuum-forming, thermo-formed products, polyurethane moulded products and blow moulded products majorly for the automotive industry. The Company supplies components to all the leading automotive OEMs present in the region.	ZAR	171	106

List of Subsidiary consolidated into SMRPBV	MSSL Holding 2020-21	Country	Name of JV Partner/ Minority shareholder	Currency	Revenue in million	
					FY 2019-20	FY 2020-21
Re-Time Pty Limited	71.40% from August 08, 2019. Prior to that, the Group had 28.6% shareholding	Australia	Scientists	AUD	0.4	0.3
Motherson Ossia Innovations LLC	51%	USA	Ossia Inc.	USD	-	0.1
Changchun Peguform Automotive Plastics Technology Ltd (CPAT) (including step down subsidiaries)	50%	China	Changchun Automotive Trim Co. Ltd (CAIP)	CNY	2,151	2,967
Celulosa Fabril (Cefa) S.A. (includes Modulos Rivera Alta S.L.U.)	50%	Spain	Blanchard Family	EUR	151	116
Yujin SMRC Automotive Techno Corporation	50.9%	S. Korea	Yujin	KRW	121,458	98,156

List of Subsidiary consolidated into PKC	Nature of Business	MSSL Holding 2020-21	Country	Name of JV Partner	Currency	Revenue in million	
						FY 2019-20	FY 2020-21
Jiangsu Huakai-PKC Wire Harness Co., Ltd.	Design, develop and manufacturing of Wiring Harness including components for the automobile industry	50%	China	Jiangsu Huakai Wire Harness Co., Ltd	CNY	679	1,018

List of Subsidiary consolidated into PKC	Nature of Business	MSSL Holding 2020-21	Country	Name of JV Partner	Currency	Revenue in million	
						FY 2019-20	FY 2020-21
PKC Vehicle Technology (Hefei) Co, Ltd.	Design, develop and manufacturing of Wiring Harness including components for the automobile industry	50%	China	Hefei Jianghuai Automobile Co., Ltd.	CNY	565	637
Shangdong Huakai-PKC Wire Harness Co., Ltd.	Design, develop and manufacturing of Wiring Harness including components for the automobile industry	50%	China	Jiangsu Huakai Wire Harness Co., Ltd	CNY	167	402
PKC Vehicle Technology (Fuyang) Co., Ltd.	Design, develop and manufacturing of Wiring Harness including components for the automobile industry	50%	China		CNY	-	6

The impact of minority interests for these entities, including SMRP BV which is held 49% by Samvardhana Motherson International Limited is ₹ 5,302 million compared to ₹ 1,244 million in the previous year.

Joint Ventures Consolidated by Company:

The Company has the following joint ventures which are accounted for using the equity method:

Joint Ventures	Nature of business	MSSL Holding 2020-21	Country	Joint Venture Partner	Currency	Revenue in million	
						FY 2019-20	FY 2020-21
Kyungshin Industrial Motherson Ltd.	Wiring harness for Hyundai Motor India Ltd. and Kia Motors India.	50%	India	Kyungshin Corporation (KIC), South Korea	INR	16,053	14,550
Calsonic Kansei Motherson Auto Products Ltd.	Manufacture of climate-control systems including HVAC modules, compressors, body control modules and meters clusters for the automotive industry.	49%	India	Calsonic Kansei, Japan	INR	4,829	4,659
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd. (through SMR) Includes Chongqing SMR Huaxiang Automotive Products Limited & Tianjin SMR Huaxing Automotive Parts Co Limited) China	Manufacture of automotive mirrors, filler caps, exterior door handles.	50%	China	Between Ningbo Huaxiang Electronic Co., Ltd, and SMR Automotive Mirror Systems Holding Deutschland GmbH	CNY	1,288	1,783

Joint Ventures	Nature of business	MSSL Holding 2020-21	Country	Joint Venture Partner	Currency	Revenue in million	
						FY 2019-20	FY 2020-21
Eissmann SMP Automotive Interieur Slovensko s.r.o (through SMP Deutschland GmbH)	Supplier of high-quality leather interior equipment. It is one of the world's leading manufacturers of high-quality control panels, trim panels and complete vehicle interiors, and works with almost all major automotive manufacturers.	49%	Germany	Eissmann Automotive Slovensko s.r.o.	EUR	43	58
Hubei Zhengao PKC Automotive Wiring Company Ltd.	Manufacturing and supply of wiring harness	40%	China	Hubei Zhengao Auto Accessories Group Co., Ltd.	CNY	479	777

The Company's share in net profit of associates and joint ventures is ₹ 849 million in FY 2020-21 as compared to ₹ 575 million in FY 2019-20

RISK MANAGEMENT

Mitigating risks from all directions is one of the challenges that the Company targets. Risks are an integral part of business growth, but not all risks are created equal. Management and mitigation efforts must be calibrated according to the likelihood of exposure and the potential downside of an incident. The Company is exposed to various risks within each of its business segments and products.

The Company has a global presence and decentralised management structure. At the macro level, the Company is exposed to risks associated with global organisations and the automotive industry in particular. However, because of the decentralised structure risks are managed at the plant level making it imperative to have an organised risk management system. The first step in creating an effective risk-management system is to understand the qualitative distinctions among the types of risks that organisations face. The Company has set up a Risk Management Committee (RMC) at the board level to periodically review operating, financial, regulatory, and strategic risks in the business and their mitigating factors.

RMC has formulated Risk Management Policy for the Company which was approved by the Board. RMC considers a holistic understanding of the risks that can potentially impact the operations, as well as takes actions on how to effectively mitigate those risks to protect their assets and to keep operations running smoothly. The policy formulated outlines the risk management framework to help minimise the impact of uncertainty on the Company's strategic goals. The framework enables a structured and disciplined approach to risk management. The guidelines developed cover 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.

The company follows a robust process of risk management by following 3 step approach

1. Step 1: Risk Identification (which includes education on the identification of risk, probability evaluation as to likelihood and finally consequence evaluation as to the impact/financial losses to determine the size of risk),
2. Step 2: Risk Evaluation and
3. Step 3: Action to mitigate or eliminate the risk with a monitoring mechanism in place.

During the regular management meetings at all management levels, opportunities, risks and optimisation measures are reviewed in detail. Any exceptional situations having potential risks are identified and treated at the early stage to minimise their impact on financial and income positions.

Based on analysis and evaluation, Risk Committee assesses various risks in the following categories :

1. Operating Risks which cover risks arising out of external factors which are outside the sphere of influence of the company as well as internal factors which are generated by the company and by processes/operations. Some of the external factors include future industry trends, social, political and economic risks, environmental risks, Acts of God etc. To this was added Natural factors such as COVID- 19. Core to mitigating the operating risks, the company focused on deleveraging its business. The company has now vision of 3CX10 for Vision 2025, which means that no customer, no component and no country should be more than 10% of overall business pie. Further, as part of Vision 2025, the company aims to achieve new segments contributing to 25% of US $ 36 billion.
2. Financial & Accounting risks both in terms of capital structure, forex risks such as currency risks, interest risks etc., financial obligations including liquidity, financial and other obligations under financing arrangements etc. As part of the overall strategy, the company has facilities across globe, close to the customer, minimising the currency risks (other than translation). The company has expanded the investors base in 20-21 by doing 2 series of Bonds issuance in Indian Bonds market.
3. Regulatory risks covering risks with respect to multiple jurisdiction laws and regulations, Intellectual property, patents etc. the company has, over recent years, has added Group general Counsel and strengthened Regional Chairman Offices (RCOs) to mitigate the risks.
4. Strategic risks with respect to new business opportunities, M & A actions etc.: The company's acquisition strategy is customers driven and has strong team to evaluate and strategise the acquisition.
5. IT and Information security risks: The company has well-institutionalised information security management system based on internationally recognised standards and best practices, and is continually improving its cybersecurity posture to safeguard from the emerging cyber threats to its business. These momentous cyber risk management efforts are further augmented by embedding global security governance roles in the centralised Group CIO function, and by effectively making use of innovative and new-age technology solutions to proactively detect and prevent sophisticated cyber threats.

Core to Risk Evaluation and mitigation process is corporate social responsibility, the commitment of Company's code of conduct covering ethics and anti-bribery policies and newly added climate change impact analysis.

INTERNAL CONTROL SYSTEMS

As the company has a large global footprint and presence in 41 countries, having strong and robust internal control processes is of utmost importance. The Company invests sizeable resources to ensure that company has a well-embedded system of internal control processes which are in line with the best practices.

The company has an adequate system of internal control commensurate to its size and the nature of its operations. The internal control system & process are designed to ensure:

a) Transactions recorded are accurate, complete, authorised and are in adherence to Accounting Standards;

b) Compliance to applicable statutes, corporate policies and procedures;

c) Effective usage of resources and safeguarding of assets and ensuring its authorized use.

The Company has a well-established internal audit system built on the annual risk-based Internal Audit plan as approved by the Audit Committee of the Board. The Internal Audit function collaborates with independent internal auditors to periodically review compliance with respect to the established design of the Internal control and also assess the effectiveness as well as the efficiency of operations. The significant audit findings are reviewed at regular intervals by the Audit Committee of the Board of Directors, comprising independent directors. Further, the Audit Committee also monitors the status of management actions emanating from the internal audit reviews.

Processes in the Internal Audit function have been continuously strengthened for enhanced effectiveness and productivity including the deployment of best-in-class tools for analytics in the Audit domain which has further enhanced the depth, coverage, and sharpness of the internal audits. The company is using the latest IT tools such as data analytics to enhance the scope and effectiveness of the internal audit function. Adherence to the statutory compliances at each of the locations is also ensured by the committee through a continuous monitoring mechanism. The Company has also identified various business risks and laid down necessary procedures for mitigation of the same.

Management has assessed the effectiveness of the Company's internal control over financial reporting (as defined in Clause 17 of SEBI Regulations 2015 applicable on Indian entities) as on March 31, 2021.

HUMAN RESOURCE

Motherson is a people's company, and we put our people first. The company is driven by highly motivated employees spread across the world in 41 countries. We are a family with multicultural and multilingual backgrounds. Motherson is a truly global organization that recognizes the capabilities, contributions, potential and value of its human capital

Diversity & Inclusion

Diversity in the workplace includes inherent diversities in terms of culture, ethnicity, race, gender, nationality, age, religion, disability, education, opinions and beliefs.

Our diversity is our strength. By acknowledging and valuing these differences we emerge a stronger and better organisation. At Motherson, we believe that the core of our success lies in the collaborations with our different stakeholders, which are relationships based on trust and respect for each other.

By helping and supporting one another, we foster a real sense of togetherness. We celebrate the uniqueness of each of our employees but we are 'One Motherson' with a single vision: to be a globally preferred solutions provider for our customers.

We subscribe to the principle that every human being has the right to be treated with dignity, fairness and respect, and we do not tolerate discrimination or harassment of any kind. Guided by the Motherson values, we operate in accordance with internally recognized standards on business ethics and human rights as well as in compliance with local laws on work conditions, age of employment and health and safety.

Employee Well-being

People safety and well-being is the utmost priority of the organisation. Our objective is always to identify and adopt the best practices of every region in our work culture. The Human Resource function of Motherson leads from the front and leaves no stone unturned to make a positive difference in the lives of its employees.

Last year we faced unprecedented circumstances due to the COVID- 19 pandemic. With its culture of adaptability, resilience and ingenuity, Motherson has responded effectively to the challenges of the pandemic. Initiatives included an emphasis on cleaning, sanitisation and personal hygiene; staggered staff entry; minimizing unnecessary movement within company premises; and limiting physical meetings, events and training activities, which were conducted online instead.

Employee communication and engagement remained at the heart of our approach and is facilitated by technology. To foster a more connected organisation, the company has been using various media to stay connected with the workforce, providing emotional support.

Employees who could work remotely have been provided with the infrastructure necessary for smooth and agile collaboration internally within a team as well as between teams. Teams have now adjusted to "working from anywhere", and in some cases meet daily virtually without travel costs or loss of travel time.

Learning and Development

At Motherson, our success stems from the success of our people. We aim to help each employee reach their fullest potential, and thus employee development strategy is aimed at creating a dynamic talent pipeline, capable of supporting the organisation to meet evolving business challenges in the long run.

We educate our employees through regular trainings which helps them acquire new skills, increase their productivity, climb the corporate ladder and take up bigger responsibilities and above all keep them motivated and aligned to organisational goals.

A step forward in this direction has been the development of a web-based e-learning platform that has also been developed and deployed across the organisation. This digital model of learning has ensured the collaboration of a larger audience while being seated and learning from anywhere.

Employees at all levels are enrolled in skill-development programs from time to time. We closely monitor the skill matrix of all our people and ensure their personal goals are mapped with their professional grooming to help them live fulfilled professional lives and better enhance their tenure at the company.

Leadership development is important for every organisation, and at Motherson we initiated a pilot programme for our leaders. The program aims to familiarise future leaders of the group with the Motherson philosophy and to acquaint them with all main areas of expertise within the group. The first pilot included participants from across several continents who participated in 18-month training and practical programme in which emphasis was placed on enhancing their knowledge on the various aspects of the business and building their leadership skills. Now the same program is being emulated regionally across the group.

Opportunity to grow

The organisation believes in providing Equal Growth Opportunities to all those who have the ability and willingness to perform. Meritocracy is the only criteria to rise in rank. All employees have documented key result areas for performance, which are set based on work profile and business requirements through discussion with respective reporting managers. The annual performance appraisal cycle helps to set the expectation via defined targets and objectives along with stating the development needs of the employees. Constant focus on improving over past performance is what is driving the growth in the organisation.

Quality Circles are another vital employee development activity where employees come together as a team and work towards solving work-related problems. They are encouraged to present their innovative project ideas and methods of implementation to the larger team.

We have been successfully involving and evolving employees in this movement since 1999. This is a great way to develop a solution-oriented approach in our employees and teach them different problem-solving techniques.

Currently, there are 1406 Quality Circles actively operating within the Motherson Group. 2559 quality projects have been completed by the Quality Circles within the Group, out of which 706 teams from MSSL and its various Subsidiaries have completed 1555 Quality projects during the year.

The organisation follows the mantra of BY-BY (By Yourself, Better Yourself), which says "Be your own benchmark, set it high and constantly beat it. Even a small improvement every day will take you to whole new levels". Continual improvement in all areas is our way of life.

Open Door Communication to Create Trust & Transparency

We harbour a culture of trust and transparency by following an Open-Door Policy. We have various policies that work towards open communication and transparency like 'WE-Listen', 'Whistle-Blower' and 'Make a difference' named differently in different companies but all with the common objective of having an all-encompassing platform for both management and employees that extends to the realms of establishing a system of fair practices and guiding principles for everyone to abide by.

The organisation has several ways to engage with employees. Interaction sessions, communication meetings, work councils and various forums are an interactive engagement channel which enables two-way communication with employees. Various Cross Functional Teams (CFT) are in place to collectively brainstorm on practices and improve the process and policies based on the suggestions received.

Technology has reshaped the way we think, live and connect. Digital engagement tools have been designed and developed for employees' convenience. This group intranet is a connecting highway that facilitates mutual support to move ahead together, encourages collaboration, increases efficiency and enables the exchange of ideas, information.

An employee engagement survey is also conducted to gauge the satisfaction levels among the workforce. Based on employee feedback, initiatives have been taken for strengthening communication and workplace improvements.

In short, employee-centric policies and communication forums ensure a safe and secure working environment for all employees.

Motherson is not only an organisation for its employees but a second home. Growth opportunities are available for employees who are willing to take up higher responsibilities in the organisation and are capable of adeptly managing their own professional growth. Motherson is home to many leaders who have risen in rank with operational responsibility and gained customer trust by consistently delivering on targets governed by ethical conduct.

In essence, Motherson is proud to be part of the lives of its employees and their journey.

Environmental Responsibility

Motherson Environment Stewardship conveys organisations efforts to minimize the environmental footprint. Motherson complies with regulations, advocates for progressive environmental policies, and protects workers' safety as part of its corporate responsibility. The Company recognises its corporate responsibility to carry out its operations whilst minimising the impact on the environment. It also aims to comply with all applicable environmental legislation to prevent pollution and to minimise environmental damage occurring as a result of its activities. Across the Motherson Group, alongside IATF16949 accreditation, the organisation is duly certified with ISO14001:2015 accreditation across the business focusing on environmental aspects.

We are carefully monitoring all aspects of the environmental footprint of our operations and our products. From the choice of materials and product design to management of our supplier base, from energy use and waste handling to product delivery, there are great sustainability initiatives taking place across the group. Motherson is working with several eco-conscious suppliers, and most notably in the last year has made great progress with the Israeli company UBQ. Their patented process to convert household waste into a thermoplastic resin with a negative carbon footprint for use as a bio filler is showing great promise.

Environment Stewardship lies at the heart of the organisation and that's the reason the organisation is consciously working towards reducing emissions.

The organisation is progressively increasing the share of solar power and wind power in its energy consumption and is graduating to energy-efficient lighting with the adoption of LED lights across its facilities. Moving forward, the mobility of finished products, when shipped to customers, involves emissions, CNG (compressed natural gas) being an eco-friendly fuel is best suited for this purpose. A number of our sites in India are now using trucks powered by CNG.

Tree-planting is another practice that our employees are pursuing all year round to preserve the environment. On this World Environment Day as well, the employees planted saplings to observe 'Green Day' in the office premises as part of the celebration. The unit management teams of all our facilities spread globally undertook awareness campaigns on the significance of the day and encouraged employees to adopt practices that increase environmental cautiousness and communication on these issues in their communities.

Motherson Group is creating awareness and encouraging action amongst employees across the globe for the protection of the environment. The company's activities towards CSR are described in another section of the Annual Report.

Health & Safety

The organisation regards health and safety as a high priority and a fundamental value to be upheld at all times by all persons. Inspired by the organisation's philosophy of 'Safety First', strong processes and systems are in place to minimise risks and ensure the safety and well-being of the workforce. All employees, right from the shop floor up to the top management, are trained to execute their work safely and responsibly.

Safety committees with representation from the management and associates are formulated which ensures that safety is everybody's responsibility. Scheduled Safety Walk-Throughs, Regular Risk Assessment, Corrective actions Implementations and Leadership Commitments instils safety culture in the organisation. Each and every employee is made aware of raising the flag in case any unsafe act or situation is noticed. Our efforts to minimize the near-misses ensures that we all work in a safe and responsible manner to have zero accidents and zero work-related fatalities.

Many campaigns such as Zero Accident days and Safety weeks are observed across geographies and are run across units to make safety uncompromisable and to find and eliminate potential safety hazards on the worksite. Usage of safety equipment and devices is emphasised upon and it is ensured that employees along with their own safety are mindful of others safety as well. These messages are communicated in a fun-filled way by organising several activities like safety quizzes, poster-making competitions, skits/role plays, etc. The majority of the Motherson entities are duly certified with ISO45001:2018 accreditation across the business focusing on health & safety parameters.

Motherson vows to infuse the safety attitude in all because Safety Is Everyone's Responsibility.

OPPORTUNITIES AND FUTURE PROSPECTS

The coronavirus outbreak has heavily impacted the automotive industry in FY 2020-21. Manufacturers have yet to return to full production capacity in different parts of the globe. This is likely to have a heavy impact on both car and component manufacturers. As the effects of the pandemic start to wane and the industry begins to recover, OEMs will explore various options to offset the drop in sales and attract consumers. Personal mobility modes are expected to make a strong comeback which includes two-wheelers. The sale of this segment is likely to surge.

Also, the pandemic has created a need for automobile manufacturers to focus on health and wellness solutions in vehicles. In the near future, innovation and technology will transform vehicles into more than just a means of transport.

Vision 2025

Last year, MSSL launched its sixth five-year plan. The five-year plan is an important tool for MSSL, to bring together the entire organisation and to focus on a common goal, more importantly take challenging targets and strive hard to achieve the same.

Vision 2025 contains four key objectives, namely to achieve:

- USD 36 billion revenues in 2024-25 with 40% ROCE (consolidated)
- 3CX10: No country, customer or component should contribute more than 10% of our revenues
- 75% of revenues from automotive industries, 25% from new divisions
- 40% of consolidated profit as dividend

For MSSL the financial outcome is always the result of creating value for others. MSSL would continue to focus on further expanding its product portfolio, increasing the content per car, building on future technologies, and identifying opportunities and industry trends for being future-ready. This drive to deliver more to the industry, thereby catering to the needs of the end-user, has helped MSSL position itself as a globally preferred solution provider to all its customers globally.

Calculation of Key Indicators (Ratio Analysis)

EBITDA	Profit before exceptional items, share of net profit of investments accounted for using equity method and tax + Finance costs + Depreciation and amortization expense -interest income - dividend income	
PBT	Profit before exceptional items, share of net profit of investments accounted for using equity method and tax	
Trade Receivable Turnover (days)	(Opening Trade receivables + Closing Trade receivables)/2	
	(Net Sales/360)	
Inventory Turnover (days)	(Opening Trade Inventory + Closing Trade Inventory)/2	
	(Net Sales/360)	
Interest Coverage Ratio	(Profit before tax + Finance costs + Depreciation and amortization expense + Exceptional items (income)/ expense)	
	Finance Costs	
Current Ratio	Total current assets	
	Total current liabilities	
Debt Equity Ratio	Gross Debt (Noncurrent borrowings + Current borrowings + Current maturities of long term debt + Current maturities of finance lease obligations)	
	Total equity (Equity attributable to owners of the Company + Non-controlling interests(in case of Consolidated financials))	
Operating Profit Margin	100 X	(Profit before tax + Finance costs + Exceptional items (income)/ expense)
		Net Sales
Net Profit Margin	100 X	Profit attributable to Owners
		Net Sales
Net Debt to EBITDA	Net Debt (Gross Debt - (Cash and cash equivalents + Other bank balances*)	
	EBITDA (Profit before tax + Finance costs + Depreciation and amortization expense + Exceptional items (income)/ expense)	

**other than unpaid dividend*

Note: In computation of comparative ratios, the impact of implementation of Ind AS 116 – Accounting of Leases has been reversed, i.e. the lease expenses is not considered as part of other expenses and interest, depreciation & debt do not include impact of lease accounting.

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

	General information about the Company	Details
1	**Corporate Identity Number (CIN) of the Company**	L34300MH1986PLC284510
2	**Name of the Company**	Motherson Sumi Systems Limited
3	**Registered address**	Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra, India
4	**Website**	www.motherson.com
5	**E-mail id**	investorrelations@motherson.com
6	**Financial year reported**	2020-21
7	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	
	Name and description of main product/services **Wiring harness and components** **Polymer products**	NIC Code of the product / service 29304 29302
8	**List three key products/services that the Company manufactures/provides (as in balance sheet)**	Wiring harnesses Rear view mirrors Polymers and modules
9	**Total number of locations where business activity is undertaken by the Company**	
	i. Number of international locations	International: 41 Countries Europe 21 Americas 4 Asia 12 Australia 1 Africa 3
	ii. Number of national locations	Domestic: Across India
10	**Markets served by the Company – Local/ State/ National/ International**	Europe, Americas, Asia, Australia, Africa

Section B: Financial Details of the Company

	Financial details of the Company*	FY 2020-21 Standalone ₹ in million	FY 2020-21 Consolidated ₹ in million
1	Paid up Capital	3,158	3,158
2	Total Turnover		
	(a) Revenue from operations	65,661	601,954
	(b) Other income	1,375	2,324
3	Total Profit After Taxes	5,207	10,392

* Includes revenue/ results of Domestic Wiring Harness business (DWH), which has been approved as part of group reorganization plan to demerge DWH business from MSSL into a new company Motherson Sumi Wiring India Limited (“MSWIL”). Refer Note 51 of Standalone financial statement for more details.

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 0.60% (₹ 71 million) of average profit for previous three years in respect of standalone company (computation as prescribed by the Companies Act, 2013). During FY 2021-22, the company has taken approvals from the Board of Directors to contribute CSR funds amounting to INR 24 million towards battling COVID19, inter-alia, towards procuring Oxygen Concentrators to provide to the hospitals, nursing homes, dispensaries and NGO's, donation of oxygen generators to government hospitals nursing homes, dispensaries in Uttar Pradesh, particularly in Noida and Shahjehanpur, in collaboration with Maruti Suzuki India Limited. MSSL has earmarked funds amounting to INR 30 million to extend CSR support for delivering medical goods and supplies to be spent in FY 2021-22.

5. **List of activities in which expenditure in 4 above has been incurred on:**

    a) Skill Development

    b) Health and wellness

    c) Waste management & sanitation

    d) Relief on COVID 19

Section C: Other Details

	Other details	Details
1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)	Yes, all the subsidiaries (in total 170) participate in BR activities.
	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the % of such entity/entities? [Less than 30%, 30-60%, More than 60%]	All our customers are Original Equipment Manufacturers (OEMs) and as per our understanding & information, all of them have their own BR initiatives. Suppliers are encouraged to participate in the Company's BR initiatives being a responsible business.

Section D: BR Information

1. DETAILS OF DIRECTOR/DIRECTORS RESPONSIBLE FOR BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN Number	DIN 00194931
Name	Mr. Pankaj Mital
Designation	Whole time Director/ Chief Operating Officer

b) Details of BR head

DIN Number (if applicable)	N.A
Name	Mr. G. N. Gauba
Designation	Chief Financial Officer
Telephone number	+91-120-6679500
e-mail id	investorrelations@motherson.com

LIST OF PRINCIPLES

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	Businesses should promote the wellbeing of all employees
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
Principle 5	Businesses should respect and promote human rights
Principle 6	Business should respect, protect, and make efforts to restore the environment
Principle 7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	Businesses should support inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

2. PRINCIPLE-WISE (AS PER NATIONAL VOLUNTARY GUIDELINES) BUSINESS RESPONSIBILITY POLICY/ POLICIES (REPLY IN Y/N)

S. No	Question	Principle (Yes/No)								
		1	2	3	4	5	6	7	8	9
1	Do you have a policy for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify?*	N	N	N	N	N	N	N	N	N
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	https://www.motherson.com/performance/mssl-investors/corporate-governance								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

* Board has approved MSSL to participate in United Nations Global Compact ("UNGC")

** The Board has constituted Global Sustainability Committee of Directors

2A. IF ANSWER TO S. NO. 1 AGAINST ANY PRINCIPLE, IS 'NO', PLEASE EXPLAIN WHY:

(TICK UP TO 2 OPTIONS)

S. No	Question	Principle (Yes/No)								
		1	2	3	4	5	6	7	8	9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. GOVERNANCE RELATED TO BR

1. **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

   The Chief Operating Officers of the respective divisions periodically review the BR performance of the Company. The action points emerge from the discussions at these meetings are reviewed in subsequent meetings to ensure their closure.

   Besides, the CSR Committee of the Board reviews the Social (CSR) performance of the Company as per the Companies Act, 2013.

2. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

   The Company shall be publishing sustainability report soon on the Company's website.

Section E: Principle-Wise Performance

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/ NGOs /Others?**

   The Company has laid down a Code of Business Conduct and Ethics. All employees (including all the group companies) are covered by the Code of Conduct. It provides guidance to employees on standards of integrity, conduct and compliance in all business dealings with internal and external stakeholders, including business partners. The key principles address aspects, such as compliance with applicable laws, fair employment practices, working with stakeholders, environment, health and safety, conflicts of interest and safeguarding of assets. The Company's Code of Conduct and Ethics are available on the intranet and on the Company's webpage. Code of conduct forms part of term of appointment letter and is sign at the time of joining the Company. The middle and senior management sign the Code of Conduct every year. The Company has in place a Whistle Blower Policy and is communicated through various means including publication on the Company's website.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   The Company has established a vigil mechanism which incorporates a whistle blower policy for Directors and employees to report their genuine concerns. The objective of the Policy is to create a window for any person who observes an unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct or ethics policy (hereinafter "Unethical and Improper Practices"), either organizationally or individually to be able to raise it.

   The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

   There are no complaints in MSSL standalone in the current year. 2 complaints of sexual harassment received in subsidiary companies which were investigated and closed during the year. 3 complaints of discriminatory employment received in subsidiary companies during the year. Subsequent to the yearend, 2 cases have been concluded and no discriminatory charges were found against the company. The company has submitted position statement in respect of 1 pending case however is awaiting further development for closure of the case.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   The product lines of the Company i.e. interior & exterior automotive modules, Rear View vision Systems and Integrated wiring harnesses incorporate principles of Electronic manufacturing services (EMS) in their product design, development and management system practices. As a full system solution provider and partner in automotive supply chain, ensuring safety of all stake holders, keeping products and processes environmental friendly are of paramount importance for the Company.

   World over, out of their own social accountability and to comply with global regulations, the vehicle makers are aggressively working on advanced safety features, additionally aspirations of end user are increasing. The Company is supporting its customers to achieve their safety and environment objectives by developing Wring Harness designs and components which are enabling Vehicles (across segments) to be compliant to Driver, Occupant and Pedestrian safety. Air Bag Harnesses and Advanced Braking System harnesses are essential elements for passive safety systems. High quality, high productivity and safety is ensured for In-house manufacturing including machine and equipment building.

   We also provide solution of advanced harness systems for active safety. Developing halide free wires, finding new specialized engineering material with clean environmental foot and finger prints in making lighter and leaner components is in line to our strategic sustainable environmental commitment towards environment. Adopting and infusing advanced electronics in vehicle wiring harness systems has supported vehicle makers in meeting CAFÉ norms (thus have a cleaner environment) and to consumers to have lower cost of ownership of the vehicles

   The focal point of all engineering efforts in Rear View Mirror product line of the company is providing safe and stress free driving experience to the vehicle drivers through innovative active safety systems. The company has developed innovative products for blind spot detection, Lane departure warning and Camera Based rear View System which not only enhance driving safety but add to vehicle aerodynamics also supporting their fuel efficiency.

   In line of safety and fuel efficiency, the module product line of the company is instrumental in development of newer engineered polymers which are lighter yet stronger and processing technologies to support our customers in offering vehicles which are safe, end of life environment friendly and offer better fuel efficiencies. By combining two manufacturing steps in one process step, the Company can produce door panel structures reinforced with natural fibers in a resource-efficient manner. The high use of 50% renewable raw materials also conserves resources and also significantly reduces the overall weight of the carrier. This in turn contributes to lower fuel consumption of the passenger vehicle. The use of supporting structures made of plastic is more resource-saving than structures made of metal. By reinforcing the plastic with recycled carbon fibres, the Company has succeeded in replacing metal support structures and significantly reducing the component weight while at the same time meeting all mechanical requirements. By reprocessing the carbon fibers, they can be used in a second life cycle.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   A. **Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?**

B. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

MSSL strives to reduce energy usage, value the water supplies and protect them against contamination and limit landfill waste. In line with this objective, the company is directing its efforts to enhance the use of alternative renewable energy sources. Solar energy is a sustainable alternative options used by implementing Solar Panels. The company has already implemented roof top solar energy panels in many of the plants In India and has a plan in place to implement it across some others. The Company has also strived to reduce the use of water and enhanced the recycling and reuse by way of water processing through STP. The use of clean water has been substantially reduced in the new wire plant by using new technology, adiabatic cooling, able to save up to 95% of water consumption. This technology also provides greater efficiency in heat transfer, reduced maintenance and the total absence of polluting chemical agents. The intelligent Closed loop environment friendly cooling system installed in place of normal conventional evaporative cooling system for heat dissipation resulted in annual saving of 10000 KL of water with power saving of 30% against conventional system

The Company has developed and is promoting Mirrors that are smaller in size and yet comply with the legal requirements for field of view. This helps in reducing the overall drag on the vehicle thereby improving the fuel efficiency of vehicles and contributing to lower emissions and cleaner environment.

The Company is committed to save resources by adopting latest technology. Since wiring harness for the vehicles, transmitting power and signals to electric equipment, has the tendency to increase its size and weight due to the growth of new equipment and electric systems, the weight and physical size reduction is required for vehicle compactness and fuel efficiency considering environmental impact. Use of very thin walled cables, power distribution modules, electronic junction boxes and other weight and size reduction techniques are applied by MSSL to the wiring technology for automobiles to provide safe, comfortable and environment-friendly products for the vehicles. The optimized designs and technologies resulted in saving of raw materials and power consumption, directly at MSSL and indirectly in entire supply chain.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

- Yes

A. **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company's growth depends significantly on the capability of its supply chain partners to deliver quality goods and services without disruptions and scale up operations in line with business demands. Sustainable sourcing describes a sourcing exercise which goes beyond economic considerations and takes into account environmental, social and ethical factors as well. The company is highly resilient for globally local supply chain of manufacturing. It is a widely practiced tool within Motherson and the endeavour is to maximise its reach with every passing year. The vendors have to ensure compliance to these policies.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The company undertakes initiatives to build capacities of the suppliers. Keeping goal of globally local supply chain of manufacturing, the company keeps on developing local vendors. The company's quality teams visit their facilities, analyses quality related aspects, and create action plans jointly with the suppliers, customers and monitored performance. In the current year, the company strengthened efforts towards quality across the value chain. Several initiatives were taken in this direction. The company supports suppliers with knowledge in specific areas that have a major impact on quality. During the year, training sessions were conducted for vendor personnel to share best practices in quality systems and manufacturing processes.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The nature of the Company's business is such that there are no significant emissions or process wastes. The focus of the Company is to recycle the waste. The Company recycle materials wherever it is usable within the Company, which cannot be reused is disposed off in a manner that waste will be recycled.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

1. **Please indicate the total number of employees.**

The total number of employees was 117,862 as on March 31, 2021 in the Company (including its Subsidiaries).

2. **Please indicate the total number of employees hired on temporary/ contractual/casual basis.**

The total contractual/temporary manpower employed was 52,238 as on March 31, 2021 in the Company (including its Subsidiaries).

3. **Please indicate the number of permanent women employees.**

There were 26,451 permanent female employees as on March 31, 2021 in the Company (including its Subsidiaries).

4. **Please indicate the number of permanent employees who are differently abled.**

There were 1,016 differently abled permanent employees as on March 31, 2021 in the Company (including its Subsidiaries).

5. **Do you have an employee association that is recognised by management?**

Motherson group has proactive HR practices and policies and has participation of work councils and associations in different locations.

6. **What percentage of your permanent employees is members of this recognised employee association?**

28%

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S. No	Category	No. of complaints filed during the financial year*	No. of complaints pending as on March 31, 2021*
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	2	Nil
3	Discriminatory employment#	3	3

* NIL for MSSL standalone

Subsequent to the yearend, 2 cases have been concluded and no discriminatory charges were found against the company. The company has submitted position statement in respect of 1 pending case however is awaiting further development for closure of the case.

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Permanent Employees	91%
Permanent Women Employees	93%
Casual/Temporary/Contractual Employees	95%
Differently abled employees	84%

Safety training is a part of the induction process and all employees mandatorily go through one day safety training, including firefighting training. For shop floor workers, periodic safety training is organised as per the annual safety calendar. The occupational safety policy and basic safety principles are displayed across all work locations. The safety policy encourages reporting of incidents, which are investigated using root cause analysis techniques. Post investigation and analysis, information regarding incidents is circulated to departmental managers and appropriate action / awareness plans are implemented.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED.

1. **Has the Company mapped its internal and external stakeholders? Yes/No**

   - Yes

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

   - Yes

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so**

   For socio-economically disadvantaged sections of the society, the Company is implementing following three CSR programmes:

   a) **Skill Development**

   Skill development initiatives are undertaken by MSSL regularly and the Company engages with the communities regularly and implements development programmes (such as education for poor and people in rural locations). These issues are critical to the community members. There is concerted effort to involve the community's participation in the programmes, wherever feasible.

   b) **Health and wellness**

   The Company is enhancing infrastructure across business locations in rural areas for the health of the people.

   c) **Waste management & sanitation**

   Motherson initiates awareness for the use of Aerobins. Aerobin is a home and garden containment system which enables households to divert all organic kitchen and garden recyclable materials away from landfill. Instead, the resulting compost can be added to garden soil to complete the natural carbon cycle, thereby avoiding the generation of greenhouse gases in the collection, transportation and anaerobic decomposition that would otherwise occur at landfill. Aerobin incorporates patented technology that supports a healthy aerobic decomposition of the biomass materials without the need for manual intervention. The patented aeration system along with integral insulation ensures that composting happens year round, even in cold climates. This technology can contribute enormously to the wellbeing of communities through a cleaner environment and pollution reduction in a simple, easily adoptable way.

   d) **Relief on COVID-19**

   In the wake of urgent emerging health care requirements to fight against COVID-19, the company has done CSR contribution amounting to INR 9.35 million to PM CARES. Apart from CSR funds, the company has also made contributions of INR 5 million to Chief Minister's Relief Fund in U.P. for fight against COVID19.

   During FY 2021-22, the company has taken approvals from the Board of Directors to contribute CSR funds amounting to INR 24 million towards battling COVID19, inter-alia, towards procuring Oxygen Concentrators to provide to the hospitals, nursing homes, dispensaries and NGO's, donation of oxygen generators to government hospitals nursing homes, dispensaries in Uttar Pradesh, particularly in Noida and Shahjehanpur, in collaboration with Maruti Suzuki India Limited. MSSL has earmarked funds amounting to INR 30 million to extend CSR support for delivering medical goods and supplies to be spent in FY 2021-22.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/ Others?**

   The policy is applicable to Motherson, its subsidiaries and vendors. The Company's commitment to follow the basic principles of human rights is reflected in the checks and balances within the HR processes. The commitment to human rights is embedded in the 'MSSL Code of Conduct', adopted by the Company. All employees, including security personnel, are sensitised to human rights as part of their orientation programme.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   The Company did not receive any stakeholder complaint in 2020-21 regarding human rights.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.**

   Environmental Policy is applicable to all the business units/groups and extends to business partners including suppliers, vendors and contractors.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc**

   Yes, the Company has an 'Environment Policy' which guides the organisation to continually mitigate the impact on climate change and global warming as a result of our operations. The Company works continuously to reduce the waste and focused on creating green infrastructure which are designed for better energy efficiency and efficient operations. Innovative technologies are used to reduce the impact on the environment. In the entire chain of manufacturing, the thrust is on preserving natural resources. Processes are designed to minimize use of raw materials, water and energy. Based on technological developments, the processes are reviewed for optimization through continuous improvement process. Water and energy savings are discussed in Principle 2, Question 2.

   Refer Directors' Report for details in relation to environment conservation and technology absorption.

3. **Does the company identify and assess potential environmental risks?**

   Yes, potential environmental risks are identified as a part of the Company's risk management activity and feature in the Company's risk library. The Company regularly reviews its environmental risks and undertakes initiatives to mitigate them.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   Most of the locations in India are certified for requirements under ISO 14001 (Environmental Management System) and ISO 45001(occupational health and safety). Audits by independent auditors are carried out to check the level of compliance. Deviation management system ensures that the corrective actions are close looped and issues are addressed within a reasonable time frame. Environment, Health and Safety (EHS) performance assessment is carried out annually to review the situation and identify the areas for improvement. Objectives are established for the next year and improvement programs are prepared and deployed.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   Covered under Directors' Report, which forms a part of the Annual Report

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   All emissions and waste generated by the Company are within the permissible limits given by CPCB/ SPCB.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   - None

PRINCIPLE 7: BUSINESSES WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. **Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:**

   Motherson regularly engages with industry bodies, expert agencies and contributes to the policy making process. An indicative list of the Company's major memberships is:

   a. Automotive component manufacturers association of India
   b. Federation Of Indian Export Organisation
   c. Confederation Of Indian Industries
   d. The Associated Chambers of Commerce & Industry of India
   e. Society Of Indian Automobile Manufacturers
   f. Motor & equipment manufacturers association
   g. Federation Of Indian Chamber Of Commerce

h. HDMA(Heavy Duty Manufacturer Association)

i. Export promotion council for EOU & SEZ's

j. Bidadi Industrial Association

k. Noida Entrepreneurs Association

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas**

No

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company supports inclusive growth and equitable development through its Corporate Social Responsibility (CSR) programmes. Details on the same have been shared in Principle 4.

The Company has aligned its CSR programmes with the requirements of The Companies Law 2013. The Company has set up a three members CSR Committee of the Board. The Company's CSR Policy has been approved by the CSR Committee and the Board (https://www.motherson.com/performance/mssl-investors/corporate-social-responsibility). The CSR programmes are mentioned in the CSR policy.

2. **Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organisation?**

The CSR programmes of the Company are run through NGO partners and other agencies having subject expertise.

3. **Have you done any impact assessment of your initiative?**

The CSR programmes and their impacts/ outcomes are monitored and reviewed by the CSR Committee periodically.

4. **What is your Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken.**

Details on the Company's CSR programmes on community development have been shared in Principal 4, question 3.

In 2020-21, the Company spent ₹ 71 million on community development projects under CSR initiatives.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms are regularly carried out. The Company has engaged highly trained employees to drive and monitor the CSR activities.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. **What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

The Company has a robust system for addressing customer complaints. The customer cases filed against the Company for defects in the vehicles or relating to sales are not significant in number compared with annual sales volume.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks(additional information)**

Not applicable as the Company supplies to Original Equipment Manufacturers (OEMs) and there is no direct visibility for the end user.

3. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

The Company receives numerus customer awards for contribution to their business such as quality excellence, design development, best performance etc. which represents customer satisfactions. Awards are mentioned in details in "Awards and Recognition" of the annual report.

4. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No court case has been filed against the Company regarding unfair trade practices or irresponsible advertising against the Company.

BOARD'S REPORT

To the Members,

Your Directors have the pleasure in presenting the **34th Annual Report** together with the audited financial statements of the Company for the financial year ended March 31, 2021. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

FINANCIAL RESULTS

The summarized financial results for the year ended March 31, 2021 and for previous year ended March 31, 2020 are as follows:

₹ in Million

Particulars	Standalone		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Continuing Operations				
Revenue from contract with customers	36,353	39,411	569,513	602,783
Other operating revenue	339	439	4,186	4,506
Revenue from operations	**36,692**	**39,850**	**573,669**	**607,289**
Other Income	1,104	3,723	2,293	2,246
Profit before depreciation, interest and tax	**5,511**	**9,269**	**45,882**	**48,786**
Less: Depreciation and amortisation expense	1,983	2,313	29,260	27,210
Less: Finance Costs	897	248	5,115	5,928
Less: Exceptional Expenses	199	-	623	-
Add: Share of profit / (loss) in associates	-	-	849	575
Profit Before Tax from continuing operations	**2,432**	**6,708**	**11,733**	**16,223**
Less: Provision for Tax	491	1,323	(694)	6,881
Less: Minority Interest	-	-	5,302	1,244
Profit after tax from continuing operations	**1,941**	**5,385**	**7,125**	**8,098**
Discontinued Operations				
Revenue from operations	41,382	39,439	41,382	39,439
Other income	275	64	275	64
Profit before tax from discontinued operations	**4,396**	**4,906**	**4,396**	**4,906**
Tax expenses	1,129	1,303	1,129	1,303
Profit after tax from discontinued operations	3,267	3,603	3,267	3,603
Total Profit from continuing and discontinued operations	5,207	8,988	10,392	11,701
Add: Balance brought forward	27,725	29,836	70,642	69,792
Profit available for appropriation	32,932	38,824	80,184	82,343
Other Comprehensive income from continuing operations	(227)	(48)	3,227	2,690
Other Comprehensive income from discontinued operations	(8)	(64)	(8)	(64)
Total other Comprehensive income from continuing and discontinued operations	(235)	(112)	3,219	2,626

The Composite Scheme of Amalgamation and Arrangement amongst your Company ('the Amalgamated Company'), Samvardhana Motherson International Limited ('the Amalgamating Company') and Motherson Sumi Wiring India Limited ('the Resulting Company') and their respective shareholders and creditors has been considered as highly probable and meets the criteria prescribed in Ind AS 105 (Non-current Assets Held for Sale and Discontinued Operations) to be considered as discontinued operation.

Accordingly Domestic Wiring Harness Business has been disclosed as discontinued operation in the financial results for the quarters ended September 30, 2020, December 31, 2020 and March 31, 2021. All previous periods figures in the financial results were also restated. The income and expenses of continuing operation during the said period included transactions with discontinued operation, which does not have impact on "Profit / (loss) for the period from continuing and discontinued operations" as disclosed in the financial results of the aforesaid periods.

The profit available for appropriation for the year ended March 31, 2021 is ₹ 32,932 million and being carried over as surplus to the Profit & Loss Account as on March 31, 2021.

DIVIDEND

The Directors are pleased to recommend for approval of the members a payment of dividend of ₹ 1.50 per share (face value of ₹ 1/- each) on the Share Capital of the Company for the financial year ended March 31, 2021 to the equity shareholders.

The dividend, if approved by the members, would involve total cash outflow on account of dividend of ₹ 4,737 Million resulting in a pay-out of 91% of the standalone profits of the Company and 46% of the consolidated profits of the Company.

IMPACT OF COVID - 19 ON PERFORMANCE AND OPERATIONS

The COVID-19 pandemic represents an unprecedented disruption to the global economy and world trade, as production and consumption are scaled back across the globe due to preventive directives from authorities' world over. COVID-19 outbreak continues to grow in most of the areas of the world with severe toll on health. The Company has taken a holistic approach to protect the interest of various stakeholders including employees, customers, investors and societies. The Company's Operations and performance were impacted partially 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 ended June 30, 2020 and resumed gradually with prescribed regulations and precautions and reached up to the pre-pandemic outbreak levels at most locations in the quarter ended December 31, 2020 and the Company sustained the pre pandemic operations levels during the quarter ended March 31, 2021.

Despite of the challenges posed due to pandemic, the Group was better placed for sourcing raw material due to various backward integration and advantage of in-house supply chain. The Management believes that the strong trust of the customers as evident from order book, helped the Company to combat with the pandemic.

OPERATIONS AND PERFORMANCE

On consolidated basis for the financial year 2020-21, your Company achieved total revenue of ₹ 601,954 million as compared to the revenue of ₹ 635,368 million of the previous financial year ended March 31, 2020. Net profit for the financial year is at ₹ 10,392 million as compared to the previous year's net profit of ₹ 11,701 million.

On standalone basis for the financial year 2020-21, your Company achieved total revenue of ₹ 65,661 million as compared to its total revenue of ₹ 68,738 million of the previous financial year ended March 31, 2020. The profit after tax for the year ended March 31, 2021 is ₹ 5,207 million. The operational performance of the Company has been comprehensively covered in the Management Discussion and Analysis Report.

The Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"Listing Regulations"**) is presented in a separate section forming part of the Annual Report.

CREDIT RATING

Moody's Investor services has revised and improved the Rating Outlook to "stable" from "Negative" while affirming the Ba1 corporate family rating (CFR) to the Company.

In addition, the Company enjoys following domestic ratings:

Rating	ICRA	CRISIL	India Ratings and Research
Long Term	[ICRA] AA+ (Stable Outlook)	CRISIL AA+/Stable	IND AAA/Stable
Short Term	[ICRA] A1+	CRISIL A1+	IND AAA/Stable/IND A1+
Commercial Papers	[ICRA] A1+	CRISIL A1+	IND A1+
Non-convertible Debentures	-	-	IND AAA/Stable

India Ratings and Research (Ind-Ra) has affirmed your Company's Long-Term Issuer Rating at 'IND AAA'. The Outlook has revised to Stable from Negative.

Further, Standard & Poor's Global Ratings ("S&P") has revised its rating for Samvardhana Motherson Automotive Systems Group B.V., Netherlands (SMRP BV), a subsidiary of the Company, for its long term credit from 'BB+' to 'BB (stable outlook)'. Fitch Ratings has revised the Outlook on SMRP BV to Stable, from Negative, and has affirmed its Long-Term Issuer Default Rating at 'BB'. Fitch ratings has also affirmed SMRP BV's senior secured notes at 'BB+'.

The details of the credit ratings of the Company are available on its website www.motherson.com.

FIXED DEPOSITS

The Company has neither invited nor accepted any deposits from public covered under Chapter V of the Companies Act, 2013, and as such, no amount on account of principal or interest on deposits from public was outstanding or remained unclaimed or unpaid lying with the Company, as on the date of the balance sheet.

There are no deposits invited or accepted by the Company which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 and Ind AS 110 – Consolidated Financial Statements read with Ind AS 28 – Investments in Associates, Ind AS 31 – Interests in Joint Ventures and Ind AS 116 – Leases, the audited consolidated financial statement is provided in the Annual Report.

The performance of the Company on consolidated basis is discussed at length in the Management Discussion and Analysis Report.

MATERIAL DEVELOPMENTS DURING THE FINANCIAL YEAR 2020-21

The Board of Directors of your Company at its meeting held on July 2, 2020, approved the composite Scheme of Amalgamation and Arrangement amongst your Company ("the Amalgamated Company"), Samvardhana Motherson International Limited ("the Amalgamating Company") and Motherson Sumi Wiring India Limited ("the Resulting Company") and their respective shareholders and creditors (hereinafter referred to as "the Scheme").

The Scheme, inter-alia, provides to (A) demerge the Domestic Wiring Harness Undertaking or DWH Undertaking (as defined in the Scheme) into the Resulting Company and (B) amalgamate the Amalgamating Company with the Company, by absorption, subsequent to the completion of the demerger referred to in (A). Further, the Scheme is subject to receipt of necessary Statutory and Regulatory approvals under applicable laws including but not limited to approval of BSE Limited and National Stock Exchange of India Limited, approval of requisite majority of the shareholders and creditors of the Company and Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT").

In respect to the Scheme, the Company had received no-observation letters from BSE Limited and National Stock Exchange of India Limited on December 4, 2020 and December 7, 2020 respectively. Thereafter, the first motion application was filed with Hon'ble NCLT on December 18, 2020 along with the Scheme for convening meetings of members of the Company.

Since the consent of secured creditors was obtained to the Scheme, the Hon'ble NCLT vide its order dated February 16, 2021, dispensed with the requirement of calling a meeting of secured creditors. Further, the Hon'ble NCLT directed to hold shareholders' meeting on April 29, 2021 for consideration of the Scheme by the members of the Company. The Hon'ble NCLT also advised the Company to send notices of the Scheme to all regulatory authorities and seek objections / comments (if any).

The shareholders of the Company at their meeting convened and held pursuant to the order of the Hon'ble NCLT on April 29, 2021 had considered and approved the Scheme. The voting results showed that 99.44% of the non-promoter shareholders who voted, were in favour of the proposed restructuring (i.e. majority of minority requirement). Accordingly, the Scheme was approved by

(a) majority of members in number representing three-fourths in value of the members of Company; and (b) the votes cast by the public shareholders of Company in favour of the Scheme being more than the number of votes cast by the public shareholders against it.

Thereafter, the Company has filed second motion application to the Hon'ble NCLT for sanction of the Scheme and has prayed for appropriate orders and directions.

The Scheme on becoming effective, will lead to simplification of the group structure leading to growth and value creation in the long run, maximising the value and returns to the shareholders and higher stakeholders accountability. The Scheme as approved by the Board of Directors and Members of the Company is available on the website of the Company at www.motherson.com.

CAPITAL AND DEBT STRUCTURE

There is no change in the Authorized and Paid Up share Capital of the Company during the financial year ended March 31, 2021.

During the Financial year 2020-21, the Company has raised funds by issue of Non-Convertible Debentures ("NCDs") on a private placement basis, key terms of which are as below:

A) NCDs allotted on April 21, 2020

Instrument	Rated, Secured, Listed, Redeemable Non-Convertible Debentures
Amount Raised	₹ 500 Crores
Face Value	₹ 10,00,000/- each
Number of Securities	5000
Maturity Date	April 20, 2023
Interest Payment	7.84% Annually (Payable on April 20, 2021; April 20, 2022 and April 20, 2023)
End Use	Proceeds used for refinancing of existing debt, and/or General corporate purpose and/or Working Capital requirement.
Credit Rating	IND AAA/RWN by India Ratings and Research Private Limited
ISIN	INE775A07016
Listed on Stock Exchange	BSE Limited

B) NCDs allotted on September 14, 2020

Instrument	Rated, Listed, Unsecured, Redeemable Non-Convertible Debentures
Amount Raised	₹ 2130 Crore
Face Value	₹ 10,00,000/- each
Number of Securities	21300
Maturity Date	September 14, 2023
Interest Payment	6.65% Annually (Payable on September 14, 2021; September 14, 2022 and September 14, 2023)
End Use	Proceeds used for acquisition of equity (equity / compulsorily convertible equity like instrument) in and / or loans and advances to overseas joint ventures / wholly owned subsidiaries or in other overseas companies, new or existing, as strategic investment and / or any other bonafide business purposes including capital expenditure, Operating expenses and/or working capital of the Company.
Credit Rating	IND AAA by India Ratings and Research Private Limited
ISIN	INE775A08048
Listed on Stock Exchange	BSE Limited

During the Financial year 2020-21, the Company has raised funds by issue of Commercial Papers, key terms of which are as below:

A) Commercial Paper issued on July 29, 2020

Instrument	Listed, Unsecured Commercial Paper
Issue Size	₹ 50 Crore
Maturity Date	September 30, 2020
Interest Rate	3.85%
ISIN	INE775A14749
Listed on Stock Exchange	BSE Limited

B) Commercial Paper issued on August 11, 2020

Instrument	Listed, Unsecured Commercial Paper
Issue Size	₹ 75 Crore
Maturity Date	November 9, 2020
Interest Rate	3.73%
ISIN	INE775A14756
Listed on Stock Exchange	BSE Limited

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

The details of changes in Company's subsidiaries, joint venture or associate companies, are as following:

1. Companies which became subsidiaries (direct and indirect) during financial year 2020-21 are as follows:

   Subsidiary through incorporation:

   (i) Motherson Sumi Wiring India Limited ("MSWIL") was incorporated in India effective July 2, 2020, as a wholly owned subsidiary of your Company. MSWIL is the transferee entity for the Domestic Wiring Harness Undertaking of your Company pursuant to proposed Composite Scheme of Arrangement and Amalgamation;

   (ii) SMP Automotive Interior Modules d.o.o. Ćuprija was incorporated in Serbia on July 28, 2020, by SMRC Automotive Holdings Netherlands B.V., Netherlands, a step down subsidiary of the Company for manufacturing of parts and accessories for motor vehicles;

   (iii) Shenyang SMP Automotive Trim Co., Ltd was incorporated in China on September 4, 2020 by Changchun Peguform Automotive Plastics Technology Co., Limited, China, a step down subsidiary of the Company. The said company was incorporated to avail incentive / subsidy scheme(s) from the local authorities for setting up of new manufacturing units in Tiexi district of Shenyang City of China;

   (iv) Motherson Rolling Stocks S. de R.L. de C.V. was incorporated in Mexico on September 30, 2020 by TKV Sarjat Oy, Finland, as step down subsidiary of the Company to acquire new business from Bombardier in Mexico;

   (v) Motherson Business Service Hungary Kft., was incorporated in Hungary on November 9, 2020 by SMR Automotive Mirror Technology Hungary Bt., Hungary, a step down subsidiary of the Company to act as Shared Service Centre for SMR; and

   (vi) Fuyang PKC Vehicle Technology Co., Ltd. was incorporated in Fuyang, China on November 27, 2020 by PKC Vehicle Technology (Hefei) Co. Ltd., China, a step down subsidiary of the Company to support the growth and meet the increasing demands from the customer.

2. Companies which ceased to be subsidiaries during financial year 2020-21 are:

   (i) Motherson Polymers Compounding Solutions Limited ('MPCSL'), a wholly owned subsidiary of your Company amalgamated with the Company effective from September 30, 2020. As per merger 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. Considering immaterial impact of merger, previous period comparatives were not restated in standalone financial of the Company.

   (ii) MSSL M Tooling Limited, Mauritius, an indirect subsidiary of your Company through MSSL Mauritius Holding Limited has been dissolved effective from October 30, 2020; and

   (iii) SMRC Automotive Interiors Management B.V., Netherlands, an indirect subsidiary of your Company through Samvardhana Motherson Automotive Systems Group B.V., Netherlands has been dissolved effective from March 24, 2021.

In accordance with section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company and all of its subsidiaries, associate and joint venture companies form part of the Annual Report.

Further, a statement containing salient features of the financial statement of the Company's subsidiaries, associate and joint venture companies is annexed in Form AOC-1, which forms a part of the Annual Report.

Details of subsidiaries of the Company, their performance are covered in Management Discussion and Analysis Report forming part of this Report.

EXPORTS FROM INDIA

The Company's exports during the year were ₹ 8,576 million as against ₹ 9,975 million in the previous financial year. The Company continues to make its efforts towards achieving higher growth by providing cost competitive quality solutions to its customers. In addition, the Company has facilities globally, to provide service to the customers as well as enhance customer relationships.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met eleven (11) times during the financial year 2020-21 and the details of same are given in the Corporate Governance Report forming part of this Annual Report. The intervening gap between two consecutive meetings was not more than one hundred and twenty (120) days as prescribed by the Companies Act, 2013 and the Listing Regulations.

DIRECTORS

The Board of Directors regret to inform you about sad demise of Mr. Sushil Chandra Tripathi, IAS (Retd.), an Independent Director of the Company on May 19, 2021 due to COVID-19. Mr. Tripathi was appointed as Director of the Company on September 10, 2012. During his distinguished career, he held many important assignments in Uttar Pradesh and Central Government. He retired as Secretary of the Ministry of Petroleum in Government of India. He was a visionary and an industry stalwart, managing diverse roles across various industries in his long career. He was a fountainhead of knowledge and a source of inspiration for the Company. Mr. Tripathi made significant contribution as a member of the Board and was Chairman of the Audit Committee, as well as Lead Independent Director. During his association, the Company benefited immensely from his valuable guidance and contributions at the Board and its various committees. The Board of Directors on behalf of all the members and employees of the Company convey deepest condolences to his family.

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, in its meeting held on August 10, 2021 appointed Ms. Rekha Sethi (DIN: 06809515) as an Additional and Independent Director, not liable to retire by rotation, for a period of 5 (five) years commencing from August 10, 2021 to August 9, 2026, subject to approval of the shareholders. The Board recommends appointment of Ms. Rekha Sethi as Independent Director of the Company for approval of the members at the ensuing 34th Annual General Meeting ("AGM") of the Company.

As per provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Takeshi Fujimi (nominee of Sumitomo Wiring Systems Limited, Japan ("SWS")) and Mr. Pankaj Mital, Directors of the Company, retire by rotation in the ensuing AGM. Mr. Takeshi Fujimi and Mr. Pankaj Mital being eligible seeks their re-appointment. Accordingly, the Board of Directors recommend the re- appointment of Mr. Takeshi Fujimi and Mr. Pankaj Mital to the members of the Company.

The members of the Company in their 30th AGM held on August 21, 2017 re-appointed Mr. Pankaj Mital as Whole-time Director (WTD) designated as Chief Operating Officer (COO) for a period from April 1, 2017 to September 30, 2021. Based on the recommendation of Nomination and Remuneration Committee and keeping in view of the vast experience of Mr. Pankaj Mital in the Automobile Industry, the Board of Directors in its meeting held on August 10, 2021 re-appointed Mr. Pankaj Mital, as WTD designated as COO of the Company for a further period of five (5) years effective from October 1, 2021 to September 30, 2026, liable to retire by rotation, subject to approval of the shareholders. The Board recommends appointment of Mr. Pankaj Mital as WTD designated as COO of the Company for approval of the members at the ensuing 34th AGM of the Company.

The details of appointment/re-appointment of the Directors of the Company are mentioned in Explanatory Statement under section 102 of the Companies Act, 2013 and annexure to the 34th AGM Notice of the shareholders.

STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

The Board of Directors has received declarations from all the Independent Directors of the Company confirming that they meet with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) read with Regulation 25 of the Listing Regulations. The Board is of the opinion that they are the persons of integrity and possesses relevant expertise and experience.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s). The details of remuneration and/or other benefits of the Independent Directors are mentioned in the Corporate Governance Report.

AUDIT COMMITTEE

The Audit Committee of the Board for the financial year ended March 31, 2021 was comprised of Mr. Sushil Chandra Tripathi, IAS (Retd.) as Chairman, Mr. Arjun Puri, Mr. Gautam Mukherjee, Ms. Geeta Mathur as Independent Directors and Mr. Shunichiro Nishimura, Mr. Laksh Vaaman Sehgal as Members. During the year all the recommendations made by the Audit Committee were duly accepted by the Board.

Further, consequent upon vacation of the office of Mr. Sushil Chandra Tripathi as director of the Company, the Board of Directors of the Company inducted Mr. Naveen Ganzu as member of the Audit Committee effective from May 28, 2021. Accordingly the re-constituted Audit Committee now comprise of the following:

1. Mr. Shunichiro Nishimura
2. Mr. Arjun Puri
3. Mr. Gautam Mukherjee
4. Ms. Geeta Mathur
5. Mr. L.V. Sehgal
6. Mr. Naveen Ganzu

COMMITTEES OF BOARD

Details on Committees constituted by the Board under the Companies Act, 2013 and the Listing Regulations, their composition as well as changes in their composition, if any, during the year and the number and dates of meetings of such committees held during the year are covered in Corporate Governance Report which forms part of the Annual Report for the Financial Year 2020-21.

KEY MANAGERIAL PERSONNEL

In terms of the provisions of section 203 of the Companies Act, 2013, during the financial year under review the Company has following whole-time Key Managerial Personnel:

1. Mr. Pankaj Mital, Whole-time Director and Chief Operating Officer
2. Mr. G.N. Gauba, Chief Financial Officer
3. Mr. Alok Goel, Company Secretary

MATERIAL CHANGES BETWEEN THE END OF FINANCIAL YEAR AND DATE OF THIS REPORT

Your Company made the following acquisitions:

(a) The Company's material subsidiary Samvardhana Motherson Automotive Systems Group B.V., Netherland ("SMRP BV"), acquired 75% stake in Plast Met Plastik Metal Sanayi Imalat ve Ticaret Anonim Sirketi (PM-Bursa) and Plast Met Kahp Sanayi Imalat ve Ticaret Anonim Sirketi (PM-Istanbul) to enhance diversification across customer portfolio and have access to significant Turkish automotive market. The closing for above transaction was on April 29, 2021.

(b) Motherson Rolling Stocks S. de R.L. de C.V. ("MRS"), a wholly owned indirect subsidiary of your Company through PKC Group Oy, had acquired Bombardier Transportation's manufacturing site for Electrical Wiring Interconnection Systems in Huehuetoca, Mexico to establish a long-term supplier partnership for electrical harnesses and assemblies in the Americas region. The closing for above transaction was on May 1, 2021.

BOARD EVALUATION

In terms of the requirement of the Companies Act, 2013 and Listing Regulations, the Board carried out an annual evaluation of its own performance, Board Committees, individual Directors including the Independent Director and the Chairman of the Company on the basis of the criteria specified as per the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India with the aim to improve the effectiveness of the Board and the Committees.

The criteria for evaluation under different categories depends on the role the person(s)/group(s) plays in the Company. The criteria for every evaluation for the FY 2020-21 was decided at every level depending on the functions, responsibilities, competencies required, nature of business etc., detailed as below:

Person(s)/ Group(s)	Evaluation Criteria
Chairman of the Company	Leadership, steering skills, impartiality, commitment, ability to keep shareholder's interest in mind etc.
Board	The board composition and structure, meetings of the Board, effectiveness of board processes and its functions, monitoring effectiveness of Governance practices, evaluation of performance of management and providing their feedback etc.
Committees of the Board	The composition of Committees, structure of Committees, effectiveness of Committee meetings, independence of the Committees from the Board, contribution to the decisions of the Board etc.
Executive/ Non-Executive/ Independent Director(s)	Criteria for all type of Directors-qualification, experience, knowledge and competencies, fulfilment of functions, commitment and their participation and contribution at the Board meetings and Committee meetings etc. Additional criteria in case of Independent Directors, i.e., independent from the Company and other Directors, providing independent views and judgement.

In a separate meeting of Independent Directors held during the financial year 2020-21, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive Directors and non-executive Directors. The Independent Directors at their meeting held, also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the year, Board Evaluation was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Evaluation of the Directors. The exercise was led by the Chairman of the Board whereby the process involved independent discussions with all Board members who gave their feedback and inputs about the performance of the Board, its Committees, Individual Directors, and the Chairman of the Company and effectiveness of the Board/Committee processes.

It was noted that the Board as a whole is functioning as a cohesive body which is well engaged with different perspectives. The Board Members from different backgrounds bring about different complementarities and deliberations in the Board and Committee Meetings. It was also noted that the Committees are functioning well and all important issues are brought up and discussed in the Committees as per its terms of reference as mandated by law.

In the board meeting that followed the meeting of the Independent Directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees and individual directors was also discussed. Performance evaluation of Independent Directors was done by the entire board, excluding the Independent Directors being evaluated.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Pursuant to Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee constituted under the provisions of section 178(1) of the Companies Act, 2013, recommended to the Board of Directors of your Company, a policy on Director's appointment and remuneration, including, criteria for determining qualifications, positive attributes, independence of a Director and other matters. The said policy as approved by the Board of Directors, is uploaded on the Company's website at www.motherson.com. The extract of the said Policy is also covered in Corporate Governance Report which forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(3)(c) of the Companies Act, 2013 and subject to disclosures in the Annual Accounts, your Directors state as under :-

(a) That in preparation of the annual accounts for the financial year ended March 31, 2021, the applicable Accounting Standards have been followed and there are no material departures;

(b) That the Directors have selected appropriate Accounting Policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2021 and of the profit of the Company for that period;

(c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) That the Directors have prepared the annual accounts on a going concern basis;

(e) That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(f) That the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

As per section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in 30th AGM approved the appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/IE300005), as the Statutory Auditors of the Company for a term of 5 (five) years, i.e., from the conclusion of 30th AGM till the conclusion of 35th AGM of the Company, to be held in the year 2022.

The notes on the financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

The Auditors Report annexed with this Annual Report, does not contain any qualification, reservation or adverse remarks.

During the Financial Year 2020-21, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3)(ca) of the Companies Act, 2013.

Cost Auditor

The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records have been prepared and maintained by the Company for the financial year 2020-21.

As per recommendation of the Audit Committee, the Board of Directors has appointed M/s. M.R. Vyas & Associates, Cost and Management Accountants (Registration No. 101394) as Cost Auditor for conducting the audit of cost records of the Company for the financial year 2020-21.

During the Financial Year 2020-21, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3)(ca) of the Companies Act, 2013.

Secretarial Auditor

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed M/s. SGS Associates, Company Secretaries (CP No. 1509) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2021.

The Report given by the Secretarial Auditor is annexed herewith and forms integral part of this Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

During the Financial Year 2020-21, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3)(ca) of the Companies Act, 2013.

AWARDS & RECOGNITIONS

During the year, the Company had received various awards and recognitions, which have been described in "Awards and Recognition" section, forming part of the Annual Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of loans given, Investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by recipient are provided in the standalone financial statement. Please refer Note No. 6(a), 6(b) and 7 to the standalone financial statements.

PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

Pursuant to Policy on Related Party Transaction of the Company, all contracts/ arrangements/ transactions entered by the Company during financial year with related parties which were on arm's length basis and were in ordinary course of business were approved by the Audit Committee. During the year, the Company had not entered into any contract / arrangement/ transaction with related parties which could be considered material for which shareholders' approval is required in accordance with the policy of the Company on materiality of related party transactions. Thus, provisions of section 188(1) of the Companies Act, 2013 are not applicable to the Company.

Pursuant to the provision of applicable Listing Regulations, all related party transactions are placed before the Audit Committee for approval including the transaction under section 188 of the Companies Act, 2013 and regulation 23 of Listing Regulations. Prior omnibus approval of the Audit Committee has been obtained for transactions which are foreseen and repetitive in nature and where the need for related party transaction cannot be foreseen, audit committee granted omnibus approval for such transactions having value upto rupees one crore per transaction. The transactions entered into pursuant to omnibus approval were presented to the Audit Committee on quarterly basis by way of a statement giving details of all related party transactions.

The Company has developed a Related Party Transactions Manual, Standard Operating Procedures for purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board and amended from time to time is uploaded on the Company's website.

Your Directors draw attention of the members to Note No. 40 to standalone financial statement which sets out related party disclosures.

Approval of Related Party Transactions to be undertaken by Motherson Sumi Wiring India Limited after demerger of Domestic Wiring Harness Business ("DWH Business")

Subject to the receipt of approval of the Hon'ble NCLT and other approval(s), pursuant to the Composite Scheme of Amalgamation and Arrangement amongst your Company, Samvardhana Motherson International Limited and Motherson Sumi Wiring India Limited ("MSWIL"), the DWH Business of your Company will be transferred to MSWIL

At present, DWH Business being carried on as a part of the business of the Company and will continue to be carried on as such, till the Scheme becomes effective. The Company (either directly or through its subsidiaries or joint ventures) has, over the years, developed an in-house value chain of these products through various backward integration initiatives which give it a distinct cost advantage. Accordingly, DWH Business has various inter-dependencies, inter-alia, with remaining business of the Company (including subsidiaries and joint ventures of Samvardhana Motherson International Limited ("SAMIL") which will become subsidiaries and joint ventures of the Company pursuant to the Scheme).

To ensure that, post the demerger, the benefit of the in-house value chain continues to be available to all the businesses, certain related party transactions will be carried out by MSWIL with your Company, Sumitomo Wiring Systems Limited (SWS) including their subsidiaries and joint venture companies and other related parties.

In this respect, as a matter of abundant caution and good corporate governance the approval of the shareholders of the Company was sought at its Extra-ordinary General Meeting held on April 29, 2021. The shareholders of the Company in the said meeting had approved various related party transactions to be undertaken by MSWIL, as more particularly mentioned in the Notice for the said meeting read with the explanatory statement attached thereto pursuant to section 102 of the Companies Act, 2013. The Notice convening the said meeting is as placed on the website of the Company at www.motherson.com.

On demerger becoming effective the shareholding of MSWIL will be a mirror-image of your Company. Since prior to the Scheme becoming effective, your Company is the ultimate shareholder of MSWIL, the said related party transactions approved by the shareholders of your Company will be deemed to be an approval obtained by MSWIL as per the requirements of the Listing Regulations.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information under section 134(3)(m) of the Companies Act, 2013, read with rule 8(3) of Companies (Accounts) Rules, 2014 is given in Annexure-A to this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosure pertaining to remuneration and other details as required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure–B to this Report.

The Statement containing the particulars of employees as required under section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules (if any), is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of section 136 of the Companies Act, 2013 the said annexure is open for inspection at the registered office of the Company during the working hours for a period of twenty-one days before the date of the AGM. Any member interested in obtaining a copy of the same may write to the Company.

CORPORATE GOVERNANCE

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under the Listing Regulations. A separate section on Corporate Governance forming a part of Annual Report and the requisite certificate from the Company's Auditors confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

DISCLOSURE REQUIREMENT

Business Responsibility Report:

Pursuant to regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report describing the initiatives taken by your Company from an environmental, social and governance perspective, in the prescribed format is available as a separate section of the Annual Report.

Dividend Distribution Policy:

As per regulation 43A of the Listing Regulations, the extract of Dividend Distribution Policy of your Company is disclosed in the Corporate Governance Report and the said Policy is also uploaded on the Company's website.

LISTING OF EQUITY SHARES

The Equity shares of your Company are presently listed at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

NCDs issued and allotted by your Company during the financial year 2020-21 are listed on BSE Limited (BSE).

The listing fees for the financial year 2021-22 have been paid to the said Stock Exchanges.

The Company's equity shares continue to remain listed on NSE and BSE while its NCDs remain listed on BSE.

INTERNAL CONTROL

The Company has an Internal Control System commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit Reports are presented directly to the Chairman of the Audit Committee and its members.

Details about Internal controls and their adequacy are set out in the Management Discussion & Analysis Report which forms part of this report.

RISK MANAGEMENT

The Board of Directors had constituted Risk Management Committee to assist the Board with regard to the identification, evaluation and mitigation of strategic, operational, external environment and cyber security risks and in fulfilling its corporate governance oversight responsibilities and to develop policy for actions associated to mitigate the risks. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis.

On recommendation of the Risk Management Committee, the Board of Directors of your Company in its meeting held on November 10, 2020 adopted the amended Risk Management Policy for the Company. The development and implementation of Risk Management Policy has been covered in the Management Discussion and Analysis Report, which forms part of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the period under review, no such order is passed by any Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations other than the orders mentioned herein above.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of section 135 of the Companies Act, 2013, your Company has a Corporate Social Responsibility (CSR) Committee. The CSR Committee comprises of Mr. Vivek Chaand Sehgal (Chairman), Mr. Arjun Puri, Independent Director and Mr. Laksh Vaaman Sehgal, Non-Executive Director.

The terms of reference of the Corporate Social Responsibility (CSR) Committee is provided in the Corporate Governance Report. Your Company has also formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company at www.motherson.com.

Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as Annexure–C and forms integral part of this Report.

The Company is, *inter-alia*, also performing CSR activities through Swarn Lata Motherson Trust which has been established for the sole purpose of CSR activities. Further, the Company continue to carry out CSR activities as specified under schedule VII to the Companies Act, 2013.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism which incorporates a whistle blower policy in terms of the Companies Act, 2013 and the Listing Regulations for Directors and employees to report their genuine concerns. The objective of the Policy is to create a window for any person who observes an unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct or ethics policy (hereinafter "Unethical and Improper Practices"), either organizationally or individually, to be able to raise it and to provide for adequate safeguards against victimization of whistle blower and also to provide for direct access to the chairperson of the audit committee.

Thought Arbitrage Consultancy has been appointed by the Board of Directors as an independent external ombudsman under this Whistle-blower mechanism.

Protected Disclosure can be made by a Whistle Blower through an e-mail or dedicated telephone line or a letter to the Thought Arbitrage Consultancy or to the Chairman of the Audit Committee. The Whistle Blower Policy is available on the Company's website at www.motherson.com.

ANNUAL RETURN

In accordance with the provisions of Section 92(3) read with section 134(3)(a) of the Companies Act, 2013 and Rules framed thereunder, an annual return in the prescribed format for the financial year 2020-21 is available on the website of the Company at www.motherson.com.

COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company has complied with the secretarial standards with respect to General and Board Meetings specified by the Institute of Company Secretaries of India constituted under section 3 of the Company Secretaries Act, 1980 (56 of 1980), and approved as such by the Central Government.

HUMAN RESOURCES

The relations with the employees and associates continued to remain cordial throughout the year. The Directors of your Company wish to place on record their appreciation for the excellent team spirit and dedication displayed by the employees of the Company.

DISCLOSURE UNDER SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDERSSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Committee composed of internal members and an external member who has extensive experience in the field.

During the Financial Year 2020-21, there were no cases filed under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

GREEN INITIATIVES

Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.motherson.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The above are in compliance with 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, General Circular No. 39/2020 dated December 31, 2020 and General Circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs, Government of India issued by Ministry of Corporate Affairs and circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India.

ACKNOWLEDGEMENT

Your Board of Directors would like to place on record their sincere appreciation for the wholehearted support and contributions made by all the employees of the Company as well as customers, suppliers, bankers, investors and other authorities. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

The Directors also thank the Government of various countries, Government of India, State Governments in India and concerned Government Departments/ Agencies for their co-operation, support and look forward to their continued support in the future.

Last but not the least the Board of Directors wish to thank all the stakeholders of the Company and the collaborator Sumitomo Wiring Systems Limited, Japan for their continuous support.

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

Vivek Chaand Sehgal
Chairman
DIN:00291126

Place : Dubai
Date : August 10, 2021

ANNEXURE – A

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo Pursuant to section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 and forming part of Directors' Report.

A. Conservation of energy

a) Steps taken or impact on conservation of energy:

The Company has constantly been emphasizing an optimization of energy consumption in every possible area in its units. Various avenues are being identified at periodic intervals and after careful analysis, measures are being initiated to minimize the consumption of energy by optimum utilization of energy consuming equipment. During the year under review, measures were initiated / adopted for conservation and optimize utilization of energy at various plants & units of the Company which also includes, improvement and/or installations at various other units as of previous years' such measures are as below:

- Installed energy efficient HVLS fan in feasible units for more efficiency and reduction in power consumption
- In new plants optimal design of Rain water harvesting is implemented which reduces the installation cost & better percolation efficiency and ease of maintenance
- Started using factory built Modular tank instead of RCC heavy excavation and concreting tanks which results in cost saving and ease in maintenance
- Most of the units are using LED lights and solar panels for security lighting and lights in older units (including street light) are being converted to LED
- Optimizing the heating of Injection Molding & Blow molding Machines by Just-In-Time Heating ON
- Putting UPS in Offline Mode on Sundays, Non-Production Days & Holidays
- Removal of extra lights with maintaining required lux level at Paint Store area
- Installation of VFD Based mixing mill for final rubber compound preparation with shell type cooling facility
- Installation of VFD and gravity based master batch preparation setup in the carbon master batch
- In Extrusion line dedicated chiller line is removed from the system and connected with the centralized line to save power cost
- Optimized air cooling and air conditioned systems for the plant areas using VFD and by installing Invertor AC
- Installation of two cavity dies in place of single cavity in extrusion line, resulted in savings of 20% in terms of machine power consumption
- Installed Idle tripping for Machines
- Usage of energy efficient motors
- Appropriate insulation to fix the compressed air leakages
- Energy efficient air compressor systems using VFD
- Switching off of 1000KVA Transformer on Sundays, Non-Production Days & Holidays
- Removal of excess lux and maintaining required Lux level in working station
- Installation of adiabatic close loop cooling system at one of the units of MSEW Division at Indore, which yields water saving of 6000 Kilo liter per annum
- Servo driven pumping system retrofits to save the energy consumption of injection / blow molding machine
- Compounding mill has been shifted from Chiller to cooling tower to reduce the refrigerated cooling electrical load
- Timer controls/ Motion sensors for lighting and Air conditioning in plant areas to save on power during rest / lunch time

- Installation of Air Booster in machines for optimum utilization of air compressor
- Water conservation measures to minimize water intake & consequent reduction in pumping extraction or direct water buying by installing level sensors in tanks and urinal sensors in toilets
- New plants are designed to use natural day light to reduce the electricity consumption for illumination during the day time
- Use of recyclable material and avoid building materials which involves tremendous use of energy while processing
- Continue to create awareness amongst team members on energy conservation through campaigns and events
- MATE has carried out development of Energy Monitoring System in which energy monitoring is carried out for the complete plant, area wise and machine wise for analysis. The Salient features of this Energy monitoring system are as follows:
    - It collects the real time and historical energy consumption data
    - This system helps in identification of energy inefficient machines/ equipment and planning in their upgradation to make them energy efficient
    - Auto mailer alerts are generated for the defined users in case of abnormal energy consumption

b) Steps taken by the Company for utilizing alternate source of energy:

- Installation of Roof top Solar Plant in various units of divisions of the Company which has resulted in power saving
- Installation of Poly carbonate sheets installed in roof of shop floor for natural light in day time
- Power Procurement through Open market i.e. from competitive power companies as compared to local utility monopoly
- Purchase of power from private sources (e.g. Wind power) from other third parties
- In process to explore the use of PNG in lieu of Diesel in Gen-sets
- In process of setting up water ponds in units to recoup water levels and internal usage
- Installation of wind mill, light pipe or solar tube in few plants (WHD)

c) The capital investment on energy conservation equipment:

The Company is in continuous process for making efforts on energy conservations and such measures includes efforts at planning stage of expansion or modernization or replacement etc. (as the case may be). Accordingly, such expenses are considered in annual budgets and cost. In addition to above, considering size and extent of operations and turnover of the Company, any specific capital investment detail(s) in this respect, will be insignificant to segregate and separately report.

B. Technology absorption

FY 20-21 is a year of establishing and maturing advanced emission technologies across modern road transportation vehicles. The Company continued to deepen the work in exploring, adopting and absorbing future technologies and its viable application to Electrical & Electronics Distribution Systems. This enables Company to offer differentiating solutions to its customers addressing the challenges of complexity management, weight and volume optimization of Vehicle Harness Systems.

In line with global as well as regional (Indian) trends of alternate fuel powertrain (including electrification), connected car technologies, safety, environment and autonomous driving technology adoption in transportation applications, Wiring Harness Division of the Company has designed and developed important solutions for passenger cars, two wheelers, commercial vehicles, buses and off-high way applications.

The Company has constantly been working on advanced technologies for bringing and improving the product and service value propositions to consumers, customers and the whole value chain. In order to enhance the injection molding technologies, the Company has been constantly innovating and adopting new technologies.

(i) the efforts made towards technology absorption;

- Motherson Sumi Electric Wires, a division of the Company (MSEW) has adopted State of art technology in various process like;
    - (a) RBD and IWD machine Take-up with basket for continuous production;
    - (b) Single bow and Gearless Bunching machine (Auto pitch control); and
    - (c) Auto NPS/ABS Extruder Take-up
- Installed 700-ton Desma injection machine with two-injection units, which will enable us to run bigger products such as Space flex seals and battery gaskets of electrical vehicle
- Established the process for Metal to rubber product manufacturing, knitting extrusion hoses, an automatic deflash process through high-speed vibrations
- Established an automatic cut off provision in machine during long curing time
- Interlocked Air Coolers with fire panel and to cut off Air cooler automatically during emergency situations

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

- Auto insert feed system through robot made in-house for KIA tray battery
- Auto air cut-off valve for ultrasonic welding gun
- Automatic switching of Pneumatic air as per SPM requirement implemented on Assembly SPMs
- Various other poka-yoke/automation process are resulting in reduction of manpower cost
- Productivity enhancement
- Reduction in Manpower
- Rationalization of process eliminating NPS Process
- Reducing WIP Inventory by process elimination

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

- X-Linking through Electron Beam Radiation Technology

(a) the details of technology imported;

- In Electron Beam radiation X-linking process wire pass through electron beam where X-linking process of compounding perform to improve mechanical and thermal properties of wires.
- X-Link wire having good mechanical and thermal properties compare to normal PVC compound wires

(b) the year of import;

Year - 2020

(c) whether the technology been fully absorbed;

Yes

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

Not applicable

Research & Development (R&D)

1. Specific areas in which R&D is carried out by the Company

- Keeping sharp focus and consistent value creation ethos, Wiring Harness Division won important electric vehicle applications with leading Global as well as India customers. Critical specialty cables and custom high value solutions are also in serial production now. Wiring Harness Division continue to focus in the following disciplines:
    - Hybrid and High Voltage Wiring Harness Systems
    - High Value Specialized Cables and Connection Systems
    - Light Weighting solutions (adoption of 'Al' Wires)
    - Electronics and Junction Box Technologies and Products

- Solutions for the emissions and other regulatory requirements.
- Enhancing modern model based design methodologies utilizing virtual validations to confirm designs and 3D Printers to quickly realize the prototypes. This reduces time and improves quality of new product launches.

• Digitization, connected equipment and infrastructure technologies has brought the Wiring Harness Division realizing a higher efficiency by maturing next level of Industry 4.0 practices.

• MATE has carried out development of Production monitoring system for Injection Molding Machines in which all the Process parameters are monitored remotely by connecting the machines through LAN network. The salient features of this system are:

- R-Connect is the central server for Industry 4.0 which processes the data collected directly from production parameters. As a result, the obtained information allows for production control (OK and Not OK data) in real time. On this basis, it is possible to determine the value of OEE.
- R-Connect Solution also provides module for Preventive maintenance, Production Planning & Plant Efficiency analysis.
- Monitors the actual production and compare it with planned schedule
- Shot wise process parameter analysis
- Analysis on historical data –Mold Efficiency, Machine Efficiency and shift to day-wise report
- OEE for efficient utilization of man power and machine
- Timeline of the actual shop floor status reported for every day with alarm, mold change, non-production hrs. and production hrs.

• MATE has developed Robotic Ultrasonic hole punching System for Bumpers for precise dimensional control.

• MATE has developed side louver End of Line Testing with part traceability for one of the customer.

• MATE has developed Vision System for testing parts.

• Auto Guided Vehicles (AGV's) with improved features are developed & manufactured in-house to meet the future challenges of automation in material handling.

• Linear robots with improved communication system of Profinet are developed & manufactured in-house for pick place of molded components & for US welding & flaming application.

• Cost effective vision system developed in-house & deployed for mold protection & for quality error proofing application.

• End of the line E testers with LIN communication & blind audit systems are developed for quality assurance checks of assembled door trims.

• Augmented reality (AR) based picking, assembly & testing station

• Real time Asset tracking System to track the Trolley movements.

2. Benefits derived as a result of the above R&D

   • Products developed during the year are being tried in the upcoming models of several car makers and they shall be in mass production later.

   • High-speed pick & place robots Delta robot in cooperative operation mode & Scara robot integrated with ROBIS vision system.

   • Ultrasonic welding machine with linear robotics.

3. Future plan of action

   The Company will keep focusing on the development of new parts required for electrical and electronics distribution system ("EEDS") in a car this brining out unique and cost effective solutions for the future developments.

4. Expenditure incurred on Research and Development.

   1. Revenue : INR 249 Million
   2. Capital : INR 0 Million
   3. Total : INR 249 Million
   4. Total R&D expenditure is 0.39% of the turnover.

The Technology & Application Center of MATE (TAC)

• A dedicated center for developing and absorption of new technologies & Applications is engaged in developing various potential technologies & applications. The following innovative technologies and applications were introduced last year.

- 3D CNC stretch bended Aluminum roof garnish components- With India's rising demand for SUVs, we see the opportunity for roof carrier goods for load carrying. We've successfully built in-house design and manufacturing capabilities, as well as accomplished design prototyping for a commercial order
- In-house development of COVID protection items, such as anti-microbial face masks and face shields, for the use by our employees and for commercial sales
- MATE has successfully developed & implemented technology products requiring optical applications such as Gear shift bezel etc. MATE has won Automotive OEM customer order for series supply
- MATE has successfully developed & implemented optics & lighting technology products for Automobile interior applications, such door garnish with ambience lighting. MATE has won commercial order for series supply
- MATE has successfully developed & Implemented thermoforming technology products for medical industry. MATE has won commercial order from Medical OEM customer for series production & supply

• MATE has successfully developed & implemented technology products for automobile accessories. The development included product Styling, Styling proto development and design engineering. MATE has won commercial orders from OEM for production supply.

C. Foreign exchange earnings and outgo during the year

1. The activities relating to export, incentives to increase exports and developments of new export markets are discussed below:

   The Company has continued to maintain focus and avail opportunities based on economic consideration. During the year, the company has export (FOB value) worth ₹ 8,069 million.

2. Total foreign exchange earned and outgo

(₹ in Million)

a.	Total Foreign exchange earned in terms of actual inflows	9,226
b.	Total Foreign exchange outgo in terms of actual outflows	25,050

The detailed information on foreign exchange earnings and outgo is also furnished in the notes to the accounts.

Particulars of Employees and other related disclosures

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Non- Executive directors	Ratio to median remuneration *
Mr. Vivek Chaand Sehgal	--
Mr. Sushil Chandra Tripathi, IAS (Retd.)^^	--
Mr. Shunichiro Nishimura	--
Mr. Arjun Puri	--
Mr. Gautam Mukherjee	--
Ms. Geeta Mathur	--
Mr. Naveen Ganzu	--
Mr. Takeshi Fujimi	--
Mr. Laksh Vaaman Sehgal	--

* Non- Executive Directors other than Independent Directors do not receive any remuneration, sitting fees, or commission from the Company. Sitting fees and commission are paid to the Independent Directors only.

^^ Mr. S.C. Tripathi, IAS (Retd.), ceased to be a director due to his sad demise on May 19, 2021.

Executive directors	Ratio to median remuneration
Mr. Pankaj Mital	96.2

b) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year:

Directors, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Pankaj Mital, Whole-time Director	7.5%
Mr. G.N. Gauba, Chief Financial Officer	7.5%
Mr. Alok Goel, Company Secretary	5%

Increments for FY 2020-21 were implemented effective October 1, 2020.

c) The percentage increase in the median remuneration of employees in the financial year: 4.90%

d) The number of employees on the rolls of company: 43,094

e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average percentile increase in salary of all employees (other than Key Managerial Personnel) is 9.67% which is marginally higher as compared to percentile increase in the managerial remuneration.

f) Affirmation that the remuneration is as per the remuneration policy of the company:

The Company affirms remuneration is as per the remuneration policy of the Company.

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2020-21

1. Brief outline on CSR Policy of the Company.

   Our Company Vision is to create more inclusive and sustainable environment. Our commitment to CSR emanates from the business mission that guides us to set new standards in good corporate citizenship. Therefore, our CSR programs have been structured to be made sustainable, measurable, replicable and scalable which will enable us carve out a reputation for being one of the most socially and environmentally responsible companies. Your Company, in alignment with Schedule VII of the CSR Rules, generally undertakes all its CSR programs/projects/ activities under the following broader thrust areas of CSR:

   - Skill Development and Vocation based education
   - Livelihood enhancement
   - Waste management and Sanitation
   - Environmental sustainability
   - Women and youth empowerment
   - Protection of national heritage, art and culture
   - Measures for benefit of armed forces
   - Rural Development
   - Slum Area Development
   - Disaster Management including reliefs, rehabilitation and reconstruction activities
   - National Missions

   Your Company has also formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Vivek Chaand Sehgal	Chairman, Non-Executive Non Independent Director	2	2
2.	Mr. Arjun Puri	Member, Non-Executive Independent Director	2	2
3.	Mr. Laksh Vaaman Sehgal	Member, Non-Executive Non Independent Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. –

   Link for CSR Committee Composition: https://www.motherson.com/performance/mssl-investors/management

   Link for CSR Policy: https://www.motherson.com/storage/list-directory-items/csr-policy-17.pdf

   Link for CSR projects approved by the Board: https://www.motherson.com/storage/annual-report/MSSL-Annual-Reports-2020-21/MSSL-Corporate-Social-Responsibility-Projects.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable

   Your Company takes cognizance of sub rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014 made effective from January 22, 2021 ("Amended CSR Rules") and accordingly has undertaken impact assessment of the project listed at 1 and the Company also voluntarily has undertaken impact assessment of the projects listed at 2 and 3 in the table below:

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Name of Implementing Agency	Duration
				State	District		
1.	WASHE Govt. Primary Schools Project	Items (i) and (ii) -promoting health care including preventive health care and sanitation; promoting education, including special education and employment enhancing vocation skills especially among children	Yes	Uttar Pradesh	Gautam Buddha Nagar District	Swarn Lata Motherson Trust	April 2019-March 2021
2.	Krish Sustainable Habitat Project	Items (ii) and (iv) – promoting education, livelihood enhancement and animal welfare.	No	Uttar Pradesh	Mathura	Swarn Lata Motherson Trust	May 2018-May 2020
3.	Skill Development Project	Item (ii) - promoting education, employment enhancing vocation skills, and livelihood enhancement projects	Yes	Uttar Pradesh	Noida	Swarn Lata Motherson Trust	December 2017-March 2020

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

S. No.	Financial year	Amount available for set-off from preceding financial years (in INR)	Amount required to be set off for the financial, if any (in INR)
	-	NIL	NIL

6. Average net profit of the company as per section 135(5) – INR 11,750 million

7. (a) Two percent of average net profit of the company as per section 135(5) – INR 235 million

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year - NIL

(c) Amount required to be set off for the financial year, if any - NIL

(d) Total CSR obligation for the financial year (7a+7b-7c). – INR 235 million

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in INR)	Amount Unspent (in INR million)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer
70.83	25.24	30-04-2021	Clean Ganga Fund	138.93	Not Applicable#

In view of Amended CSR Rules the Company is required to transfer the unspent amount not relating to any ongoing project, to a Fund specified in Schedule VII of the Companies Act, 2013 ("the Act"), within a period of six months of the expiry of the financial year. In pursuance of this, the Board of Directors of your Company on recommendation of CSR Committee, in its meeting held on June 2, 2021 had approved to transfer the unspent amount of INR 138.93 million of FY 2020-21 to Clean Ganga Fund for rejuvenation of river Ganga within the prescribed timeline in the Act.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Project duration.	Amount allocated for the project (in INR Million)	Amount spent in the current financial Year (in INR Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in INR Million)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	KriSH Sustainable Habitat (ISKCON)	Items (ii) and (iv) of Schedule VII of the Companies Act, 2013:- promoting education, livelihood enhancement and animal welfare.	No	Uttar Pradesh,	Shri Mathura Vrindavan Dham	12 Months	45.26	31.68	13.58	No	Swarn Lata Motherson Trust	CSR00006337
2.	Skill Development Centre	Items (ii) of Schedule VII of the Companies Act, 2013:- for promoting education, employment enhancing vocation skills, and livelihood enhancement projects	Yes	Uttar Pradesh	Noida	12 Months	15	11.25	3.75	No	Swarn Lata Motherson Trust	CSR00006337
3.	S.O.R.T. Aerobin Project- Existing Societies	Items (i) and (iv) of Schedule VII of the Companies Act, 2013:- Promotion of sanitation, ensuring environment sustainability	Yes	Delhi/ NCR	Gurugram, Ghaziabad and Noida, Okhla	15 Months	4.98	4.98	0.00	No	Swarn Lata Motherson Trust	CSR00006337
4.	S.O.R.T. Aerobin Project- New Societies	Items (i) and (iv) of Schedule VII of the Companies Act, 2013:- Promotion of sanitation, ensuring environment sustainability	Yes	Delhi/ NCR	Gurugram, Ghaziabad and Noida, Okhla	12 Months	10.00	5.00	5.00	No	Swarn Lata Motherson Trust	CSR00006337
5.	Motherson Centre for Truck Driver Training Program	Item (ii) of Schedule VII of the Companies Act, 2013:- for promoting education, employment enhancing vocation skills, and livelihood enhancement projects.	Yes	Uttar Pradesh	Noida	12 Months	3.00	3.00	0.00	No	Swarn Lata Motherson Trust	CSR00006337
6.	Support a Child Program (Education – Vidya & Child)	Item (ii) of Schedule VII of the Companies Act, 2013:- Promoting Education	Yes	Uttar Pradesh	Noida, Sunpura	12 Months	2.04	2.04	0.00	No	Swarn Lata Motherson Trust	CSR00006337
7.	Old Age Home Project (The Earth Saviors Foundation)	Item (iii) of Schedule VII of the Companies Act, 2013:- Setting up of Old Age homes	Yes	Haryana	Gurugram	12 Months	5.81	2.90	2.91	No	Swarn Lata Motherson Trust	CSR00006337
	Total						**86.09**	**60.85**	**25.24**			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in INR Million)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund ('PM CARES Fund')	Clause (viii) of Schedule VII of the Companies Act, 2013:- Contribution to the Prime Minister's National Relief Fund	PAN India	PAN India		9.35	Yes	NA	NA
2.	Nanhi Kali	Clause (ii) of Schedule VII of the Companies Act, 2013:- Promoting Education	Yes	Maharashtra	Mumbai	0.45	No	K.C. Mahindra Education Trust	CSR00000511
3.	Foundation of Krishna Kala and Education Society	Clause (ii) of Schedule VII of the Companies Act, 2013:- Promoting Education	Yes	Uttar Pradesh	Noida	0.05	Yes	NA	NA
4.	People for Animals	Clause (iv) of Schedule VII of the Companies Act, 2013:- Animal welfare.	Yes	Delhi		0.13	Yes	NA	CSR00001927
	Total					**9.98**			

(d) Amount spent in Administrative Overheads – Considering size and extent of CSR projects and eligible CSR amount of the Company, amount spent on overheads, were insignificant to segregate and separately report.

(e) Amount spent on Impact Assessment, if applicable – INR 0.9 million (to be incurred during FY 2021-22 for the projects undertaken upto March 31, 2021)

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - INR 70.83 million

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in INR million)
(i)	Two percent of average net profit of the company as per section 135(5)	235.00
(ii)	Total amount spent for the Financial Year	70.83
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in INR)	Amount spent in the reporting Financial Year (in INR).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial year (in INR)
				Name of the Fund	Amount (in INR).	Date of transfer.	
1.	2019-20	Not Applicable	--	--	--	--	--
2.	2018-19	Not Applicable	--	--	--	--	--
3.	2017-18	Not Applicable	--	--	--	--	--
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced.	Project duration.	Amount allocated for the project (in INR)	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in INR)	Status of the project - Completed /Ongoing.
1.	WASHE01	WASHe project for Govt. Primary Schools	2018-2019	2019-2021	35,357,360**	16,796,950^^	33,416,950	Ongoing
	Total				**35,357,360**	**16,796,950**	**33,416,950**	

** The amount allocated for the project also contains unspent funds from FY2018-19.

^^ The amount spent on the project in the reporting financial year contains funds from FY2019-20 and FY2018-19. There has been no budget allocated for this project for FY2020-21.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

(a) Date of creation or acquisition of the capital asset(s) - None

(b) Amount of CSR spent for creation or acquisition of capital asset - NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- Not applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - Not applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The Company has identified various CSR projects under skill development, rural area development, sanitization and sustainable livelihoods for the underprivileged sections of society.

The Company is committed to continually identify projects that can create maximum impact on the society. These projects are implemented by the Company or through implementing agency, Swarn Lata Motherson Trust.

In the previous/current year(s), the Company and the implementing agency were involved in detailed planning, need assessment, identification of beneficiaries and multiple stakeholders for such projects to ensure maximum benefits and sustainable development of the society.

Some of the programs in skill development, rural area development, sanitization and sustainable livelihoods are multiyear projects.

These project initiatives have long gestation periods & therefore are expected to see increased spending in line with their improved outcomes and will be ramped up going forward in coming years.

Your Company had spent the whole CSR eligible amount, i.e. INR 235 million for FY 2020-21 in the manner as stated in Point no. 8(a) above.

V.C. Sehgal
Chairman (CSR Committee)

Pankaj Mital
Whole-time Director

Impact Assessment Study Report 2021

1. INTRODUCTION

1.1 Background and Context: Swarn Lata Motherson Trust, an implementing agency for CSR Projects of your Company has taken up CSR initiatives in Skill Development, Education and Rural Development with the following three programs emerging as its flagship programs:

- Skill Development and Vocational Training: Imparting technical skills to underprivileged youth and provide support for employment in Delhi-NCR;
- WASHe Project for Govt. Primary Schools: Ensuring access to WASHe facilities and quality education through digital classrooms in Gautam Budhha Nagar, Uttar Pradesh; and
- KrishH Sustainable habitat: Working towards sustainable rural development and livelihood security using social enterprise model in Mathura, Uttar Pradesh

1.2 About the Study: SLMTT invited KPMG India for conducting an Impact Assessment study of these three CSR programmes with a vision of undertaking relevant and effective social projects to create a positive and meaningful impact on the lives of communities. The findings will be used by SLMTT as road map for strengthening their existing processes and planning for future intervention in the priority area. KPMG India has partnered with SLMTT to carry out the impact Assessment

1.3 The Executive summary of the Impact Assessment Study Report 2021 conducted by KPMG India is attached pursuant to applicable provision of CSR Rules.

2. METHODOLOGY OF THE STUDY

2.1 The study has adopted a four-phase structured methodology for the evaluation of the projects

Phase	Description
1 Project Inception and desk review	-Gathering secondary data related to the projects -Interviews with SLMTT and NGO partners to understand the projects details and beneficiaries
2 Research Design	-Development of impact maps and primary data collection tools
3 Primary Data Collection	-Data collection was done through a virtual mode owing to Covid-19+ -Interviews of IAs, relevant stakeholders and beneficiaries
4 Analysis and Reporting	-Analysis of data captured during primary data collection -Analysis of qualitative responses to the questionnaires -Final Report with key findings

2.2 OECD Framework: The methodology of the study has used OECD-DAC framework evaluation criteria throughout the impact evaluation process as it helps in gaining qualitative understanding of the impact created, stakeholder perception, and sustenance of the change

Criteria	Description
Relevance	Assesses the extent to which project responds to the felt needs of all the communities
Effectiveness	Assesses the extent to which objectives of developmental interventions are being achieved
Efficiency	Assesses the extent to which project uses the least costly resources possible to achieve the results
Impact	Assesses the extent to which positive or negative changes are produced by the development intervention, directly or indirectly, intended, or unintended, or externally or internally
Sustainability	Assesses the extent of continuation of benefits from a development intervention after major assistance has been completed

2.3 Sampling Design: Random Sampling has been selected as per the available information on beneficiaries and stakeholders. Random Sampling method is a type of probability sampling method under which each unit of the population has an equal probability of being selected as a sample. This method is used to avoid bias in sample selection.

The sample size has a proportionate of representation of the following respondents:

- Different strata of beneficiaries
- Other significant stakeholders

2.4 Data Collection tools used for the study

- Both quantitative and qualitative surveys were administered in the study
- Tools: In-depth interviews, surveys, focus-group discussions
- Secondary research: Project documents and data provided by SLMTT

3. ASSESSMENT AND FINDINGS OF THE THREE PROJECTS

3.1 Skill Development and Vocational Training, Delhi NCR

Overview of the Project	Activities Involved	Key Beneficiaries and Stakeholders
-Implementation Year: 2018 - Aims to impart technical training and placement support to improve employability and access to better employment opportunities for the candidates -Trade specific trainings in technical domains are provided	• Mobilization of candidates by mobilizers was conducted. • Training of candidates and On the Job Training (Fitter Electrical and Electronic assembly, CNC only) conducted. • Guest lectures conducted by industry experts • Periodic assessments are carried out of candidates trained in the program and counselling is done. • On successful completion certificates are provided and placement is done.	• Candidates • Trainers • Placement Officers • Mobilisers • Centre Manager • SLMTT Project Heads

*A total of 59 beneficiaries and stakeholders were interviewed in this project

Key highlights and impacts of this project are:

- ✓ 38% of the trained students interviewed mentioned that they got placement after completing the courses.
- ✓ 88% of beneficiaries had a positive perception of the project, were able to understand everything that their respective skill development trade covered.
- ✓ Being able to provide support to family: The employed students mentioned that, due to the program placement, they can support their families. The average annual salary of the students is INR 1,20,000.
- ✓ Bringing the underprivileged youth to mainstream work force
- ✓ Better quality of life: The skill development program has been able to bridge the skilling gap in India, by mobilizing candidates for automotive skill trades
- ✓ Parents of the beneficiaries were happy to see a positive change in the overall development of their child.

3.2 WASHe projects for Govt. Primary Schools

Overview of the Project	Activities	Key Beneficiaries & Stakeholders
Implementation Year 2018 Aims to impart WASHe facilities (water, sanitation, hygiene and education) in three government primary schools	• Infrastructural interventions such as construction of new toilets, plumbing work including PVC fitting, laying pipes, installing new wash basins, digging new borewell, installation of pumps, installation of water tanks, formation of soak pit and septic tanks, rainwater harvesting • Infrastructural Activity for School buildings includes civil work, furnishing of School, installation of fire-fighting pumps, fitting electrical equipment. • Educational Interventions includes installation of Digital classrooms/ Smart Classes and BALA Painting	• Principal • Students • Parents • SLMTT • Implementation Partner • Contractor

*A total of 62 beneficiaries and stakeholders were interviewed in this project

Key highlights and of this project are:

- ✓ 95 percent of the respondents felt that the program interventions were 'excellent' while 5 percent respondents rated the program as 'very good'.
- ✓ 100 percent of the students felt that their learning process has boosted and their willingness to learn
- ✓ 100 percent of the parents feel that this has been a great initiative by SMLTT and school.
- ✓ 100 percent of the students were aware of the infrastructural changes that have been brought up by SLMTT.
- ✓ 100 percent of the respondents feel that due to the improved studying area, there has been an increase in the ease in studying in the classrooms.
- ✓ 90 percent respondent said they have learnt new things from the teachers of vidya and child.
- ✓ 100% of the students had regular classes with Vidya & Child volunteers. 100 respondents said that they were approachable, and they understood the problems faced by the students in terms of academics

3.3 KriSH Sustainable Habitat

Overview of the Project	Activities	Stakeholders
Implementation Year: 2017 Aims to address the sustainable livelihood in rural India focusing on five areas: ➢ Livelihood generation ➢ Education ➢ Skill development ➢ Women equality ➢ Access to healthcare ➢ Food production	• Construction of a Cow breeding center • Procurement of cows • Renovation of academic block and hostel • Development of shared infrastructure • Training of women and youth	• Institution Head • Cow Doctor at CBC • Cow caregivers • Principal of school and chief operating officer • Students • Teachers • Skill Development Trainee • Marketing and sales team • Implementing partner & field staff

*A total of 50 beneficiaries and stakeholders were interviewed in this project

Key highlights and impacts of this project are:

- ✓ Increased level of satisfaction among the students and staff of the school
- ✓ 88% of the trainees rated the quality of the course to be `excellent', while 12% trainees rated the quality to be as `good' as they found the course to be relevant.
- ✓ The average annual income of women (who received tailor training) have set up tailoring at home and have increased their annual income.
- ✓ 90% of the students rated themselves 'excellent' in terms of increased and enhanced skill

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
Motherson Sumi Systems Limited
(CIN L34300MH1986PLC284510)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S MOTHERSON SUMI SYSTEMS LIMITED** (hereinafter called the **"Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed with additional fee wherever applicable, and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the "Act") and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The Following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992.

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended to date.

(c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended to date.

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

(e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company during the Audit Period);

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable for the auditing period); and

(i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Director(s), Non-executive Directors, Independent Directors and Woman Director(s). The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be and the dissent notes, if any, have been duly recorded in the Minutes Book.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has following major events having a major bearing on company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc;

1. The Board of Directors of the Company at their meeting held on July 2, 2020, approved the composite Scheme of Amalgamation and Arrangement amongst the Company ('the Amalgamated Company'), Samvardhana Motherson International Limited ('the Amalgamating Company') and Motherson Sumi Wiring India Limited ('the Resulting Company') and their respective shareholders and creditors (hereinafter referred to as "the Scheme").

   The Scheme, inter-alia, provides for (A) demerge the Domestic Wiring Harness Undertaking into the Resulting Company and (B) amalgamate the Amalgamating Company with the Company, by absorption, subsequent to the completion of the demerger referred to in (A); subject to receipt of necessary Statutory and Regulatory approvals under applicable laws including but not limited to approval of BSE Limited and National Stock Exchange of India Limited, approval of requisite majority of the shareholders and creditors of the Company and Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT").

   In this respect, the Company has incorporated a wholly owned subsidiary namely, "Motherson Sumi Wiring India Limited (MSWIL)" on July 2, 2020 for demerger of Domestic Wiring Harness Undertaking.

   The shareholders of the Company at the meeting convened on April 29, 2021 pursuant to the order of the Hon'ble NCLT dated February 16, 2021, considered and approved the said Scheme. Accordingly, at the said meeting held on April 29, 2021, the Scheme was approved by (a) majority of members in number representing three-fourths in value of the members of Company; and (b) the votes cast by the public shareholders of Company in favour of the Scheme being more than the number of votes cast by the public shareholders against it.

2. The Company has received approval from the Hon'ble National Company Law Tribunal, Mumbai Bench, approving the scheme of merger of Motherson Polymers Compounding Solution Private Limited (MPCSL), a wholly owned subsidiary of the Company with the Company by way of absorption on September 4, 2020.

3. The Company has issued 5,000 Listed, Secured, Redeemable, Non-convertible Debentures (NCDs), of ₹ 10,00,000/- each amounting to ₹ 500,00,00,000 crore (Rupees Five Hundred crores), on a private placement basis. The said NCDs were allotted on April 21, 2020 and are listed on the wholesale Debt Market segment of BSE Limited.

4. The Company has issued 21,300 Listed, Unsecured, Redeemable, Non-convertible Debentures (NCDs), of ₹ 10,00,000/- each amounting to ₹ 2130,00,00,000/- (Rupees Two Thousand One Hundred Thirty Crore only), on a private placement basis. The said NCDs were allotted on September 14, 2020 and are listed on the wholesale Debt Market segment of BSE Limited.

5. During the financial year 2020-21 two postal ballots were held by the Company details of which are as below:

Sl. No.	Date of declaration of results	Special Resolution(s) passed
1.	June 29, 2020	a. Creation of charges on the movable and immovable properties of the Company in respect of borrowings b. Amendment in Articles of Association of the Company by substitution of Article No. 102 c. Amendment in Articles of Association of the Company by addition of new Article No. 115A
2.	January 21, 2021	a. Creation of charge on the shares of MSSL (GB) Ltd. in respect of loan amounting to ₹ 1000 crores availed by the Company

6. Issuance of Listed unsecured Commercial papers(s) amounting to ₹ 75 Crore and 50 Crore for 91 days and 63 days respectively during the year under review and the same were duly repaid on November 9, 2020 and September 30, 2020 respectively as per the terms of issue.

For SGS ASSOCIATES
Firm Regn. No. S2002DE058200
Company Secretaries

CS D.P. Gupta
M N FCS 2411
C P No. 1509
ICSI UDIN No. F002411C000412788
ICSI PR No. 1194/2021

Date: 2nd June, 2021
Place: New Delhi

Note; This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of the Report.

Annexure -A

ANNEXURE TO SECRETARIAL AUDIT REPORT ISSUED BY COMPANY SECRETARY IN PRACTICE (NON-QUALIFIED)

To,
The Members
MOTHERSON SUMI SYSTEMS LIMITED
(CIN L34300MH1986PLC284510)

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For SGS ASSOCIATES
Firm Regn. No. S2002DE058200
Company Secretaries

CS D.P. Gupta
M N FCS 2411
Date: 2nd June, 2021 — C P No. 1509
Place: New Delhi — ICSI UDIN No. F002411C000412788
ICSI PR No. 1194/2021

REPORT ON CORPORATE GOVERNANCE

This report is prepared in accordance with the provisions of Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**) and the report contains the details of Corporate Governance systems and processes at Motherson Sumi Systems Limited (**"the Company"**).

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Corporate Governance is based on the principles of integrity, transparency, accountability and commitment to values. Your Company views its Corporate Governance policies not only to comply with the statutory requirements in letter and spirit, but also to aim at implementing the best practices, keeping in view of overall interest of all its stakeholders and to manage the company's affairs in a fair and transparent manner.

Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. Your Company takes Corporate Governance as a critical tool to enhance trust of its Customers, Employees, Investors, Government and the Community at large and achieve its goal of maximizing value for its stakeholders while also being a positive influence in communities, by operating through responsible business practices.

Over the years, the Company has further strengthened its governance framework by investing sizeable resources to ensure that internal control processes meet the best practices. This includes various transparent procedures and practices which, determine the way business is to be conducted and value generated. Stakeholders' interest are taken into account, before making any business decision. The focus on creating value for all stakeholders has led to the trust and the request from customers to do more. This approach strengthens the position of the Company and helps it move closer to the vision of being a globally preferred solutions provider.

The Company as well as its subsidiaries have adopted a Code of Conduct for its Directors, employees and officers which encompasses an appropriate process to report any concern pertaining to non-adherence to the said Code.

In terms of distributing wealth to the shareholders, apart from having a track record of uninterrupted dividend pay-out, the Company has also delivered consistent unmatched shareholder returns. The Company has the distinction of consistently rewarding its shareholders through dividends over the past twenty seven eventful years from its Initial Public Offering, while supporting the future growth of the Company.

BOARD OF DIRECTORS

The Board of Directors regret to inform you about sad demise of Mr. Sushil Chandra Tripathi, IAS (Retd.), an Independent Director of the Company on May 19, 2021 due to COVID-19. Mr. Tripathi was appointed as Director of the Company on September 10, 2012. During his association, the Company benefited immensely from his valuable guidance and contributions at the Board and in various committees. The Board of Directors on behalf of all the members and employees of the Company convey deepest condolences to his family.

As on March 31, 2021, the Company had ten (10) Directors, of which nine (9) were Non-executive Directors including five (5) Independent Directors. The Board has one (1) Woman Director, being Independent Director of the Company. As on March 31, 2021, the composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013.

None of the Directors on the Board is a member of more than ten (10) committees across all the public companies or Chairman of more than five (5) committees across all the public listed companies as on March 31, 2021, for which confirmation has been obtained from the Directors. Chairmanship/Memberships of the Board Committees include Audit Committee and Stakeholders Relationship Committee.

The name and categories of Directors on the Board and number of Directorships in other public companies and Committee Chairmanship/Memberships held by them as on March 31, 2021 are given below:

Name of Director	Promoter/ Executive/ Non-Executive/ Independent Non Executive/ Nominee	No. of Directorships in other Public Companies @	Committee membership in public companies @	Committee Chairmanships in public companies
Mr. Vivek Chaand Sehgal * DIN 00291126	Chairman, Non-executive	6	1	0
Mr Sushil Chandra Tripathi, IAS (Retd.)^^ DIN 00941922	Non-Executive Independent Director	10	9	5
Mr. Shunichiro Nishimura$ DIN 08138608	Non-executive Non Independent Director	1	2	0
Mr. Arjun Puri DIN0021190	Non-Executive Independent Director	3	4	1
Mr. Gautam Mukherjee DIN 02590120	Non-Executive Independent Director	2	3	2
Ms. Geeta Mathur DIN 02139552	Non-Executive Independent Director	9	10	5
Mr. Naveen Ganzu DIN 00094595	Non-Executive Independent Director	1	0	0
Mr. Laksh Vaaman Sehgal* DIN 00048584	Non-executive Non Independent Director	7	1	0
Mr. Takeshi Fujmi$ DIN 08501292	Non-executive Non Independent Director	Nil	0	0
Mr. Pankaj Mital DIN 00194931	Whole-time Director & Chief Operating Officer, Executive Director	2	1	0

* Promoter and Nominee Director(s) of Samvardhana Motherson International Limited (SAMIL).

^^ Ceased to be director due to demise on May 19, 2021.

$ Nominee Director(s) of Sumitomo Wiring Systems Limited (SWS).

@ Pursuant to Regulation 26 of Listing Regulations, the companies mentioned herein are public limited companies, whether listed or not, and does not include other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013.

Notes:

a) As required by Regulation 26 of Listing Regulations, the disclosure includes memberships/ chairpersonship of the Audit Committee and Stakeholders Relationship Committee in Indian public companies (listed and unlisted).

b) Membership of the Directors in the Committees is including Chairmanship.

c) None of the other Director(s) are related to each other except Mr. Vivek Chaand Sehgal and Mr. Laksh Vaaman Sehgal. Mr. Vivek Chaand Sehgal is father of Mr. Laksh Vaaman Sehgal.

d) The Company has received declarations of independence as prescribed under Regulation 25(8) of the Listing Regulations from the Independent Directors stating that they meet the criteria of Independence as provided in Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013. All requisite declarations were placed before the Board and upon perusal of such declarations, the Board viewed and took on record that the independent directors fulfil the conditions specified in Listing Regulations and the Companies Act, 2013 and are independent of the management.

e) The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013.

Further, the name of other listed companies where the Directors of the Company are also Director and category of Directorship is as under:

Name of Director	Directorship in other Listed Company (as on March 31, 2021)	Category of Directorship
Mr. Vivek Chaand Sehgal	Sun Pharmaceutical Industries Limited	Independent Director
Mr. Sushil Chandra Tripathi, IAS (Retd.)^^	Ginni Filaments Limited	Independent Director
	Religare Enterprises Limited	Independent Director
Mr. Shunichiro Nishimura	Nil	Not Applicable
Mr. Arjun Puri	Nil	Not Applicable
Mr. Gautam Mukherjee	Nil	Not Applicable
Ms. Geeta Mathur	NIIT Limited	Independent Director
	JTEKT India Limited	Independent Director
	IIFL Finance Limited (formerly IIFL Holdings Limited)	Independent Director
	Info Edge (India) Limited	Independent Director
	Onmobile Global Limited	Independent Director
	IIFL Wealth Management Limited	Independent Director
Mr. Naveen Ganzu	Nil	Not Applicable
Mr. Laksh Vaaman Sehgal	Nil	Not Applicable
Mr. Takeshi Fujimi	Nil	Not Applicable
Mr. Pankaj Mital	Nil	Not Applicable

^^ Ceased to be director due to demise on May 19, 2021.

Attendance at Board Meeting and Annual General Meeting

The Board of Directors of the Company meets at least four times in a year i.e. once a quarter to review the quarterly/ half yearly/ yearly results and other items on the agenda.

Eleven (11) Board Meetings were held during the financial year 2020-21 and gap between two meetings did not exceed 120 (one hundred and twenty) days. The necessary quorum was present for all meetings. The said meetings were held on: (1) April 10, 2020 (2) May 14, 2020 (3) June 2, 2020 (4) July 2, 2020 (5) August 11, 2020 (6) September 2, 2020 (7) September 11, 2020 (8) September 30, 2020 (9) November 10, 2020 (10) February 12, 2021 and (11) March 25, 2021.

The attendance record of the Board of Directors at the Board Meetings and Annual General Meeting held during the FY 2020-21 is as below:

Sl. No.	Name of Director	No. of Board Meetings Attended	Attendance at last Annual General Meeting
1.	Mr. Vivek Chaand Sehgal	11	Yes
2.	Mr. Sushil Chandra Tripathi IAS (Retd.)^^	11	Yes
3.	Mr. Shunichiro Nishimura	11	Yes
4.	Mr. Arjun Puri	11	Yes
5.	Mr. Gautam Mukherjee	11	Yes
6.	Ms. Geeta Mathur	11	Yes
7.	Mr. Naveen Ganzu	11	Yes
8.	Mr. Laksh Vaaman Sehgal	11	Yes
9	Mr. Takeshi Fujimi	5	Yes
10.	Mr. Pankaj Mital	11	Yes

^^ Ceased to be director due to demise on May 19, 2021.

Considering the pandemic due to COVID-19, the Company provided the Video conferencing facility to enable all the Directors to attend and participate at the meetings from different locations.

The information regularly placed before the Board of Directors amongst others include the following:

a) Quarterly/ half yearly/ yearly results and performance of the Company.

b) Minutes of the meetings of the Board and all its committees.

c) Minutes of Meetings of the Board of the subsidiary companies and periodical Financial Statements including significant transactions and arrangements entered into by the subsidiary companies on a quarterly basis.

d) Materially important litigations, show cause, demand, prosecution and penalty notices.

e) Annual Operating plans, budgets and updates.

f) Details of changes in structure of JV / subsidiary Company(ies).

g) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

h) Recruitment and Remuneration of Senior management / Key Managerial Personnel (KMPs) of the Company.

i) Funding to Subsidiary Companies / Guarantee to secure funds availed by Subsidiary Companies and update on Governance of unlisted Subsidiary Companies.

j) Borrowings by the Company and update on the fund utilisation.

k) Other information as mentioned in Schedule II Part A of the Listing Regulations.

The details of equity shares of the Company held by the Directors as on March 31, 2021 are given below:

(A) Equity shares:

Name	Category	No. of equity shares (face value of ₹ 1 each)
Mr. Vivek Chaand Sehgal	Non-Executive Non Independent Director	73,165,402
Mr. Sushil Chandra Tripathi, IAS (Retd.)^^	Non-Executive Independent Director	2,000*
Mr. Arjun Puri	Non-Executive Independent Director	3,750
Mr. Gautam Mukherjee	Non-Executive Independent Director	10,000
Ms. Geeta Mathur	Non-Executive Independent Director	10,125
Mr. Naveen Ganzu	Non-Executive Independent Director	211,951
Mr. Laksh Vaaman Sehgal	Non-Executive Non Independent Director	123
Mr. Pankaj Mital	Executive Director (Designated as Whole time Director & COO)	99,273

^^ Ceased to be director due to demise on May 19, 2021.

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

(B) Equity Convertible instruments: The Company has no outstanding equity convertible instruments.

Meeting of Independent Directors

The Company's Independent Directors meet at least once a year, without presence of non-independent directors and management personnel, *inter-alia*, to:

(a) review performance of non-independent directors and the Board as a whole;

(b) review performance of the Chairman of the Company, taking into account views of executive directors and non-executive directors; and

(c) assess quality, quantity and timeliness of flow of information between Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During year under review, the Independent Directors met on March 17, 2021, *inter-alia*, to discuss the aforesaid matters. Mr. Sushil Chandra Tripathi, IAS (Retd.) as the Lead Independent Director presided the said meeting of the Independent Directors. All the Independent Directors were present at the Meeting.

Familiarization Programme of Independent Directors

The Independent Directors of the Company are eminent personalities having wide experience in the field of finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions.

Periodic presentations are made by the Senior Management, Statutory and Internal Auditors at the Board/ Committee Meetings on business and performance updates of the Company and its subsidiaries, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent Directors.

Further, during the year, a familiarization programme for the Independent Directors was organized by the Company from March 16, 2021 to March 18, 2021. At the familiarization programme, the Independent Directors visited wiring harness plant of the Company located at Pathredi, Bhiwadi, Alwar, Rajasthan and Modules & Polymer Products Plant of Motherson Automotive Technologies Engineering (a division of the Company) located at Tapukara, Bhiwadi, Alwar, Rajasthan. All the Independent Directors attended the familiarization programme organized by the Company.

The details of the familiarization programme of the Independent Directors are available on the website of the Company at https://www.motherson.com/performance/mssl-investors.

Performance Evaluation criteria of Board

The performance of the Directors including the Independent Directors is evaluated on the basis of the criteria specified as per the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India (**"SEBI"**) with the aim to improve the effectiveness of the Board and the Committees. The said criteria provides certain parameters like qualification, experience, knowledge and competencies, fulfilment of functions, ability to function as a team, initiative, commitment and their participation and contribution at the Board meetings and Committee meetings, independence from the Company and other Directors, providing independent views and judgement, and expertise to provide feedback and guidance to top management on business strategy, governance, risk, understanding of the organization's strategy, internal and external environment.

Evaluation of Independent Directors, in their absence, by the entire Board was undertaken, based on their performance and fulfilment of the independence criteria prescribed under the Companies Act, 2013 and Listing Regulations.

The Board's performance was evaluated based on inputs received from all the Directors, in respect of Board's composition and structure, effectiveness of the Board, performance of the Committees, processes and information provided to the Board, etc. The details of evaluation parameters and the manner of evaluation have been explained in the Boards' Report.

Code of Conduct

The Company has stipulated Code of Conduct for all Directors and the designated employees of the Company ("the Code"). The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. A copy of the Code been placed on the Company's website, viz., www.motherson.com.

The Code has been circulated to the Directors and all permanent employees of the Company and its compliance is affirmed by them annually. The Members of the Board and Management personnel have affirmed compliance with the Code applicable to them during financial year ended on March 31, 2021. A declaration signed by the Whole-time Director and Chief Operating Officer is published in this Report.

Core skills, expertise and competencies identified by the Board of Directors

The Board of the Company comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees. The Board members are committed to ensure that the Board is in compliance with the highest standards of corporate governance.

The table below summarizes the key skills and attributes which are taken into consideration while nominating candidates to serve on the Board:

Core skills, expertise and competencies	
Financial	Leadership and management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes or person performing similar function.
Gender, ethnic, national, or other diversity	Representation of gender, ethnic, geographic, cultural or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments and other stakeholders worldwide.
Global business	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures and regulatory frameworks and a broad perspective on global market opportunities.
Leadership	Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning and risk management. Demonstrated strengths in developing talent, planning succession and driving change and long term growth.
Technology	A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.
Mergers and acquisitions	A history of leading growth through acquisitions and other business combinations, with the ability to assess 'build or buy' decisions, analyze the fit of a target with the Company's strategy and culture, accurately value transactions and evaluate operational integration plans.
Board service and governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests and observing appropriate governance practices.
Customer support function	Experience in developing strategies for customer support function, grow sales and market share, build brand awareness and enhance enterprise reputation.

Core skills, expertise and competencies of the Directors:

Given below is a list of core skills, expertise and competencies of the individual Directors:

Name of Director	Skills / Expertise / Competencies							
	Financial	Gender, ethnic, national, or other diversity	Global business	Leadership	Technology	Mergers and acquisitions	Board service and governance	Customer support function
Mr. Vivek Chaand Sehgal	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sushil Chandra Tripathi, IAS (Retd.)^^	✓	-	✓	✓	✓	✓	✓	-
Mr. Shunichiro Nishimura	✓	✓	✓	✓	-	✓	✓	-
Mr. Arjun Puri	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Gautam Mukherjee	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Geeta Mathur	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Naveen Ganzu	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Laksh Vaaman Sehgal	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Takeshi Fujimi	-	✓	✓	✓	✓	-	✓	-
Mr. Pankaj Mital	✓	✓	✓	✓	✓	✓	✓	✓

^^ Ceased to be director due to demise on May 19, 2021.

COMMITTEES OF BOARD

Audit Committee

The Audit Committee of the Company has been constituted in line with the provisions of Regulation 18 of Listing Regulations read with Section 177 of the Companies Act, 2013. The Audit Committee of the Company comprises majority of the Independent Directors. The members of the Audit Committee met eight (8) times during financial year 2020-21. The Audit Committee, *inter-alia*, reviewed related party transactions, Internal Audit Report, quarterly, half-yearly and annual financial statements before submission to the Board.

The dates on which meetings were held are as follows:

(1) June 1, 2020 (2) July 2, 2020 (3) August 10, 2020 (4) September 29, 2020 (5) November 09, 2020 (6) December 2, 2020, (7) February 11, 2021 and (8) March 25, 2021

The maximum time gap between two consecutive meetings did not exceed 120 (one hundred and twenty) days. Also, the necessary quorum was present for all the meetings.

The composition of the Committee and attendance of each member at the Audit Committee meetings held during the FY 2020-21 is as below:

Name	Designation	Category	Committee meetings attended
Mr. Sushil Chandra Tripathi, IAS (Retd.)^^	Chairman	Non-Executive Independent Director	8
Mr. Shunichiro Nishimura	Member	Non-Executive Non Independent Director (Nominee of SWS)	8
Mr. Arjun Puri	Member	Non-Executive Independent Director	8
Mr. Gautam Mukherjee	Member	Non-Executive Independent Director	8
Ms. Geeta Mathur	Member	Non-Executive Independent Director	8
Mr. Laksh Vaaman Sehgal	Member	Non-Executive Non Independent Director (Nominee of SAMIL)	8

^^ Ceased to be director due to demise on May 19, 2021.

The terms of reference of the Audit Committee comprises the following:

(a) Reviewing, with the management, the quarterly/ half yearly/ yearly financial statements before submission to the board for their approval;

(b) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of section 134 of the Companies Act, 2013;

(c) Any changes in accounting policies and practices and reasons for such change;

(d) Major accounting entries involving estimates based on exercise of judgment by management;

(e) Analysis of the effects of alternative GAAP methods on the financial statements;

(f) Qualification(s), if any, in the draft audit report(s);

(g) Significant adjustments made in the financial statements arising out of audit findings;

(h) Compliance with accounting standards and applicable legal requirements relating to financial statements;

(i) Disclosure and/or approval of any related party transactions;

(j) Disclosure of contingent liabilities;

(k) The effect of regulatory and accounting initiatives as well as off-balance-sheet structures, on the financial statements;

(l) Company's earnings press releases, as well as financial information and earnings guidance, if any, provided to analysts and rating agencies;

(m) Recommendation for appointment, remuneration and terms of appointment of auditors

(n) Annual Budget review;

(o) Review and recommendation of the valuation reports to the Board of Directors;

(p) Review of Management Discussion and Analysis of financial condition and results of operations;

(q) Review the functioning of the whistle blower mechanism;

(r) Review of Insider Trading Portal;

(s) The statement for uses/applications of funds including funds raised through Private Placement with the financial results and annually the statement of funds utilized for purposes other than as mentioned in the offer document / prospectus / notice (if applicable);

(t) Reviewing the findings of any internal audit reports by the internal auditors;

(u) Any other document required to be reviewed by the Committee (or a similar body) as per the applicable laws on the Company;

(v) Carrying out any other function as is mentioned in the terms of reference of the audit committee and/ or as mentioned in Schedule II Part C of the Listing Regulations.

The meetings of the Audit Committee were attended by Mr. Naveen Ganzu, Independent Director and Mr. Pankaj Mital, Whole time Director & COO of the Company during the FY 2020-21. The Audit Committee invites such executives, as it considers appropriate, representatives of the statutory auditors and internal auditors to be present at its meetings. The Company Secretary act as the Secretary to the Audit Committee.

The previous Annual General Meeting (AGM) of the Company was held on September 28, 2020 and the same was attended by Mr. Sushil Chandra Tripathi, IAS (Retd.), Chairman of the Audit Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company has been constituted in line with the provisions of Regulation 19 of Listing Regulations read with Section 178(1) of the Companies Act, 2013.

During the financial year 2020-21, the Committee met two (2) times i.e., June 1, 2020 and February 11, 2021.

The composition of the Committee and attendance of each member at the Nomination and Remuneration Committee meetings held during the FY 2020-21 is as below:

Name	Designation	Category	Committee Meetings Attended
Mr. Gautam Mukherjee	Chairman	Non-Executive Independent Director	2
Ms. Geeta Mathur	Member	Non-Executive Independent Director	2
Mr. Laksh Vaaman Sehgal	Member	Non-Executive Non Independent Director	2

The terms of reference of the Nomination and Remuneration Committee include:

a) To identify persons who are qualified to become Directors and who may be appointed in the senior management, recommend to the Board about their appointment and removal and carry out evaluation of every Director's performance;

b) Formulation of criteria for determining qualifications, positive attributes and independence of the Director and recommend to the Board a policy, relating to remuneration of the Directors, Key Managerial Personnel and other employees;

c) Formulation of criteria for evaluation of Independent Directors and the Board of Directors;

d) To evaluate and recommend terms of appointment of the Independent Director, on the basis of their report of performance evaluation of the Independent Director;

e) Devising a Policy on Board Diversity; and

f) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

Remuneration Policy

The Company has adopted a comprehensive remuneration policy in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives and the performance of the individuals measured through the annual appraisal process.

Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs.

The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Director. Annual increments are recommended by the Nomination and Remuneration Committee within the salary scale approved by the Board and Members and are effective April 1 of each year. However, due to COVID impact, the increments for the financial year 2020-21 were implemented effective October 1, 2020.

The Board of Directors, *inter-alia*, on the recommendation of the Nomination and Remuneration Committee, decides the commission payable to the Independent Directors out of the profits for respective financial year and within the ceilings prescribed under the Companies Act, 2013, based on the evaluation process and considering the criteria, such as, the performance of the Company.

Criteria of Selection of Independent Directors

The Nomination and Remuneration Committee considers, *inter-alia*, the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Independent Director(s):

(a) Qualification, expertise and experience in their respective fields such as Information Technology Business, Scientific Research & Development, International Markets, Leadership, Financial Analysis, Risk Management and Strategic Planning, etc.

(b) Personal characteristics which align with the Company's values, such as integrity, accountability, financial literacy, high performance standards etc.

(c) Diversity of thought, experience, knowledge, perspective and gender in the Board.

(d) Understanding of automotive business of the Company and growth.

(e) Such other criteria as prescribed in the Corporate Governance Guidelines of the Company or prescribed by the Board from time to time.

In case of appointment of Independent Directors, the Nomination and Remuneration Committee satisfies itself about the independence of the Directors vis-à-vis the Company to enable the Board to discharge its functions and duties effectively.

The Nomination and Remuneration Committee ensures that the candidates identified for appointment as Directors are not disqualified for appointment under Section 164 and other applicable provisions of the Companies Act, 2013.

In case of re-appointment of Independent Directors, the Board takes into consideration the performance evaluation of the Independent Directors and their engagement level.

Criteria of Making Payments to Directors, Senior Management and Key Managerial Personnel

The Company pays remuneration by way of salary, benefits, perquisites and allowance to its Whole-time Director. Annual increment is decided by the Board within salary scale approved by the members and is effective from April 01, each year. However, due to COVID impact, the increments for the financial year 2020-21 were implemented effective October 1, 2020.

During the financial year 2020-21, the Company paid sitting fees to its Independent Directors only for attending meetings of the Board and Committees of the Board. The amount of sitting fee is:

- ₹ 50,000 per meeting for a Board Meeting and Audit Committee Meeting; and
- ₹ 30,000 for any other Committee Meeting.

The members had, at the Annual General Meeting of the Company held on August 31, 2016, approved payment of commission to the Non-executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 2013. The said commission is decided each year by the Board of Directors and distributed only amongst the Independent Directors for their contribution to the Board and/or its Committees.

The details of remuneration for financial year ended March 31, 2021 for the Directors are as follows:

(a) Independent Directors (Non-executive):

Name of the Director(s)	Commission (₹)	Sitting fee (₹)	Total (₹)
Mr. Sushil Chandra Tripathi IAS (Retd.)^^	80,00,000	9,80,000	89,80,000
Mr. Arjun Puri	40,00,000	10,10,000	50,10,000
Mr. Gautam Mukherjee	40,00,000	10,70,000	50,70,000
Ms. Geeta Mathur	40,00,000	11,00,000	51,00,000
Mr. Naveen Ganzu	40,00,000	5,80,000	45,80,000

^^ Ceased to be director due to demise on May 19, 2021.

Mr. Tripathi had made significant contribution as a member of the Board, as the Chairman of the Audit Committee and was the Lead Independent Director. To honour and convey deep appreciation for Mr. Tripathi's contribution to the Company, the Board decided to pay an additional onetime fee by way of commission of ₹ 40 lakhs as included in aforesaid commission for FY 2020-21.

(b) Whole-time Director:

Name of the Director	Salary	Amount (₹)
Mr. Pankaj Mital	Basic salary	2,01,93,120
	Bonus	20,19,312
	Benefits perquisites and allowances	71,10,529
	Total	**2,93,22,961**

The period of service of Mr. Pankaj Mital as Whole- time Director as approved by the members is from April 1, 2017 to September 30, 2021 and can be terminated by either party upon giving three (3) month notice. Further, there is no severance fee payable or stock options issued to Mr. Pankaj Mital.

The Company does not have any stock option or equity link benefits for directors and/or employees.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company has been constituted in line with the provisions of Regulation 20 of Listing Regulations read with Section 178(5) the Companies Act, 2013. The Committee looks into shareholders' and investors' grievances. During the financial year, one (1) meeting of the Committee was held, i.e., on March 5, 2021.

The composition of the Committee and attendance of each member at the Stakeholders Relationship Committee meeting held during the FY 2020-21 is as below:

Name	Designation	Category	Committee Meeting(s) Attended
Mr. Gautam Mukherjee	Chairman	Non-Executive Independent Director	1
Mr. Shunichiro Nishimura	Member	Non-Executive Non Independent Director	1
Mr. Pankaj Mital	Member	Executive Director (Designated as Whole time Director & COO)	1

The previous Annual General Meeting (AGM) of the Company was held on September 28, 2020 and the same was attended by Mr. Gautam Mukherjee, Chairman of the Stakeholders Relationship Committee.

Mr. Alok Goel, Company Secretary is the Compliance Officer for the financial year 2020-21.

Corporate Social Responsibility Committee

Corporate Social Responsibility (CSR) Committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013. During the financial year 2020-21, two (2) meetings of the Committee were held on June 2, 2020 and February 11, 2021.

The composition of the Committee and attendance of each member at the CSR Committee meetings held during the FY 2020-21 is as below:

Name	Designation	Category	Committee Meetings Attended
Mr. Vivek Chaand Sehgal	Chairman	Non-Executive Non Independent Director	2
Mr. Arjun Puri	Member	Non-Executive Independent Director	2
Mr. Laksh Vaaman Sehgal	Member	Non-Executive Non Independent Director	2

Terms of reference of the Committee:

a) To formulate and recommend to the Board, a CSR Policy and activities to be undertaken by the Company in areas or subject, specified in Schedule VII to the Companies Act, 2013;

b) To recommend amount of expenditure on CSR activities; and

c) To monitor CSR Policy of the Company.

Risk Management Committee:

The Risk Management Committee of the Company is constituted in line with provisions of Regulation 21 of Listing Regulations. The Board of the Company has formed a Risk Management Committee to assist the Board with regard to the identification, evaluation and mitigation of strategic, operational, external environment and cyber security risks and in fulfilling its corporate governance oversight responsibilities and to frame, implement and monitor the risk management plan for the Company. The Committee is also responsible for reviewing risk management plan and ensuring its effectiveness. Major risks identified by business and functions are systematically addressed through mitigating actions on a continuing basis.

During the financial year 2020-21, the meeting of the Committee was held on September 29, 2020. The composition of the Committee and attendance of each member at the Risk Management Committee meeting held during the FY 2020-21 is as below:

Name	Designation	Category	Committee Meeting(s) Attended
Mr. Laksh Vaaman Sehgal	Chairman	Non-Executive Non Independent Director	1
Ms. Geeta Mathur	Member	Non-Executive Independent Director	1
Mr. Naveen Ganzu	Member	Non-Executive Independent Director	1
Mr. Pankaj Mital	Member	Executive Director (Designated as Whole time Director & COO)	1
Mr. Shunichiro Nishimura	Member	Non-Executive Non Independent Director	1
Mr. Gaya Nand Gauba.	Member	Chief Financial Officer	1

Other Committees constituted by the Board

(i) Committee of Directors (Administrative Matters)

The Board of Directors has constituted a Committee of Directors for Administrative Matters to facilitate decision making required to perform various day-to-day operations of the Company. The said Committee was constituted on September 10, 2012.

The following are members of the Committee:

Name	Designation	Category
Mr. Laksh Vaaman Sehgal	Chairman	Non-Executive Non Independent Director
Mr. Shunichiro Nishimura	Member	Non-Executive Non Independent Director
Mr. Pankaj Mital	Member	Executive Director (Designated as Whole time Director & COO)

The terms of reference of the Committee, *inter-alia*, includes the following:

a) To open bank accounts special or otherwise for the purposes of business of the Company including for the purposes of payment of interest, dividend on shares etc. and for the said purpose authorize Directors and/or Officials to operate said accounts and for time to time vary such authorization and also to close such accounts as it may deem fit.

b) To authorise Directors and/or Officials of the Company to represent the Company before Government Authorities and other Authorities for setting up the units / factory of the Company, transfer of unit and also to close such units as it may deed fit.

c) To appoint Occupier for the factory(ies) of the Company under the Factories Act, 1948 and also appoint the Factory manager, if any.

d) To authorize Directors and/or officials of the Company to represent the Company before the Government and/or Non-Government Bodies and authorize them to do all such acts, deeds and things as it may deem fit in connection with the matters pertaining to such bodies and/or otherwise issue and execute power of attorney(s) in favour of any Director and/or officials of the Company or any other person for any general or specific purpose relating to the business and affairs of the Company.

e) To authorize any Director and/or officials of the Company and/or any person to attend and represent the Company at any Extraordinary General Meeting and/or Annual General Meeting or any other meetings of shareholders, Debenture holders or Creditors of the Companies in which the Company is a shareholders or Debenture holder or Creditor including signing the Postal Ballot form and other documents as may be required.

f) To file proceedings against any person and to defend proceedings against the Company, its Directors and officials by any person before any court of law, tribunal or any other authority with power to apply, for compounding of offences / matters alleging violation of law by the Company or its officers to the Company Law Board, Income Tax Tribunal or court(s) or any other authority anywhere in India or abroad and to appoint Advocate(s), issue Power of Attorney and other documents.

g) To authorize such other power as are delegated to it from time to time by the Board of Directors.

h) To authorize any Director and/or official of the Company for any other Administrative items required for the smooth operation and not covered herein, in the best interest of the Company.

The Committee met one (1) time on April 16, 2020 during the financial year 2020-21 and requisite quorum was present at such Committee meeting. In addition, the Committee had approved urgent matter through circulation pursuant to the provisions of the Companies Act, 2013.

(ii) Committee of Directors (Strategic Business Matters)

The Company has a Committee of Directors (Strategic Business Matters), which was constituted by the Board on January 31, 2014. The following are members of the Committee:

Name	Designation	Category
Mr. Laksh Vaaman Sehgal	Chairman	Non-Executive Non Independent Director
Mr. Sushil Chandra Tripathi, IAS (Retd.)^^	Member	Non-Executive Independent Director
Ms. Geeta Mathur	Member	Non-Executive Independent Director
Mr. Shunichiro Nishimura	Member	Non-Executive Non Independent Director
Mr. Pankaj Mital	Member	Executive Director (Designated as Whole time Director & COO)

^^ Ceased to be director due to demise on May 19, 2021.

The Committee's role includes detailed review of following matters and make recommendation to the Board:

a) Acquisition proposals, Divestment and Business re-organization proposals;

b) Business & Strategy Review;

c) Long-term financial projections and cash flow;

d) To approve capex incurred by the Company or subsidiaries up to the limits as may be specified by the Board from time to time; and

e) Any other items as may be delegated by the Board.

During the financial year 2020-21, the meeting of the Committee was held on June 26, 2020.

(iii) Committee of Directors (Business Reorganization)

The Board of Directors in its meeting held on January 30, 2020 constituted Committee of Directors (Business Reorganization). The said Committee, subject to the overall superintendence, control and direction of the Board, is authorized to oversee proposed reorganization proposal and to make recommendations to the Board with a definitive proposal and scheme of reorganization.

The following are the members of the Committee:

Name	Designation	Category
Mr. Laksh Vaaman Sehgal	Chairman	Non-Executive Non Independent Director
Mr. Shunichiro Nishimura	Member	Non-Executive Non Independent Director
Mr. Pankaj Mital	Member	Executive Director (Designated as Whole time Director & COO)

(iv) Special Committee of the Board

The Board of Directors in its meeting held on July 2, 2020 constituted a Special Committee of the Board ("Committee"). The said Committee, subject to the overall superintendence, control and direction of the Board, is authorised to oversee the process of implementation of the Scheme of Amalgamation and Arrangement amongst Motherson Sumi Systems Limited ("Company"), Samvardhana Motherson International Limited ("SAMIL") and Motherson Sumi Wiring India Limited ("MSWIL") and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013.

The following are the members of the Committee:

Name	Designation	Category
Mr. Sushil Chandra Tripathi, IAS (Retd.)^^	Member	Non-Executive Independent Director
Mr. Gautam Mukherjee	Member	Non-Executive Independent Director
Ms. Geeta Mathur	Member	Non-Executive Independent Director

^^ Ceased to be director due to demise on May 19, 2021.

During financial year 2020-21 no meeting was held.

(v) Committee of Directors (Fund Raising)

The Board of Directors in its meeting held on September 2, 2020 constituted Committee of Directors (Fund Raising). The said Committee, subject to the overall superintendence, control and direction of the Board, is authorised to perform all acts as may be required for borrowing up to ₹ 3,000 crores and/or matters incidental thereto, including, to authorize to negotiate and deal with lenders, finalize and appoint various consultants, legal counsels, advisors, rating agency(ies), intermediary, registrar and other agencies etc., deal with the Stock Exchanges and/or depositories.

The following are the members of the Committee:

Name	Designation	Category
Mr. Laksh Vaaman Sehgal	Chairman	Non-Executive Non Independent Director
Mr. Gautam Mukherjee	Member	Non-Executive Independent Director
Ms. Geeta Mathur	Member	Non-Executive Independent Director
Mr. Pankaj Mital	Member	Executive Director (Designated as Whole time Director & COO)

During the financial year 2020-21, the meeting of the Committee was held on September 8, 2020.

(vi) Global Sustainability Committee

SEBI vide its notification dated May 10, 2021 has decided to introduce new reporting requirements called the Business Responsibility and Sustainability Report (BRSR). BRSR seeks disclosures from listed entities on their performance against nine principles of the 'National Guidelines on Responsible Business Conduct' and reporting under each principle is divided into essential and leadership indicators. BRSR shall be applicable to the top 1000 listed entities (by market capitalization) from FY 2022 –23.

The United Nations Global Compact ("UNGC") provides a principle based framework for businesses, stating Ten Principles for human rights, labor, environment and anti-corruption. The United Nations (UN) has developed 17 Sustainable Development Goals (SDGs) for achieving transformational change across the globe.

In pursuance of the above, the Board of Directors in its meeting held on June 2, 2021 constituted Global Sustainability Committee. The said Committee, subject to the overall superintendence, control and direction of the Board, is responsible to drive the sustainability goals as prescribed by SEBI and by UN for adoption on voluntary basis.

The following are the members of the Committee:

Name	Designation	Category
Mr. L.V. Sehgal	Chairman	Non-Executive Non Independent Director
Mr. Gautam Mukherjee	Member	Non-Executive Independent Director
Ms. Geeta Mathur	Member	Non-Executive Independent Director

The Board of Directors in its meeting has also approved for participation in UN Global Compact.

System for transfer of Shares

To expedite share transfer process in physical segment, authority has been delegated to the Share Transfer Committee. The following are the members of the Committee:

Name	Designation	Category
Mr. Laksh Vaaman Sehgal	Chairman	Non-Executive Non Independent Director
Mr. Shunichiro Nishimura	Member	Non-Executive Non Independent Director
Mr. Pankaj Mital	Member	Executive Director (Designated as Whole time Director & COO)

Share transfer / transmissions approved by the Committee are placed at the quarterly Board Meeting. In respect to the System for transfer of Shares following is submitted:

a) All shares have been transferred within stipulated time, so long as the documents have been in order in all respects.

b) Subject to the requests received by the Company for transfer/transmission/ issue of duplicate share certificates etc., the Share Transfer Committee meets normally once a fortnight.

c) Total number of shares transferred in physical (including transmission) form during the financial year 2020-21 was Nil as compared to 1,35,163 shares during financial year 2019-20.

d) As on March 31, 2021, there was no request for equity shares transfer was pending.

The 99.70% of the equity shares of the Company are in electronic form as on March 31, 2021. Transfers of demat shares are done through the depositories with no involvement of the Company/Company's Registrar and Share Transfer Agent (RTA).

Further, the Company obtains half-yearly certificate from a Company Secretary in Practice to the effect that all certificates have been issued within thirty (30) days of the date of lodgement of the transfer, sub-division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with the Stock Exchanges.

As per Regulation 40 of Listing Regulations, as amended vide cirular dated July 5, 2018, shares of the Company can be transferred only in dematerialised form with effect from, 1st April, 2019, except in case of request received for transmission or transposition of securities.

Further, the Committee also approve issue of new share certificate as a result of consolidation, splitting or in lieu of share certificates lost, defaced or destroyed and authorize officials for signing and affixation of common seal.

Investor Relations

Shareholder's grievances

For the financial year ended March 31, 2021, the Company had received 206 investors' complaints, such as, non-receipt of shares after transfer, non-receipt of dividend, bonus shares etc. All complaints received during financial year 2020-21 were disposed off within the said financial year to the satisfaction of the shareholders. The complaints are generally responded to within seven (7) days from date in which they are lodged with the Company / RTA. Further, there were no investor complaint pending as on March 31, 2021 for financial year 2020-21.

Non-Convertible Debenture Holder's grievances

For the financial year ended March 31, 2021, the Company had not received any investors' complaints with respect to the Non-Convertible debentures issued by the Company.

General Meetings:

Particulars of the past three Annual General Meetings (AGMs):

Annual General Meeting	Date	Time	Venue	Special Resolution passed
31st	August 13, 2018	11:00 A.M.	Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, near (Sayani Road), Prabhadevi, Mumbai – 400025.	1. Approval for alteration of Articles of Association (AoA) and adoption of new AoA in order to align with the provisions of the Companies Act, 2013.
32nd	August 14, 2019	11:30 A.M.	Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, near (Sayani Road), Prabhadevi, Mumbai – 400025	1. To re-appoint Mr. Sushil Chandra Tripathi, IAS (Retd) as an Independent Director for a further period of 5 (five) years. 2. To re-appoint Mr. Arjun Puri as an Independent Director for a further period of 5 (five) years. 3. To re-appoint Mr. Gautam Mukherjee as an Independent Director for a further period of 5 (five) years. 4. To re-appoint Ms. Geeta Mathur as an Independent Director for a further period of 5 (five) years.
33rd	September 28, 2020	2.00 P.M.	Pursuant to the general circular dated May 5, 2020 to be read with circulars dated April 8, 2020 and April 13, 2020 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars') and in compliance with the provisions of the Companies Act, 2013, Listing Regulations, the Meeting was held through Video Conferencing/ Other Audio Visual Means. The venue of the Meeting was deemed to be the Registered Office of the Company.	1. To re-appoint Mr. Naveen Ganzu as an Independent Director for a further period of 5 (five) years.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) and Regulation 44 of Listing Regulations (as amended from time to time), and the MCA Circulars, the Company had provided facility of remote e-voting and e-voting to its Members in respect of the businesses transacted at 33rd AGM.

The Company had engaged the services of KFin Technologies Private Limited 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 was provided by KFin Technologies Private Limited.

The Resolutions at 33rd AGM were passed by the requisite majority.

Special Resolution passed through Postal Ballot

During the financial year 2020-21 two postal ballots were held by the Company details of which are as below:

Sl. No.	Date of declaration of results	Special Resolution(s) passed	Person who conducted the Postal Ballot exercise	Procedure for Postal Ballot	Agency providing Remote E-Voting Facility
1.	June 29, 2020	a. Creation of charges on the movable and immovable properties of the Company in respect of borrowings b. Amendment in Articles of Association of the Company by substitution of Article No. 102 c. Amendment in Articles of Association of the Company by addition of new Article No. 115A	Mr. D.P. Gupta, Practicing Company Secretary of M/s SGS Associates (FCS-2411; C.P. No.-1509) was appointed as the Scrutinizer for conducting the postal ballot / e-voting process in a fair and transparent manner	In terms of the General Circular No.14/2020 dated April 8, 2020 read with General Circular No. 17/2020 dated April 13, 2020 (collectively the "MCA Circulars"), The Postal Ballot Notice was sent by email to all the members of the Company who have registered their email addresses with the company or depository / depository participants and the communication of assent / dissent of the members took place only through the remote e-voting system.	KFin Technologies Private Limited
2.	January 21, 2021	a. Creation of charge on the shares of MSSL (GB) Ltd. in respect of loan amounting to ₹ 1000 crores availed by the Company	Mr. D.P. Gupta, Practicing Company Secretary of M/s SGS Associates (FCS-2411; C.P. No.-1509) was appointed as the Scrutinizer for conducting the postal ballot / e-voting process in a fair and transparent manner	In terms of the General Circular No.14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 read with General Circular No. 33/2020 dated September 28, 2020 (collectively the "MCA Circulars"), The Postal Ballot Notice was sent by email to all the members of the Company who have registered their email addresses with the company or depository / depository participants and the communication of assent / dissent of the members took place only through the remote e-voting system.	KFin Technologies Private Limited

The Resolutions were passed by the requisite majority.

Further, there is no immediate proposal for passing any resolution through postal ballot.

Means of Communication

The quarterly, half-yearly and annual results of the Company were published in leading newspapers of India which include Financial Express and Nav Shakti, Mumbai. The results were also displayed on the Company's web site www.motherson.com. Press Release made by the Company from time to time were also displayed on the Company's website.

Detailed presentations were made to institutional investors and financial analysts on the Company's unaudited quarterly, half yearly as well as audited annual financial results. These presentations were also uploaded on the Company's website and duly intimated to the Stock Exchanges where equity shares of the Company are listed.

The Company regularly interacts with the shareholders through multiple channels of communication such as Publication of Results, Annual Report, Press Releases, Analysts Call after the Board Meeting. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information and all such other matters which in its opinion, are material and relevant for the shareholders.

The Company's website www.motherson.com contains a separate dedicated section 'Investor Section' where Shareholders' information is available. The Company's Annual Report is also available in downloadable form.

NSE Electronic Application Processing Systems (NEAPS): NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings under the Listing Regulations, including, shareholding patterns, corporate governance report, media release, statement of investor complaints, announcements, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the Listing Centre): BSE's Listing Centre is a web-based application designed by BSE for corporates. All periodical compliance filings under the Listing Regulations, including, shareholding patterns, corporate governance report, media release, statement of investor complaints, announcements, among others are filed electronically on the Listing Centre.

Management Discussion and Analysis

Management Discussion and Analysis is covered separately as a part of the Annual Report.

Dividend Distribution Policy

The Board of Directors has adopted Dividend Distribution Policy as per Regulation 43A of SEBI Listing Regulation. As, *inter-alia*, stated in the Dividend Distribution Policy, the Company has a consistent dividend policy for "distribution of upto 40% of consolidated profit as dividend and the Board may decide higher dividend in special and exceptional circumstances". Dividend Distribution Policy is appended as Annexure-1 to the Corporate Governance Report and have also been uploaded on the Company's website:- https://www.motherson.com/performance/mssl-investors.

Other Disclosures

a) No transactions of material nature requiring shareholders' approval have been entered into by the Company with the Directors or Management and their relatives, etc. that may have a potential conflict with the interests of the Company.

b) All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of Listing Regulations during the financial year were in the ordinary course of business. These have been approved by the Audit Committee. The Board has approved a policy for related party transactions which has been uploaded on the Company's website https://www.motherson.com/performance/mssl-investors. Transactions with the related parties are disclosed in Note No. 40 in the standalone financial statements.

c) No penalties or strictures were imposed by SEBI or the Stock Exchange or any statutory authority, on any matter related to capital markets, during the previous three (3) years.

d) The Company has also adopted Policy on Determination of Materiality for Disclosures Policy on Archival of Documents and Policy for Preservation of Documents, which have been uploaded on the Company's website: https://www.motherson.com/performance/mssl-investors.

e) Over years, the Company has expanded significantly its business organically and inorganically. Mr. Vivek Chaand Sehgal, Chairman and Promoter of the Company spends extensive time and contributes significantly to provide guidance to overseas businesses, customer relations and investor relations for financing the global business from the Chairman's office setup by MSSL Mideast (FZE). Given international focus of businesses of the Company, including the wiring harness business, MSSL Mideast (FZE), has appointed Mr. Vivek Chaand Sehgal, Chairman (on part time basis) to provide guidance as aforesaid. While associated with MSSL Mideast (FZE), Mr. Vivek Chaand Sehgal also provides guidance to the operations of overseas subsidiaries / joint ventures of the Company and on new business opportunities outside India. For the financial year 2020-21, MSSL Mideast (FZE) has paid or accrued remuneration of Euro 1,718,500 to Mr. Vivek Chaand Sehgal, Chairman of the Company.

f) Mr. Laksh Vaaman Sehgal, Director of the Company spearhead R&D initiative at Motherson Innovations Company Ltd., UK ("MI"). MI is primarily involved in innovative and technology solutions and work for developing and bringing new future technology for strategic advancement and growth for the entire group. For the financial year 2020-21, MI has remunerated Mr. Laksh Vaaman Sehgal with Euro 504,542.65 and post-employment benefits equivalent to Euro 27,245.30 along with insurance, company car and an accommodation for his stay in London, UK. The total remunerations and benefits from MI accounts for Euro 943,766.90.

g) All mandatory requirements have been duly complied, including but not limited to succession planning for appointment of directors and senior management.

Whistle-blower Policy

The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism as defined under Regulation 22 of Listing Regulations for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit Committee. The said policy has been also put up on the website of the Company at https://www.motherson.com/performance/mssl-investors.

The Company has also appointed an independent external ombudsman, namely, "Thought Arbitrage Consultancy (TAC)". TAC consists of trained professional with expertise in this field. Any complaint or protected disclosure pertaining to an improper or unethical act as defined in the Whistle-blower Policy should be submitted to TAC. The policy with the name and address of the Chairman of the Audit Committee has been communicated to the employees by uploading the same on the website of the Company. The employees can directly contact the Chairman of the Audit Committee on the email address as mentioned in the 'Whistle Blower Policy' uploaded at the website of the Company.

Subsidiary Companies

The Audit Committee reviews the consolidated financial statements of the Company. The minutes of the Board Meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

As on March 31, 2021 the Company has appointed following Directors on the Board of overseas material subsidiary in terms of regulation 24(1) of SEBI Listing Regulations:

Sl. No.	Name of Material Subsidiary	Independent Director appointed on the Board of respective Company
1.	MSSL (GB) Limited	Mr. Sushil Chandra Tripathi, IAS (Retd.)^^
2.	Samvardhana Motherson Global Holdings Limited, Cyprus	Mr. Gautam Mukherjee
3.	Samvardhana Motherson Automotive Systems Group B.V.	Ms. Geeta Mathur
4.	MSSL Mideast (FZE)	Mr. Naveen Ganzu

^^ Ceased to be director due to demise on May 19, 2021.

The Company does not have any material unlisted Indian subsidiary company. Keeping in view, good corporate governance, Mr. Sushil Chandra Tripathi, IAS (Retd.) and Mr. Gautam Mukherjee, the Company's Independent Directors were appointed as Independent Director(s) on the Board of Samvardhana Motherson Polymers Limited and SMR Automotive Systems India Limited respectively, and both are unlisted subsidiary Companies of the Company.

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website of the Company at https://www.motherson.com/performance/mssl-investors.

CEO/CFO Certifications

The Whole-time Director and the Chief Financial Officer of the Company have given annual certification on financial reporting and internal controls to the Board in terms of the Listing Regulations at the Board meeting held on June 2, 2021.

General Shareholders Information

1. Annual General Meeting (AGM) to be held

Date : September 17, 2021

Day : Friday

Time : 15:00 Hours (IST)

Venue : Via Video Conferencing/ Other Audio Visual Means

As required under Regulation 36(3) of Listing Regulations, particulars of Directors seeking appointment/re- appointment at the ensuing AGM are given in the Annexure to the Notice of AGM.

2. Financial Calendar (tentative and subject to change)

- Financial reporting for first quarter ending June 30, 2021: on or before August 14, 2021;
- Financial reporting for second quarter ending September 30, 2021: on or before November 14, 2021;
- Financial reporting for third quarter ending December 31, 2021: on or before February 14, 2022; and
- Financial results for financial year ending March 31, 2022: May 30, 2022.

The above dates are tentative and will be subject to the change.

3. Book Closure date: From September 07, 2021 (Tuesday) to September 10, 2021 (Friday) (both days inclusive).

4. Dividend payment date: Dividend for the financial year 2020-21, if declared, will be remitted / paid in accordance with the law.

5. Listing on stock exchanges

Presently, the Equity shares of the Company are listed on following Stock Exchanges:

National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G-Block Bandra-Kurla Complex, Bandra (E) MUMBAI – 400051, India Scrip Code : MOTHERSUMI	BSE Limited 1st Floor, New Trading Ring Rotunda Building P.J. Towers, Dalal Street Fort, MUMBAI – 400001, India Scrip Code : 517334

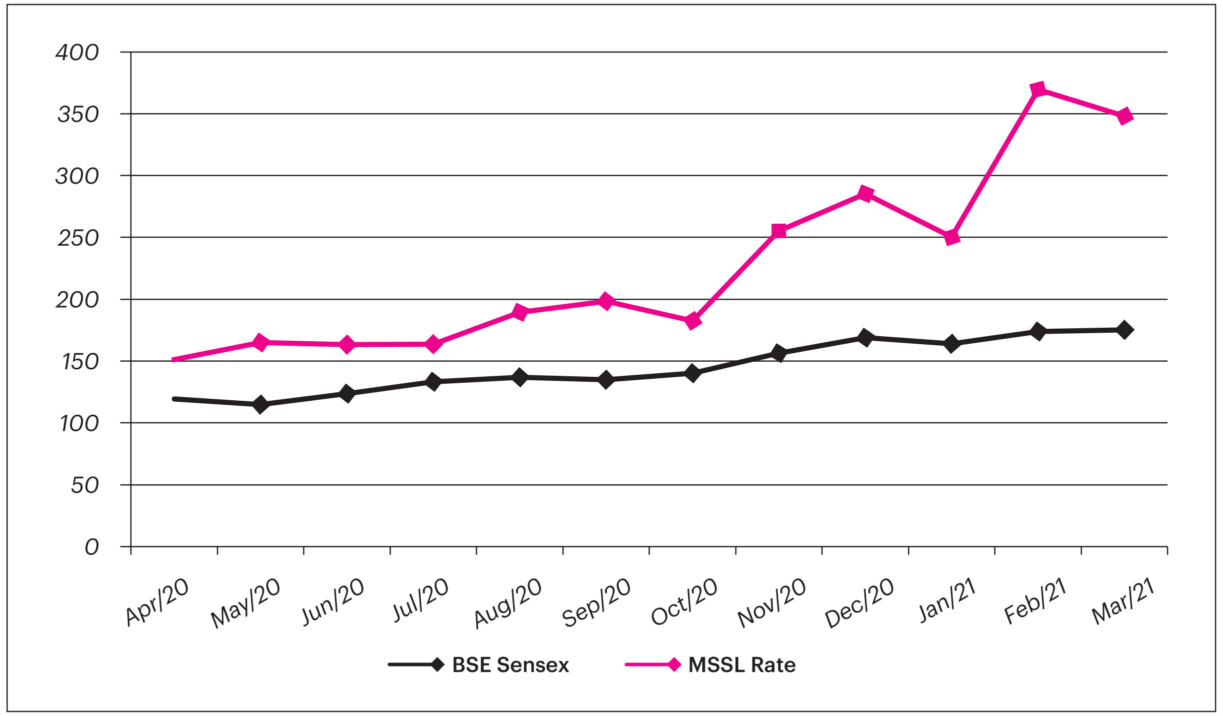
Non-Convertible Debentures issued and allotted by your Company during the financial year 2020-21 are listed on BSE Limited (BSE).

Payment of listing fees: Listing fees for financial year 2021-22 has been paid to BSE Limited and National Stock Exchange of India Limited.

6. Market price data:

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April, 2020	91.85	54.25	92.00	54.20
May, 2020	98.55	72.40	98.95	72.00
June, 2020	106.10	87.00	106.20	86.25
July, 2020	104.20	91.40	104.30	91.40
August, 2020	129.40	95.30	129.50	95.25
September, 2020	125.75	102.35	125.75	102.30
October, 2020	123.15	103.85	123.15	103.85
November, 2020	149.55	105.10	149.60	105.15
December, 2020	165.80	139.60	165.80	139.70
January, 2021	174.85	143.65	174.85	143.60
February, 2021	230.45	143.35	230.50	143.15
March, 2021	238.20	187.10	238.20	187.00

7. Performance in comparison to broad based indices:



8. Shareholding Pattern of the Company as on March 31, 2021 was as under:

Category	No. of shares held	% of shareholding
Promoters and Promoters Group	194,92,86,546	61.73
Mutual Funds	31,93,88,612	10.11
Financial Institutions and Banks	25,88,492	0.08
Foreign Institutional / Portfolio Investors	52,54,15,278	16.64
Insurance Companies	9,30,76,442	2.95
Bodies Corporate, NBFCs registered with RBI and Trusts	2,72,89,062	0.86
General Public (Individuals)	21,57,92,211	6.83
Alternate Investment Funds	88,37,266	0.28
NRIs and Foreign Nationals	1,06,65,445	0.34
IEPF	6,19,227	0.02
Clearing Members*	49,75,656	0.16
Total	**3,15,79,34,237**	**100**

*These shares are lying in pool account of NSDL/CDSL since buyers' identity is not established.

9. Registrar and Transfer Agent

The Registrar and Transfer Agent (RTA) of the Company is KFin Technologies Private Limited. The investors can send their queries to:

KFin Technologies Private Limited
(Unit – Motherson Sumi Systems Ltd.)
Selenium Tower B, Plot Nos. 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad – 500032, India
Toll free number - 1- 800-309-4001.
Email ID: einward.ris@kfintech.com

10. Distribution of shareholding as on March 31, 2021 was as under:

MOTHERSON SUMI SYSTEMS LTD					
Distribution of Shareholding as on 31/03/2021 (TOTAL)					
Sl. No.	Category (Amount)	No.of Holders	% To Holders	Amount (₹)	% To Equity
1	1 - 5000	458053	98.96	91976043.00	2.91
2	5001 - 10000	1893	0.41	13540739.00	0.43
3	10001 - 20000	1023	0.22	14363268.00	0.45
4	20001 - 30000	453	0.10	11278086.00	0.36
5	30001 - 40000	478	0.10	17497074.00	0.55
6	40001 - 50000	143	0.03	6525413.00	0.21
7	50001 - 100000	257	0.06	18114119.00	0.57
8	100001 and above	562	0.12	2984639495.00	94.51
	TOTAL:	**462862**	**100.00**	**3157934237.00**	**100.00**

11. Dematerialization of shares and liquidity:

The Company's shares are compulsorily tradable in dematerialized form on NSE and BSE, which provide sufficient liquidity to the investors. The Company has established connectivity with both the depositories i.e. NSDL and CDSL. Equity shares of the Company representing 99.70% of the Company's equity share capital are dematerialized as on March 31, 2021. Details are given below:

Mode of holding	Percentage (%)
NSDL	97.59
CDSL	2.11
Physical	0.30
Total	**100**

Demat ISIN Number in NSDL and CDSL for equity shares: ISIN- INE775A01035.

12. Outstanding Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has no outstanding GDRs / ADRs / Warrants or any convertible instruments as on March 31, 2021.

13. Commodity price risk or foreign exchange risk and hedging activities:

Please refer to Management Discussion and Analysis Report for the same.

14. During the financial year ended March 31, 2021 the Board of Directors of the Company has accepted all the recommendations of various committee constituted by the Board.

15. Fees paid to the Statutory Auditors:

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm / network entity, of which the statutory auditors in past, is as under:

Audit fee (paid to EY and its network)	Amount in Million INR	
	FY2021	FY2020
Services as Statutory Auditors (including quarterly audit)	440.64	369.58
Tax Audit	17.46	14.92
Services for tax matter (if any)	55.29	48.44
Certification and other matters	24.71	15.14
Re-imbursement of out-of-pocket expenses	1.59	11.31
	539.70	**459.39**

16. Credit ratings:

List of all credit ratings obtained by the Company along with the revisions thereto during the financial year 2020-21, for all debt instruments is provided in Board's Report.

17. The disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are mentioned in the Directors' Report.

18. Details of funds raised through Private Placement by the Company have been included in the Boards' Report.

19. Suspense Account / Unclaimed suspense account:

In accordance with Schedule V to Listing Regulations, the details of the shares in demat suspense account / unclaimed suspense account of the Company are as below:

(a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: 7,99,129 numbers of equity shares

(b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil

(c) Number of shareholders to whom shares were transferred from suspense account during the year: Nil

(d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: 7,99,129

(e) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

20. Certificate of Non-Disqualification of Directors

In accordance with Regulation 34(3) and Schedule V Para C clause (10)(i) of the Listing Regulations a certificate from a company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Stock Exchange Board of India/Ministry of Corporate Affairs or any such Statutory Authority, is annexed as Annexure- 2.

21. Plant Locations (in India):

(a) Noida (Uttar Pradesh)
(b) Haldwani (Uttrakhand)
(c) Lucknow (Uttar Pradesh)
(d) Faridabad (Haryana)
(e) Gurugram (Haryana)
(f) Manesar (Haryana)
(g) Pune (Maharashtra)
(h) Nasik (Maharashtra)
(i) Ranjangaon (Maharashtra)
(j) Kandla (Gujarat)
(k) Sanand (Gujarat)
(l) Surendra Nagar (Gujarat)
(m) Pathredi (Rajasthan)
(n) Tapukara (Rajasthan)
(o) Bengaluru (Karnataka)
(p) Chennai (Tamilnadu)
(q) Pithampur (Madhya Pradesh)
(r) Puducherry

22. Address for correspondence:

The Shareholders may address their communication / grievances / queries /suggestions to:

KFin Technologies Private Limited
(Unit – Motherson Sumi Systems Ltd.)
Selenium Tower B, Plot Nos. 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad – 500032, India
Toll free number - 1- 800-309-4001;
Email ID: einward.ris@kfintech.com

Company Secretary
Motherson Sumi Systems Limited
Plot No. -1, Sector – 127
Noida – 201301 (U.P.)
Phone No. : 0120 -6679500
E-mail: investorrelations@motherson.com
Website : www.motherson.com

23. The Company is in compliance with the requirements stipulated Regulations 17 to 27 and Regulation 46(2) read with Schedule V of the Listing Regulations, as applicable, with regard to Corporate Governance.

24. There has been no non-compliance of any requirement of Corporate Governance Report of sub paras (2) to (10) of clause C of Schedule V of the Listing Regulations, as applicable.

25. Compliance Certificate

The Compliance Certificate for the Corporate Governance from the Statutory Auditors of the Company is annexed herewith.

The above Report has been placed before the Board at its meeting held on June 2, 2021 and the same was approved.

Declaration regarding compliance with the Company's Code of Conduct

This is to confirm that the Company has adopted Code of Conduct(s) for the Board of Directors and Senior Management and the same is available on the Company's website.

I confirm that the Company has in respect of the financial year March 31, 2021 received from the Board of Directors and Senior Management a declaration of compliance with the Code of Conduct pursuant to Regulation 26(3) of the Listing Regulations.

For Motherson Sumi Systems Limited

Place : Noida
Date : June 2, 2021

Pankaj Mital
Whole-time Director & Chief Operating Officer

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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

1. The Corporate Governance Report prepared by Motherson Sumi Systems Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2021 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, 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 ICAI.

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. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and nonexecutive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on 31st March 2021 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

   iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2020 to March 31, 2021

      (a) Board of Directors;

      (b) Audit Committee;

      (c) Annual General Meeting (AGM) / Extra Ordinary General Meeting (EGM);

      (d) Nomination and Remuneration Committee;

      (e) Stakeholders Relationship Committee;

      (f) Risk Management Committee

      (g) Independent Directors Meeting;

      (h) Corporate Social Responsibility Committee;

      (i) Share Transfer Committee;

      (j) Committee of Directors (Administrative Matters);

      (k) Committee of Directors (Strategic Business Matters);

      (l) Committee of Directors (Business Reorganization)

   v. Obtained necessary declarations from the directors of the Company.

   vi. Obtained and read the policy adopted by the Company for related party transactions.

   vii. Obtained the schedule of related party transactions during the year and balances at the year- end.

      Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

   viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose.

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

per **Pankaj Chadha**
Partner
Membership Number: 091813
UDIN: 21091813AAAACZ8881

Place of Signature: Gurugram
Date: June 2, 2021

Annexure-1

DIVIDEND DISTRIBUTION POLICY

1. Scope and Purpose

1.1 **Motherson Sumi Systems Limited ("the Company")** equity shares are listed on the BSE Limited and the National Stock Exchange of India Limited.

1.2 This Dividend Distribution Policy[1] (**"the Policy"**) defines conditions to be considered by the Board for recommending / paying a dividend to the shareholders of the Company. The Board of Directors will recommend any interim / annual dividend based on this Policy, applicable laws, as well as any specific financial or market conditions prevailing at the time.

1.3 Subject to the factors mentioned in para 1.2 above, the Company has a consistent dividend policy for "distribution of upto 40% of consolidated profit as dividend and the Board may decide higher dividend in special and exceptional circumstances".

1.4 The Policy set out the broad criteria to be considered for determining the proposed dividend to appropriately reward shareholders through dividends while supporting the future growth of the Company.

2. Dividend Policy

2.1 Dividend Distribution Philosophy

2.1.1 The Company believes in long term value creation for its shareholders while maintaining the desired liquidity and leverage ratios and protecting the interest of all the stakeholders. Accordingly, the focus will continue to be on sustainable returns in terms of dividend, in consonance with the dynamics of business environment.

2.2 The circumstances under which shareholders may not expect dividend

2.2.1 The Company shall comply with relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings. Generally, the Board shall determine dividend for a particular period after taking into consideration financial performance of the Company, advice of executive management and other parameters described in the Policy.

2.3 The financial parameters that shall be considered while declaring dividend

2.3.1 As in the past, subject to provisions of applicable law, the Company's dividend pay-out will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return.

2.3.2 Based on above and, subject to factors mentioned in para 2.4 below, the Company will endeavour to maintain steady level of dividend.

2.4 The internal / external factors that shall be considered for declaration of dividend

2.4.1 When recommending / determining the dividend, the company will consider, amongst other matters:

- actual results for the year and the outlook for business operations
- providing for anticipated capital expenditures or acquisitions to further enhance shareholder value or meet strategic objectives
- setting aside cash to meet debt repayments
- changes in cost and availability of external financing
- level of dividends paid historically
- retaining earnings to provide for contingencies or unforeseeable events
- the overall economic environment including taxation
- changes in government policy, industry rulings and regulatory provisions

2.5 Policy on utilization of retained earning

2.5.1 The utilization of retained earnings will include:

- Inorganic / organic growth
- Diversification opportunities / capital expenditure
- Fund based requirement of company, its subsidiaries, joint ventures and/or other investee companies
- General corporate purposes including contingencies
- Investments in the new/existing business
- Any other permitted use under the Companies Act, 2013 and applicable laws

2.6 Provisions with regard to various classes of shares

2.6.1 The provisions contained in this policy shall apply to all classes of shares of the Company. It may be noted that currently the Company has only one class of shares, namely, equity shares.

3. Review and Disclosure

3.1 This policy will be reviewed and amended, as and when, required by the Board and/or under applicable laws. Any revisions in the Policy will be communicated to shareholders in a timely manner. The Policy shall be disclosed in the Annual report and on the website of the Company, i.e., 'www.motherson.com'.

4. Limitation

4.1 In the event of any conflict between the Act or the SEBI Regulations or other statutory enactments ("the Regulations") and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment / modification in the Regulations, in this regard, shall automatically apply to this policy.

5. Disclaimer

5.1 The Policy does not constitute a commitment regarding future dividends of the Company, but only represents a general guidance regarding payment of dividend.

5.2 The statement of the policy does not in any way restrict right of the board to use its discretion in the recommendation of the dividend to be distributed considering various factors mentioned in the policy. Further, subject to the provisions of applicable laws, the board reserves the right to depart from the policy as and when circumstances so warrant.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Motherson Sumi System Limited
Unit 705, C Wing, ONE BKC, G Block,
Bandra Kurla Complex, Bandra East
Mumbai– 400051

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Motherson Sumi Systems Limited having CIN L34300MH1986PLC284510 and having its registered office at Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051 (hereinafter referred to as **'the Company'**), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:-

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Vivek Chaand Sehgal	00291126	19/12/1986
2.	Mr. Sushil Chandra Tripathi, IAS (Retd.)^^	00941922	10/09/2012
3.	Mr. Shunichiro Nishimura	08138608	23/05/2018
4.	Mr. Arjun Puri	00211590	11/01/2006
5.	Mr. Gautam Mukherjee	02590120	10/09/2012
6.	Ms. Geeta Mathur	02139552	30/01/2014
7.	Mr. Naveen Ganzu	00094595	14/10/2015
8.	Mr. Laksh Vaaman Sehgal	00048584	30/04/2009
9.	Mr. Takeshi Fujimi	08501292	11/07/2019
10.	Mr. Pankaj Mital	00194931	02/09/2011

^^ Ceased to be director due to demise on May 19, 2021.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the Board of Directors. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SGS ASSOCIATES
Firm Regn. No. S2002DE058200
Company Secretaries

CS D.P. Gupta
M N FCS 2411
C P No. 1509
ICSI UDIN No. F002411C000412691
ICSI PR No. 1194/2021

Date: 2nd June 2021
Place: New Delhi

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Motherson Sumi Systems Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Motherson Sumi Systems Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, 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 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 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, 2021, 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 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 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 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 financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone 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 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 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 financial statements.

Key audit matters	How our audit addressed the key audit matter
Demerger of Domestic wiring harness Business (as described in note 51 of the standalone financial statements)	
The Board of directors in its meeting dated July 02, 2020 approved the demerger of its Domestic wiring harness business (DWH) in India to a newly set up subsidiary company, namely Motherson Sumi Wiring India Limited ("MSWIL") ('the Demerger') pursuant to a Scheme of Arrangement ('the Scheme') which is currently subject to regulatory approvals. The aforesaid Scheme has been assessed as highly probable by the management in accordance with the criteria prescribed under Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" and accordingly, the proposed demerger of DWH pursuant to the scheme has been disclosed as Discontinued Operations. The above transaction has been considered as significant given the exercise of management judgment and presentation & disclosure impacts in the standalone financial statements in accordance with the applicable accounting standard. Accordingly, this matter has been identified as a key audit matter.	The procedures performed by us included following: a. Obtained an understanding and assessed the effectiveness of process followed by the management in assessing the Company's accounting policies in relation to discontinued operations; b. Evaluated the basis of the management's assessment of treating the proposed demerger as Discontinued operations in accordance with the applicable accounting standards; c. Obtained an update on the regulatory communications in this respect and current status of the approval from the regulatory authorities; d. Obtained and read the proposed Scheme for understanding the impact on the standalone financial statements including identification of the assets and liabilities to be transferred and assessment of the key estimates and judgement involved therein; e. Performed procedures on the disclosures relating to discontinued operations made in the standalone financial statements for assessing the compliance with disclosure requirements.
De-Recognition of trade receivables under factoring facilities (as described in note 8 of the standalone financial statements)	
The Company enters into non-recourse factoring arrangements for its trade receivables with various banks/financial institutions. As at 31 March 2021 the Company had factoring facilities in place for trade receivables amounting to ₹ 512 million were de-recognized by using these facilities. 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). The assessment of de-recognition of trade receivables under the factoring facilities is complex and requires significant judgement applied by the management. Accordingly, the matter has been identified as KAM.	The procedures performed included following: a. Obtained an understanding of the process related to de-recognition of trade receivables; b. Evaluated the assessment made by management covering factoring contracts; c. For selected sample of 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"; d. Read and assessed the disclosure made in the standalone financial statements for assessing compliance with disclosure requirements.

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 financial statements and our auditor's report thereon.

Our opinion on the standalone 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone 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 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 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 financial statements, including the disclosures, and whether the standalone 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 financial statements for the financial year ended March 31, 2021 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 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to these standalone 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, 2021 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 financial statements – Refer Note 43 to the standalone financial statements;

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 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

per **Pankaj Chadha**
Partner
Membership Number: 091813
UDIN: 21091813AAAADA9918

Place of Signature: Gurugram
Date: June 02, 2021

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 and audit procedures performed by us, 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, 2021 and no material discrepancies were noticed in respect of such confirmations.

(iii) (a) The Company has granted loans to three 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 to Companies covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and accordingly, the amount is not yet due.

(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) 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, duty of custom, goods and service tax, cess and other statutory dues applicable to it.

(vii) (b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, 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, service tax, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ 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	2	A.Y. 2004-05	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
Central Excise Act, 1944 **	Excise	0	A.Y. 2011-12	CESTAT
Finance Act, 1994	Service tax	6	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	6	A.Y. 2002-2004, 2007-08, 2009-10 to 2014-15, & 2015-16,	CESTAT

* The amounts are net of deposits made by the Company under protest.

** 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.

(ix) In our opinion and according to the information and explanations given by the management and audit procedures performed by us, the Company has utilized the monies raised by way of debt instruments in the nature of non-convertible debentures and term loans for the purposes for which they were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone 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 and audit procedures performed by us, 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 and audit procedures performed by us, 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 standalone 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 and audit procedures performed by us, 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

per **Pankaj Chadha**
Partner
Membership Number: 091813
UDIN: 21091813AAAADA9918

Place of Signature: Gurugram
Date: June 2, 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MOTHERSON SUMI SYSTEMS LIMTED

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 with reference to standalone financial statements of Motherson Sumi Systems Limited ("the Company") as of March 31, 2021 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 ("ICAI"). 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 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls 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 Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to 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 controls with reference to 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 With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**
Partner
Membership Number: 091813
UDIN: 21091813AAAADA9918

Place of Signature: Gurugram
Date: June 2, 2021

(All amounts in ₹ Million, unless otherwise stated)

BALANCE SHEET

	Notes	As At March 31, 2021	As At March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	14,304	15,819
Right-of-use assets	3(b)	2,455	2,716
Capital work in progress	3(a)	281	903
Investment properties	4	835	747
Intangible assets	5	0	0
Investment in subsidiaries, joint ventures and associate	6(a)	55,663	46,632
Financial assets			
i. Investments	6(a)	186	186
ii. Loans	7	23,752	176
iii. Other financial assets	9 (a)	664	138
Deferred tax assets (net)	11	401	450
Other non-current assets	10	182	387
Non-current tax assets (net)	23	104	594
Total non-current assets		**98,827**	**68,748**
Current assets			
Inventories	12	5,544	9,931
Financial assets			
i. Investments	6(b)	12	6
ii. Trade receivables	8	5,185	8,675
iii. Cash and cash equivalents	13	2,495	2,300
iv. Bank balances other than (iii) above	14	61	66
v. Loans	7	3,056	89
vi. Other financial assets	9 (b)	1,461	1,050
Other current assets	10	916	1,164
Total current assets		**18,730**	**23,281**
Assets classified as held for distribution	51	17,872	-
Total assets		**135,429**	**92,029**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	3,158	3,158
Other equity			
Reserves and surplus	16(a)	64,393	59,153
Other reserves	16(b)	(121)	133
Total equity		**67,430**	**62,444**

(All amounts in ₹ Million, unless otherwise stated)

	Notes	As At March 31, 2021	As At March 31, 2020
Liabilities			
Non current liabilities			
Financial Liabilities			
i. Borrowings	17(a)	34,265	11,915
ii. Lease liabilities		600	791
iii. Other financial liabilities	18	178	226
Employee benefit obligations	21	277	485
Government grants	22	25	275
Total non-current liabilities		**35,345**	**13,692**
Current liabilities			
Financial Liabilities			
i. Borrowings	17(b)	1,525	2,279
ii. Lease liabilities		122	137
iii. Trade payables			
Total outstanding dues of micro, small and medium enterprises and	19	369	155
Total outstanding dues of creditors other than micro, small and medium enterprises	19	5,870	8,901
iv. Other financial liabilities	18	15,503	2,584
Provisions	20	18	11
Employee benefit obligations	21	210	579
Government grants	22	1	34
Other current liabilities	24	572	1,213
Total current liabilities		**24,190**	**15,893**
Liabilities directly associated with the assets held for distribution	51	8,464	-
Total liabilities		**67,999**	**29,585**
Total equity and liabilities		**135,429**	**92,029**
Summary of significant accounting policies	2		

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

per **PANKAJ CHADHA**
Partner
Membership No.: 091813

Place: Gurugram
Date: June 02, 2021

The above Standalone balance sheet should be read in conjunction with the accompanying notes

For and on behalf of the Board

V.C. SEHGAL
Chairman

PANKAJ MITAL
Whole-time Director/
Chief Operating Officer

G.N. GAUBA
Chief Financial Officer

ALOK GOEL
Company Secretary

Place: Noida
Date: June 02, 2021

STATEMENT OF PROFIT AND LOSS

(All amounts in ₹ Million, unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Continuing Operations:			
Revenue			
Revenue from contract with customers	25 (a)	36,353	39,411
Other operating revenue	25 (b)	339	439
Total revenue from operations		**36,692**	**39,850**
Other income	26	1,104	3,723
Total income		**37,796**	**43,573**
Expenses			
Cost of materials consumed	27	21,793	22,255
Purchase of stock-in-trade		701	985
Changes in inventory of finished goods, work-in-progress and stock in trade	28	(649)	78
Employee benefits expense	29	5,025	5,134
Depreciation and amortisation expense	32	1,983	2,313
Finance costs	31	897	248
Other expenses	30	5,415	5,852
Total expenses		**35,165**	**36,865**
Profit before exceptional items and tax from continuing operations		**2,631**	**6,708**
Exceptional (income) / expenses	51	199	-
Profit before tax from continuing operations		**2,432**	**6,708**
Tax expenses	33		
-Current tax		609	1,453
-Deferred tax expense/ (credit)		(118)	(130)
Total tax expense		**491**	**1,323**
Profit for the year from continuing operations		**1,941**	**5,385**
Discontinued operations:	51		
Revenue from operations		41,382	39,439
Other income		275	64
Total expenses		37,261	34,597
Profit before tax from discontinued operations		**4,396**	**4,906**
Tax expense/ (credit) of discontinued operations		1,129	1,303
Profit for the year from discontinued operations		**3,267**	**3,603**
Profit for the year from continuing and discontinued operations		**5,207**	**8,988**

(All amounts in ₹ Million, unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Other comprehensive income from continuing operations			
Items to be reclassified to profit or loss			
Deferred gain / (losses) on cash flow hedges		(346)	-
Deferred tax on cash fow hedges		87	-
Items not to be reclassified to profit or loss			
Changes in fair valuation of FVOCI equity investment		6	(4)
Deferred tax on fair valuation of FVOCI equity investment		(1)	1
Remeasurements of employment benefit obligations		36	(60)
Deferred tax on remeasurements of employment benefit obligations		(9)	15
Other comprehensive income from discontinued operations			
Items not to be reclassified to profit or loss			
Remeasurements of employment benefit obligations		(11)	(86)
Deferred tax on remeasurements of employment benefit obligations		3	22
Total other comprehensive income from continuing and discontinued operations		**(235)**	**(112)**
Total comprehensive income for the year, net of tax		**4,972**	**8,876**
Earnings per share	34		
Nominal value per share: ₹ 1/- (Previous year : ₹ 1/-)			
Earnings per share for continuing operations			
Basic and Diluted		0.61	1.71
Earnings per share for discontinued operations			
Basic and Diluted		1.03	1.14
Earnings per share for continuing and discontinued operations			
Basic and Diluted		1.65	2.85
Summary of significant accounting policies	2		

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

per **PANKAJ CHADHA**
Partner
Membership No.: 091813

Place: Gurugram
Date: June 02, 2021

The above Standalone statement of profit and loss should be read in conjunction with the accompanying notes

For and on behalf of the Board

V.C. SEHGAL
Chairman

PANKAJ MITAL
Whole-time Director/
Chief Operating Officer

G.N. GAUBA
Chief Financial Officer

ALOK GOEL
Company Secretary

Place: Noida
Date: June 02, 2021

(All amounts in ₹ Million, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY

A. Equity share capital

	Notes	Amount
As at April 01, 2019		3,158
Issue of equity share capital	15	-
As at March 31, 2020		**3,158**
Issue of equity share capital	15	-
As at March 31, 2021		**3,158**

B. Other equity

	Notes	Reserves and surplus					Items of OCI		Total
		Securities premium	Reserve on amalgamation	Capital Reserve	General Reserve	Retained Earnings	FVOCI equity investments	Hedge Reserve	
Balance as at April 01, 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									
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**
Effect of merger of Motherson Polymers Compounding Solution Ltd (refer note 50)		-	110	80	-	(176)	-	-	14
Balance as at April 01, 2020		**26,226**	**1,773**	**80**	**3,363**	**27,725**	**133**	**-**	**59,300**
Profit for the year		-	-		-	5,207	-	-	5,207
Other comprehensive income		-	-		-	19	5	(259)	(235)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**5,226**	**5**	**(259)**	**4,972**
Balance at March 31, 2021		**26,226**	**1,773**	**80**	**3,363**	**32,951**	**138**	**(259)**	**64,272**
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. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **PANKAJ CHADHA**
Partner
Membership No.: 091813

Place: Gurugram
Date: June 02, 2021

For and on behalf of the Board

V.C. SEHGAL
Chairman

PANKAJ MITAL
Whole-time Director/
Chief Operating Officer

G.N. GAUBA
Chief Financial Officer

ALOK GOEL
Company Secretary

Place: Noida
Date: June 02, 2021

(All amounts in ₹ Million, unless otherwise stated)

CASH FLOW STATEMENT

		For the year Ended March 31, 2021	For the year Ended March 31, 2020
A.	**Cash flow from operating activities:**		
	Profit before tax from continuing operations	2,432	6,708
	Profit before tax from discontinued operations	4,396	4,906
	Adjustments to reconcile profit before tax to net cash flow:		
	Depreciation and amortisation expense	2,485	2,883
	Amortisation of government grant	(32)	(53)
	Gain on disposal of property, plant and equipment & investment property (net)	(13)	(39)
	Liabilities written back to the extent no longer required	(17)	(36)
	Bad debts/ advances written off	0	1
	Provision for doubtful debts/ advances	0	4
	Interest income	(621)	(23)
	Dividend income	(0)	(3,095)
	Finance cost	984	306
	Unrealised foreign exchange gain (net)	(41)	(76)
	Operating profit before working capital changes	**9,573**	**11,486**
	Change in working Capital:		
	Increase/ (decrease) in Trade Payables	2,576	10
	Increase/ (decrease) in Other Payables	(24)	(332)
	Increase/ (decrease) in Other financial liabilities	17	150
	(Increase)/ decrease in Trade Receivables	(3,518)	(397)
	(Increase)/ decrease in Inventories	(3,600)	621
	(Increase)/ decrease in other financial assets	(168)	770
	(Increase)/ decrease in Other Receivables	(192)	636
	Cash generated from operations	**4,664**	**12,944**
	- Income taxes paid (net of refund)	(1,262)	(2,582)
	Net cash generated from operations	**3,401**	**10,362**
	Net cash flows from operating activities	**3,401**	**10,362**
B.	**Cash flow from Investing activities:**		
	Payments for property, plant and equipment and investment property (including capital work in progress)	(1,927)	(3,519)
	Proceeds from sale of property, plant and equipment & investment property	23	49
	Proceeds from sale / (payment for purchase) of investments (net)	(8,636)	-
	Loan (to)/repaid by related parties (net)	(26,725)	(112)
	Interest received	251	18
	Dividend received from subsidiaries	-	2,963
	Dividend received from others	0	104

		For the year Ended March 31, 2021	For the year Ended March 31, 2020
	(Investment)/ proceeds from maturity of deposits with remaining maturity for more than 3 months	0	0
	Net cash used in investing activities	**(37,014)**	**(497)**
C.	**Cash flow from financing activities:**		
	Dividend paid to equity share holders	(5)	(9,457)
	Dividend distribution tax	-	(1,340)
	Interest paid	(299)	(371)
	Proceeds from long term borrowings	34,690	111
	Proceeds from short term borrowings	1,200	4,779
	Repayment of long term borrowings	(0)	(17)
	Repayment of short term borrowings	(1,279)	(2,502)
	Payment of lease liabilities	(177)	(129)
	Net cash generated from /(used in) financing activities	**34,130**	**(8,926)**
	Net increase/(decrease) in Cash and Cash Equivalents	**517**	**939**
	Net foreign exchange difference on balance with banks in foreign currency	50	28
	Net Cash and Cash equivalents at the beginning of the year	**2,300**	**1,333**
	Cash and cash equivalents as at year end	**2,867**	**2,300**
	Cash and cash equivalents comprise of the following (Note 13)		
	Cash and cash equivalent - discontinued operations (Refer note 51)	372	-
	Cash on hand	2	10
	Cheques/drafts on hand	41	5
	Balances with banks	2,452	2,285
	Cash and cash equivalents as at year end	**2,867**	**2,300**

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.

This is the 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

per **PANKAJ CHADHA**
Partner
Membership No.: 091813

Place: Gurugram
Date: June 02, 2021

The above Standalone cash flow statement should be read in conjunction with the accompanying notes

For and on behalf of the Board

V.C. SEHGAL
Chairman

PANKAJ MITAL
Whole-time Director/
Chief Operating Officer

G.N. GAUBA
Chief Financial Officer

ALOK GOEL
Company Secretary

Place: Noida
Date: June 02, 2021

NOTES TO THE FINANCIAL STATEMENTS

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, 2021.

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 (₹ 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 (₹) and the financial statements are presented in Indian Rupee (₹).

(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.

(d) 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.

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

Judgments applied in determining amount and timing of revenue

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

(i) 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.

(ii) 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.

(iii) 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 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.

(e) 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.

(f) 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.

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.

(g) 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.

(h) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration is considered as lease.

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 (i) 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. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

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.

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.

(i) 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 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.

(j) 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.

(k) 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.

(l) 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

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-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:

- 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.

NOTES TO THE FINANCIAL STATEMENTS (All amounts in ₹ Million, unless otherwise stated)

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.

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 though 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.

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.

(m) 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)

(n) 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.

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.

(o) 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.

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.

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.

(p) 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.

(q) 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 on straight line basis 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.

(r) 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.

(s) 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.

Warranty provisions

In cases where the obligations include warranty liabilities, the Company provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognised when the product is sold or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

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.

(t) 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.

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 through other comprehensive income in the period in which they arise. They are included in retained earnings through OCI 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.

(u) 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.

(v) 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.

(w) Assets held for distribution to owners and discontinued operations

The Company classifies assets and disposal groups as held for distribution if their carrying amounts will be recovered principally through a distribution rather than through continuing use. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the decision to distribution will be withdrawn. Management must be committed to the distribution expected within one year from the date of classification.

The criteria for held for distribution classification is regarded met only when the assets or disposal group is available for immediate distribution in its present condition, subject only to terms that are usual and customary for distribution of such assets (or disposal groups), its distribution is highly probable; and it will genuinely be distributed, not abandoned. The Company treats distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to distribute the asset (or disposal group),
- The distribution is expected to qualify for recognition as a completed distribution within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to distribute. Assets and liabilities classified as held distribution are presented separately in the balance sheet.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss. Additional disclosures are provided in Note 51. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

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 Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

(i) Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease.

(ii) Revenue from contracts with customers

The Company applies the judgements in respect to transactions relating to tooling development, Principal versus agent consideration that significant financing component in a contract that significantly affect the determination of the amount and timing of revenue from contracts with customers. For more details, refer note 2.1 (d)

(iii) Discontinued operations

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 in India from the Company into a new company Motherson Sumi Wiring India Limited ("MSWIL").The operations of DWH business are considered as discontinued operation and classified as held for distribution to owners. The Board considered the Company to meet the criteria to be classified as held for distribution at that date for the following reasons:

- The operations of DWH business is available for immediate distribution and can be sold in its current condition.
- The actions to complete the distribution were initiated and expected to be completed within one year.
- The Company expects the secretarial and approval procedures to be completed by 30 September 2021.

For more details, refer to Note 51

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, intangible and investment properties

The Company uses its technical expertise along with historical and industry trends for determining the economic useful 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 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.

Valuation of recoverable income tax assets especially with respect to deferred tax assets on tax loss carry forwards. The Company is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(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.

(vi) Provisions and liabilities

The Company estimates the provisions and liabilities and to the probability of expenses arising from warranty claims and claims from legal disputes that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting date and are adjusted to reflect the current best estimates.

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
Year ended March 31, 2020											
Gross carrying amount											
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**
Accumulated depreciation											
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**	**8,162**	**119**	**136**	**298**	**14**	**10,136**	**-**
Net carrying amount	**-**	**987**	**34**	**7,549**	**6,906**	**109**	**95**	**112**	**27**	**15,819**	**903**

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
Year ended March 31, 2021											
Gross carrying amount											
As at April 01, 2020	**-**	**987**	**109**	**8,881**	**15,068**	**228**	**231**	**410**	**41**	**25,955**	**903**
Effect of merger of Motherson Polymers Compounding Solution Ltd (refer note 50)	**-**	**-**	**29**	**-**	**90**	**1**	**0**	**1**	**0**	**121**	**-**
As at April 01, 2020	**-**	**987**	**138**	**8,881**	**15,158**	**229**	**231**	**411**	**41**	**26,076**	**903**
Additions		85	7	192	1,050	2	12	58	23	**1,429**	231
Disposals	-	-	(1)	-	(52)	-	-	-	(14)	**(67)**	-
Transferred to discontinued operations (refer note 51)	-	-	-	-	(3,505)	(27)	(79)	(250)	(11)	**(3,872)**	(1)
Transfer / Other adjustment	-	-	1	264	588	-	-	-	-	**853**	(852)
Closing gross carrying amount	**-**	**1,072**	**145**	**9,337**	**13,239**	**204**	**164**	**219**	**39**	**24,419**	**281**
Accumulated depreciation											
As at April 01, 2020	**-**	**-**	**75**	**1,332**	**8,162**	**119**	**136**	**298**	**14**	**10,136**	**-**
Effect of merger of Motherson Polymers Compounding Solution Ltd (refer note 50)	**-**	**-**	**29**	**-**	**90**	**1**	**0**	**1**	**0**	**121**	**-**
As at April 01, 2020	**-**	**-**	**104**	**1,332**	**8,252**	**120**	**136**	**299**	**14**	**10,257**	
Depreciation charge during the year	-	-	13	348	1,720	27	33	73	14	**2,228**	-
Disposals	-	-	(1)	-	(44)	-	-	-	(12)	**(57)**	-
Transferred to discontinued operations (refer note 51)	-	-	-	-	(2,025)	(20)	(54)	(206)	(8)	**(2,313)**	-
Closing accumulated depreciation	**-**	**-**	**116**	**1,680**	**7,903**	**127**	**115**	**166**	**8**	**10,115**	**-**
Net carrying amount	**-**	**1,072**	**29**	**7,657**	**5,336**	**77**	**49**	**53**	**31**	**14,304**	**281**

(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 ₹ 17 million (March 31,2020: ₹ 11 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 46).

3(b) Right-of-use assets

Particulars	Land Refer note (i)	Buildings	Vehicles	Total
Year ended March 31, 2020				
Gross carrying amount				
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**
Accumulated depreciation				
Reclassification on account of Ind AS 116	59	-	-	**59**
Depreciation charge during the year	223	104	141	**468**
Closing accumulated depreciation	**282**	**104**	**141**	**527**
Net carrying amount	**1,877**	**554**	**285**	**2,716**
Year ended March 31, 2021				
Gross carrying amount				
As at April 01, 2020	2,159	658	426	**3,243**
Additions (Refer note 40)	9	33	98	**140**
Disposals	-	-	(18)	**(18)**
Transferred to discontinued operations (refer note 51)	-	-	(278)	**(278)**
Closing gross carrying amount	**2,168**	**691**	**228**	**3,087**
Accumulated depreciation				
As at April 01, 2020	282	104	141	**527**
Depreciation charge during the year	26	107	115	**248**
Disposals	-	-	(3)	**(3)**
Transferred to discontinued operations (refer note 51)	-	-	(140)	**(140)**
Closing accumulated depreciation	**308**	**211**	**113**	**632**
Net carrying amount	**1,860**	**480**	**115**	**2,455**

(i)The Company has recognised impairment loss amounting to Nil (March 31,2020: ₹ 200 million). The impairment losses are included under 'Depreciation expense'.

4 Investment properties

	March 31, 2021	March 31, 2020
Gross carrying amount		
Opening gross carrying amount	972	979
Add: Additions during the year	113	-
Less: Deletions during the year	-	7
Closing gross carrying amount	**1,085**	**972**
Accumulated depreciation:		
Opening balance	225	107
Add: Depreciation for the year [1]	25	122
Less: Deletions during the year	-	(4)
Closing accumulated depreciation	**250**	**225**
Net carrying amount	**835**	**747**

[1] The Company has recognised impairment loss amounting to Nil (March 31,2020: ₹ 100 million). The impairment losses are included under 'Depreciation expense'.

(i) Amounts recognised in profit or loss for investment properties:

	March 31, 2021	March 31, 2020
Rental Income	17	19
Direct operating expenses from properties that did not generate rental income	(1)	(1)
Profit from investment properties before depreciation	**16**	**18**
Depreciation	25	122
Profit / (loss) from investment properties	**(9)**	**(104)**

(ii) Contractual obligations:

Refer note 42 for disclosure of contractual obligation towards purchase of investment properties.

(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, 2021	March 31, 2020
Investment property	1,844	1,912

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.

5 Intangible assets

	Software	
	March 31, 2021	March 31, 2020
Gross carrying amount		
Opening gross carrying amount	17	17
Additions	-	-
Closing gross carrying amount	**17**	**17**
Accumulated amortisation		
Opening balance	17	17
Amortisation charge during the year	-	-
Closing accumulated amortisation	**17**	**17**
Net carrying amount	**0**	**0**

6 (a) Non-Current investments

	March 31, 2021	March 31, 2020
Equity Investments		
Investment in subsidiaries, joint ventures and associate		
(Unquoted instruments valued at cost unless stated otherwise)		
Investment in Subsidiaries :		
MSSL Mauritius Holdings Limited		
37,820,080 (March 31, 2020: 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 ₹ 70 million (March 31, 2020 : ₹ 70 million)		
MSSL Mideast (FZE)		
1 (March 31, 2020: 1) equity share of AED 150,000 equivalent to EUR 46,875 each fully paid-up	2	2
44,170,000 (March 31, 2020: 44,170,000) equity shares of EUR 1 each fully paid-up	3,111	3,111
50,000,000 (March 31, 2020: 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)	2,349	1,885
Motherson Electrical Wires Lanka Private Limited		
1,456,202 (March 31, 2020: 1,456,202) equity shares of LKR 10 each fully paid-up	7	7
MSSL (S) PTE Limited		
20,554,700 (March 31, 2020: 20,554,700) equity shares of SGD 1 each fully paid-up	960	960
Samvardhana Motherson Polymers Limited		
522,750 (March 31, 2020: 522,750) equity shares of ₹ 10 each fully paid-up	5	5
1,351,500 (March 31, 2020: 1,351,500) equity shares of ₹ 10 each fully paid-up at a premium of ₹ 190 per share	270	270
46,920 (March 31, 2020: 46,920) equity shares of ₹ 10 each fully paid-up at a premium of ₹ 2,300 per share	108	108
510 (March 31, 2020: 510) equity shares of ₹ 10 each fully paid-up at a premium of ₹ 4,990 per share	3	3
SMR Automotive Systems India Limited		
6,712,990 (March 31, 2020: 6,712,990) equity shares of ₹ 10 each fully paid-up	67	67
Motherson Innovations Tech Limited (formerly known as MSSL Automobile Component Limited)		
50,000 (March 31, 2020: 50,000) equity shares of ₹ 10 each fully paid-up	1	1

	March 31, 2021	March 31, 2020
MSSL (GB) Limited		
201,461,836 (March 31, 2020: 201,461,836) 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
Motherson Polymers Compounding Solution Limited (Merged with the Company, refer note 50)		
Nil (March 31, 2020: 9,000,000) equity shares of ₹ 10 each fully paid-up	-	8
Motherson Sumi Wiring India Limited		
500,000 (March 31, 2020: Nil) equity shares of ₹ 1 each fully paid-up	1	-
(A)	**46,592**	**46,135**
Investment in joint ventures :		
Kyungshin Industrial Motherson Limited		
17,200,000 (March 31, 2020: 17,200,000) equity shares of ₹ 10 each fully paid-up	86	86
Calsonic Kansei Motherson Auto Products Limited		
30,930,836 (March 31, 2020: 30,930,836) equity shares of ₹ 10 each fully paid-up	400	400
(B)	**486**	**486**
Investment in Associate :		
Saks Ancillaries Limited		
1,000,000 (March 31, 2020: 1,000,000) equity shares of ₹ 10 each fully paid-up	11	11
(C)	**11**	**11**
Investment in preference shares:		
MSSL Mauritius Holdings Limited (Subsidiary)		
Compulsorily convertible preference shares aggregating to EUR 100 million (March 31, 2020: Nil)	8,636	-
Add / (Less): Exchange gain / (loss) on translation	(62)	
(D)	**8,574**	**-**
Total Investment in subsidiaries, joint ventures and associate (A+B+C+D)	**55,663**	**46,632**
Equity investments at FVOCI		
Unquoted		
Motherson Sumi Infotech & Designs Limited		
1,200,000 (March 31, 2020: 1,200,000) equity shares of ₹ 10 each fully paid-up	185	185
Echanda Urja Private Limited		
120,645 (March 31, 2020: 120,645) equity shares of ₹ 10 each fully paid-up	1	1
(E)	**186**	**186**
TOTAL (A+B+C+D+E)	**55,849**	**46,818**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	55,919	46,888
Aggregate amount of impairment in the value of investments	70	70

6 (b) **Current investments**

	March 31, 2021	March 31, 2020
Investment in equity instruments at FVOCI		
Quoted		
HDFC Bank Limited	6	4
4,070 (March 31, 2020: 4070) equity shares of ₹ 2 each fully paid up		
Balrampur Chini Mills Limited	0	0
1,200 (March 31, 2020: 1,200) equity shares of ₹ 1 each fully paid up		
JD Orgochem Ltd	0	0
100 (March 31, 2020: 100) equity shares of ₹ 10 each fully paid up		
Meyer Apparel Limited	0	0
28,475 (March 31, 2020: 28,475) equity shares of ₹ 3 each fully paid up		
Mahindra & Mahindra Limited	6	2
7,288 (March 31, 2020: 7,288) equity shares of ₹ 5 each fully paid up		
Arcotech Limited	0	0
1,000 (March 31, 2020: 1,000) equity shares of ₹ 2 each fully paid up		
Unquoted		
Pearl Engineering Polymers Limited	-	-
3,160 (March 31, 2020: 3,160) equity shares of ₹ 10 each fully paid up		
Daewoo Motors Limited	-	-
6,150 (March 31, 2020: 6,150) equity shares of ₹ 10 each fully paid up		
Athena Financial Services Limited	-	-
66 (March 31, 2020: 66) equity shares of ₹ 10 each fully paid up		
Inox Leasing & Finance Limited	-	-
100 (March 31, 2020: 100) equity shares of ₹ 10 each fully paid up		
Total current investments	**12**	**6**
Aggregate amount of quoted investments and market value thereof	12	6
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-

7 **Loans**

	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loans to related parties (Refer note 40 & 49)	3,004	23,732	0	125
Loans to employees	52	20	89	51
Total	**3,056**	**23,752**	**89**	**176**

8 **Trade receivables**

	March 31, 2021	March 31, 2020
Unsecured, considered good	3,226	5,951
Trade receivables from related parties1 (Refer note 40)	1,959	2,724
Unsecured, credit impaired	2	25
	5,187	**8,700**
Less: Allowances for credit loss	2	25
Total	**5,185**	**8,675**
[1] Includes receivables from companies in which Director of the Company is also a Director	423	194

Note 1: The Company has derecognised trade receivables amounting ₹ 512 million (March 31, 2020: ₹ 1,010 million), in respect of continuing and discontinued operations 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, 2021	March 31, 2020
Unsecured, considered good		
Security deposits	25	138
Interest receivable (Refer note 40)	88	-
Derivatives designated as cash flow hedge (Refer note 37)	551	-
Total	**664**	**138**

9 (b) **Other financial assets - Current**

	March 31, 2021	March 31, 2020
Unsecured, considered good		
Security deposits [1]	448	580
Other advances receivable in cash (Refer note 40)	375	5
Unbilled revenue (Refer note 45)	473	423
Receivable from related parties (Refer note 40)	-	42
Others	165	0
Total	**1,461**	**1,050**
[1] Includes security deposit given to a partnership firm namely M/S Motherson in which Director of the Company is Partner	8	8

10. Other assets

	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Unsecured, considered good, unless otherwise stated				
Capital advances	-	140	-	195
Advances recoverable	364	-	371	-
Prepaid expenses	29	42	60	86
Balances with government authorities	421	-	504	-
Subsidy receivable	102	-	229	106
Total	**916**	**182**	**1,164**	**387**

11 Deferred tax assets (net)

	March 31, 2021	March 31, 2020
Deferred tax assets		
Derivatives designated as fair value hedge	411	220
Provision for employee benefit obligations	123	268
Provision for doubtful debts and advances	0	6
Government grants	7	31
Others	-	14
Deferred tax liabilities		
FVOCI equity instruments	(42)	(41)
Property, plant and equipment and intangible assets & investment property and net of Right-of-use assets & lease liability	(33)	(48)
Derivatives designated as cash flow hedge	(64)	-
Others	(1)	-
Total	**401**	**450**

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 fair value hedge	Provision for employee benefits	Provisions for doubtful debts and advances	Government grants	FVOCI equity instruments	Derivatives designated as cash flow hedge	Other items	Total
At April 01, 2019	(220)	232	274	13	44	(42)	-	(5)	296
(Charged)/ credited:									
to profit or loss	172	(12)	(43)	(7)	(13)	(0)	-	19	116
to other comprehensive income	-	-	37	-	-	1	-	-	38
At March 31, 2020	**(48)**	**220**	**268**	**6**	**31**	**(41)**	**-**	**14**	**450**
(Charged)/ credited:									
to profit or loss	74	191	23	(6)	-	-	(151)	(15)	116
to other comprehensive income	-	-	(9)	-	-	(1)	87	-	77
to profit or loss - discontinued operations (refer note 51)	5	-	15	-	(6)	-	-	-	14
to other comprehensive income - discontinued operations (refer note 51)	-	-	3	-	-	-	-	-	3
Transferred to discontinued operations (refer note 51)	(64)	-	(177)	(0)	(18)	-	-	-	(259)
At March 31, 2021	**(33)**	**411**	**123**	**0**	**7**	**(42)**	**(64)**	**(1)**	**401**

12 Inventories

	March 31, 2021	March 31, 2020
Raw materials	3,095	6,566
Work-in-progress	1,135	1,905
Finished goods	1,279	1,440
Stores and spares	35	20
Total	**5,544**	**9,931**
Inventory include inventory in transit of:		
Raw materials	1,254	1,451
Finished goods	318	249

Amount recognised in profit or loss:

During the year ended March 31, 2021 write down of inventories on account of provision in respect of obsolete/ slow moving items amounted to ₹ 14 million (excluding discontinued operations) (March 31, 2020: write-back amounting ₹ 53 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 Cash and cash equivalents *

	March 31, 2021	March 31, 2020
Balances with banks:		
- in current accounts	2,250	2,231
- Deposits with original maturity of less than three months	202	54
Cheques/ drafts on hand	41	5
Cash on hand	2	10
Total	**2,495**	**2,300**

* 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, 2020	Cash Flow	Non cash		March 31, 2021
			Fair value changes	Other non cash items*	
Non current borrowings	11,915	34,690	(10)	(332)	46,273
Current borrowings	2,279	(561)	-	(207)	1,511
Lease liabilities	928	(177)	-	(29)	722
Total liabilities from financing activities	**15,122**	**33,952**	**(10)**	**(568)**	**48,506**

*other non cash items includes, in addition to transfer to discontinued operations, foreign exchange movements in borrowings and new leases taken or termination of lease contracts in case of lease liabilities.

14 Other bank balances

	March 31, 2021	March 31, 2020
Deposits with remaining maturity of more than three months but less than 12 months	5	5
Unpaid dividend account	56	61
Total	**61**	**66**

15 Share Capital

	March 31, 2021	March 31, 2020
Authorised:		
6,050,000,000 (March 31, 2020 : 6,050,000,000) Equity shares of ₹ 1 each	6,050	6,050
25,000,000 (March 31, 2020 : 25,000,000) 8% Convertible Cumulative Preference Shares of ₹ 10 each	250	250
Issued, subscribed and Paid up:		
3,157,934,237 (March 31, 2020 : 3,157,934,237) Equity Shares of ₹ 1 each	3,158	3,158

a. Movement in equity share capital

	Numbers	Amount
As at April 01, 2019	**3,157,934,237**	**3,158**
Add: Changes during the year	-	-
As at March 31, 2020	**3,157,934,237**	**3,158**
Add: Changes during the year	-	-
As at March 31, 2021	**3,157,934,237**	**3,158**

b. Rights, preferences and restrictions attached to shares

Equity Shares:

The Company has only one class of equity shares having a par value of ₹ 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, 2021)

	Aggregate No of Shares issued in five years	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
Equity shares allotted as fully paid bonus shares by capitalisation of Securities Premium Account	1,754,407,910	-	-	1,052,644,746	701,763,164	-

d. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

	March 31, 2021		March 31, 2020	
	Nos.	%	Nos.	%
Equity shares:				
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, 2021	March 31, 2020
Reserve on amalgamation	1,773	1,663
Securities premium	26,226	26,226
Capital reserve	80	-
General reserve	3,363	3,363
Retained earnings	32,951	27,901
Total reserves and surplus	**64,393**	**59,153**

(i) Reserve on amalgamation

	March 31, 2021	March 31, 2020
Opening balance	1,663	1,663
Effect of merger of Motherson Polymers Compounding Solution Ltd (refer note 50)	110	-
Closing balance	**1,773**	**1,663**

(ii) Securities premium

	March 31, 2021	March 31, 2020
Opening balance	26,226	26,226
Utilisation during the year - issue of bonus shares	-	-
Closing balance	**26,226**	**26,226**

(iii) Capital reserve

	March 31, 2021	March 31, 2020
Opening balance	-	-
Effect of merger of Motherson Polymers Compounding Solution Ltd (refer note 50)	80	-
Closing balance	**80**	**-**

(iv) General reserve

	March 31, 2021	March 31, 2020
Opening balance	3,363	3,363
Closing balance	**3,363**	**3,363**

(v) Retained earnings

	March 31, 2021	March 31, 2020
Opening balance	27,901	29,836
Effect of merger of Motherson Polymers Compounding Solution Ltd (refer note 50)	(176)	-
Additions during the year	5,207	8,988
Remeasurements of post-employment benefit obligation, net of tax	19	(109)
Dividend paid [1]	-	(9,474)
Tax on dividend [1]	-	(1,340)
Closing balance	**32,951**	**27,901**

[1] During the financial year 2019-20, the Company paid final cash dividend for the financial year 2018-19 amounting ₹ 1.5 per share and Interim dividend for the financial year 2019-20 amounting ₹ 1.5 per share to its shareholders. This has resulted in payment of dividend distribution tax (DDT) to the taxation authorities during March 31, 2020. The Company believes that DDT represents additional payment to taxation authorities on behalf of shareholders. Hence DDT paid is charged to equity. The interim dividend paid for FY 19-20 in March 2020 was taken as final dividend , hence no dividend was paid in during the financial year 2020-21.

16 (b) Other reserves

FVOCI equity investments	March 31, 2021	March 31, 2020
Opening balance	133	136
Change in fair value of FVOCI equity instruments	5	(3)
Closing balance	**138**	**133**

Cash flow hedging reserve	March 31, 2021	March 31, 2020
Opening balance	-	-
Change in fair value of hedging instruments (net of tax)	(259)	-
Closing balance	**(259)**	**-**
Total other reserves	**(121)**	**133**

Reserve on amalgamation

This reserve was created at the time of amalgamation and mergers carried out in earlier years and current year. The reserve will be utilised in accordance with the provisions of the Act.

Securities premium

Securities premium will be used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Capital reserve

This reserve is created at the time of merger of Motherson Polymers Compounding Solution Private Limited (MPCSL) with the Company (refer note 50). The reserve will be utilised in accordance with the provisions of the Act.

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Secured (i)				
Non-convertible debentures	4,990	-	-	-
Term Loans				
Foreign currency loans from banks	-	6,039	5,846	-
Indian rupee loan from banks	8,044	5,750	6,164	-
Indian rupee loan from other than banks	-	-	-	0
Unsecured (ii)				
Non-convertible debentures	21,231	-	-	-
Term Loans				
Indian rupee loan from other than banks	139	126	-	-
Less : Indian rupee loan from other than banks of discontinued operations (refer note 51)	(139)	-	-	-
Less : Disclosed under Other current financial liabilities (Refer Note 18)	-	-	(12,010)	(0)
TOTAL	**34,265**	**11,915**	**-**	**-**

(i) Secured Loans[1]

Nature of Security (In case of Secured Loans)	Principal Terms and Conditions
Non convertible debentures amounting to ₹ 4,990 million (March 31, 2020: ₹ Nil) secured by: (a) first ranking Security Interest by way of hypothecation on the Hypothecated Properties created by the Company in favour of the Debenture Trustee pursuant to the Deed of Hypothecation; and / or (b) a first ranking Security Interest by way of equitable mortgage by deposit of title deeds on the Company's rights, title and interest in and to the Mortgaged Properties created by the Company in favour of the Debenture Trustee (or in favour of a security trustee or security agent appointed by the Debenture Trustee (acting in accordance with Approved Instructions)) pursuant to the Mortgage Documents. c) such other Security Interest created by the Company or any other Person as may be mutually agreed by the Company with the Debenture Trustee (acting in accordance with Approved Instructions) and classified as 'Security' for the purposes of this Deed by the Debenture Trustee.	The company issued 5,000 listed, rated, redeemable, senior, secured non-convertible debentures of a face value of ₹ 1,000,000 each, of the aggregate nominal value of up to ₹ 5,000 million, in a single tranche. These instruments bear interest at a rate of 7.84% payable annually on April 20 each year and will mature on April 20, 2023.
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	₹ 5,846 million (March 31, 2020 :₹ 6,039 million) repayable in March 2022 entirely in one instalment. The applicable rate of interest in respect of foreign currency loans from banks is 0.375% p.a. (March 31, 2020 : 0.52% p.a.) over 6 months in respect of loans hedged for swap contracts.
Indian Rupee loan from banks	₹ 8,457 million (March 31, 2020 : ₹ Nil) carrying Interest rate of 6.05% p.a. repayable in 5 years from date of first disbursement in ratio of 5:5:10:25:55 starting from September 2021.
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	₹ 5,750 million (March 31, 2020 : ₹ 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.	₹ Nil (March 31, 2020 : ₹ 0 million) fully repaid in April 2020 Interest rate was 10.2% p.a.

(ii) Unsecured Loans

Particulars	Terms of Repayment
Non convertible debentures amounting to ₹ 21,231 million (March 31, 2020: ₹ Nil)	The company issued 21,300 listed, rated, redeemable, unsecured, redeemable non-convertible debentures of a face value of ₹ 1,000,000 each, of the aggregate nominal value of up to ₹ 21,300 million, in a single tranche. These instruments bear interest at a rate of 6.65% payable annually on September 14 each year and will mature on September 14, 2023.
Indian Rupee Loan from other than banks	Interest free loan of ₹ 139 million (March 31, 2020 : ₹ 126 million) repayable in 3 tranches on November 2022, March 2023 and December 2026 against each disbursements. Bank guarantee is furnished by the Company.

[1] The carrying amount of financials and non financial assets pledged as security for long term borrowings is disclosed in Note 44

17 (b) Current borrowings

	March 31, 2021	March 31, 2020
Secured [2, 3]		
Working capital loans repayable on demand- from banks [1]		
Indian rupee loan	2,200	2,279
Less: Indian rupee loan utilised in respect of discontinued operations (refer note 51)	(675)	-
TOTAL	**1,525**	**2,279**

[1] 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.

[2] The carrying amount of financials and non financial assets pledged as security for short term borrowings is disclosed in Note 44

[3] Short term borrowings carry interest rate ranging from 4% to 8% p.a.

18 Other financial liabilities

	March 31, 2021	March 31, 2020
Non-current		
Retention money	23	76
Security deposit received (Refer note 40)	50	52
Recovery against Vehicle Loan	41	98
Derivatives designated as cash flow hedge (Refer note 37)	64	-
Total	**178**	**226**
Current		
Current maturities of long term borrowings (Refer note 17(a))	12,010	0
Interest accrued but not due on borrowings	1,120	4
Unpaid dividends [1]	56	61

	March 31, 2021	March 31, 2020
Payables relating purchase of property, plant & equipments	93	342
Security deposit received	3	4
Employee benefits payable	537	1,169
Accrued expenses	25	75
Derivatives designated as fair value hedge (Refer note 37)	1,633	873
Recovery against Vehicle Loan	26	56
Total	**15,503**	**2,584**

[1] 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

	March 31, 2021	March 31, 2020
Total outstanding dues of micro, small and medium enterprises (Refer note 48) and	369	155
Total outstanding dues of creditors other than micro, small and medium enterprises	4,493	5,951
Trade payable to related parties (Refer note 40)	1,377	2,950
Total	**6,239**	**9,056**

20 Provisions

	March 31, 2021	March 31, 2020
For warranties	17	10
For contingencies	1	1
Total	**18**	**11**

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Opening Balance	10	7	1	1
Additions/(deletion) during the year	7	3	-	-
Closing Balance	**17**	**10**	**1**	**1**

21 Employee benefit obligations

	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Gratuity	154	-	414	-
Compensated absences	55	277	164	485
for Provident fund scheme	1	-	1	-
Total	**210**	**277**	**579**	**485**

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, 2021	March 31, 2020
Obligations at year beginning	1,772	1,454
Service Cost - Current	160	140
Interest expense	115	106
Amount recognised in profit or loss	**275**	**246**
Remeasurements		
Actuarial (gain)/ loss from change in financial assumption	(21)	121
Experience (gain)/loss	(4)	22
Amount recognised in other comprehensive income	**(25)**	**143**
Payment from plan:		
Benefit payments	(54)	(64)
Addition/ (deletion) due to transfer of employee	(4)	(7)
Less: Transferred to Discontinued Operations	(1,005)	-
Obligations at year end	**959**	**1,772**

(ii) Fair Value of Plan Assets

	For the year ended	
	March 31, 2021	March 31, 2020
Plan assets at year beginning, at fair value	1,358	1,230
Interest income	90	92
Amount recognised in profit or loss	**90**	**92**
Remeasurements		
Actuarial (gain)/ loss from change in financial assumption	(0)	(3)
Return on plan assets, excluding amount included in interest income	0	0
Amount recognised in other comprehensive income	**0**	**(3)**
Payment from plan:		
Benefit payments	(7)	(4)
Contributions:		
Employers	12	43
Less: Transferred to Discontinued Operations	(648)	-
Plan assets at year end, at fair value	**805**	**1,358**

(iii) Assets and Liabilities recognized in the Balance Sheet

	For the year ended	
	March 31, 2021	March 31, 2020
Present Value of the defined benefit obligations	959	1,772
Fair value of the plan assets	805	1,358
Amount recognized as Liability	**154**	**414**

(iv) Defined benefit obligations cost for the year:

	For the year ended	
	March 31, 2021	March 31, 2020
Service Cost - Current	160	140
Interest Cost (Net)	25	14
Actuarial (gain)/ loss	(25)	146
Extinguishment to discontinued operations - service and interest cost	(86)	(69)
Extinguishment to discontinued operations - Acturial (gain) / loss	(11)	(86)
Net defined benefit obligations cost	**63**	**145**

(v) Investment details of Plan Assets

The details of investments of plan assets are as follows:

	For the year ended	
	March 31, 2021	March 31, 2020
LIC of India	100%	100%
Total	**100%**	**100%**

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, 2021	March 31, 2020
Discount Rate per annum	6.7%	6.6%
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, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
Defined benefit obligations	959	1,772	1,454	1,212	1,026
Plan assets	(805)	(1,358)	(1,230)	(1,087)	(808)
Deficit/(Surplus)	**154**	**414**	**224**	**125**	**218**

(viii) Expected Contribution to the Fund in the next year

	For the year ended	
	March 31, 2021	March 31, 2020
Gratuity (Continued operations)	157	399

ix) Sensitivity Analysis

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is :

March 31, 2021	Change in Assumption	Impact	Increase in Assumption	Impact	Decrease in Assumption
Continuing operations:					
Discount Rate per annum	0.50%	Decrease by	(40)	Increase by	43
Future salary increases	1.0%	Increase by	90	Decrease by	(79)

March 31, 2020	Change in Assumption	Impact	Increase in Assumption	Impact	Decrease in Assumption
Continuing operations and Discontinued operations:					
Discount Rate per annum	0.50%	Decrease by	(74)	Increase by	80
Future salary increases	1.0%	Increase by	167	Decrease by	(147)

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, 2020: 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, 2021					
Defined benefit obligation (gratuity) of continuing operations	72	105	268	655	1,100
March 31, 2020					
Defined benefit obligation (gratuity) of continuing and discontinued operations	107	88	387	847	1,429

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	
Continuing operations:	March 31, 2021	March 31, 2020
Provident fund paid to the authorities	237	232
Employee state insurance paid to the authorities	29	36
Contribution to other funds (Employee welfare etc.)	1	2
	267	**270**

C. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India, however, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued by the Government of India. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

22 Government grants

	March 31, 2021	March 31, 2020
Opening balance	309	104
Grants received during the year	2	258
Released to profit and loss (Refer note 26)	(1)	(2)
Released to profit and loss of discontinued operation (refer note 51)	(32)	(51)
Transferred to discontinued operation (refer note 51)	(252)	-
Closing balance	**26**	**309**

	March 31, 2021	March 31, 2020
Current portion	1	34
Non-current portion	25	275
Total	**26**	**309**

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, 2021	March 31, 2020
Tax assets		
Non-current tax assets (net)	104	594
Tax liabilities		
Current tax liabilities (net)	-	-
Net tax liabilities/ (assets)	**(104)**	**(594)**

24 Other current liabilities

	March 31, 2021	March 31, 2020
Statutory dues including provident fund and tax deducted at source	41	368
Advances received from customers (Refer note 45)	528	838
Unearned revenue	3	7
Total	**572**	**1,213**

25 (a) Revenue from contract with customers

	For the year ended	
	March 31, 2021	March 31, 2020
Sales of products		
Finished goods		
Within India	25,541	26,896
Outside India	8,183	9,576
Traded goods	1,120	1,287
Total gross sales	**34,844**	**37,759**
Sale of services	1,509	1,652
Total revenue from contract with customers (Refer note 45)	**36,353**	**39,411**

Note: There is no material difference between the contract price and the revenue from contract with customers.

25 (b) Other operating revenue:

Scrap sales	148	138
Job work income	14	16
Export incentives	74	191
Liabilities written back to the extent no longer required	14	34
Miscellaneous other operating income	89	60
Total	**339**	**439**

26 Other income

	For the year ended	
	March 31, 2021	March 31, 2020
Interest income from financial assets at amortised cost	618	21
Dividend Income		
- From subsidiaries	-	2,992
- From joint ventures	-	101
- From equity investments designated at fair value through OCI	0	2
Rent	63	62
Exchange fluctuation (net)	382	451
Gain on disposal of property, plant and equipment & investment property (net)	8	38
Government grants & subsidies (Refer note 22)	1	2
Miscellaneous income	32	54
Total	**1,104**	**3,723**

27 Cost of materials consumed

	For the year ended	
	March 31, 2021	March 31, 2020
Opening stock of raw materials	5,115	5,050
Add : Purchases of raw materials	37,569	35,758
Less: Closing stock of raw materials	6,514	5,115
Less: Cost of materials consumed in discontinued operations*	14,377	13,438
Total	**21,793**	**22,255**

*net of cost of materials consumed with respect to purchases from continuing operations (refer note 51)

28 Changes in inventory of finished goods, work in progress and stock in trade

	For the year ended	
	March 31, 2021	March 31, 2020
(Increase)/ decrease in stocks		
Stock at the opening of the year:		
Finished goods	1,440	1,908
Work-in-progress	1,905	1,922
Total A	**3,345**	**3,830**
Stock at the end of the year:		
Finished goods	1,997	1,440
Work-in-progress	2,383	1,905
Total B	**4,380**	**3,345**
Less: Changes in inventory of discontinued operations (refer note 51) **(C)**	(386)	407
(Increase)/ decrease in stocks (A-B-C)	**(649)**	**78**

29 Employee benefit expense

	For the year ended	
	March 31, 2021	March 31, 2020
Salary, wages & bonus	4,426	4,491
Contribution to provident & other fund (Refer note 21)	267	270
Gratuity (Refer note 21)	99	85
Staff welfare expenses	233	288
Total	**5,025**	**5,134**

30 Other expenses

	For the year ended	
	March 31, 2021	March 31, 2020
Electricity, water and fuel	990	1,106
Repairs and maintenance:		
Machinery	432	442
Building	158	167
Others	221	213
Consumption of stores and spare parts	293	312
Conversion charges	189	190
Lease rent (Refer note 46)	173	328
Rates & taxes	18	33
Insurance	113	148
Donation	9	8
Travelling	144	282
Freight & forwarding	1,084	1,027
Royalty	53	77
Cash Discount	-	47
Commission	24	27
Bad debts/ advances written off	0	0
Provision for doubtful debts/advances	0	4
Legal & professional expenses (Refer note (a) below)	796	785
Expenditure towards corporate social responsibility (CSR) activities (Refer note (b) below)	235	37
Miscellaneous expenses	483	619
Total	**5,415**	**5,852**

(a): Payment to auditors:

	For the year ended	
	March 31, 2021	March 31, 2020
As Auditor:		
Audit fees (including limited review)	48	40
Other services	8	2
Reimbursement of expenses	0	4
Total	**56**	**46**

(b): Corporate social responsibility expenditure

		For the year ended	
		March 31, 2021	March 31, 2020
(i)	Contribution to Swarn Lata Motherson Trust	61	35
(ii)	Contribution for the promotion of education & other Initiatives	1	-
(iii)	Contribution towards PM Care Funds	9	2
		71	**37**
	Amount required to be spent as per Section 135 of the Companies Act, 2013	235	230
	Amount spent during the year on:		
(i)	Construction/acquisition of asset	-	-
(ii)	Purpose other than (i) above	71	37
		71	**37**
	Amount yet to spent for which provision is considered in financial	**164**	**-**

Note for Ongoing Projects and others:	In case of Section 135(6) (Ongoing Project)	In case of Section. 135(5) (Other than ongoing Project)
Opening Balance		
With Company	-	-
In Separate CSR Unspent A/c	-	-
Amount required to be spent during the year	96	139
Amount spent during the year		
From Company's bank A/c	71	-
From Separate CSR Unspent A/c	-	-
Closing Balance	**25**	**139**
With Company	-	
In Separate CSR Unspent A/c	25	

31 Finance costs

	For the year ended	
	March 31, 2021	March 31, 2020
Interest on long term borrowings	609	84
Exchange differences regarded as an adjustment to borrowing costs [1]	99	(73)
Interest on lease liabilities	72	70
Other finance costs	117	167
Total	**897**	**248**

[1] Includes foreign exchange loss/ (gain) on long term loan facilities of ₹ (196) million (March 31, 2020 : ₹ 512 million) and Mark to Market (gain)/ loss on derivatives of ₹ 295 million (March 31, 2020: ₹ (585) million)

32 Depreciation and amortisation expense

	For the year ended	
	March 31, 2021	March 31, 2020
Depreciation on property, plant and equipment	1,789	2,045
Depreciation on right of use assets[1]	186	158
Amortisation on intangible assets	-	0
Depreciation on investment Property[1]	25	121
Less: Capitalised during the year[2]	(17)	(11)
Total	**1,983**	**2,313**

[1] Includes impairment loss amounting to Nil (March 31, 2020: ₹ 200 million) on Right-of-use assets and Nil (March 31, 2020: ₹ 100 million) on investment property during the year.

[2] Includes depreciation of ₹ 17 million (March 31, 2020: ₹ 11 million) capitalised during the year on assets used for creation of self generated assets (Refer note 3).

33 Income tax expense

(a) Income tax expense

	For the year ended	
	March 31, 2021	March 31, 2020
Current tax		
Current income tax charged	612	1,440
Adjustments for current tax of prior years	(3)	13
Total current tax expense	**609**	**1,453**
Deferred tax (refer note 11)		
Decrease/ (increase) in deferred tax assets (net)	(118)	(130)
Total deferred tax expense / (benefit)	**(118)**	**(130)**
Income tax expense	**491**	**1,323**
Income tax expense is attributable to:		
Profit from continuing operations	491	1,323
	491	**1,323**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

	For the year ended	
	March 31, 2021	March 31, 2020
Profit before tax from continuing operations	**2,432**	**6,708**
Tax at India's tax rate of 25.168% (March 2020: 25.168%)	612	1,688
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)	(0)	(263)
Tax impact on impairment loss recognised	-	52
Impact of tax rate change on opening deferred tax	-	50
Adjustments for tax of prior periods	(3)	13
Tax impact on effective portion of fair value hedge	(117)	(200)
Other adjustments	1	(17)
Income tax expense of continuing operations	**491**	**1,323**
Profit before tax from discontinued operations	**4,396**	**4,906**
Tax at India's tax rate of 25.168% (March 2020: 25.168%)	1,106	1,235
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other adjustments	23	68
Income tax expense of discontinued operations	**1,129**	**1,303**

34 Earnings per share

		March 31, 2021	March 31, 2020
For continuing operations			
a)	**Basic**		
	Net profit after tax available for equity Shareholders	1,941	5,385
	Weighted average number of equity shares used to compute basic earnings per share	3,157,934,237	3,157,934,237
	Basic earnings (in ₹) per Share of ₹ 1 each. (March 31, 2020: ₹ 1 each)	**0.61**	**1.71**
b)	**Diluted (Refer note (i) below)**		
	Net profit after tax available for equity Shareholders	1,941	5,385
	Weighted average number of Equity Shares of ₹ 1 each (March 31, 2020: ₹ 1 each)	3,157,934,237	3,157,934,237
	Diluted earnings (in ₹) per share of ₹ 1 each. (March 31, 2020: ₹ 1 each)	**0.61**	**1.71**

		March 31, 2021	March 31, 2020
For discontinued operations			
a)	**Basic**		
	Net profit after tax available for equity Shareholders	3,267	3,603
	Weighted average number of equity shares used to compute basic earnings per share	3,157,934,237	3,157,934,237
	Basic earnings (in ₹) per Share of ₹ 1 each. (March 31, 2020: ₹ 1 each)	**1.03**	**1.14**
b)	**Diluted (Refer note (i) below)**		
	Net profit after tax available for equity Shareholders	3,267	3,603
	Weighted average number of Equity Shares of ₹ 1 each (March 31, 2020: ₹ 1 each)	3,157,934,237	3,157,934,237
	Diluted earnings (in ₹) per share of ₹ 1 each. (March 31, 2020: ₹ 1 each)	**1.03**	**1.14**
For continuing and discontinued operations			
a)	**Basic**		
	Net profit after tax available for equity Shareholders	5,207	8,988
	Equity shares outstanding at the beginning of the year	3,157,934,237	3,157,934,237
	Weighted average number of equity shares used to compute basic earnings per share	3,157,934,237	3,157,934,237
	Basic earnings (in ₹) per Share of ₹ 1 each. (March 31, 2020: ₹ 1 each)	**1.65**	**2.85**
b)	**Diluted (Refer note (i) below)**		
	Net profit after tax available for equity Shareholders	5,207	8,988
	Weighted average number of Equity Shares of ₹ 1 each (March 31, 2020: ₹ 1 each)	3,157,934,237	3,157,934,237
	Diluted earnings (in ₹) per share of ₹ 1 each. (March 31, 2020: ₹ 1 each)	**1.65**	**2.85**

(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, 2021	March 31, 2020
Employee benefit expenses	212	210
Other expenses	37	51
Capital expenditure	0	1

36 Fair value measurements

Financial instruments by category

	March 31, 2021			March 31, 2020		
	FVPL	FVOCI	Amortised Cost*	FVPL	FVOCI	Amortised Cost*
Financial assets						
Investments	-	198	-	-	192	-
Trade receivables	-	-	5,185	-	-	8,675
Loans	-	-	26,808	-	-	265
Cash and cash equivalents	-	-	2,556	-	-	2,366
Other financial assets	-	-	2,125	-	-	1,188
Total financial assets	**-**	**198**	**36,674**	**-**	**192**	**12,494**
Financial Liabilities						
Borrowings	-	-	47,800	-	-	14,194
Trade payables	-	-	6,239	-	-	9,056
Other financial liabilities	1,633	-	2,039	873	-	1,937
Total financial liabilities	**1,633**	**-**	**56,077**	**873**	**-**	**25,187**

i. Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2021

	Level 1	Level 2	Level 3	Total
Financial asset				
Financial Investments at FVOCI				
Listed equity investments	12	-	-	12
Unquoted equity investments	-	-	186	186
Total	**12**	**-**	**186**	**198**
Financial liabilities				
Borrowings	-	26,220	21,580	47,800
Other financial liabilities	-	1,633	2,039	3,672
Total financial liabilities	**-**	**27,853**	**23,618**	**51,472**

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2020

	Level 1	Level 2	Level 3	Total
Financial asset				
Financial Investments at FVOCI				
Listed equity investments	6	-	-	6
Unquoted equity investments	-	-	186	186
Total	**6**	**-**	**186**	**192**

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Borrowings	-	-	14,194	14,194
Other financial liabilities	-	873	226	1,099
Total financial liabilities	**-**	**873**	**14,420**	**15,293**

*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:

a. the use of quoted market prices or dealer quotes for similar instruments.

b. the fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

c. the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

d. 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, 2021 and March 31, 2020:

	Unquoted equity instruments
As at March 31, 2019	**188**
Gains/(losses) recognised in other comprehensive income	(2)
As at March 31, 2020	**186**
Gains/(losses) recognised in other comprehensive income	-
As at March 31, 2021	**186**

iv. Fair value of non current financial assets and liabilities measured at amortised cost

	March 31, 2021		March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Loan to related party [1]	23,732	23,732	125	125
Loan to employees [1]	20	20	51	51
	23,752	**23,752**	**176**	**176**
Financial liabilities				
Borrowings [2]	34,265	34,265	11,915	11,915
Other financial liabilities [1]	178	178	226	226
	34,443	**34,443**	**12,141**	**12,141**

[1] The fair value of non-current financial assets and financial liabilities carried at amortized cost is substantially same as their carrying amount.

[2] During financial year 2016-17 loan amounting to ₹ 10,975 million was taken at market rates. Loan amounting to ₹ 5,846 million as at March 31, 2021 (March 31, 2020: ₹ 6,039 million) carries floating rate of interest. The Company has taken interest rate swap for the borrowing with fixed interest rate amounting to ₹ 5,750 million.

During the financial year 2020-21, the Company has taken interest rate swap for the borrowing with fixed interest rate amounting to ₹ 29,800 million; and borrowing with fixed interest rate amounting to ₹ 5,000 million.

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:

	For the year ended	
	March 31, 2021	March 31, 2020
Unquoted equity instruments	186	186
Significant unobservable inputs[1]		
Earnings growth rate	4%	4%
Risk adjusted discount rate	16%	16%
Sensitivity		
Impact of change in risk adjusted discount rate[2]		
Decrease in discount rate by 0.50%	19	19
Increase in discount rate by 0.50%	(17)	(17)
Impact of change in earnings growth rate[2]		
Decrease in growth rate by 0.50%	(14)	(14)
Increase in growth rate by 0.50%	16	16

[1] There were no significant inter-relationships between unobservable inputs that materially affect fair values

[2] 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 (Amoun in million)	As At March 31, 2021	As At March 31, 2020
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
	INR : EUR	INR 5,197; EUR 60	-
	INR : EUR	INR 2,596; EUR 30	-
	INR : EUR	INR 2,595; EUR 30	-
	INR : EUR	INR 2,607; EUR 30	-
	INR : USD	INR 2,198; USD 30	-
	INR : USD	INR 2,204; USD 30	-
	INR : USD	INR 1,469; USD 20	-
	INR : USD	INR 2,427; USD 33	-
	INR : EUR	INR 3,448; EUR 40	-
	INR : EUR	INR 2,595; EUR 30	-
	INR : EUR	INR 2,593; EUR 30	-

(ii) Particular of unhedged foreign currency exposure as at the reporting date (Net exposure to foreign currency risk)

	March 31, 2021 Payable / (Receivable)		March 31, 2020 Payable / (Receivable)	
	Amount in Foreign currency in million	Amount in ₹	Amount in Foreign currency in million	Amount in ₹
AUD	(0)	(14)	(0)	(12)
CHF	0	8	0	17
CNY	0	4	8	85
EUR	(72)	(6,173)	(15)	(1,266)
GBP	(0)	(0)	(0)	(29)
JPY	1,962	1,306	1,779	1,257
KRW	-	-	(1,431)	(89)
SEK	0	0	0	1
SGD	0	5	0	2
THB	27	64	15	36
USD	90	6,595	79	5,966

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, 2021	March 31, 2020
Increase by 1% in forex rate	(18)	(78)
Decrease by 1% in forex rate	18	78

(iii) Mark to market losses / (gain) on cross currency interest rate swaps

	For the year ended	
	March 31, 2021	March 31, 2020
Mark to Market losses/(gain) on cross currency interest rate swaps	272	208

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, 2021 and March 31, 2020, 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, 2021	March 31, 2020
Variable rate borrowings	7,372	8,318
Fixed rate borrowings	40,428	5,876
Total borrowings	**47,800**	**14,194**

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, 2021	March 31, 2020
Interest rates-increase by 50 basis points*	(37)	(42)
Interest rates-decrease by 50 basis points*	37	42

* 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, 2021	March 31, 2020
Floating rate		
- Expiring within one year (cash credit and other facilities)	8,977	5,221

(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, 2021	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	14,291	35,283	-	**49,574**
Trade payables	6,239	-	-	**6,239**
Other financial liabilities	1,862	178	-	**2,040**
Lease liabilities	183	538	353	**1,074**
Total non-derivative liabilities	**22,575**	**35,999**	**353**	**58,927**
Derivatives				
Derivatives designated as hedge	1,632	65		**1,697**
Total derivative liabilities	**1,632**	**65**	**-**	**1,697**

Year Ended March 31, 2020	Upto 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
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**
Total non-derivative liabilities	**13,336**	**12,975**	**645**	**26,956**
Derivatives				
Derivatives designated as hedge	873	-	-	**873**
Total derivative liabilities	**873**	**-**	**-**	**873**

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		
March 31, 2021					
(i) Cross currency interest rate swap	USD 80; EUR 74	-	498	Other financial liabilities	431
	INR 5,750; EUR 81	-	1,135		328
(ii) Loan	USD 80	-	5,846	Non-current borrowings	(196)
	INR 5,750	-	5,750		-
March 31, 2020					
(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		-

(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	Assets	Liabilities			
For March 31, 2021:							
(i) Investment	15,068	-	2,349	-	Non-current investments	464	-
For March 31, 2020:							
(i) Investment	14,604	-	1,885	-	Non-current investments	793	-

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
For year ended on 31 March 2021:		
(i) Investment	99	Finance cost
For year ended on 31 March 2020:		
(i) Investment	(72)	Finance cost

37 (d) Details related to cashflow hedge

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					
(i) Cross currency interest rate swap	₹ 8,636	-	64	Oct'2025	1:1	EUR:INR: 86.3590	(64)	64
	₹ 12,995	347	-	Sep'2023	1:1	EUR:INR: 86.6321	347	(347)
	₹ 8,298	204	-	Sep'2023	1:1	USD:INR: 74.4326	204	(204)

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, 2021	March 31, 2020
Net Debt*	45,742	11,888
EBITDA	10,496	14,803
Net Debt to EBITDA^	**4.36**	**0.80**

*Lease liabilities recognised as per Ind AS 116 is not included in Net Debt (Refer Note 46)

^ Net Debt and EBITDA is inclusive of discontinued operations to make the ratio comparable.

(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, 2021	March 31, 2020
On Equity shares of ₹ 1 each		
Final dividend		
Amount of dividend paid (pertains to previous financial year)	-	4,737
Dividend per equity share	-	1.50
Interim Dividend		
Amount of dividend paid	-	4,737
Dividend per equity share	-	1.50

39 Distribution made and proposed

	March 31, 2021	March 31, 2020
Cash dividends on equity shares declared and paid		
Final cash dividend for the year ended on March 31, 2020: Nil (March 31, 2019: ₹ 1.5) per share	-	4,737
DDT on final dividend*	-	915
Interim dividend for the year ended on March 31, 2021: Nil (March 31, 2020: ₹ 1.5 per share)	-	4,737
DDT on interim dividend	-	425
	-	**10,814**

	March 31, 2021	March 31, 2020
Proposed dividends on Equity shares		
Final cash dividend for the year ended on March 31, 2021: ₹ 1.50 (March 31, 2020: Nil) per share	4,737	-
DDT on proposed dividend	-	-
	4,737	**-**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31.

* 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

			Ownership interest	
	Name	**Place of incorporation**	**March 31, 2021**	**March 31, 2020**
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 MSSL (GB) Limited
8 Motherson Wiring System (FZE)
9 MSSL Tooling (FZE)
10 MSSL GmbH
11 Samvardhana Motherson Invest Deutschland GmbH
12 MSSL Advanced Polymers s.r.o.
13 Motherson Techno Precision GmbH
14 MSSL s.r.l. Unipersonale
15 Motherson Techno Precision México, S.A. de C.V
16 MSSL Manufacturing Hungary Kft
17 Motherson Air Travel Pvt Ltd
18 MSSL Australia Pty Limited
19 Motherson Elastomers Pty Limited

20 Motherson Investments Pty Limited
21 MSSL Ireland Private 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
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 Samvardhana Motherson Global Holdings Ltd.
35 Samvardhana Motherson Automotive Systems Group B.V. (SMRPBV)
36 Samvardhana Motherson Reflectec Group Holdings Limited (SMR)
37 SMR Automotive Technology Holding Cyprus Limited
38 SMR Automotive Mirror Parts and Holdings UK Ltd
39 SMR Automotive Holding Hong Kong Limited
40 SMR Automotive Systems India Limited
41 SMR Automotive Systems France S.A.
42 SMR Automotive Mirror Technology Holding Hungary KFT
43 SMR Patents S.à.r.l.
44 SMR Automotive Technology Valencia S.A.U.
45 SMR Automotive Mirrors UK Limited
46 SMR Automotive Mirror International USA Inc.
47 SMR Automotive Systems USA Inc.
48 SMR Automotive Beijing Company Limited
49 SMR Automotive Yancheng Co. Limited
50 SMR Automotive Mirror Systems Holding Deutschland GmbH
51 SMR Holding Australia Pty Limited
52 SMR Automotive Australia Pty Limited
53 SMR Automotive Mirror Technology Hungary BT
54 Motherson Business Service Hungary Kft.
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 Shenyang SMP Automotive Trim Co., Ltd
84 SMP Automotive Technology Management Services (Changchun) Co. Ltd.
85 SMP Automotive Technology Iberica S.L.
86 Samvardhana Motherson Peguform Barcelona S.L.U
87 SMP Automotive Technologies Teruel Sociedad Limitada
88 Samvardhana Motherson Peguform Automotive Technology Portugal S.A.
89 SMP Automotive Systems Mexico S.A. de C.V.
90 SMP Automotive Produtos Automotivos do Brasil Ltda.
91 SMP Automotive Exterior GmbH
92 Samvardhana Motherson Innovative Autosystems B.V. & Co. KG
93 Samvardhana Motherson Innovative Autosystems Holding Company BV
94 SM Real Estate GmbH
95 Samvardhana Motherson Innovative Autosystems de México, S.A. de C.V.
96 SMP Automotive Systems Alabama Inc.
97 Celulosa Fabril (Cefa) S.A.
98 Modulos Ribera Alta S.L.Unipersonal
99 Motherson Innovations Lights GmbH & Co KG
100 Motherson Innovations Lights Verwaltungs GmbH
101 SMP Automotive Interior Modules d.o.o. Ćuprija

102 MSSL Estonia WH OÜ
103 PKC Group Oy
104 PKC Wiring Systems Oy
105 PKC Group Poland Sp. z o.o.
106 PKC Wiring Systems Llc
107 PKC Group APAC Limited
108 PKC Group Canada Inc.
109 PKC Group USA Inc.
110 PKC Group Mexico S.A. de C.V.
111 Project del Holding S.a.r.l.
112 PK Cables do Brasil Ltda
113 PKC Eesti AS
114 TKV-sarjat Oy
115 PKC SEGU Systemelektrik GmbH
116 Groclin Luxembourg S.à r.l.
117 PKC Vehicle Technology (Suzhou) Co., Ltd.
118 AEES Inc.
119 PKC Group Lithuania UAB
120 PKC Group Poland Holding Sp. z o.o.
121 OOO AEK
122 Kabel-Technik-Polska Sp. z o.o.
123 T.I.C.S. Corporation
124 AEES Power Systems Limited partnership
125 Fortitude Industries Inc.
126 AEES Manufactuera, S. De R.L de C.V.
127 Cableodos del Norte II, S. de R.L de C.V.
128 Manufacturas de Componentes Electricos de Mexico S. de R.L de C.V.
129 Arneses y Accesorios de México, S. de R.L de C.V.
130 Asesoria Mexicana Empresarial, S. de R.L de C.V.
131 Arneses de Ciudad Juarez, S. de R.L de C.V.
132 PKC Group de Piedras Negras, S. de R.L. de C.V.
133 PKC Group AEES Commercial S. de R.L de C.V
134 Jiangsu Huakai-PKC Wire Harness Co., Ltd.
135 PKC Vechicle Technology (Hefei) Co, Ltd.
136 PKC Vehicle Technology (Fuyang) Co., Ltd.
137 Shangdong Huakai-PKC Wire Harness Co., Ltd.
138 Motherson Rolling Stock Systems GB Limited
139 Motherson PKC Harness Systems FZ-LLC
140 Wisetime Oy
141 Motherson Rolling Stocks S. de R.L. de C.V.
142 Global Environment Management (FZC)

143 SMRC Automotive Holdings B.V.
144 SMRC Automotive Holdings Netherlands B.V.
145 SMRC Automotives Techno Minority Holdings B.V.
146 SMRC Smart Automotive Interior Technologies USA, LLC
147 SMRC Automotive Modules France SAS
148 Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U.
149 SMRC Automotive Interiors Spain S.L.U.
150 SMRC Automotive Interior Modules Croatia d.o.o
151 Samvardhana Motherson Reydel Autotecc Morocco SAS
152 SMRC Automotive Technology RU LLC
153 SMRC Smart Interior Systems Germany GmbH
154 SMRC Automotive Interiors Products Poland SA
155 SMRC Automotive Solutions Slovakia s.r.o.
156 SMRC Automotive Holding South America B.V.
157 SMRC Automotive Modules South America Minority Holdings B.V.
158 SMRC Automotive Tech Argentina S.A.
159 SMRC Fabricacao e Comercio de Produtos Automotivos do Brasil Ltda
160 SMRC Automotive Products India Limited
161 SMRC Automotive Smart Interior Tech (Thailand) Ltd.
162 SMRC Automotive Interiors Japan Ltd.
163 Shanghai SMRC Automotive Interiors Tech Consulting Co. Ltd.
164 PT SMRC Automotive Technology Indonesia
165 Yujin SMRC Automotive Techno Corp.
166 SMRC Automotives Technology Phil Inc.
167 Motherson Innovations LLC
168 Samvardhana Motherson Corp Management Shanghai Co Ltd.
169 Motherson Ossia Innovations llc.
170 Motherson Sumi Wiring India Limited
171 Motherson Polymers Compounding Solution Limited (merged with the Company, refer note 50)
172 SMRC Automotive Interiors Management B.V. (liquidated w.e.f March 24, 2021)
173 MSSL M Tooling Ltd (liquidated w.e.f. 30.10.2020)
174 Samvardhana Motherson Polymers Management Germany GmbH (merged with MSSL GmbH on August 30, 2019)
175 PKC Netherlands Holding B.V. (Liquidated on July 31, 2019)
176 PK Cables Nederland B.V. (Liquidated on July 31, 2019)
177 SMR Automotive Servicios Mexico S.A. de C.V. (liquidated on July 2, 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.

II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 40 (I) above:

Key management personnel compensation

	March 31, 2021	March 31, 2020
Short-term employee benefits	63	61
Directors commission/sitting fees	29	18
Post-employment benefits payable	50	46
Long-term employee benefits payable	16	16

Terms and conditions:

Transactions relating to sales and purchase of goods with related parties during the year are based on the price lists in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions and at market rates.

There is no significant allowance for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.Outstanding balances are unsecured and are repayable in cash.

Transactions with related parties

S. No.	Particulars	Subsidiaries		Joint ventures		Key Management personnel		Joint control over the entity		Other related parties	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
1	Sale of products	5,125	5,908	1,439	1,679	-	-	1	1	231	315
2	Sales of services	834	963	434	480	-	-	-	0	7	8
3	Rent income	-	-	25	23	-	-	-	-	36	34
4	Sale of property, plant and equipment	1	-	-	-	-	-	0	0	0	-
5	Purchase of goods	907	1,230	2	4	-	-	5,758	5,761	1,634	1,605
6	Purchase of property, plant and equipment & Right-of-use assets	4	30	-	-	-	-	34	84	483	1,713
7	Purchase of services	338	291	0	1	-	-	290	31	924	1,140
8	Rent expense	-	-	-	-	5 *	5 *	26	30	143	254
9	Payment of lease liability	-	-	-	-	-	-	-	-	183	169
10	Payment of interest on lease liabilities	-	-	-	-	-	-	-	-	77	70
11	Reimbursement made	108	116	0	0	-	0	7	17	23	30
12	Reimbursement received	73	75	0	0	-	-	5	1	6	5
13	Royalty	-	-	-	-	-	-	277	310	-	-
14	Dividend paid	-	-	-	-	0 **	270 **	-	5,545	-	10
15	Dividend received	-	2,991	-	101	-	-	-	-	-	2
16	Investment made	8,636	3	-	-	-	-	-	-	-	-
17	Interest income	88	-	-	-	-	-	-	-	-	-
18	Guarantee given during the year	3,301	411	-	-	-	-	-	-	-	-
19	Guarantee released during the year	3,301	-	-	-	-	-	-	-	-	-

(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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
1	Trade Payable	444	295	0	0	-	-	2,028	2,044	651	611
2	Trade Receivable	1,668	2,494	364	146	-	-	1	1	87	83
3	Other financial assets	-	42	-	-	-	-	-	-	-	-
4	Advances recoverable	166	3	-	-	-	-	-	-	77	134
5	Advances from customer	24	37	3	-	-	-	1	1	-	0
6	Investments	52,948	44,320	486	486	11	11	-	-	14	14
7	Capital advance given	-	-	-	-	-	-	-	-	31	-
8	Guarantees given	13,497	13,127	-	-	-	-	-	-	-	-

(d) Loans & advances to / from related parties

S. No.	Particulars	Subsidiaries		Joint ventures		Other related parties	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
i.	**Security deposits given:**						
	Beginning of the year	-	-	-	-	488	464
	Security deposit given	-	-	-	-	68	75
	Security deposits received back	-	-	-	-	(141)	(51)
	End of the year	-	-	-	-	415	488
ii.	**Security Deposit Received:**						
	Beginning of the year	-	-	35	35	14	14
	Security deposits received	-	-	-	-	3	-
	Security deposits repaid	-	-	(1)	-	-	-
	End of the year	-	-	34	35	17	14
iii.	**Loans given**						
	Beginning of the year	1	14	-	-	131	-
	Loans given	26,424	-	-	-	300	125
	Interest charged	345	1	-	-	31	6
	Interest received	-	-	-	-	(5)	-
	Loans received back	-	(14)	-	-	-	-
	Exchange gain / (loss) on translation	(114)	-	-	-	-	-
	End of the year	26,656	1	-	-	457	131

* Rent of ₹ 5 million (March 31, 2020: ₹ 5 million) paid to Mr. V.C Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, and Ms. Vidhi Sehgal.

**Dividend of Nil (March 31, 2020 : ₹ 270 million) paid to Mr. V. C. Sehgal, Mr. Laksh 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. Gautam Mukherjee.

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

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

	March 31, 2021	March 31, 2020
India	27,582	29,239
Outside India	9,110	10,611
	36,692	**39,850**

Type of goods or Services	March 31, 2021	March 31, 2020
Sales of Components	33,724	36,472
Tool development	1,120	1,287
Sale of services	1,509	1,652
Total revenue from contracts with customers	**36,353**	**39,411**

Timing of revenue recognition	March 31, 2021	March 31, 2020
As a point in time	35,233	38,124
Over a period of time	1,120	1,287
Total revenue from contracts with customers	**36,353**	**39,411**

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:

	March 31, 2021	March 31, 2020
India	18,056	20,572
Outside India	-	-
	18,056	**20,572**

iii)

	March 31, 2021	March 31, 2020
Capital expenditure	1,603	3,471

iv) Revenues from transactions with a single external customer amounting to 10 per cent or more of the Company's revenues is as follows

	March 31, 2021	March 31, 2020
Customer 1	-	-

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, 2021	March 31, 2020
Property, plant and equipment		
Estimated value of contracts in capital account remaining to be executed, (net of advances of ₹ 140 million (March 31, 2020: ₹ 85 million))	940	534
Estimated value of contracts of discontinued operations in capital account remaining to be executed , (net of advances of ₹ 8 million)	135	-
Investment property		
Estimated value of purchase consideration outstanding, (net of advances of Nil (March 31, 2020: ₹ 110 million))	-	-
Total	**940**	**534**

43 Contingent liabilities:

Claims against the Company not acknowledged as debts^

		March 31, 2021	March 31, 2020
a)	Excise, sales tax and service tax matters*	52	65
b)	Claims made by workmen	65	44
c)	Income tax matters	95	152

* Against which Company has given bank guarantees amounting to Nil (March 31, 2020 : ₹ 2 million)

^ Includes contingent liabilities of discontinued operations.

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, 2021*	March 31, 2020*
Current:			
Financial assets			
First charge			
Cash and cash equivalents	13	2,867	2,300
Trade receivables	8	11,934	8,675
Inventory	12	13,530	9,931
Other current assets		6,021	2,315
Total current assets pledged as security		**34,352**	**23,221**

	Notes	March 31, 2021*	March 31, 2020*
Non Current:			
Second charge			
Freehold and leasehold land	3	1,072	987
Buildings and leasehold improvements	3	7,686	7,583
Plant & Machinery	3	6,816	6,906
Other items of PPE	3	289	343
Investment property	4	835	747
Non current investment	6(a)	24,705	24,705
Capital advance	11	-	110
Total non-current assets pledged as security		**41,403**	**41,381**
Total assets pledged as security		**75,755**	**64,602**

* Assets pledged includes assets of discontinued operations

45 Ind AS 115 Revenue from contracts with customers

The transaction price allocated to the remaining performance obligations related to tool development (unsatisfied or partially unsatisfied) are, as follows:

	March 31, 2021	March 31, 2020
Within one year	370	265
More than one year	1	1
Total	**371**	**266**

Table below provides information on revenue recognised from :

	March 31, 2021	March 31, 2020
Amounts included in contract liabilities at the beginning of the year	627	352
Performance obligations partly satisfied in previous years	172	289

The table below represents summary of contract assets and liabilities relating to contracts with customers :

	March 31, 2021	March 31, 2020
Receivables (Refer note 8)	5,185	8,675
Contract assets (Refer note 9)	473	423
Contract liabilities (Refer note 24)	528	838

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. 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.

	March 31, 2021	March 31, 2020
Current lease liabilities	122	137
Non-current lease liabilities	600	791
	722	**928**

Amount recognised in statement of profit and loss during the year on account of Ind AS 116

	March 31, 2021	March 31, 2020
Interest expense on lease liabilities (included in finance cost)	72	70
Depreciation of Right of Use assets	186	158
Lease expense derecognised	229	190
Other items included in statement of profit and loss during the year:		
Short term and low value lease payments	173	328

47 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company's operations and standalone financial for year ended March 31, 2021 have been impacted partially 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 first quarter of the financial year and resumed gradually with prescribed regulations and precautions and reached upto the pre-pandemic outbreak levels. Accordingly, the standalone financial statements for the year ended March 31, 2021 are not strictly comparable with those of previous year.

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 concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Compnay 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.

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, 2021	March 31, 2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	545	155
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1	(0)
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	2,107	1,767
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	4	5
Further interest remaining due and payable for earlier years	-	-

49 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, 2021	March 31, 2020
Loan to Subsidiary : Samvardhana Motherson Polymer Limited		
Balance as at year end	-	-
Maximum amount outstanding at any time during the year	-	2
Loan to Subsidiary: Motherson Polymers Compounding Solution Limited		
Balance as at year end	-	-
Maximum amount outstanding at any time during the year	-	12
Loan to Subsidiary: MSSL Mideast (FZE)		
Balance as at year end	3,003	-
Maximum amount outstanding at any time during the year	3,003	-
Loan to Subsidiary: MSSL Mauritius Holdings Limited		
Balance as at year end	23,649	-
Maximum amount outstanding at any time during the year	23,649	-
Loan to Subsidiary: Motherson Sumi Wiring India Limited		
Balance as at year end	4	-
Maximum amount outstanding at any time during the year	4	-

b) the particulars of loans to subsidiaries which are disclosed below as required by Sec 186(4) of the Companies Act 2013:

Name of the Borrower	Currency of loan	March 31, 2021
MSSL Mideast (FZE)	EUR	3,003
MSSL Mauritius Holdings Limited	EUR	2,186
MSSL Mauritius Holdings Limited	EUR	13,203
MSSL Mauritius Holdings Limited	USD	8,261
Motherson Sumi Wiring India Limited	INR	4

All loans are Unsecured loans.

The tenure and interest rate on these shall vary in the range of 1-3 years and between 2.00% to 5.50% depending upon currency and tenure .

The purpose of above loans are Investment/ advances to other group companies and meeting other financial obligations.

50 Merger by way of absorption of Motherson Polymers Compounding Solution Private Limited

During the the financial year, 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.

51 Reorganization and discontinued operations

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 ("MSWIL") 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 likely to be completed during FY2021-22. Subsequent to the year, the Scheme has been approved by the shareholders and has now been submitted to NCLT for its approval.

The aforesaid scheme has been considered as highly probable and demerger of DWH into MSWIL 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 statement. Accordingly, all previous periods figures in the financial statement have also been restated.

The results of DWH business for the year are presented below:

	March 31, 2021	March 31, 2020
Revenue from contract with customers	41,167	39,282
Other operating revenue	215	157
Revenue from operations	**41,382**	**39,439**
Other income	275	64
Total expenses	37,261	34,597
Profit/(loss) before tax for the period	**4,396**	**4,906**
Tax expense/ (credit)	1,129	1,303
Profit / (loss) for the period	**3,267**	**3,603**

The major classes of assets and libilities of DWH business classified as held for distribution as on March 31, 2021 are presented below:

	March 31, 2021
ASSETS	
Non-current assets	
Property, plant and equipment	1,559
Right-of-use assets	138
Capital work in progress	1
Financial assets	
i. Loans	26
ii. Other financial assets	82
Deferred tax assets (net)	259
Other non-current assets	151
Non-current tax assets (net)	0
Total non-current assets	**2,216**
Current assets	
Inventories	7,986
Financial assets	
i. Trade receivables*	6,749
ii. Cash and cash equivalents	372
iii. Loans	12
iv. Other financial assets	103
Other current assets	456
Total current assets	**15,678**
Total assets	**17,894**

	March 31, 2021
LIABILITIES	
Non current liabilities	
Financial Liabilities	
i. Borrowings	139
ii. Lease liabilities	100
iii. Other financial liabilities	75
Employee benefit obligations	211
Government grants	222
Total non-current liabilities	**747**
Current liabilities	
Financial Liabilities	
i. Borrowings	675
ii. Lease liabilities	45
iii. Trade payables	
Total outstanding dues of micro, small and medium enterprises and	176
Total outstanding dues of creditors other than micro, small and medium enterprises*	7,340
iii. Other financial liabilities	831
Provisions	8
Employee benefit obligations	494
Government grants	30
Other current liabilities	447
Total current liabilities	**10,046**
Total liabilities	**10,793**
Net Assets directly associated with DWH business	**7,100**

*Includes below balances with related parties

Trade receivables from related parties	161
Trade payable to related parties	1746

Net cash flows attributable to the DWH business are as follows:

	March 31, 2021	March 31, 2020
Net cash generated from / (used in) operating activities	(29)	501
Net cash used in investing activities	(299)	(544)
Net cash generated from financing activities	383	158
Net increase in cash and cash equivalents	**55**	**115**

The income and expenses of continuing operation includes transactions with discontinued operation, which does not have impact on "Profit / (loss) for the year from continuing and discontinued operations" as disclosed in standalone statement of profit and loss. Revenue from contract with customers on account of transaction between continuing operations and discontinued operations is as follows:

	March 31, 2021	March 31, 2020
Amount included in continuing operation	12,398	10,547
Amount included in discontinued operation	15	4

Assets and liabilities are disclosed after netting off of below mentioned amount of receivable and payable between continuing operation and discontinued operation in standalone balance sheet.

	March 31, 2021
Amount receivable from discontinued operation	2,330
Amount payable to discontinued operation	22

The Company has incurred expenses amounting ₹ 199 million in connection to this scheme of arrangement, which has been disclosed as exceptional expenses in statement of profit and loss for the year ended March 31, 2021.

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

per **PANKAJ CHADHA**
Partner
Membership No.: 091813

Place: Gurugram
Date: June 02, 2021

For and on behalf of the Board

V.C. SEHGAL
Chairman

PANKAJ MITAL
Whole-time Director/
Chief Operating Officer

G.N. GAUBA
Chief Financial Officer

ALOK GOEL
Company Secretary

Place: Noida
Date: June 02, 2021

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Motherson Sumi Systems Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated 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 2021, 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 financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated 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 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, 2021, 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 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 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 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 financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated 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 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 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 financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Demerger of Domestic wiring harness Business in India (as described in note 51 of the consolidated financial statements)</td></tr>
<tr><td>The Board of directors in its meeting dated July 02, 2020 approved the demerger of its Domestic wiring harness business (DWH) in India to a newly set up subsidiary company, namely Motherson Sumi Wiring India Limited ("MSWIL") ('the Demerger') pursuant to a Scheme of Arrangement ('the Scheme') which is currently subject to regulatory approvals.
The aforesaid Scheme has been assessed as highly probable by the management in accordance with the criteria prescribed under Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" and accordingly, the proposed demerger of DWH pursuant to the scheme has been disclosed as Discontinued Operations.
The above transaction has been considered as significant given the exercise of management judgment and presentation & disclosure impacts in the consolidated financial statements in accordance with the applicable accounting standard. Accordingly, this matter has been identified as a key audit matter.</td><td>The procedures performed by us included following:
a. Obtained an understanding and assessed the effectiveness of process followed by the management in assessing the Group's accounting policies in relation to discontinued operations;
b. Evaluated the basis of the management's assessment of treating the proposed demerger as Discontinued operations in accordance with the applicable accounting standards;
c. Obtained an update on the regulatory communications in this respect and current status of the approval from the regulatory authorities;
d. Obtained and read the proposed Scheme for understanding the impact on the consolidated financial statements including identification of the assets and liabilities to be transferred and assessment of the key estimates and judgement involved therein;
e. Performed procedures on the disclosures relating to discontinued operations made in the financial statements for assessing the compliance with disclosure requirements.</td></tr>
<tr><td colspan="2">Impairment assessment of Property, plant and equipment (PPE) with particular reference to greenfield locations (as described in Note 41 of the consolidated financial statements)</td></tr>
<tr><td>The Group has a PPE balance of ₹ 24,035 million as on March 31, 2021 which relates to greenfield locations and were tested for impairment assessment.
The impairment assessment of PPE belonging to these greenfield facilities were complex and highly judgmental due to the significant estimation required to determine the Value-In-Use (VIU).
In particular, the determination of the VIU was 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 including Covid-19 impact.
Accordingly, the matter has been identified as KAM.</td><td>1. The procedures performed by us in respect of the entity audited by us and by other component auditors in respect of entities where we are not the auditors, included following:
a. Assessed the process followed and obtained an understanding of the analysis performed by management for the purpose of the impairment assessment;
b. 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;
c. Assessed the operating margins, discount rates revenue growth applied within the model and terminal value with the support of valuation specialists, wherever required by performing independent calculations and sensitivity analysis;
2. In respect of the entities where we are not the auditors, we made enquires of the procedures performed by them as enumerated above;
3. We read and assessed the disclosure made in the consolidated financial statements for assessing compliance with disclosure requirements,</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
De-Recognition of trade receivables under factoring facilities (as described in Note 8 of the consolidated financial statements)	
The Group enters into non-recourse factoring arrangements for its trade receivables with various banks/financial institutions. As at 31 March 2021, the Group had factoring facilities in place for trade receivables amounting to ₹ 46,351 million which were de-recognized in the financial statements. 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). The assessment of de-recognition of trade receivables under the factoring facilities is complex and requires significant judgement applied by the management Accordingly, the matter has been identified as KAM.	1. The procedures performed by us in respect of the entity audited by us and by other component auditors in respect of entities where we are not the auditors, included following: a. Obtained an understanding of the process related to de-recognition of trade receivables; b. Evaluated the assessment made by management covering factoring contracts; c. For selected sample of 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" 2. In respect of the entities where we are not the auditors, we made enquires of the procedures performed by them as enumerated above; 3. We read and assessed the disclosure made in the consolidated financial statements for assessing compliance with disclosure requirements.

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 financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated 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 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 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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. 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 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 financial statements, including the disclosures, and whether the consolidated 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 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 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 financial statements for the financial year ended March 31, 2021 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 68 subsidiaries, whose financial statements include total assets of Rs 725,870 million as at March 31, 2021, and total revenues of Rs 485,752 million and net cash inflows of Rs 9,230 million for the year ended on that date. These 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 financial statements also include the Group's share of net profit of Rs. 711 million for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of 3 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 financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures 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 and joint ventures, is based solely on the reports of such other auditors.

(b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 54 subsidiaries, whose financial statements and other financial information reflect total assets of Rs. 20,682 million as at March 31, 2021, and total revenues of Rs 3,445 million and net cash outflows of Rs 77 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 financial statements also include the Group's share of net profit of Rs. 347 million for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of 1 associate and 2 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 associate, 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 associate, 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 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 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 financial statements;

(d) In our opinion, the aforesaid consolidated 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, 2021 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, 2021 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 with reference to consolidated 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, 2021 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 financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated financial statements - Refer Note 20 and Note 43 to the consolidated financial statements;

ii. Provision has been made in the consolidated 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 37 to the consolidated 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 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, 2021.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**
Partner
Membership Number: 091813
UDIN: 21091813AAAADB8125

Place of Signature: Gurugram
Date: June 02, 2021

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED 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 financial statements of Motherson Sumi Systems Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates 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 companies included in the Group, its associates 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 with reference to 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to 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 with reference to consolidated financial statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A company's internal financial control with reference to 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 with reference to 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 with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 Group , its associates and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2021, 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 issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 3 subsidiaries and 2 joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, associates and joint ventures incorporated in India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**
Partner
Membership Number: 091813
UDIN: 21091813AAAADB8125

Place of Signature: Gurugram
Date: June 2, 2021

(All amounts in ₹ Million, unless otherwise stated)

CONSOLIDATED BALANCE SHEET

	Notes	As At March 31, 2021	As At March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	143,738	147,138
Right-to-use assets	3(b)	14,383	15,596
Capital work-in-progress	3(c)	8,383	8,154
Investment property	4	1,281	1,197
Goodwill	5	24,718	24,060
Other intangible assets	5	16,871	19,510
Intangible assets under development	3(c)	386	364
Investments accounted for using the equity method	48	7,166	6,341
Financial assets			
i. Investments	6 (a)	1,287	1,614
ii. Loans	7	445	177
iii. Trade receivables	8	14,946	13,998
iv. Other financial assets	9	1,069	1,228
Deferred tax assets (net)	11 (a)	10,224	5,030
Other non-current assets	10	13,835	12,165
Non-current tax assets (net)	23	1,843	3,732
Total non-current assets		**260,575**	**260,304**
Current assets			
Inventories	12	49,956	51,566
Financial assets			
i. Investments	6 (b)	12	6
ii. Trade receivables	8	56,931	51,784
iii. Cash and cash equivalents	13	58,994	48,688
iv. Bank balances other than (iii) above	14	68	101
v. Loans	7	272	313
vi. Other financial assets	9	24,200	30,882
Other current assets	10	12,052	11,314
Total current assets		**202,485**	**194,654**
Assets classified as held for distribution	51	17,790	-
Total assets		**480,850**	**454,958**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	3,158	3,158
Other equity			
Reserves and surplus	16 (a)	114,419	103,958
Other reserves	16 (b)	8,029	5,493
Equity attributable to owners of the Company		**125,606**	**112,609**
Non controlling interests		40,233	35,650
Total equity		**165,839**	**148,259**

(All amounts in ₹ Million, unless otherwise stated)

	Notes	As At March 31, 2021	As At March 31, 2020
Liabilities			
Non current liabilities			
Financial Liabilities			
i. Borrowings	17 (a)	74,687	82,612
ii. Lease liabilities	46	9,422	10,300
iii. Other financial liabilities	18	6,076	3,794
Provisions	20	1,482	835
Employee benefit obligations	21	4,914	4,719
Deferred tax liabilities (net)	11 (b)	3,363	4,627
Government grants	22	2,142	2,433
Other non-current liabilities	24 (a)	1,629	1,671
Total non-current liabilities		**103,715**	**110,991**
Current liabilities			
Financial Liabilities			
i. Borrowings	17 (b)	13,575	34,079
ii. Lease liabilities	46	3,242	3,363
iii. Trade payables	19	111,406	103,091
iv. Other financial liabilities	18	49,196	33,082
Provisions	20	4,968	2,077
Employee benefit obligations	21	2,014	2,258
Government grants	22	455	357
Current tax liabilities (net)	23	3,342	3,623
Other current liabilities	24 (b)	14,745	13,778
Total current liabilities		**202,943**	**195,708**
Liabilities directly associated with the assets held for distribution	51	8,353	-
Total liabilities		**315,011**	**306,699**
Total equity and liabilities		**480,850**	**454,958**
Summary of significant accounting policies	2		

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

per **PANKAJ CHADHA**
Partner
Membership No.: 091813

Place: Gurugram
Date: June 02, 2021

The above consolidated balance sheet should be read in conjunction with the accompanying notes

For and on behalf of the Board

V.C. SEHGAL
Chairman

PANKAJ MITAL
Whole-time Director/
Chief Operating Officer

G.N. GAUBA
Chief Financial Officer

ALOK GOEL
Company Secretary

Place: Noida
Date: June 02, 2021

(All amounts in ₹ Million, unless otherwise stated)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Continuing Operations:			
Revenue			
Revenue from contract with customers	25 (a)	569,513	602,783
Other operating revenue	25 (b)	4,186	4,506
Total revenue from operations		**573,699**	**607,289**
Other income	26	2,293	2,246
Total income		**575,992**	**609,535**
Expenses			
Cost of materials consumed	27	326,758	342,850
Purchase of stock-in-trade		1,033	7,100
Change in inventories of finished goods, work-in-progress and stock in trade	28	(1,812)	(262)
Employee benefit expense	29	140,996	143,726
Depreciation and amortisation expense	32	29,260	27,210
Finance costs	31	5,115	5,928
Other expenses	30	63,135	67,335
Total expenses		**564,485**	**593,887**
Profit before exceptional items, share of net profit of investments accounted for using equity method and tax		**11,507**	**15,648**
Exceptional (income) / expenses	51, 52	623	-
Group's share in net profit / (loss) of associates and joint ventures accounted for using the equity method		849	575
Profit before tax from continuing operations		**11,733**	**16,223**
Tax expenses			
Current tax	33	6,066	7,755
Deferred tax expense/ (credit)	33	(6,760)	(874)
Total tax expense		**(694)**	**6,881**
Profit for the year from continuing operations		**12,427**	**9,342**
Discontinued operations:	51		
Revenue from operations		41,382	39,439
Other income		275	64
Total expenses		37,261	34,597
Profit before tax from discontinued operations		**4,396**	**4,906**
Tax expense/ (credit) of discontinued operations		1,129	1,303
Profit for the year from discontinued operations		**3,267**	**3,603**
Profit for the year from continuing and discontinued operations		**15,694**	**12,945**
Other comprehensive income from continuing operations			
Items not to be reclassified to profit or loss			
Changes in fair value of FVOCI equity instruments		(437)	(834)
Remeasurements of post-employment benefit obligations		(51)	(99)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		2	(5)
		(486)	**(938)**
Deferred Tax on fair valuation of FVOCI equity investment		(1)	1
Deferred Tax on remeasurements of post-employee benefit obligations		10	42
		(477)	**(896)**

(All amounts in ₹ Million, unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Items to be reclassified to profit or loss			
Exchange gain/(losses) on translation of foreign operations		2,104	5,940
Deferred gain / (losses) on cash flow hedges		1,669	(2,707)
		3,773	**3,233**
Income tax on deferred gain / (losses) on cash flow hedges		(69)	353
		3,704	**3,586**
Other comprehensive income from discontinued operations			
Items not to be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		(11)	(86)
Income tax relating to items that will not be reclassified to profit or loss		3	22
		(8)	**(64)**
Total other comprehensive income from continuing and discontinued operations for the year, net of tax		**3,219**	**2,625**
Total comprehensive income from continuing and discontinued operations for the year, net of tax		**18,913**	**15,571**
Profit attributable to:			
Owners		10,392	11,701
Non-controlling interest		5,302	1,244
		15,694	**12,945**
Other comprehensive income attributable to:			
Owners		2,484	1,803
Non-controlling interest		735	822
		3,219	**2,625**
Total comprehensive income attributable to:			
Owners		12,876	13,504
Non-controlling interest		6,037	2,066
		18,913	**15,570**
Earnings per share	34		
Nominal value per share: ₹ 1 (Previous year : ₹ 1)			
Earnings per share for continuing operations			
Basic and Diluted		2.26	2.57
Earnings per share for discontinued operations			
Basic and Diluted		1.03	1.14
Earnings per share for continuing and discontinued operations			
Basic and Diluted		3.29	3.71
Summary of significant accounting policies	2		

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

per **PANKAJ CHADHA**
Partner
Membership No.: 091813

Place: Gurugram
Date: June 02, 2020

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes

For and on behalf of the Board

V.C. SEHGAL
Chairman

PANKAJ MITAL
Whole-time Director/
Chief Operating Officer

G.N. GAUBA
Chief Financial Officer

ALOK GOEL
Company Secretary

Place: Noida
Date: June 02, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in ₹ Million, unless otherwise stated)

A. Equity share capital

	Notes	Amount
As at April 01, 2019		3,158
Issue of equity share capital	15	-
As at March 31, 2020		**3,158**
Issue of equity share capital	15	-
As at March 31, 2021		**3,158**

B. Other equity

		Reserves and Surplus					Items of OCI					
	Notes	Capital reserve on consolidation	Securities premium	Reserve on amalgamation	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, 2019		1,749	26,303	1,663	3,430	69,792	114	3,710	(291)	106,470	**34,798**	141,268
Profit for the year	16(a)	-	-	-	-	11,701	-	-	-	**11,701**	1,244	**12,945**
Other comprehensive income	16(a) & (b)	-	-	-	-	(156)	(420)	4,343	(1,963)	**1,804**	822	**2,626**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**11,545**	**(420)**	**4,343**	**(1,963)**	**13,505**	**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)**
Additional contribution by Non controlling interest		-	-	-	-	-	-	-	-	-	**-**	-
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**

(All amounts in ₹ Million, unless otherwise stated)

		Reserves and Surplus					Items of OCI					
	Notes	Capital reserve on consolidation	Securities premium	Reserve on amalgamation	General Reserve	Retained Earnings	FVOCI equity instrument	Foreign currency translation reserve	Cash flow hedging reserve	Total attributable to Owners	Non Controlling interests	Total
Profit for the year	16(a)	-	-	-	-	10,392	-	-	-	**10,392**	5,302	**15,694**
Other comprehensive income	16(a) & (b)	-	-	-	-	(52)	(218)	1,791	963	**2,484**	735	**3,219**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**10,340**	**(218)**	**1,791**	**963**	**12,876**	**6,037**	**18,913**
Dividend to non controlling interest	48 B	-	-	-	-	-	-	-	-	**-**	(1,607)	**(1,607)**
Additional contribution by Non controlling interest		-	-	-	-	-	-	-	-	-	**37**	37
Hyperinflation adjustment (Refer note 47)		-	-	-	-	126	-	-	-	126	**122**	248
Other addition / (deletion)		-	-	-	1	(6)	-	-	-	(5)	**(6)**	(11)
Balance at March 31, 2021		**1,920**	**26,303**	**1,663**	**3,431**	**81,102**	**(524)**	**9,844**	**(1,291)**	**122,448**	**40,233**	**162,681**
Summary of significant accounting policies	2											

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

per **PANKAJ CHADHA**
Partner
Membership No.: 091813

Place: Gurugram
Date: June 02, 2021

The above consolidated Statement of changes in equity should be read in conjunction with the accompanying notes

For and on behalf of the Board

V.C. SEHGAL
Chairman

PANKAJ MITAL
Whole-time Director/
Chief Operating Officer

G.N. GAUBA
Chief Financial Officer

ALOK GOEL
Company Secretary

Place: Noida
Date: June 02, 2021

(All amounts in ₹ Million, unless otherwise stated)

CONSOLIDATED CASH FLOW STATEMENT

		For the year Ended March 31, 2021	For the year Ended March 31, 2020
A.	**Cash flow from operating activities:**		
	Profit before tax from continuing operation	11,733	16,223
	Profit before tax from discontinued operation	4,396	4,906
	Adjustments for:		
	Share of (profit)/loss in associates and joint ventures accounted for using the equity method	(849)	(575)
	Depreciation and amortisation expense	29,764	27,780
	Finance cost	5,202	5,986
	Interest income	(658)	(361)
	Dividend income	(0)	(6)
	Loss/ (gain) on disposal of property, plant & equipment	106	(41)
	Bad debts / advances written off	214	67
	Provision for doubtful debts / advances	387	42
	Liability no longer required written back	(347)	(497)
	Unrealised foreign currency loss/(gain)	(267)	4,571
	Operating profit before working capital changes	**49,681**	**58,095**
	Changes in working capital:		
	Increase/(decrease) in trade and other payables	19,184	(1,511)
	Increase/(decrease) in other financial liabilities	2,725	2,724
	(Increase)/decrease in trade receivables	(13,464)	8,146
	(Increase)/decrease in inventories	(6,377)	(4,360)
	(Increase)/decrease in other receivables	(2,653)	307
	(Increase)/decrease in other financial assets	7,017	10,895
	Cash generated from operations	**56,113**	**74,296**
	Taxes (paid) / received	(5,600)	(10,776)
	Net cash generated from operating activities	**50,513**	**63,520**
B.	**Cash flow from Investing activities:**		
	Payments for purchase of property, plant & equipment and other intangible assets (including capital work-in-progress and intangible assets under development)	(19,700)	(22,741)
	Proceeds from sale of property, plant & equipment and other intangible assets	375	799
	Proceeds from sale / (payment for purchase) of investments	(73)	33
	Loan (to)/repaid by related parties (net)	(349)	(199)
	Interest received	635	387
	Dividend received	0	6
	Dividend received from associates & joint venture entities	150	559
	(Investment)/Proceeds from maturity of deposits with remaining maturity for more than 12 months	27	(15)
	Consideration paid on acquisition of subsidiaries (Refer Note 50)	-	(1,228)
	Net cash (used) in investing activities	**(18,935)**	**(22,399)**

(All amounts in ₹ Million, unless otherwise stated)

		For the year Ended March 31, 2021	For the year Ended March 31, 2020
C.	**Cash flow from financing activities:**		
	Proceeds from minority shareholders	37	-
	Dividend paid	(5)	(9,457)
	Dividend distribution tax	-	(1,370)
	Dividend paid to minority share holders	(1,607)	(1,967)
	Interest paid	(4,141)	(5,667)
	Proceeds from long term borrowings	41,116	355
	Proceeds from short term borrowings	26,828	33,869
	Proceeds of loans from other related parties	4,396	4,182
	Repayment of long term borrowings	(29,745)	(5,809)
	Repayment of short term borrowings	(47,489)	(30,871)
	Repayment of loans to other related parties	(6,431)	(7,940)
	Payment of leased liability	(3,934)	(3,354)
	Net cash (used) in financing activities	**(20,975)**	**(28,029)**
	Net Increase/(Decrease) in Cash & Cash Equivalents	**10,603**	**13,092**
	Net foreign exchange difference on balance with banks in foreign currency	75	197
	Net Cash and Cash equivalents at the beginning of the year	48,688	35,399
	Cash and cash equivalents as at year end	**59,366**	**48,688**
	Cash and cash equivalents comprise (refer note 13 & 51)		
	Cash and cash equivalent - discontinued operations (Refer note 51)	372	-
	Cash on hand	15	37
	Cheques / drafts on hand	41	11
	Balance with Banks	58,938	48,640
	Cash and cash equivalents as per Balance Sheet (restated)	**59,366**	**48,688**
	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

per **PANKAJ CHADHA**
Partner
Membership No.: 091813

Place: Gurugram
Date: June 02, 2021

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes

For and on behalf of the Board

V.C. SEHGAL
Chairman

PANKAJ MITAL
Whole-time Director/
Chief Operating Officer

G.N. GAUBA
Chief Financial Officer

ALOK GOEL
Company Secretary

Place: Noida
Date: June 02, 2021

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, 2021. 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 it's directly and indirectly held 170 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 (₹ 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, 2021. 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 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.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss outside operating profit.

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.

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 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 öf 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 disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit and loss

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

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.

Judgments applied in determining amount and timing of revenue

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

(i) 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 an 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.

(ii) 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.

(iii) 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.

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:

- 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

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration is considered as lease.

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 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. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

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.

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 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 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.

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 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.

The Group has entered into arrangements with certain banks wherein those banks are appointed as paying agent with regard to payments due to participating suppliers in order to facilitate efficient payment processing and other flexibility to such suppliers, including to manage their cash flow by electing early payment for their invoices. Under the arrangement, if opted for by the supplier, the bank may pay amounts earlier than the due date in respect of invoices owed by the Group and receives settlement from the Group on due date of those invoices.

The Group does not incur any additional interest towards the bank on the amounts due or paid to the suppliers. The Group discloses the amounts owed under such invoices within trade payables because the nature and function of the financial liability remain the same as those of other trade payables.

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 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 though 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 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.

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

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.

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.

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 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.

v) 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 on straight line basis 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.

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.

w) 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.

x) 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.

Warranty provisions

In cases where the obligations include warranty liabilities, the Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognised when the product is sold or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Restructuring provisions

Restructuring provisions are recognised only when the Group has a constructive obligation, which is when: (i) a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and the timeline; and (ii) the employees affected have been notified of the plan's main features.

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.

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 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 ₹ 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 through other comprehensive income in the period in which they arise. They are included in retained earnings through OCI 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) Assets held for distribution to owners and discontinued operations

The Group classifies assets and disposal groups as held for distribution if their carrying amounts will be recovered principally through a distribution rather than through continuing use. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the decision to distribution will be withdrawn. Management must be committed to the distribution expected within one year from the date of classification.

The criteria for held for distribution classification is regarded met only when the assets or disposal group is available for immediate distribution in its present condition, subject only to terms that are usual and customary for distribution of such assets (or disposal groups), its distribution is highly probable; and it will genuinely be distributed, not abandoned. The Group treats distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to distribute the asset (or disposal group),
- The distribution is expected to qualify for recognition as a completed distribution within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets held for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to distribute. Assets and liabilities classified as held distribution are presented separately in the balance sheet.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss. Additional disclosures are provided in Note 51. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

ac) 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.

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 Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

(i) Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease.

(ii) Revenue from contracts with customers

The Group applies the judgements in respect to transactions relating to tooling development, Principal versus agent consideration that significant financing component in a contract that significantly affect the determination of the amount and timing of revenue from contracts with customers. For more details, refer note 2.1 (h)

(iii) Discontinued operations

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 in India from the Company into a new company Motherson Sumi Wiring India Limited ("MSWIL").The operations of DWH business are considered as discontinued operation and classified as held for distribution to owners. The Board considered the Company to meet the criteria to be classified as held for distribution at that date for the following reasons:

- The operations of DWH business is available for immediate distribution and can be sold in its current condition.
- The actions to complete the distribution were initiated and expected to be completed within one year.
- The Group expects the secretarial and approval procedures to be completed by 30 September 2021.

For more details, refer to Note 51

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, intangible and investment properties

The Group uses its technical expertise along with historical and industry trends for determining the economic useful 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 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.

Valuation of recoverable income tax assets especially with respect to deferred tax assets on tax loss carry forwards. The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made

(v) Percentage completion of recognition of revenue

The Group uses the percentage-of-completion method in accounting for 'development of tools' contracts and the contract revenues and contract costs of engineering 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 50.

(vii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 5.

(viii) Provisions and liabilities

The Group estimates the provisions and liabilities and to the probability of expenses arising from warranty claims and claims from legal disputes that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting date and are adjusted to reflect the current best estimates.

(All amounts in ₹ Million, unless otherwise stated)

3(a) Property, plant and equipment

Particulars	Own Assets									Leasehold Land	Assets Taken on Finance Lease					Total
	Freehold Land	Leasehold Improvements	Buildings	Plant & Machinery	Furniture & fixtures	Office equipments	Computers	Vehicles	Aircraft		Buildings	Plant & Machinery	Furniture & fixtures	Computers	Vehicles	
Year ended March 31, 2020																
Gross carrying amount																
As at April 01, 2019	6,604	973	52,519	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 [4]	-	-	-	60	10	-	-	10	-	-	-	-	-	-	-	**80**
Disposals	(68)	(23)	(98)	(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 [3]	-	-	92	234	-	-	-	-	-	-	-	-	-	-	-	**326**
Closing gross carrying amount	**7,087**	**1,130**	**60,549**	**139,531**	**9,457**	**3,261**	**3,384**	**454**	**1,322**	**-**	**-**	**-**	**-**	**-**	**-**	**226,175**
Accumulated depreciation and impairment																
As at April 01, 2019	-	559	6,630	44,231	3,014	979	1,805	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 [1&2]	-	163	2,388	15,040	1,223	480	607	77	62	-	-	-	-	-	-	**20,040**
Disposals	-	(22)	(55)	(831)	(150)	(50)	(52)	(42)	-	-	-	-	-	-	-	**(1,202)**
Reclassification	-	-	154	58	-	-	-	-	-	-	-	-	-	-	-	**212**
Exchange differences	-	(20)	252	1,923	139	34	98	9	10	-	-	-	-	-	-	**2,445**
Other adjustment / transfers [3]	-	(11)	13	32	-	-	-	-	-	-	-	-	-	-	-	**34**
Closing accumulated depreciation and impairment	**-**	**669**	**9,382**	**60,453**	**4,226**	**1,443**	**2,458**	**248**	**158**	**-**	**-**	**-**	**-**	**-**	**-**	**79,037**
Net carrying amount	**7,087**	**461**	**51,167**	**79,078**	**5,231**	**1,818**	**926**	**206**	**1,164**	**-**	**-**	**-**	**-**	**-**	**-**	**147,138**

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Own Assets									Leasehold Land	Assets Taken on Finance Lease					Total
	Freehold Land	Leasehold Improvements	Buildings	Plant & Machinery	Furniture & fixtures	Office equipments	Computers	Vehicles	Aircraft		Buildings	Plant & Machinery	Furniture & fixtures	Computers	Vehicles	
Year ended March 31, 2021																
Gross carrying amount																
As at April 01, 2020	7,087	1,130	60,549	139,531	9,457	3,261	3,384	454	1,322	-	-	-	-	-	-	**226,175**
Additions	137	116	3,250	12,916	930	300	468	111	-	-	-	-	-	-	-	**18,228**
Disposals	-	(15)	(135)	(2,368)	(70)	(39)	(16)	(40)	-	-	-	-	-	-	-	**(2,683)**
Exchange differences	162	57	843	1,118	32	101	19	49	38	-	-	-	-	-	-	**2,419**
Transferred to discontinued operations (refer note 51)	-	-	-	(3,505)	(27)	(79)	(250)	(11)	-	-	-	-	-	-	-	**(3,872)**
Other adjustment / transfers [3]	-	-	126	141	-	12	-	-	-	-	-	-	-	-	-	**279**
Closing gross carrying amount	**7,386**	**1,288**	**64,633**	**147,833**	**10,322**	**3,556**	**3,605**	**563**	**1,360**	**-**	**-**	**-**	**-**	**-**	**-**	**240,546**
Accumulated depreciation and impairment																
As at April 01, 2020	-	669	9,382	60,453	4,226	1,443	2,458	248	158	-	-	-	-	-	-	**79,037**
Depreciation charge during the year [1&2]	-	191	2,310	16,259	1,447	576	553	80	141	-	-	-	-	-	-	**21,557**
Disposals	-	(5)	(33)	(2,059)	(65)	(27)	(24)	(31)	-	-	-	-	-	-	-	**(2,244)**
Exchange differences	-	39	296	279	32	62	12	44	3	-	-	-	-	-	-	**767**
Transferred to discontinued operations (refer note 51)	-	-	-	(2,025)	(20)	(54)	(206)	(8)	-	-	-	-	-	-	-	**(2,313)**
Other adjustment / transfers [3]	-	0	235	(231)	-	(0)	-	-	-	-	-	-	-	-	-	**4**
Closing accumulated depreciation and impairment	**-**	**894**	**12,190**	**72,676**	**5,620**	**2,000**	**2,793**	**333**	**302**	**-**	**-**	**-**	**-**	**-**	**-**	**96,808**
Net carrying amount	**7,386**	**394**	**52,443**	**75,157**	**4,702**	**1,556**	**812**	**230**	**1,058**	**-**	**-**	**-**	**-**	**-**	**-**	**143,738**

(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.

[1] Includes depreciation of ₹ 17 million (March 31, 2020: ₹ 11 million) capitalised during the year on assets used for creation of self generated assets.

[2] The Group has recognised impairment loss amounting to Nil (March 31, 2020: ₹ 437 million). The impairment losses are included under 'Depreciation expense'.

[3] Includes impact of Hyperinflationary adjustment in gross block amounting to ₹ 290 million (March 31, 2020: ₹ 308 million) and accumulated depreciation amounting to ₹ 2 million (March 31, 2020: ₹ 43 million) in respect of one of the step down subsidiary in Argentina. Refer Note 47.

[4] Refer note 50 for additions on account of business combination.

3(b) Right-to-use assets

Particulars	Land	Buildings	Plant & Machinery	Furniture & fixtures	Office equipments	Computers	Vehicles	Total
Year ended March 31, 2020								
Gross carrying amount								
Recognised on April 01, 2019[1]	226	10,498	408	597	261	40	1,128	**13,158**
Reclassification on account of Ind AS 116	2,387	498	491	17	-	3	4	**3,400**
Additions	138	1,654	56	417	34	47	423	**2,769**
Reclassification	-	(446)	(82)	-	-	(6)	-	**(534)**
Deletion	-	(285)	(27)	-	-	-	(23)	**(335)**
Exchange differences	26	770	58	64	21	4	64	**1,007**
Closing gross carrying amount	**2,777**	**12,689**	**904**	**1,095**	**316**	**88**	**1,596**	**19,465**
Accumulated depreciation and impairment								
Depreciation charge during the year [2]	259	2,446	299	298	97	41	595	**4,035**
Deletion	-	(1)	(27)	-	-	-	(8)	**(36)**
Exchange differences	6	14	22	16	5	(0)	25	**88**
Reclassification	-	(154)	(58)	(0)	0	(6)	-	**(218)**
Closing accumulated depreciation and impairment	**265**	**2,305**	**236**	**314**	**102**	**35**	**612**	**3,869**
Net carrying amount	**2,512**	**10,384**	**668**	**781**	**214**	**53**	**984**	**15,596**
Year ended March 31, 2021								
Gross carrying amount								
As at April 01, 2020	2,777	12,689	904	1,095	316	88	1,596	**19,465**
Additions	275	2,496	80	(3)	43	98	473	**3,462**
Reclassification	-	(25)	220	-	-	(30)	-	**165**
Deletion	(2)	(877)	(342)	(345)	(100)		(395)	**(2,061)**
Transferred to discontinued operations (refer note 51)	-	-	-	-	-	-	(278)	**(278)**
Exchange differences	44	264	55	25	9	(0)	25	**422**
Closing gross carrying amount	**3,094**	**14,547**	**917**	**772**	**268**	**156**	**1,421**	**21,175**
Accumulated depreciation and impairment								
As at April 01, 2020	265	2,305	236	314	102	35	612	**3,869**
Depreciation charge during the year [2]	63	2,877	414	219	109	47	617	**4,346**
Reclassification	-	24	79	(58)	2	(22)	-	**25**
Deletion	(1)	(615)	(222)	(159)	(59)	-	(344)	**(1,400)**
Transferred to discontinued operations (refer note 51)	-	-	-	-	-	-	(140)	**(140)**
Exchange differences	14	81	31	7	2	(5)	(38)	**92**
Closing accumulated depreciation and impairment	**341**	**4,672**	**538**	**323**	**156**	**55**	**707**	**6,792**
Net carrying amount	**2,753**	**9,875**	**379**	**449**	**112**	**101**	**714**	**14,383**

[1] Right-to-use assets recognised as on April 01, 2019 includes prepaid rent amounting to ₹ 198 million related to asset taken on lease .

[2] The Group has recognised impairment loss amounting to Nil (March 31, 2020: ₹ 200 million). The impairment losses are included under 'Depreciation expense'.

3(c) Capital work-in-progress

Capital work-in-progress	Intangible assets under development	March 31, 2019
Year ended March 31, 2020		
As at April 01, 2019	10,463	205
Addition during the year	9,228	330
Reclassification	(11,817)	(188)
Exchange differences	280	17
Closing balance as at March 31, 2020	**8,154**	**364**
As at April 01, 2020	8,154	364
Addition during the year	10,206	333
Reclassification	(10,145)	(309)
Exchange differences	169	(2)
Transfer to discontinued operations (refer note 51)	(1)	-
Closing balance as at March 31, 2021	**8,383**	**386**

4 Investment property

	March 31, 2021	March 31, 2020
Opening gross carrying amount	**1,552**	**1,516**
Add: Transfers / Additions during the year	113	-
Less: Deletions during the year	-	7
Add / (Less): Exchange differences	17	43
Gross Block	**1,682**	**1,552**
Accumulated depreciation:		
Opening balance	**355**	**212**
Add: Depreciation for the year*	42	137
Deletion during the year	-	(4)
Add / (Less): Exchange differences	4	10
Closing accumulated depreciation	**401**	**355**
Net Investment Properties	**1,281**	**1,197**

*The Group has conducted an impairment analysis and recognised impairment loss amounting to Nil (March 31, 2020: ₹ 100 million). The impairment losses are included under 'Depreciation expense'.

(i) Amounts recognised in profit or loss for the investment properties

	March 31, 2021	March 31, 2020
Rental Income	110	106
Direct operating expenses arising from property that generated rental income	(26)	(39)
Direct operating expenses arising from property that did not generate rental income	(14)	(5)
Profit from investment properties before depreciation	**70**	**62**
Depreciation	42	137
Gain / (Loss) from investment properties	**28**	**(75)**

(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, 2021	March 31, 2020
Within one year	43	88
Later than one year but not later than 5 years	137	334
	180	**422**

(iv) Fair value

	March 31, 2021	March 31, 2020
Investment properties	3,060	3,130

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.

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[2]
Year ended March 31, 2020							
Gross carrying amount							
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 [1]	-	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**

Particulars	Technical Knowhow Fees	Customer Relationships and Contracts	Business and commercial rights	Intellectual Property Rights	Software	Total intangible assets other than goodwill	Goodwill[2]
Accumulated amortisation and impairment							
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**
Net carrying amount	**186**	**17,046**	**428**	**44**	**1,806**	**19,510**	**24,060**
Year ended March 31, 2021							
Gross carrying amount							
As at April 01, 2020	328	28,937	884	98	5,281	**35,528**	24,063
Additions	-	10	-	-	761	**771**	-
Disposals	-	-	-	-	(35)	**(35)**	-
Exchange difference	4	543	12	6	69	**634**	658
Other adjustment	(202)	(86)	-	-	202	**(86)**	-
Closing gross carrying amount	**130**	**29,404**	**896**	**104**	**6,278**	**36,812**	**24,721**
Accumulated amortisation and impairment							
As at April 01, 2020	142	11,891	456	54	3,475	**16,018**	3
Amortisation charge during the year	18	2,909	88	1	819	**3,835**	-
Disposals	-	-	-	-	(36)	**(36)**	-
Exchange differences	2	72	3	3	63	**143**	-
Other adjustment	(80)	(28)	9	-	80	**(19)**	-
Closing accumulated amortisation and impairment	**82**	**14,844**	**556**	**58**	**4,401**	**19,941**	**3**
Net carrying amount	**48**	**14,560**	**340**	**46**	**1,877**	**16,871**	**24,718**

[1] Refer Note 50 for Additions on account of business combination.

[2] Goodwill consist of the following

A segment-level summary of the goodwill is presented below. Refer note 41 for 'segment reporting'.

	March 31, 2021	March 31, 2020
SMR	594	577
SMP	3,458	3,361
PKC	20,512	19,964
Others	154	158
Total	**24,718**	**24,060**

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.

6 (a) Non-Current Investments

	March 31, 2021	March 31, 2020
Investment in equity instruments		
Equity instruments at FVOCI		
Quoted:		
Ssangyong Motor Corporation	-	2
18,040 (March 31, 2020 : 18,040) equity shares of EUR 3.394 each fully paid up		
Unquoted:		
Motherson Sumi Infotech & Designs Limited	185	185
1,200,000 (March 31, 2020: 1,200,000) equity shares of ₹ 10 each fully paid up		
Echanda Urja Private Limited	1	1
120,645 (March 31, 2020: 120,645) equity shares of ₹ 10 each fully paid-up		
N H 2 Limited	-	-
7,918,702 (March 31, 2020: 7,918,702) units of GBP 0.1 each (net of impairment provision)		
Purpurin Grundstücksverwaltungsgesellschaft GmbH & Co. Vermietungs KG	0	0
94 (March 31, 2020: 94) equity shares of EUR 51.129 each fully paid up		
OSSIA Inc.	1,002	972
714,976 (March 31, 2020: 714,976) Series D Preferred Stock		
Quanergy Systems Inc.	-	426
171,528 (March 31, 2020: 171,528) Series B Preferred Stock (net of impairment provision)		
Investment in preference shares at FVOCI		
Unquoted:		
Comunidad de Vertidos, "Les Carrases"	5	5
9.98% preference share of EUR 61,334 (March 31, 2020 : EUR 61,334) fully paid up		

	March 31, 2021	March 31, 2020
Investment in bonds and promissory notes at FVTPL		
Unquoted:		
Naya Health	-	-
1% Convertible Promissory Note		
OSSIA Inc.	18	19
1 Convertible Promissory Note of USD 250,000		
Others at FVOCI		
Investment in antique arts (unquoted)	4	4
Aria Inc		
138,519 (March 31, 2020: Nil) Series Seed-1 preferred stock	37	-
138,519 (March 31, 2020: Nil) Series Seed-1 preferred stock	35	-
Total non current investments	**1,287**	**1,614**
Aggregate amount of quoted investments and market value thereof	-	2
Aggregate amount of unquoted investments	1,287	1,612
Aggregate amount of impairment in the value of investments	1,341	828

6 (b) Current Investments

	March 31, 2021	March 31, 2020
Investment in equity instruments at FVOCI		
Quoted:		
HDFC Bank Limited	6	4
4,070 (March 31, 2020: 4,070) equity shares of ₹ 2 each fully paid up		
Balrampur Chini Mills Limited	0	0
1,200 (March 31, 2020: 1,200) equity shares of ₹ 1 each fully paid up		
Jaysynth Dyestuff (India) Limited	0	0
100 (March 31, 2020: 100) equity shares of ₹ 10 each fully paid up		
Meyer Apparel Limited	0	0
28,475 (March 31, 2020: 28,475) equity shares of ₹ 3 each fully paid up		
Mahindra & Mahindra Limited	6	2
7,288 (March 31, 2020: 7,288) equity shares of ₹ 5 each fully paid up		
Arcotech Limited	0	0
1,000 (March 31, 2020: 1,000) equity shares of ₹ 2 each fully paid up		
Unquoted:		
Pearl Engineering Polymers Limited	-	-
3,160 (March 31, 2020: 3,160) equity shares of ₹ 10 each fully paid up		
Daewoo Motors Limited	-	-
6,150 (March 31, 2020: 6,150) equity shares of ₹ 10 each fully paid up		

	March 31, 2021	March 31, 2020
Athena Financial Services Limited	-	-
66 (March 31, 2020: 66) equity shares of ₹ 10 each fully paid up		
Inox Leasing & Finance Limited	-	-
100 (March 31, 2020: 100) equity shares of ₹ 10 each fully paid up		
Total current investments	**12**	**6**
Aggregate amount of quoted investments and market value thereof	12	6
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-

7 Loans

	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loans to related parties (Refer note 40)	160	425	222	125
Loans to employees and others	112	20	91	52
Total	**272**	**445**	**313**	**177**

8 Trade Receivables

	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Other trade receivables	55,682	14,946	50,754	13,998
Trade receivables from related parties (Refer note 40)	1,249	-	1,030	-
Unsecured, credit impaired				
Other trade receivables	1,346	-	965	-
	58,277	**14,946**	**52,749**	**13,998**
Less: Allowances for credit loss	1,346	-	965	-
Total	**56,931**	**14,946**	**51,784**	**13,998**

Note 1: The Group has derecognised trade receivables amounting to ₹ 46,351 million (March 31, 2020: ₹ 42,813 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, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Security deposits to related parties (Refer note 40)	411	29	338	142
Security deposits to others	282	386	569	378
	693	**415**	**907**	**520**
Derivatives designated as hedge (Refer note 37)	642	576	262	611
Derivatives not designated as hedge	35	-	87	-
Interest receivable	30	-	7	-
Unbilled Revenue (Refer Note 45)	21,991	50	28,402	70
Deposits with original maturity for more than 12 months	-	28	-	27
Others	809	-	1,217	-
Total	**24,200**	**1,069**	**30,882**	**1,228**

10. Other assets

	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Capital advances	-	1,302	-	997
Advances recoverable	2,545	116	3,637	28
Unamortised expenditure	1,349	10,213	486	8,819
Prepaid expenses	2,554	121	2,202	133
Balances with government authorities	4,948	458	4,759	1,924
Others	656	1,625	230	264
Total	**12,052**	**13,835**	**11,314**	**12,165**

11 (a) Deferred tax assets (net)

	March 31, 2021	March 31, 2020
Deferred tax assets		
Unabsorbed depreciation and Tax losses	5,680	1,963
Property, plant and equipments, investment property and intangible assets	(1,264)	479
Employee benefits	601	640
Provision for Doubtful debts/Advances/Inventory	2,511	1,355
Others*	2,696	593
Total	**10,224**	**5,030**

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
As at April 01, 2019	**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)
As at March 31, 2020	**1,963**	**479**	**640**	**1,355**	**593**	**5,030**
(Charged) / credited:						
to profit or loss	3,888	(109)	(135)	457	732	4,833
to other comprehensive income	-	-	10	-	(70)	(60)
to profit or loss - discontinued operations (refer note 51)	-	-	-	(9)	-	(9)
to other comprehensive income - discontinued operations (refer note 51)	-	-	3	-	-	3
Transferred to discontinued operations (refer note 51)	-	-	3	-	-	3
Exchange translation & reclassification adjustments*	(171)	(1,634)	80	708	1,441	424
As at March 31, 2021	**5,680**	**(1,264)**	**601**	**2,511**	**2,696**	**10,224**

*Others represent tax impact of temporary differences arising out of interest deductibility limitations, R&D credits, non-deductibility of expenses and other similar items.

11 (b) Deferred tax liabilities (net)

	March 31, 2021	March 31, 2020
Deferred tax liabilities		
Property, Plant and equipment, investment property and intangible assets	2,348	3,317
Others	1,015	1,310
Total	**3,363**	**4,627**

Movement in Deferred tax liabilities

	Property, Plant and equipment, investment property and intangible assets	Others	Total
As at April 01, 2019	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
As at March 31, 2020	**3,317**	**1,310**	**4,627**
(Charged) / credited:			
to profit or loss	(1,443)	(484)	(1,927)
Exchange translation & reclassification adjustments*	474	189	663
As at March 31, 2021	**2,348**	**1,015**	**3,363**

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

12. Inventories

	March 31, 2021	March 31, 2020
Raw materials	28,355	31,365
Work-in-progress	7,397	7,390
Finished goods	10,053	9,496
Stock-in-trade	330	295
Stores and spares	3,821	3,020
Total	**49,956**	**51,566**
Inventory include inventory in transit of:		
Raw materials	2,065	1,918
Finished goods	739	557

Amount recognised in profit or loss:

During the year ended March 31, 2021, 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 ₹ 322 million (excluding DWH) (March 31, 2020: ₹ 271 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. Cash and cash equivalents

	March 31, 2021	March 31, 2020
Balances with banks:		
- in current accounts	58,005	47,554
- Deposits with original maturity of less than three months	933	1,086
Funds in transit & cheques and drafts on hand	41	11
Cash on hand	15	37
Total	**58,994**	**48,688**

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, 2020	Cash Flow	Non cash items*	March 31, 2021
Long term borrowings	83,622	9,337	98	93,057
Short term borrowings	34,079	(20,661)	157	13,575
Lease liabilities	13,663	(3,934)	2,934	12,663
Total liabilities from financing activities	**131,364**	**(15,258)**	**3,189**	**119,295**

*other non cash items includes, in addition to transfer to discontinued operations, foreign exchange movements. Non cash also includes new leases taken or termination of lease contracts in case of lease liabilities.

14. Other bank balances

	March 31, 2021	March 31, 2020
Deposits with remaining maturity of more than three months but less than 12 months	12	40
Unpaid dividend account	56	61
Total	**68**	**101**

Unpaid dividend accounts are restricted in use as it relates to unclaimed or unpaid dividend.

15. Share Capital

	March 31, 2021	March 31, 2020
Authorised:		
6,050,000,000 (March 31, 2020 : 6,050,000,000) Equity shares of ₹ 1 each)	6,050	6,050
25,000,000 (March 31, 2020 : 25,000,000) 8% Convertible Cumulative Preference Shares of ₹ 10 each)	250	250
Issued, subscribed and Paid up:		
3,157,934,237 (March 31, 2020 : 3,157,934,237) Equity Shares of ₹ 1 each	3,158	3,158

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (All amounts in ₹ Million, unless otherwise stated)

a. Movement in equity share capital

Equity Shares:

	Numbers	Amount
As at April 01, 2019	3,157,934,237	3,158
Add: Changes during the year	-	-
As at March 31, 2020	**3,157,934,237**	**3,158**
Add: Changes during the year	-	-
As at March 31, 2021	**3,157,934,237**	**3,158**

b. Rights, preferences & restrictions attached to shares

Equity Shares:

The Company has only one class of equity shares having a par value of ₹ 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, 2021)

	Aggregate No of Shares issued in five years	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
Equity shares allotted as fully paid bonus shares by capitalization of Securities Premium Account	1,754,407,910	-	-	1,052,644,746	701,763,164	-

d. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

	March 31, 2021		March 31, 2020	
	Nos.	%	Nos.	%
Equity shares:				
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, 2021	March 31, 2020
Capital reserve on consolidation	1,920	1,920
Securities premium	26,303	26,303
Reserve on amalgamation	1,663	1,663
General Reserve	3,431	3,430
Retained earning	81,102	70,642
Total reserves and surplus	**114,419**	**103,958**

Capital reserve on consolidation

	March 31, 2021	March 31, 2020
Opening balance	1,920	1,749
Addition on account of business combination (Refer Note 50)	-	171
Closing balance	**1,920**	**1,920**

Securities premium

	March 31, 2021	March 31, 2020
Opening Balance	26,303	26,303
Closing balance	**26,303**	**26,303**

Reserve on amalgamation

	March 31, 2021	March 31, 2020
Opening balance	1,663	1,663
Closing balance	**1,663**	**1,663**

General reserve

	March 31, 2021	March 31, 2020
Opening balance	3,430	3,430
Transfer from Surplus in Statement of Profit and Loss during the year	1	-
Closing balance	**3,431**	**3,430**

Retained earnings

	March 31, 2021	March 31, 2020
Opening balance	70,642	69,792
Additions during the year	10,392	11,701
Remeasurements of post-employment benefit obligation, net of tax	(54)	(151)
Share of OCI of associates and joint ventures, net of tax	2	(5)
Dividend paid (Refer note 39)	-	(9,474)
Tax on dividend (Refer note 39)	-	(1,370)
Hyperinflation adjustment (Refer note 47)	126	149
Other addition / (deletion)	(6)	-
Closing balance	**81,102**	**70,642**

During the financial year 2019-20, the Company paid final cash dividend for the financial year 2018-19 amounting ₹ 1.5 per share and Interim dividend for the financial year year 2019-20 amounting ₹ 1.5 per share to its shareholders. This has resulted in payment of dividend distribution tax (DDT) to the taxation authorities during March 31, 2020. The Company believes that DDT represents additional payment to taxation authorities on behalf of shareholders. Hence DDT paid is charged to equity. The interim dividend paid for FY 2019-20 in March 2020 was taken as final dividend , hence no dividend was paid in during the financial year 2020-21.

16. (b) Other reserves

	Foreign currency translation reserve	Cash flow hedging reserve	FVOCI equity investments	Total
As at April 01, 2019	3,710	(291)	114	**3,533**
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)**
As at March 31, 2020	**8,053**	**(2,254)**	**(306)**	**5,493**
Currency translation difference	1,791	-	-	**1,791**
Change in fair value of hedging instruments (net of tax)	-	963	-	**963**
Change in fair value of FVOCI equity instruments (net of tax)	-	-	(218)	**(218)**
As at March 31, 2021	**9,844**	**(1,291)**	**(524)**	**8,029**

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, 2021	March 31, 2020
Secured#:			
i)	3.7% Senior Secured Notes Due 2025 (EUR 100 million (March 31, 2020 : EUR 100 million))	8,483	8,226
ii)	4⅞% Senior Secured Notes Due 2021 (USD 9 million (March 31, 2020 : USD 400 million))	538	30,123
iii)	1.8% Senior Secured Notes Due 2024 (EUR 300 million (March 31, 2020 : EUR 300 million))	25,400	24,593
iv)	Non-convertible debentures	4,990	-
v)	Term loans:		
	From Banks:		
	- Rupee Loan	14,207	5,750
	- Foreign currency loan	10,449	10,890
	From others		
	- Indian rupee loan	-	0
	- Foreign Currency Loan	4	13
		64,071	**79,595**
Unsecured:			
i)	Non-convertible debentures	21,231	-
ii)	Term loan:		
	From Banks:		
	- foreign currency loan	5,859	1,333
	From others		
	- Indian rupee loan	139	126
	- Foreign currency loan	1,725	443

		March 31, 2021	March 31, 2020
iii)	Loan from related parties		
	- Foreign currency loan - from related parties (Refer note 40)	171	2,125
	Less : Term loan from others in Indian rupee of discontinued operations (refer note 51)	(139)	-
		28,986	**4,027**
	Total	**93,057**	**83,622**
	Less : Amounts disclosed under the head "other current financial liabilities" (Refer Note 18)		
	Current maturities of long-term debt	(18,370)	(1,010)
		74,687	**82,612**

17 (b) Current borrowings

		March 31, 2021	March 31, 2020
Secured#:			
i)	Loans repayable on demand from banks		
	- Rupee Loan [1]	2,200	2,279
	- Foreign Currency Loan [2]	1,771	11,263
ii)	Other short term loans from banks		
	- Foreign Currency Loan [3]	257	
	Less: Rupee Loan of discontinued operations	(675)	-
		3,553	**13,542**
Unsecured:			
i)	Loans repayable on demand from banks		
	- Rupee Loan	135	-
	- Foreign Currency Loan	2,659	959
ii)	Other short term loans from banks		
	- Foreign Currency Loan	5,256	15,995
iii)	Other short term loans - (Other than banks)		
	- Foreign Currency Loan	1,972	3,583
		10,022	**20,537**
		13,575	**34,079**

Non-current borrowings:

(a) Nature of Security and terms of repayment for secured borrowings:

	Nature of Security	Terms of Repayment
3.7% Senior Secured Notes Due 2025		
	Loan amounting to ₹ 8,483 million (March 31, 2020: ₹ 8,226 million) secured by: 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.	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.
4⅞% Senior Secured Notes Due 2021		
	Loan amounting to ₹ 538 million (March 31, 2020: ₹ 30,123 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.	The Notes bear interest at a rate of 4.875% payable semi annually on June 16 & December 16 each year and will mature on December 16, 2021. During the year, the company redeem US$ 375 million of its US$400 million senior secured notes at 101.21875% calculated in accordance with terms of the indenture of said notes. Further in November 2020 it also purchased US$17.6 million notes under tender offer. 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.
1.8% Senior Secured Notes Due 2024		
	Loan amounting to ₹ 25,400 million (March 31, 2020: ₹ 24,593 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.	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.

	Nature of Security	Terms of Repayment
Secured Non Convertible debentures		
	Non convertable debentures amounting to ₹ 4,990 million (March 31, 2020: ₹ Nil) secured by: (a) first ranking Security Interest by way of hypothecation on the Hypothecated Properties created by the Company in favour of the Debenture Trustee pursuant to the Deed of Hypothecation; and / or (b) a first ranking Security Interest by way of equitable mortgage by deposit of title deeds on the Company's rights, title and interest in and to the Mortgaged Properties created by the Company in favour of the Debenture Trustee (or in favour of a security trustee or security agent appointed by the Debenture Trustee (acting in accordance with Approved Instructions)) pursuant to the Mortgage Documents. c) such other Security Interest created by the Company or any other Person as may be mutually agreed by the Company with the Debenture Trustee (acting in accordance with Approved Instructions) and classified as 'Security' for the purposes of this Deed by the Debenture Trustee.	The company issued 5,000 listed, rated, redeemable, senior, secured non-convertible debentures of a face value of ₹ 1,000,000 each, of the aggregate nominal value of up to ₹ 5,000 million, in a single tranche. The Non convertable debentures bear interest at a rate of 7.84% payable annually on April 20 each year and will mature on April 20, 2023.
Long term Indian Rupee loans from Bank include:		
	Loan amounting to ₹ 5,750 million(March 31, 2020: ₹ 5,750 million) secured by creating a pledge on Investment in shares of one of the subsidiary, MSSL (GB) Ltd on pari passu basis.	The principal amount to be paid to bank within period of 5 years from date of disbursement as a bullet payment. The repayment is due in March 2022. The loan carries interest rate of 8% p.a.
	Loan amounting to ₹ 8,457 million (March 31, 2020 : Nil) secured by creating a charge on Investment in shares of one of the subsidiary, MSSL (GB) Ltd on pari passu basis	Borrowing carrying Interest rate of 6.05% p.a. repayable in 5 years from date of first disbursement in ratio of 5:5:10:25:55 starting from September 2021.
Long term foreign currency loans from Bank include:		
i	Loan amounting to ₹ 6 million (March 31, 2020: ₹ 6 million) secured by General Notarial Bond on assets of Vacuform 2000 Pty Ltd.	₹ 6 million (March 31, 2020: ₹ 6 million) is repayable in monthly instalments till August 2022. The applicable rate of interest in respect of these loans is Prime lending rate in South Africa minus 3%
ii	Loan amounting to Nil (March 31, 2020: ₹ 74 million) secured by specified assets located at Boetzingen plant of SMP Deutschland GmbH	The loan was fully repaid in December 2020. The applicable rate of interest was 4.96%
iii	Loan amounting to ₹ 19 million(March 31, 2020: ₹ 23 million) secured against land and building of MSSL Japan.	Repayable in quarterly instalments from June 2015 till June 2029. The applicable rate of interest is 3 months Tibor + 0.95%
iv	Loan amounting to ₹ 171 million (March 31, 2020: ₹ 167 million) secured by first mortgage on plant & machinery of Samvardhana Motherson Invest Deutschland GmbH	Repayable in one bullet payment on September 30, 2025. The applicable rate of interest in respect of this loans is 2.2%

	Nature of Security	Terms of Repayment
v	Loan amounting to Nil (March 31, 2020: ₹ 0 million) secured against vehicle of Vacuform 2000 (Proprietary) Limited.	The loan was fully repaid during financial year 2020-21. The applicable rate of interest in respect of this loan was 7%
vi	₹ 5,846 million (March 31, 2020 : ₹ 6,039 million) secured by creating a pledge on Investment in shares of one of the subsidiary, MSSL (GB) Ltd on pari passu basis.	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.
vii	₹ 52 million (March 31, 2020 : ₹ 90 million) secured against the land & building & current receivables.	Repayable as quarterly instalments upto June 2022. The applicable rate of interest in respect of this loans is 3M Euribor + 1.15%
viii	₹ 4,354 million (March 31, 2020 : ₹ 4,488 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.	Repayable in one bullet payment on August 29, 2023. The applicable rate of interest in respect of this loans is Libor + 1.1%
ix	₹ 1 million (March 31, 2020: ₹ 2 million). Facility is secured against the vehicle for which the loan is availed.	Repayable in monthly instalments till March 2023. The applicable rate of interest in respect of this loan is prime lending rate applicable in South Africa, which is 7%.
	Long term Indian Rupee Loans from Other than Banks include:	
i.	Indian Rupee loan amounting to Nil (March 31, 2020: ₹ 0 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.	Fully repaid in April 2020 carried Interest rate of 10.2% p.a.
	Long term Foreign Currency Loans from Other than Banks include:	
i.	₹ 5 million (March 31, 2020 : ₹ 10 million) secured against the office equipments of MSSL GmbH for which this loan has been taken.	Repayable in monthly instalments until December 2021 The applicable rate of interest in respect of this loan is 4.309%
ii.	Nil (March 31, 2020 : ₹ 3 million) secured against the office equipment of MSSL GmbH for which this loan has been taken.	Fully repaid in October 2020. The applicable rate of interest in respect of this loan was 3.43%

(b) Terms of repayment for unsecured borrowings:

		Terms of Repayment
Unsecured Non Convertible debentures		
	Non convertible debentures amounting to ₹ 21,231 million (March 31, 2020: ₹ Nil)	The company issued 21,300 listed, rated, redeemable, unsecured, redeemable non-convertible debentures of a face value of ₹ 1,000,000 each, of the aggregate nominal value of up to ₹ 21,300 million, in a single tranche. The Non convertable debentures bear interest at a rate of 6.65% payable annually on September 14 each year and will mature on September 14, 2023.
Unsecured Foreign Currency Term Loans from Banks -		
i.	Loan amounting to Nil (March 31, 2020: ₹ 619 million).	Fully repaid in financial year 2020-21. The applicable rate of interest is 5%

		Terms of Repayment
ii.	Loan amounting to Nil (March 31, 2020: ₹ 7 million).	Fully repaid during financial year 2020-21
iii.	Loan amounting to Nil (March 31, 2020: ₹ 22 million).	Fully repaid during financial year 2020-21
iv.	Loan amounting to ₹ 23 million (March 31, 2020: Nil).	Repayable in 36 equal monthly instalments started from May 2020 until April 2023.
v.	Loan amounting to ₹ 33 million (March 31, 2020: Nil).	Repayable in 96 equal monthly instalments starting from September 2022 until August 2030.
vi.	Loan amounting to ₹ 40 million (March 31, 2020: Nil).	Repayable in 84 equal monthly instalments starting from May 2024 until February 2031.
vii.	₹ 276 million (March 31, 2020 : ₹ 327 million)	Repayable as quarterly instalments upto July 2025. The applicable rate of interest in respect of this loans is 0.75%
viii.	Loan amounting to ₹ 257 million (March 31, 2020: ₹ 346 million).	Repayable in 15 equal quarterly instalments commencing from April 2020 upto November 2023. The applicable rate of interest is BIBOR + 1.45% p.a
ix.	Loan amounting to ₹ 5 million (March 31, 2020: ₹ 12 million).	Repayable in monthly instalments upto January 2023. The applicable rate of interest is 2.2%
x.	Loan amounting to ₹ 4,544 million (March 31, 2020: Nil).	Repayable in June 2021. The applicable rate of interest is 0.50%
xi.	Loan amounting to ₹ 258 million (March 31, 2020: Nil)	Repayable in quarterly installments until May 2023. The applicable rate of interset is 0.98%
xii.	Loan amounting to ₹ 424 million (March 31, 2020: Nil).	Repayable by October 2021. The applicable rate of interest is 5%
	Unsecured Indian Rupee Loan from Other than Banks -	Interest free loan of ₹ 139 million (March 31, 2020 : ₹ 126 million) repayable in 3 tranches in November 2022, March 2023 and December 2026 against each disbursements. Bank guarantee is furnished by the Company.
	Unsecured Foreign Currency Loan from Other than Banks -	Loan amounting to ₹ 65 million (March 31, 2020: ₹ 53 million) with no fixed repayments terms carrying Prime rate interest applicable in South Africa, which is 7%.
		Loan amounting to ₹ 2 million (March 31, 2020: ₹ 2 million) interest free with no fixed repayments terms.
		Loan amounting to ₹ 31 million (March 31, 2020: ₹ 39 million) interest free loan repayable in half yearly instalments until March 2024.
		Loan amounting to ₹ 48 million (March 31, 2020: ₹ 40 million) interest free loan repayable in 10 yearly instalments commencing from 2074.
		Loan amounting to ₹ 731 million (March 31, 2020: Nil) government loan repayable till FY 2023-24 carrying interest rate of 0.98%. The company has applied for forgiveness.
		Loan amounting to Nil (March 31, 2020: ₹ 5 million) fully repaid in financial year 2020-21 carried interest rate of 5%
		Loan amounting to Nil (March 31, 2020: ₹ 5 million) fully repaid in financial year 2020-21 carried interest rate of 5%
		Loan amounting to ₹ 18 million (March 31, 2020: ₹ 30 million) repayable in yearly instalments upto finanical year 2022-23 carrying interest rate of 5%

		Terms of Repayment
		Loan amounting to Nil (March 31, 2020: ₹ 2 million) fully repaid during financial year 2020-21 carried interest rate of 5%
		Loan amounting to ₹ 28 million (March 31, 2020: ₹ 12 million) to be repaid by July 2025 carrying interest rate of 5%
		Loan amounting to ₹ 75 million (March 31, 2020: ₹ 86 million). Interest free loan to be repaid yearly upto July 2026.
		Loan amounting to ₹ 31 million (March 31, 2020: ₹ 45 million) carrying interest rate of 3.95% to be repaid yearly upto November 2022.
		Loan amounting to ₹ 107 million (March 31, 2020: ₹ 125 million). Interest free loan to be repaid in yearly instalments until May 2025.
		Loan amounting to ₹ 277 million (March 31, 2020: Nil). Carrying interest rate of 0.98%.
		Monthly installment started from Aug 21 till Jan 2023. The applicable rate of interest is 1.0%
	Unsecured Foreign Currency Loans from Related Parties -	Loan amounting to ₹ 171 million (March 31, 2020: ₹ 2,125 million) repayable in June 2026.

Current borrowings:

Nature of Security for secured borrowings:

1 "₹ 2,200 million (March 31, 2020: ₹ 2,279 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. ₹ 690 million pertains to discontinued operations of the company."

2 Nil (March 31, 2020: ₹ 997 million) secured by charge on the inventory and receivables of MSSL Wiring System Inc.

₹ 73 million (March 31, 2020: ₹ 227 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.

₹ 1,698 million (March 31, 2020: 10,015 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, 2020: ₹ 25 million) is secured against land & building of SMR Automotive (Langfang) Co. Limited

3 ₹ 257 million (March 31, 2020: Nil) secured secured against property, plant and equipments of one of subsidiary in China.

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

	March 31, 2021	March 31, 2020
Non-current		
- Retention Money	23	77
- Security Deposit Received (Refer Note 40)	200	204
- Recovery against Vehicle Loan	54	106
- Derivatives designated as hedges (Refer Note 37)	72	-
- Amounts payable to obtain contracts	1,782	385
- Accrued expenses	3,941	3,022
- Others	4	-
	6,076	**3,794**
Current		
- Current maturities of long term debt (Refer Note 17 (a))	18,370	1,010
- Interest accrued but not due on borrowings	2,324	1,288
- Unpaid dividends[1]	56	61
- Employee benefits payable	12,756	12,602
- Security deposit received	11	5
- Payables relating purchase of fixed assets	3,073	3,354
- Derivatives designated as hedges (Refer Note 37)	1,688	3,365
- Derivatives not designated as hedges	86	82
- Advance recovery from employee	41	55
- Amounts payable to obtain contracts	5,377	4,402
- Accrued expenses	2,248	3,194
- Others	3,166	3,664
Total	**49,196**	**33,082**

[1] 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, 2021	March 31, 2020
Total outstanding dues of creditors other than related parties	109,270	99,465
Trade payable to related parties (Refer note 40)	2,136	3,626
Total	**111,406**	**103,091**

20 Provisions

	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
For warranties	1,926	194	1,251	182
for onerous contracts	133	557	-	-
for Restructuring / Severance costs	932	338	25	82
For litigation, disputes and other contingencies	1,977	393	801	571
Total	**4,968**	**1,482**	**2,077**	**835**

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.

Onerous Contracts

Onerous contracts represent management's best estimate of the amount by which the expected benefits from certain specific contracts are lower than the unavoidable cost of meeting its obligations under those contracts. The time frame within which such provisions will unwind varies by contract.

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.

Restructuring / Severance costs

Restructuring / severance costs provisions are created based on announcement for employee restructuring by the Group.

The group has the following provisions in the books of account:

	Restructuring / Severance costs	Warranty	Onerous contracts	Litigation, disputes and other contingencies
Year ended March 31, 2020				
As at April 01, 2019	413	1,392	-	1,073
Additions during the year	-	407	-	543
Addition on account of business combination (Refer Note 50)	-	-	-	2
Utilised / reversed during the year	(313)	(431)	-	(278)
Exchange translation adjustment	7	65	-	32
Closing Balance	**107**	**1,433**	**-**	**1,372**
Year ended March 31, 2021				
Opening Balance	107	1,433	-	1,372
Additions during the year	1,548	809	696	1,150
Utilised / reversed during the year	(358)	(169)	-	(165)
Transferred to discontinued operations (refer note 51)	-	8	-	-
Exchange translation adjustment	(27)	39	(6)	13
Closing Balance	**1,270**	**2,120**	**690**	**2,370**

21 Employee benefit obligations

	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Gratuity and pensions	277	3,411	530	3,061
Compensated absences	1,136	360	1,668	591
Longevity / jubilee bonus	-	239	-	239
Others	601	904	60	828
Total	**2,014**	**4,914**	**2,258**	**4,719**

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, 2021	March 31, 2020
Obligations at year beginning	6,840	6,039
Current service cost	616	574
Interest expense	244	224
(Gains) and losses on curtailment and settlement	14	(11)
Amount recognised in profit or loss	**874**	**787**
Remeasurements		
Actuarial (gain) / loss from change in demographic assumption	34	10
Actuarial (gain) / loss from change in financial assumption	26	268
Experience (gains)/losses	(5)	(91)
Amount recognised in other comprehensive income	**55**	**187**
Effect of Exchange rate change	251	231
Payment from plan:		
Benefit payments	(415)	(308)
Contributions:		
Employers	-	(89)
Addition due to transfer of employee	(4)	(7)
Less: Transferred to Discontinued Operations	(1,005)	-
Obligations at year end	**6,596**	**6,840**

(ii) Fair Value of Plan Assets

	For the year ended	
	March 31, 2021	March 31, 2020
Plan assets at year beginning, at fair value	3,249	2,897
Interest income	142	126
Amount recognised in profit or loss	**142**	**126**
Remeasurements		
Actuarial gain / (loss) from change in financial assumption	(1)	(4)
Return on plan assets, excluding amount included in interest income	(6)	(4)
Experience (gains)/losses	-	5
Amount recognised in other comprehensive income	**(7)**	**(3)**
Effect of Exchange rate change	85	33
Payment from plan:		
Benefit payments	(200)	(141)
Contributions:		
Employers	264	337
Addition due to transfer of employee	23	-
Less: Transferred to Discontinued Operations	(648)	-
Plan assets at year end, at fair value	**2,908**	**3,249**

(iii) Assets and Liabilities recognized in the Balance Sheet

	For the year ended	
	March 31, 2021	March 31, 2020
Present Value of the defined benefit obligations	6,596	6,840
Fair value of the plan assets	2,908	3,249
Amount recognized as Liability	**3,688**	**3,591**

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, 2021	March 31, 2020
Current service cost	616	574
Interest Cost	244	224
Interest income	(142)	(126)
(Gains) and losses on curtailment and settlement	14	(11)
Actuarial (gain) / loss	62	190
Extinguishment to discontinued operations - service and interest cost	(86)	(69)
Extinguishment to discontinued operations - Acturial (gain) / loss	(11)	(86)
Net defined benefit obligations cost	**794**	**851**

(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, 2021	March 31, 2020
LIC	1,076	997
Deposits with financial institution	1,832	2,252
Total	**2,908**	**3,249**

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, 2021		March 31, 2020	
	Indian Entities	Outside India Entities	Indian Entities	Outside India Entities
Discount Rate per annum	6.70%	1.70%- 8.90%	6.60%	1.70%- 8.90%
Future salary increases	8.00%	1% - 8%	8.00%	1% - 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, 2021	March 31, 2020
Gratuity (Continued operations)	288	515

(viii) The following table shows breakdown of the defined benefit obligation and plan assets by country:

Plan Type	March 31, 2021			March 31, 2020		
	India	Outside India	Total	India	Outside India	Total
Present value of obligation	2,360	4,236	**6,596**	2,125	4,715	**6,840**
Fair value of plan asset	1,610	1,298	**2,908**	1,492	1,757	**3,249**
Net liability	**750**	**2,938**	**3,688**	**633**	**2,958**	**3,591**

(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, 2021	March 31, 2020		March 31, 2021	March 31, 2020		March 31, 2021	March 31, 2020
Discount Rate per annum	0.50%	0.50%	Decrease by	(41)	(79)	Increase by	44	85
Future salary increases	0.50%-1%	0.50%-1%	Increase by	95	176	Decrease by	(83)	(155)
Pension rate per annum	0.50%	0.50%	Decrease by	(34)	9	Increase by	80	(14)
Life expectancy	1 year	1 year	Decrease by	(2)	(3)	Increase by	2	3

* Continuing operations

^ Continuing operations and Discontinued operations

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.

(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, 2020: 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
March 31, 2021					
Defined benefit obligation (pension & gratuity) of continuing operations	261	354	1,171	4,308	6,094
March 31, 2020					
Defined benefit obligation (pension & gratuity)	280	254	1,044	3,722	5,300

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 from continuing operations, amounting ₹ 13,267 million (March 31, 2020 : ₹ 14,214 million).

C. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India, however, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued by the Government of India. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

22 Government grants

	March 31, 2021	March 31, 2020
Opening balance	2,790	2,428
Grants received during the year	1,437	1,466
Released to profit or loss (Refer note 26)	(1,459)	(1,159)
Released to profit and loss of discontinued operation (refer note 51)	(32)	(51)
Transferred to discontinued operation (refer note 51)	(252)	-
Exchange differences	113	106
Closing balance	**2,597**	**2,790**

	March 31, 2021	March 31, 2020
Current portion	455	357
Non-current portion	2,142	2,433
Total	**2,597**	**2,790**

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, 2021	March 31, 2020
Non-Current tax assets (net)	1,843	3,732
Current tax liabilities (net)	3,342	3,623
Net tax liabilities / (Assets)	**1,499**	**(109)**

24 (a) Other non-current liabilities

	March 31, 2021	March 31, 2020
Advance from Customers (Refer Note 45)	45	21
Unearned Revenue (Refer Note 45)	1,242	1,418
Others	342	232
	1,629	**1,671**

24 (b) Other current liabilities

	March 31, 2021	March 31, 2020
Other current liabilities		
- Unearned Revenue (Refer Note 45)	1,500	1,173
- Statutory dues payable	5,809	6,400
- Advances received from customers (Refer Note 45)	3,310	2,730
- Other payables	4,126	3,475
	14,745	**13,778**

25 (a) Revenue from contract with customers

	For the year ended	
	March 31, 2021	March 31, 2020
Sales of products		
Finished goods		
Within India	34,611	37,080
Outside India	527,020	551,396
Traded goods	2,530	9,502
Total gross sales	**564,161**	**597,978**
Sales of services	5,352	4,805
Total revenue from contract with customers (Refer Note 41 & 45)	**569,513**	**602,783**

Note: There is no material difference between the contract price and the revenue from contract with customers.

25 (b) Other operating revenue:

	For the year ended	
	March 31, 2021	March 31, 2020
Scrap sales	475	379
Recovery from customers	1,137	1,625
Export incentives	75	191
Liabilities written back to the extent no longer required	345	489
Miscellaneous income	2,154	1,822
	4,186	**4,506**

26 Other income

	For the year ended	
	March 31, 2021	March 31, 2020
Interest income	656	358
Dividend income from equity investments designated at fair value through OCI	0	6
Profit on sales of fixed assets	-	40
Rent income (Refer Note 4)	174	182
Government grants & subsidies (Refer Note 22)	1,459	1,159
Foreign exchange gain (net)	-	501
Miscellaneous income	4	0
Total	**2,293**	**2,246**

27 Cost of materials consumed

	For the year ended	
	March 31, 2021	March 31, 2020
Opening stock of raw materials	29,447	25,420
Addition on account of business combination (Refer note 50)	-	369
Add : Purchases of raw materials	342,273	356,935
Less: Closing stock of raw materials	30,963	29,447
Add: Exchange adjustment:		
Exchange differences opening stock (gain)/loss	1,161	390
Exchange differences closing stock (loss)/gain	(1,498)	1,803
Less: Cost of materials consumed in discontinued operations*	13,662	12,620
Total	**326,758**	**342,850**

*net of cost of materials consumed with respect to purchases from continuing operations (refer note 51)

28 Changes in inventory of finished goods, work in progress and stock in trade

	For the year ended	
	March 31, 2021	March 31, 2020
(Increase)/ decrease in stocks		
Stock at the opening of the year:		
Finished goods	9,496	8,736
Work-in-progress	7,390	7,252
Stock in trade	295	324
Total A	**17,181**	**16,312**
Add: Addition on account of business combination (Refer note 50)		
Finished goods	-	7
Work-in-progress	-	194
Total B	**-**	**201**
Stock at the end of the year:		
Finished goods	10,771	9,496
Work-in-progress	8,644	7,390
Stock in trade	327	295
Total C	**19,742**	**17,181**
Exchange adjustment:		
Exchange differences opening stock (gain)/loss	535	202
Exchange differences closing stock (loss)/gain	(172)	611
Total D	**364**	**813**
Less: Changes in inventory of discontinued operations (refer note 51)	(386)	407
(Increase)/ decrease in stocks (A+B-C+D)	**(1,812)**	**(262)**

29 Employee benefit expense

	For the year ended	
	March 31, 2021	March 31, 2020
Salary, wages & bonus	118,884	123,182
Contribution to provident, superannuation & other fund	13,267	14,214
Gratuity & pension (Refer note 21)	646	592
Staff welfare expenses	6,511	5,518
Restructuring/ severance costs	1,688	220
Total	**140,996**	**143,726**

30 Other expenses

	For the year ended	
	March 31, 2021	March 31, 2020
Electricity, water and fuel	9,197	9,905
Repairs and Maintenance:		
Machinery	6,939	7,387
Building	1,363	1,748
Others	2,376	2,132
Consumption of stores and spare parts	2,575	2,708
Conversion charges	800	715
Lease rent (Refer note 46)	2,411	2,987
Rates & taxes	1,550	1,307
Insurance	1,623	1,381
Foreign exchange losses (net)	566	-
Donation	62	82
Travelling	1,140	3,343
Freight & forwarding	7,643	7,849
Royalty	55	79
Commission	27	28
Loss on sale of property, plant & equipment(net)	111	-
Bad debts/advances written off	213	66
Provision for doubtful debts/advances	387	42
Legal & professional expenses (Refer note (a) below)	7,111	6,753
Miscellaneous expenses	16,986	18,823
Total	**63,135**	**67,335**

(a): Payment to Group Auditors:

	For the year ended	
	March 31, 2021	March 31, 2020
As Auditor:		
Audit fees (including limited review)	161	144
Other services	9	2
Reimbursement of expenses	1	8
Total	**172**	**154**

31 Finance costs

	For the year ended	
	March 31, 2021	March 31, 2020
Interest on long term borrowings	2,740	596
Interest on lease liabilities (Refer Note 46)	760	725
Commitment charges on borrowings	131	137
Other finance costs [1]	1,484	4,470
Total	**5,115**	**5,928**

[1] Includes foreign exchange loss/(gain) on long term loan facilities.

32 Depreciation and amortization expense

	For the year ended	
	March 31, 2021	March 31, 2020
Depreciation on Property, plant and equipment[2]	21,117	19,558
Depreciation of right to use assets[2]	4,283	3,947
Amortization on Intangible assets	3,835	3,579
Depreciation on Investment Property[2]	42	137
Less: Capitalised during the year[1]	(17)	(11)
Total	**29,260**	**27,210**

[1] Depreciation on assets used for creation of self generated assets. (Refer Note 3)

[2] Depreciation includes impairment of property, plant and equipments, right-to-use assets and investment properties (Refer Note 3 & 4)

33 Income tax expense

(a) Income tax expense

	For the year ended	
	March 31, 2021	March 31, 2020
Current tax		
Current income tax charged	6,260	8,094
Adjustments for current tax of prior years	(194)	(339)
Total current tax expense	**6,066**	**7,755**
Deferred tax (Refer note 11)		
Decrease / (increase) in deferred tax assets	(4,824)	559
Less: Decrease / (increase) in deferred tax assets of discontinued operations	(9)	(15)
(Decrease) / increase in deferred tax liabilities	(1,927)	(1,418)
Total deferred tax expense / (benefit)	**(6,760)**	**(874)**
Income tax expense	**(694)**	**6,881**

During the year ended March 31, 2021, the Group has recognized deferred tax assets (net benefit) amounting to ₹ 6,760 million, which include amongst others, deferred tax assets on carried-forward tax losses for the periods prior to the year ended March 31, 2020, which in the absence of convincing evidence were not recognized earlier and also includes deferred tax on temporary differences. The Group has assessed that these deferred tax assets will be fully recovered / utilised prior to the expiry or lapse of the associated carried forward as per the tax regulations applicable in respective jurisdiction. Such assessments include estimates of future taxable income based on the approved business plans and profitability forecasts of the Group's subsidiaries.

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, 2021	March 31, 2020
Profit before tax from continuing operations	**11,733**	**16,222**
Tax at India's tax rate of 25.168% (March 2020: 25.168%)	2,953	4,083
Tax effect of amounts which are not deductible in calculating taxable income (net off exempt income)	356	957
Withholding, local and additional income taxes	931	603
Effect of tax credits	(1,000)	(608)
Recognition and utilisation of previously unrecognised tax losses	(3,068)	(1,529)
Adjustments for current tax of prior periods	(194)	(339)
Tax effect of losses on which deferred tax assets not recognised	973	3,117
Difference in overseas tax rates	(1,047)	350
Other adjustments	(598)	247
Income tax expense of continuing operations	**(694)**	**6,881**
Profit before tax from discontinued operations	**4,396**	**4,906**
Tax at India's tax rate of 25.168% (March 2020: 25.168%)	1,106	1,235
Other adjustments	23	68
Income tax expense of discontinued operations	**1,129**	**1,303**

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, 2021 (March 31, 2020: 25%). 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 ₹ 32,950 million (March 31,2020: ₹ 44,486 million) that can be carried forward against future taxable income. These losses can be carried-forward as below:

	March 31, 2021	March 31, 2020
Losses without expiration date	28,472	39,608
Losses with expiration date	4,478	4,878
	32,950	**44,486**

(d) Certain subsidiaries, joint ventures and associates of the group have undistributed retained earnings (excluding retained earnings for entities where there is no tax liabiltiy to the group on dividend distribution) amounting to ₹ 48,803 million (March 31, 2020: ₹ 47,266 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 balance.

34 Earnings per share

		March 31, 2021	March 31, 2020
For continuing operations			
a)	**Basic**		
	Net profit after tax available for equity Shareholders of parent entity	7,124	8,098
	Weighted Average number of equity shares used to compute basic earnings per share	3,157,934,237	3,157,934,237
	Basic earnings (in ₹) per share of ₹ 1 each (March 31, 2020: ₹ 1 each)	**2.26**	**2.57**
b)	**Diluted**		
	Net profit after tax available for equity Shareholders of parent entity	7,124	8,098
	Weighted average number of Equity Shares of ₹ 1 each (March 31, 2020 : ₹ 1 each)	3,157,934,237	3,157,934,237
	Diluted earnings (in ₹) per share of ₹ 1 each (March 31, 2020: ₹ 1 each)	**2.26**	**2.57**
For discontinued operations			
a)	**Basic**		
	Net profit after tax available for equity Shareholders of parent entity	3,267	3,603
	Weighted Average number of equity shares used to compute basic earnings per share	3,157,934,237	3,157,934,237
	Basic earnings (in ₹) per share of ₹ 1 each (March 31, 2020: ₹ 1 each)	**1.03**	**1.14**
b)	**Diluted**		
	Net profit after tax available for equity Shareholders of parent entity	3,267	3,603
	Weighted average number of Equity Shares of ₹ 1 each (March 31, 2020 : ₹ 1 each)	3,157,934,237	3,157,934,237
	Diluted earnings (in ₹) per share of ₹ 1 each (March 31, 2020: ₹ 1 each)	**1.03**	**1.14**
For continuing and discontinued operations			
a)	**Basic**		
	Net profit after tax available for equity Shareholders of parent entity	10,392	11,701
	Equity shares outstanding at the beginning of the year	3,157,934,237	3,157,934,237
	Weighted Average number of equity shares used to compute basic earnings per share	3,157,934,237	3,157,934,237
	Basic earnings (in ₹) per share of ₹ 1 each (March 31, 2020: ₹ 1 each)	**3.29**	**3.71**
b)	**Diluted**		
	Net profit after tax available for equity Shareholders of parent entity	10,392	11,701
	Weighted average number of Equity Shares of ₹ 1 each (March 31, 2020 : ₹ 1 each)	3,157,934,237	3,157,934,237
	Diluted earnings (in ₹) per share of ₹ 1 each (March 31, 2020: ₹ 1 each)	**3.29**	**3.71**

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, 2021	76,938	5,061	71,877
As on March 31, 2020	69,277	3,495	65,782

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, 2021	27,776	5,735	22,041
As on March 31, 2020	38,766	10,294	28,472

36 Fair value measurements

Financial instruments by category

	March 31, 2021			March 31, 2020		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments	-	1,299	-	-	1,620	-
Trade receivables	-	-	71,877	-	-	65,782
Loans	-	-	717	-	-	490
Cash and cash equivalents	-	-	58,994	-	-	48,688
Bank balances other than above	-	-	68	-	-	101
Derivative financial assets	35	1,218	-	87	873	-
Other financial assets	-	-	24,016	-	-	31,150
Total financial assets	**35**	**2,517**	**155,672**	**87**	**2,493**	**146,211**
Financial Liabilities						
Borrowings including current maturities	-	-	106,632	-	-	117,701
Lease liabilities	-	-	12,664	-	-	13,663
Derivative financial liabilities	86	1,760	-	82	3,365	-
Trade payable	-	-	111,406	-	-	103,091
Other financial liabilities	-	-	35,056	-	-	32,419
Total financial liabilities	**86**	**1,760**	**265,758**	**82**	**3,365**	**266,874**

i. Fair value hierarchy

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2021

	Notes	Level1	Level 2	Level 3	Total
Financial asset					
Financial Investments at FVOCI					
Listed equity investments	6(a), 6(b)	12	-	-	12
Unquoted equity investments	6(a), 6(b)	-	1,092	195	1,287
Derivatives designated as hedges					
Foreign exchange forward contracts	9	-	1,197	-	1,197
Cross currency interest rate swap	9	-	21	-	21
Derivatives not designated as hedges					
Foreign exchange forward contracts	9	-	-	35	35
Total		**12**	**2,310**	**230**	**2,552**
Financial liabilities					
Derivatives designated as hedges					
Cross currency interest rate swap	18	-	1,633	-	1,633
Foreign exchange forward contracts	18	-	127	-	127
Total		**-**	**1,760**	**-**	**1,760**

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2020

	Notes	Level1	Level 2	Level 3	Total
Financial asset					
Financial Investments at FVOCI					
Listed equity investments	6(a), 6(b)	8	-	-	8
Unquoted equity investments	6(a), 6(b)	-	1,417	195	1,612
Derivatives designated as hedges					
Foreign exchange forward contracts	9	-	29	-	29
Cross currency interest rate swap	9	-	844	-	844
Derivatives not designated as hedges					
Cross currency interest rate swap	9	-	-	87	87
Total		**8**	**2,290**	**282**	**2,580**
Financial liabilities					
Derivatives designated as hedges					
Cross currency interest rate swap	18	-	875	-	875
Foreign exchange forward contracts		-	2,490	-	2,490
Total		**-**	**3,365**	**-**	**3,365**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	Level1	Level 2	Level 3	Total
At March 31, 2021				
Financial liabilities				
Borrowings [1 & 2]	26,159	26,220	54,319	106,698
Total financial liabilities	**26,159**	**26,220**	**54,319**	**106,698**
At March 31, 2020				
Financial liabilities				
Borrowings [1 & 2]	48,596	-	61,974	110,570
Total financial liabilities	**48,596**	**-**	**61,974**	**110,570**

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.

[1] Includes 3.7% senior secured notes due 2025 amounting to EUR 100 million, [₹ 8,327 million (March 31, 2020: ₹ 7,214 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.

[2] The Company has taken interest rate swap for the borrowing with fixed interest rate amounting to ₹ 5,750 million (March 31,2020: ₹ 5,750 million), because of this, effective finance cost to the company is at current market rate.

During the financial year 2020-21, the Company has taken interest rate swap for the borrowing with fixed interest rate amounting to ₹ 21,300 million and ₹ 8,500 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, 2019	2,383
Converted as subsidiary (Refer note 50)	(52)
Disposals	(2)
Exchange gain / (loss)	111
Gains / (losses) recognised in other comprehensive income	(828)
As at March 31, 2020	**1,612**
Addition	73
Exchange gain / (loss)	44
Gains / (losses) recognised in other comprehensive income	(442)
As at March 31, 2021	**1,287**

iv. Fair value of financial assets and liabilities measured at amortised cost

	March 31, 2021		March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans	445	445	177	177
Trade receivables	14,946	14,946	13,998	13,998
Other financial assets	493	493	617	617
	15,884	**15,884**	**14,792**	**14,792**
Financial liabilities				
Borrowings	106,632	106,698	117,701	110,570
Lease liabilities	12,664	12,664	13,663	13,663
Other financial liabilities	6,004	6,004	3,794	3,794
	125,300	**125,366**	**135,158**	**128,027**

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	
Particulars	March 31, 2021	March 31, 2020
Unquoted equity shares	195	195
Significant unobservable inputs#		
Earnings growth rate	4%	4%
Risk adjusted discount rate	16%	16%
Impact of change in risk adjusted discount rate*		
Decrease in discount rate by 0.50%	19	19
Increase in discount rate by 0.50%	(17)	(17)
Impact of change in earning growth rate*		
Decrease in growth rate by 0.50%	(14)	(14)
Increase in growth rate by 0.50%	16	16

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.

The derivative instruments exposure is as follows:

(i) Derivatives outstanding as at the reporting date

			Amounts in million
Particulars/ Purpose	**Currency**	**March 31, 2021**	**March 31, 2020**
Forward Contract (Buy)	HUF : EUR	HUF 9,120; INR 2,126	HUF 19,466; INR 4,816
	USD : EUR	USD 8; INR 557	-
	EUR : USD	-	EUR 8 ; INR 685
	USD : MXP	USD 150 ; INR 11,000	USD 77 ; INR 5,782
	MXP : USD	MXP 1,383; INR 4,552	MXP 2,192; INR 7,970
	CNY : EUR	-	CNY 92; INR 949
	EUR : CNY	-	EUR 0; INR 11
	USD : AUD	USD 1; INR 80	-
Forward Contract (Sell)	CNY : EUR	CNY 52; INR 542	-
	EUR : THB	EUR 6 ; INR 512	EUR 2 ; INR 198
	USD : AUD	-	USD 15; INR 1,056
	EUR : KRW	-	EUR 7 ; INR 601
Cross currency swap	USD : EUR	USD 80; INR 6,361	USD 80; INR 5,755
	INR : EUR	INR 5,750; EUR 81	INR 5,750; EUR 81
	INR : EUR	INR 21,631; EUR 250	-
	INR : USD	INR 8,298; USD 100	-
	USD : EUR	USD 85; INR 6,372	USD 295; INR 21,875
	USD_MXP	-	USD 15; INR 1,038
	USD : BRL	-	USD 5; INR 290
	USD : EUR	USD 2; INR 146	USD 2; INR 151
	CNY : BRL	-	CNY 5; INR 53

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 82% (previous year 87%) of long term debt (i.e. more than 75% of gross debt) is borrowed at a fixed rate of interest in a range of 0.5% p.a. to 7.84% p.a. (March 31, 2020 0.6% p.a. to 8.75% p.a.)

The exposure of the Group's borrowing to interest rate changes at the end of reporting period are as follows:

	March 31, 2021	March 31, 2020
Variable rate borrowings	22,519	40,399
Fixed rate borrowings	84,113	77,302
Total borrowings	**106,632**	**117,701**

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, 2021	March 31, 2020
Interest rates-increase by 50 basis points*	(113)	(202)
Interest rates-decrease by 50 basis points*	113	202

* 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, 2021	March 31, 2020
Floating rate	66,777	56,576

(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, 2021	Less than 1 Year	Between 1 and 5 years	More than 5 Years	Total
Non-derivatives				
Borrowings	34,413	78,823	425	**113,661**
Lease liabilities	3,953	8,868	2,140	**14,961**
Trade payables	111,406	-	-	**111,406**
Other financial liabilities	29,052	6,004	-	**35,056**
Total non-derivative liabilities	**178,824**	**93,695**	**2,565**	**275,084**
Derivatives (net settled)				
Foreign exchange forward contracts	1,774	72	-	**1,846**
Total derivative liabilities	**1,774**	**72**	**-**	**1,846**

Year Ending March 31, 2020	Less than 1 Year	Between 1 and 5 years	More than 5 Years	Total
Non-derivatives				
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**
Total non-derivative liabilities	**172,454**	**89,546**	**14,197**	**276,197**
Derivatives (net settled)				
Foreign exchange forward contracts	3,447	-	-	**3,447**
Total derivative liabilities	**3,447**	**-**	**-**	**3,447**

Impact of hedging activities

a Disclosure of effects of hedge accounting on financial position

March 31, 2021

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					
Cash flow hedge								
(i) Foreign exchange forward contracts	MXP 819	93		Apr'2021 - Mar'2022	1:1	USD:MXP : 21.4924	93	(93)
	MXP 88	8		Apr'2021 - Mar'2022	1:1	USD:MXP : 21.2708	8	(8)
	MXP 1,670	96		Apr'2021 - Mar'2022	1:1	USD:MXP : 21.1779	96	(96)
	HUF 16,456	17		May'2021 - Feb'2022	1:1	EUR:HUF : 367.33	17	(17)
	AUD 7	-	6	Apr'2021 - Jul'2021	1:1	USD:AUD : 1.2938	(6)	6
	MXP 313	211		Apr'2021 - Mar'2022	1:1	USD:MXP : 26.1038	211	(211)
	CNY 33	31		Apr'2021 - Oct'2021	1:1	EUR:CNY : 1.2721	31	(31)
	USD 11	4	1	Dec'2022 - Mar'2023	1:1	MXP:USD : 0.0442	2	(2)
	USD 52	368	-	Apr'2021 - Mar'2022	1:1	MXP:USD : 0.0432	368	(368)
	MXP 476	(183)		Jun'2021 - Mar'2022	1:1	USD:MXP : 23.7957	(183)	183
	EUR 8		12	Apr'2021 - Mar'2022	1:1	USD:EUR : 0.8308	(12)	12
(ii) Cross currency interest rate swap	USD 7		37	Dec'2021	1:1	EUR:USD : 1.0900	(40)	40
	USD 60	21	7	Aug'2023	1:1	EUR:USD : 1.1676	(337)	342
	USD 80	-	498	Mar'2022	1:1	EUR:USD: 1.0783	431	(431)
	INR 5,750	-	1135	Mar'2022	1:1	EUR:INR: 70.5900	328	(328)
	INR 8,636		64	Oct'2025	1:1	EUR:INR: 86.3590	(64)	64
	INR 12,995	347		Sep'2023	1:1	EUR:INR: 86.6321	347	(347)
	INR 8,298	204		Sep'2023	1:1	USD:INR: 74.4326	204	(204)

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					
Cash flow hedge								
(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:70.5900	351	(351)

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:

	March 31, 2021	March 31, 2020
Net Debt	48,068	68,973
EBITDA	46,195	50,333
Net Debt to EBITDA^	**1.04**	**1.37**

^ Net Debt and EBITDA is inclusive of discontinued operations to make the ratio comparable.

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

	March 31, 2021	March 31, 2020
On Equity shares of ₹ 1 each		
Dividend		
Amount of dividend paid	-	9,474
Dividend per equity share	-	3.00

39 Distribution made and proposed

	March 31, 2021	March 31, 2020
Cash dividends on equity shares declared and paid		
Final cash dividend for the year ended on March 31, 2020: Nil per share (March 31, 2019: ₹ 1.5) per share	-	4,737
DDT on final dividend*	-	915
Interim dividend for the year ended on March 31, 2021: Nil per share (March 31, 2020: ₹ 1.5 per share)	-	4,737
DDT on proposed dividend	-	425
	-	**10,814**
Proposed dividends on Equity shares		
Final cash dividend for the year ended on March 31, 2021: ₹ 1.50 (March 31, 2020: Nil) per share	4,737	-
	4,737	**-**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31.

* Amount of dividend distribution tax (DDT) is net of withholding tax credit on dividend received from subsidiary company

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	Ownership interest		
		Place of incorporation	March 31, 2021	March 31, 2020
1	Samvardhana 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 Kansei 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 Eissmann SMP Automotive interieur Slovakia s.r.o.

c. Associate Companies:

1 Saks Ancillaries Limited

2 Re-time Pty Limited (became subsidiary from August 08, 2019)

3 Hubei 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, 2021	March 31, 2020
Short-term employee benefits	292	250
Directors commission/sitting fees	40	26
Post-employment benefits payable	50	46
Long-term employee benefits payable	16	16

Terms and conditions:

Transactions relating to sales and purchase of goods with related parties during the year are based on the price lists in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions and at market rates.

There is no significant allowance for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.Outstanding balances are unsecured and are repayable in cash.

(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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
1	Sale of products	-	-	5,799	5,697	-	-	1	1	286	383
2	Sales of services	-	-	488	617	16	41	39	4	135	74
3	Rent income	-	-	25	23	-	-	-	-	45	56
4	Sale of property, plant and equipment	-	-	-	-	-	-	0	0	0	-
5	Purchase of goods	-	-	5,134	2,844	-	-	5,803	5,819	1,941	1,900
6	Purchase of property, plant and equipment & Right-of-use assets	-	-	-	-	-	-	34	84	529	1,883
7	Purchase of services	-	-	0	7	2	-	356	44	3,183	3,515
8	Rent expense	-	-	-	-	5 *	5 *	40	45	169	315
9	Payment of lease liability	-	-	-	-	-	-	-	-	192	180
10	Payment of interest on lease liabilities	-	-	-	-	-	-	-	-	80	70
11	Reimbursement made	-	-	0	0	-	0	7	17	88	80
12	Reimbursement received	0	1	0	0	-	-	5	1	12	8
13	Royalty	-	-	-	-	-	-	279	312	-	-
14	Dividend paid	-	-	-	-	0 **	270 **	-	5,545	48	10
15	Dividend received	-	-	-	101	-	-	-	-	-	2

* Rent of ₹ 5 million (March 31, 2020: ₹ 5 million) paid to Mr. V.C Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, and Ms. Vidhi Sehgal.

**Dividend of Nil (March 31, 2020 : ₹ 270 million) paid to Mr. V. C. Sehgal, Mr. Laksh 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. Gautam 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
1	Trade Payable	-	-	756	538	0	-	2,045	2,070	949	1,018
2	Trade Receivable	-	-	1,168	853	-	-	10	2	128	175
3	Capital advances	-	-	-	-	-	-	-	-	31	1
4	Advances recoverable	-	-	-	-	-	-	-	-	95	152
5	Investments*	-	-	-	-	-	-	-	-	14	14
6	Advances from customer	-	-	3	-	-	-	1	1	-	0

* Investment in joint venture and associates companies are not diclosed 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
i.	**Security deposits given:**										
	Beginning of the year	-	-	-	-	-	-	-	-	480	509
	Security deposit given	-	-	-	-	-	-	-	-	68	76
	Security deposits received back	-	-	-	-	-	-	-	-	(108)	(105)
	End of the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**440**	**480**
ii.	**Security Deposit Received:**										
	Beginning of the year	-	-	35	35	-	-	-	-	15	15
	Security deposits received	-	-	-	-	-	-	-	-	2	2
	Security deposits repaid	-	-	(1)	-	-	-	-	-	-	(2)
	End of the year	**-**	**-**	**34**	**35**	**-**	**-**	**-**	**-**	**17**	**15**
iii.	**Loans given:**										
	Beginning of the year	-	-	-	-	-	-	-	-	222	34
	Loans given	-	-	-	-	-	-	-	-	396	216
	Interest income	-	-	-	-	-	-	-	-	31	6
	Loans & interest received back	-	-	-	-	-	-	-	-	(64)	(34)
	End of the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**585**	**222**
iv.	**Loans taken:**										
	Beginning of the year	-	-	-	-	-	-	-	1	2,484	5,789
	Loans received	-	-	-	-	-	-	500	-	3,858	4,424
	Interest expense	-	-	-	-	-	-	18	-	88	299
	Loans repaid & interest paid	-	-	-	-	-	-	(518)	(1)	(5,802)	(8,028)
	End of the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**628**	**2,484**

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.

Revenue from operation (excludes interest income & Foreign exchange gain)

	March 31, 2021	March 31, 2020
MSSL Standalone	36,692	39,850
SMR	113,630	124,029
SMP	306,476	320,998
PKC	90,056	93,822
Others	41,286	44,240
Total	**588,140**	**622,939**
Segment revenue from discontinued operation (MSSL Standalone segment) (refer note 51)	41,382	39,439
Less: Intersegment	27,568	27,010
Total revenue from operation as per profit and loss statement	**601,954**	**635,368**

Disaggregated revenue from external customer information

Continuing operations		
India	31,308	34,789
Germany	128,390	137,034
Spain	28,140	37,059
USA	91,196	98,321
China	68,898	44,986
Others*	**212,993**	**244,123**
Discontinued operations (refer note 51)		
India	40,996	39,024
China	24	18
Others*	9	14
	601,954	**635,368**

* None of the other countries contribute materially to the revenue of the group.

Type of goods or Services

	March 31, 2021	March 31, 2020
Continuing operations		
Sales of Components	509,161	532,146
Tool development	42,226	54,860
Assembly of components	2,176	2,737
Others operating revenue	3,176	2,062
Discontinued operations (refer note 51)		
Sales of Components	40,465	38,726
Assembly of components	282	141
Others operating revenue	67	33
Total revenue from contracts with customers	**597,553**	**630,705**

Timing of revenue recognition

	March 31, 2021	March 31, 2020
Continuing operations		
As a point in time	514,852	538,763
Over a period of time	41,887	53,042
Discontinued operations (refer note 51)		
As a point in time	40,814	38,900
Total revenue from contracts with customers	**597,553**	**630,705**

(c) EBITDA

	March 31, 2021	March 31, 2020
MSSL Standalone	4,892	6,154
SMR	12,209	14,598
SMP	17,932	12,930
PKC	5,827	9,457
Others	4,286	5,378
Total	**45,146**	**48,517**
EBITDA from discontinued operations (MSSL Standalone segment) (refer note 51)	4,984	5,531
Add: unallocated income / (expenses)		
Dividend Income	0	6
Interest income from continuing and discontinued operations	658	361
Less: Intersegment	(80)	95
Total EBITDA	**50,868**	**54,320**
Depreciation	(29,764)	(27,780)
Finance costs	(5,113)	(5,928)
Company's share in net profit / (loss) of associates and joint ventures accounted for using the equity method	849	575
Income tax expense	694	(6,881)
Finance costs - discontinued operations	(89)	(58)
Income tax expense - discontinued operations	(1,129)	(1,303)
Profit after tax	**15,693**	**12,945**

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, 2021	March 31, 2020
MSSL Standalone	60,439	43,415
SMR	100,520	95,556
SMP	235,530	227,734
PKC	55,732	50,907
Others	149,184	151,011
Total	**601,405**	**568,623**
Add: Discontinued operation (MSSL Standalone segment) (refer note 51)	17,530	-
Less: Intersegment	160,160	131,603
Unallocated:		
Deferred Tax	10,224	5,030
Non-current Tax	1,843	3,732
Deferred Tax - discontinued operations	259	-
Non-current Tax - discontinued operations	0	-
Other corporate assets and investments	9,747	9,176
Total assets as per balance sheet	**480,850**	**454,958**

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, 2021	March 31, 2020
India	24,564	23,741
Germany	42,716	38,287
Spain	11,741	14,491
USA	27,005	29,491
China	13,557	12,320
Others*	104,011	109,854
	223,594	**228,184**

* 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, 2021	March 31, 2020
MSSL Standalone	1,904	3,471
SMR	2,796	4,068
SMP	11,342	10,825
PKC	2,989	2,852
Others	294	726
	19,325	**21,942**

(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, 2021	March 31, 2020
MSSL Standalone	59,590	29,525
SMR	48,826	51,455
SMP	216,582	203,986
PKC	36,068	32,580
Others	38,726	44,636
Total	**399,792**	**362,182**
Add: Discontinued operation (MSSL Standalone segment) (refer note 51)	8,353	-
Less: Intersegment	159,792	131,243
Deferred Tax	3,363	4,627
Current Tax	3,342	3,623
Other common / unallocated liabilities	59,953	67,509
Total	**315,011**	**306,698**

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, 2021	March 31, 2020
Property, plant and equipment		
Estimated value of contracts in capital account remaining to be executed, (Net of Advances of ₹ 1,302 million (March 31, 2020: ₹ 887 million))	4,580	4,428
Estimated value of contracts of discontinued operations in capital account remaining to be executed , (net of advances of ₹ 8 million)	135	-
Investment Property		
Estimated value of purchase consideration outstanding, (net of advances of Nil (March 31, 2020: ₹ 110 million))	-	-
Total	**4,580**	**4,428**
Other Commitments		
Bank Guarantee	315	487
Others	72	160

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, 2021	March 31, 2020
Excise, sales tax and service tax matters #	95	106
Other tax matters	83	-
Claims made by workmen	169	146
Income tax matters	150	207
Unfulfilled export commitment under EPCG scheme	28	115
Others (refer note 'c' below)	2,821	3,263

Against which Group has given bank guarantees amounting to Nil (March 31, 2020 : ₹ 2 million)

(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) 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, 2021, both the conditions have been fulfilled however headcount level needs to be sustained for 5 years therefore the Group may be contingently liable for ₹ 2,518 million (March 31, 2020: ₹ 2,447 million) in the event of non-compliance of subsidy conditions by the subsidiary in the future.

(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 48

44 Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are

	March 31, 2021	March 31, 2020
Current:		
Financial assets		
Floating charge		
Cash and cash equivalents	21,330	25,286
Inventories	24,787	22,576
Receivables	23,598	27,024
Other current assets	18,527	21,854
Total current assets pledged as security	**88,242**	**96,740**
Non Current:		
First charge		
Freehold land	3,035	3,260
Buildings	28,182	30,805
Plant & Machinery	39,042	44,713
PPE under finance lease	-	3,567
Investment Property	835	747
Other non current assets	8,087	9,689
Total non current assets pledged as security	**79,182**	**92,781**
Total assets pledged as security	**167,424**	**189,521**

Further, loan amounting to ₹ 12,010 million (March 31, 2020: ₹ 11,789 million) has been obtained against security of pledge of shares of an overseas subsidiary company which has been eliminated on consolidation and additional loan amounting ₹ 8,457 million loan has been taken during the financial year for which, pledge of shares of same subsidiary is to be created.

45 Ind AS 115 Revenue from contracts with customers

The transaction price allocated to the remaining performance obligations related to tool development (unsatisfied or partially unsatisfied) are, as follows:

	March 31, 2021	March 31, 2020
Within one year	31,087	27,817
More than one year	30,199	19,477
Total	**61,286**	**47,294**

Table below provides information on revenue recognised from :

	March 31, 2021	March 31, 2020
Amounts included in contract liabilities at the beginning of the year	5,543	1,717
Performance obligations partly satisfied in previous years	19,289	25,197

The table below represents summary of contract assets and liabilities relating to contracts with customers :

	March 31, 2021	March 31, 2020
Receivables	71,877	65,782
Contract assets	22,041	28,472
Contract liabilities	6,097	5,342

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. 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.

	March 31, 2021	March 31, 2020
Current lease liabilities	3,242	3,363
Non-current lease liabilities	9,422	10,300
	12,664	**13,663**

Refer note 37 (C) for maturity analysis of lease liabilities and note 3 for right-to-use assets recognised. The Company has total cash outflow of ₹ 4,624 million (March 31, 2020: ₹ 3,988 million).

Amount recognised in Statement of Profit and Loss during the year:

	March 31, 2021	March 31, 2020
Interest expense on lease liabilities (included in finance cost)	760	738
Depreciation of Right of Use assets	4,283	3,599
Lease expense derecognised	4,624	3,988
Short term and low value lease payments	2,411	3,113

47 Hyperinflation

With the effect from July 1, 2018, 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 currency.

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, 2021 has been a loss of ₹ 85 million (March 31, 2020: loss of ₹ 15 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
1	MSSL Mauritius Holdings Limited (MMHL)	Mauritius	100%	100%	0%	0%	March 31, 2021
2	Motherson Electrical Wires Lanka Private Limited	Sri Lanka	100%	100%	0%	0%	March 31, 2021
3	MSSL Mideast (FZE)	UAE	100%	100%	0%	0%	March 31, 2021
4	MSSL (S) Pte Limited	Singapore	100%	100%	0%	0%	March 31, 2021
5	Motherson Innovations Tech Limited (esrt MSSL Automobile Component Limited)	India	100%	100%	0%	0%	March 31, 2021
6	Samvardhana Motherson Polymers Limited (SMPL)	India	51%	51%	49%	49%	March 31, 2021

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
7	MSSL (GB) Limited (Jointly held by the Company and MSSL Mideast (FZE))	UK	100%	100%	0%	0%	March 31, 2021
8	Motherson Wiring System (FZE) (held by MSSL Mideast (FZE))	UAE	100%	100%	0%	0%	March 31, 2021
9	MSSL Tooling (FZE) (held by MSSL Mideast (FZE))	UAE	100%	100%	0%	0%	March 31, 2021
10	MSSL GmbH (held by MSSL Mideast (FZE))	Germany	100%	100%	0%	0%	March 31, 2021
11	Samvardhana Motherson Invest Deutschland GmbH (held by MSSL GmbH)	Germany	100%	100%	0%	0%	March 31, 2021
12	MSSL Advanced Polymers s.r.o.(held by MSSL GmbH)	Czech Republic	100%	100%	0%	0%	March 31, 2021
13	Motherson Techno Precision GmbH (held by MSSL GmbH)	Germany	100%	100%	0%	0%	March 31, 2021
14	MSSL s.r.l. Unipersonale (held by MSSL (GB) Limited)	Italy	100%	100%	0%	0%	March 31, 2021
15	Motherson Techno Precision México, S.A. de C.V (held by Motherson Techno Precision GmbH)	Mexico	100%	100%	0%	0%	March 31, 2021
16	MSSL Manufacturing Hungary Kft (held by MSSL GMBH)	Hungary	100%	100%	0%	0%	March 31, 2021
17	Motherson Air Travel Pvt Ltd (held by MSSL Mideast (FZE))	Ireland	100%	100%	0%	0%	March 31, 2021
18	MSSL Australia Pty Limited (held by MSSL Mauritius Holdings Limited)	Australia	80%	80%	20%	20%	March 31, 2021
19	Motherson Elastomers Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	100%	0%	0%	March 31, 2021
20	Motherson Investments Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	100%	0%	0%	March 31, 2021
21	MSSL Ireland Private Limited (held by MSSL (GB) Limited)	Ireland	100%	100%	0%	0%	March 31, 2021
22	MSSL Global RSA Module Engineering Limited (held by MSSL Mauritius Holdings Limited)	South Africa	100%	100%	0%	0%	March 31, 2021
23	MSSL Japan Limited (held by MSSL (S) Pte Limited)	Japan	100%	100%	0%	0%	March 31, 2021
24	Vacuform 2000 (Proprietary) Limited (held by MSSL Mauritius Holdings Limited)	South Africa	51%	51%	49%	49%	March 31, 2021
25	MSSL México, S.A. De C.V. (held by MSSL (S) Pte Limited)	Mexico	100%	100%	0%	0%	March 31, 2021

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
26	MSSL WH System (Thailand) Co., Ltd (held by MSSL (S) Pte. Ltd.)	Thailand	100%	100%	0%	0%	March 31, 2021
27	MSSL Korea WH Limited (held by MSSL (S) Pte. Ltd.)	South Korea	100%	100%	0%	0%	March 31, 2021
28	MSSL Consolidated Inc. (held by MSSL (GB) Ltd.)	USA	100%	100%	0%	0%	March 31, 2021
29	MSSL Wiring System Inc (held by MSSL Consolidated Inc.)	USA	100%	100%	0%	0%	March 31, 2021
30	Alphabet de Mexico, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%	100%	0%	0%	March 31, 2021
31	Alphabet de Mexico de Monclova, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%	100%	0%	0%	March 31, 2021
32	Alphabet de Saltillo, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%	100%	0%	0%	March 31, 2021
33	MSSL Wirings Juarez, S.A. de C.V. (held by MSSL (GB) Ltd.)	Mexico	100%	100%	0%	0%	March 31, 2021
34	Samvardhana Motherson Global Holdings Ltd. (SMGHL) (held by MSSL Mauritius Holdings Limited)	Cyprus	51%	51%	49%	49%	March 31, 2021
35	Samvardhana Motherson Automotive Systems Group B.V. (SMRPBV) (held by SMGHL and SMPL)	Netherlands	100%	100%	0%	0%	March 31, 2021
36	Samvardhana Motherson Reflectec Group Holdings Limited (SMR) (held by SMRPBV)	Jersey	98.45%	98.45%	1.55%	1.55%	March 31, 2021
37	SMR Automotive Technology Holding Cyprus Limited (held by SMR)	Cyprus	100%	100%	0%	0%	March 31, 2021
38	SMR Automotive Mirror Parts and Holdings UK Ltd (held by SMR)	UK	100%	100%	0%	0%	March 31, 2021
39	SMR Automotive Holding Hong Kong Limited (held by SMR)	Hong Kong	100%	100%	0%	0%	March 31, 2021
40	SMR Automotive Systems India Limited (Jointly held by the Company and SMR Automotive Technology Holding Cyprus Limited)	India	100%	100%	0%	0%	March 31, 2021
41	SMR Automotive Systems France S.A. (held by SMR Automotive Technology Holding Cyprus Limited)	France	100%	100%	0%	0%	March 31, 2021
42	SMR Automotive Mirror Technology Holding Hungary KFT (held by SMR Automotive Technology Holding Cyprus Limited)	Hungary	100%	100%	0%	0%	March 31, 2021

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
43	SMR Patents S.à.r.l. (held by SMR Automotive Mirror Parts and Holdings UK Ltd.)	Luxembourg	100%	100%	0%	0%	March 31, 2021
44	SMR Automotive Technology Valencia S.A.U. (held by SMR Automotive Mirror Parts and Holdings UK Ltd.)	Spain	100%	100%	0%	0%	March 31, 2021
45	SMR Automotive Mirrors UK Limited (held by SMR Automotive Mirror Parts and Holdings UK Ltd.)	UK	100%	100%	0%	0%	March 31, 2021
46	SMR Automotive Mirror International USA Inc. (held by SMR Mirrors UK Limited)	USA	100%	100%	0%	0%	March 31, 2021
47	SMR Automotive Systems USA Inc. (held by SMR Automotive Mirror International USA Inc.)	USA	100%	100%	0%	0%	March 31, 2021
48	SMR Automotive Beijing Company Limited (held by SMR Automotive Holding Hong Kong Limited)	China	100%	100%	0%	0%	March 31, 2021
49	SMR Automotive Yancheng Co. Limited (held by SMR Automotive Holding Hong Kong Limited)	China	100%	100%	0%	0%	March 31, 2021
50	SMR Automotive Mirror Systems Holding Deutschland GmbH (held by SMR Automotive Mirror Parts and Holdings UK Ltd.)	Germany	100%	100%	0%	0%	March 31, 2021
51	SMR Holding Australia Pty Limited (held by SMR Automotive Mirror Technology Holding Hungary Kft)	Australia	100%	100%	0%	0%	March 31, 2021
52	SMR Automotive Australia Pty Limited (held by SMR Holding Australia Pty Ltd.)	Australia	100%	100%	0%	0%	March 31, 2021
53	SMR Automotive Mirror Technology Hungary BT (held by SMR Automotive Technology Holding Cyprus Limited)	Hungary	100%	100%	0%	0%	March 31, 2021
54	Motherson Business Service Hungary Kft. (held by SMR Automotive Mirror Technology Hungary BT)	Hungary	100%	-	0%	-	March 31, 2021
55	SMR Automotive Modules Korea Ltd. (held by SMR Automotive Mirror Systems Holding Deutschland GmbH)	South Korea	100%	100%	0%	0%	March 31, 2021
56	SMR Automotive Beteiligungen Deutschland GmbH (held by SMR)	Germany	100%	100%	0%	0%	March 31, 2021
57	SMR Hyosang Automotive Ltd. (held by SMR Automotive Modules Korea Ltd.)	South Korea	100%	100%	0%	0%	March 31, 2021

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, 2021	March 31, 2020	March 31, 2021	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, 2021
59	SMR Automotive Systems Spain S.A.U (held by SMR Automotive Mirrors Stuttgart GmbH)	Spain	100%	100%	0%	0%	March 31, 2021
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, 2021
61	Samvardhana Motherson Corp Management Shanghai Co Ltd. (held by SMR Automotive Mirrors Stuttgart GmbH)	China	100%	100%	0%	0%	March 31, 2021
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, 2021
63	SMR Automotive Brasil Ltda. (held by SMR Automotive Mirror Technology Holding Hungary Kft)	Brazil	100%	100%	0%	0%	March 31, 2021
64	SMR Automotive System (Thailand) Limited (held by SMR Automotive Technology Holding Cyprus Limited)	Thailand	100%	100%	0%	0%	March 31, 2021
65	SMR Automotives Systems Macedonia Dooel Skopje (held by SMR Automotive Mirror Technology Holding Hungary Kft)	Macedonia	100%	100%	0%	0%	March 31, 2021
66	SMR Automotive Operations Japan K.K. (held by SMR Automotive Mirror Technology Holding Hungary Kft)	Japan	100%	100%	0%	0%	March 31, 2021
67	SMR Automotive (Langfang) Co. Ltd (held by SMR Automotive Mirror Systems Holding Deutschland GmbH)	China	100%	100%	0%	0%	March 31, 2021
68	SMR Automotive Vision System Operations USA INC (held by SMR)	USA	100%	100%	0%	0%	March 31, 2021
69	SMR Mirror UK Limited (held by SMR Automotive Vision System Operations USA INC)	UK	100%	100%	0%	0%	March 31, 2021
70	Motherson Innovations Company Limited (held by SMR)	UK	100%	100%	0%	0%	March 31, 2021

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
71	Motherson Innovations Deutschland GmbH (held by Motherson Innovations Company Limited)	Germany	100%	100%	0%	0%	March 31, 2021
72	Motherson Innovations LLC (held by Motherson Innovations Company Limited)	USA	100%	100%	0%	0%	March 31, 2021
73	Samvardhana Motherson Global (FZE) (held by SMR)	UAE	100%	100%	0%	0%	March 31, 2021
74	SMR Automotive Industries RUS Limited Liability Company (jointly held by SMR Automotive Mirror Technology Holding Hungary Kft & SMR Automotive Technology Holding Cyprus Ltd.)	Russia	100%	100%	0%	0%	March 31, 2021
75	Samvardhana Motherson Peguform GmbH (SMP) (held by SMRPBV)	Germany	100%	100%	0%	0%	March 31, 2021
76	SMP Automotive Interiors (Beijing) Co. Ltd. (held by SMRPBV)	China	100%	100%	0%	0%	March 31, 2021
77	SMP Deutschland GmbH (held by Samvardhana Motherson Peguform GmbH and SMGHL)	Germany	100%	100%	0%	0%	March 31, 2021
78	SMP Logistik Service GmbH (held by SMP Deutschland GmbH)	Germany	100%	100%	0%	0%	March 31, 2021
79	"SMP Automotive Solutions Slovakia s.r.o. (held by SMP Deutschland GmbH)"	Slovakia	100%	100%	0%	0%	March 31, 2021
80	Changchun Peguform Automotive Plastics Technology Co., Ltd.(held by SMP Deutschland GmbH)	China	50% +1share	50% +1share	50% -1share	50% -1share	March 31, 2021
81	Foshan Peguform Automotive Plastics Technology Co. Ltd. (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	China	100%	100%	0%	0%	March 31, 2021
82	Shenyang SMP Automotive Plastic Component Co. Ltd. (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	China	100%	100%	0%	0%	March 31, 2021
83	Tianjin SMP Automotive Component Company Limited (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	China	100%	100%	0%	0%	March 31, 2021
84	Shenyang SMP Automotive Trim Co., Ltd (held by Changchun Peguform Automotive Plastics Technology Co., Ltd.)	China	100%	-	0%	-	March 31, 2021

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
85	SMP Automotive Technology Management Services (Changchun) Co. Ltd. (held by SMP Deutschland GmbH)	China	100%	100%	0%	0%	March 31, 2021
86	SMP Automotive Technology Iberica S.L. (held by SMRPBV)	Spain	100%	100%	0%	0%	March 31, 2021
87	Samvardhana Motherson Peguform Barcelona S.L.U (held by SMP Automotive Technology Iberica S.L.)	Spain	100%	100%	0%	0%	March 31, 2021
88	SMP Automotive Technologies Teruel Sociedad Limitada (held by SMP Automotive Technology Iberica S.L.)	Spain	100%	100%	0%	0%	March 31, 2021
89	Samvardhana Motherson Peguform Automotive Technology Portugal S.A. (held by SMP Automotive Technology Iberica S.L.)	Portugal	100%	100%	0%	0%	March 31, 2021
90	SMP Automotive Systems Mexico S.A. de C.V. (held by SMP Automotive Technology Iberica S.L.)	Mexico	100% - 1 share	100% - 1 share	0%	0%	March 31, 2021
91	SMP Automotive Produtos Automotivos do Brasil Ltda. (held by SMP Automotive Technology Iberica S.L.)	Brazil	100% - 1 share	100% - 1 share	0%	0%	March 31, 2021
92	SMP Automotive Exterior GmbH (held by Samvardhana Motherson Peguform GmbH)	Germany	100%	100%	0%	0%	March 31, 2021
93	Samvardhana Motherson Innovative Autosystems B.V. & Co. KG (held by Samvardhana Motherson Peguform GmbH)	Germany	100%	100%	0%	0%	March 31, 2021
94	Samvardhana Motherson Innovative Autosystems Holding Company BV (held by SMR)	Netherlands	100%	100%	0%	0%	March 31, 2021
95	SM Real Estate GmbH (held by SMGHL & SMP Automotive Exterior GmbH)	Germany	100%	100%	0%	0%	March 31, 2021
96	Samvardhana Motherson Innovative Autosystems de Mexico, S.A. de C.V. (held jointly by SMR & SMP)	Mexico	100%	100%	0%	0%	March 31, 2021
97	SMP Automotive Systems Alabama Inc. (held by SMR Automotive Mirror International USA Inc.)	USA	100%	100%	0%	0%	March 31, 2021
98	Celulosa Fabril (Cefa) S.A. (held by SMP automotive technology Iberica S.L.)	Spain	50%	50%	50%	50%	March 31, 2021

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
99	Modulos Ribera Alta S.L.Unipersonal (held by Celulosa Fabril (Cefa) S.A.)	Spain	100%	100%	0%	0%	March 31, 2021
100	Motherson Innovations Lights GmbH & Co KG (held by Samvardhana Motherson Peguform GmbH)	Germany	100%	100%	0%	0%	March 31, 2021
101	Motherson Innovations Lights Verwaltungs GmbH (held by Motherson Innovations Lights GmbH & Co KG)	Germany	100%	100%	0%	0%	March 31, 2021
102	SMP Automotive Interior Modules d.o.o. Ćuprija (held by SMRC Automotive Holdings Netherlands B.V.)	Serbia	100%	-	0%	-	March 31, 2021
103	MSSL Estonia WH OÜ (held by MSSL (GB) Limited)	Estonia	100%	100%	0%	0%	March 31, 2021
104	PKC Group Oy (held by MSSL Estonia WH OÜ)	Finland	100%	100%	0%	0%	March 31, 2021
105	PKC Wiring Systems Oy (held by PKC Group Oy)	Finland	100%	100%	0%	0%	March 31, 2021
106	PKC Group Poland Sp. z o.o. (held by PKC Eesti AS)	Poland	100%	100%	0%	0%	March 31, 2021
107	PKC Wiring Systems Llc (held by PKC Wiring Systems Oy)	Serbia	100%	100%	0%	0%	March 31, 2021
108	PKC Group APAC Limited (held by PKC Wiring Systems Oy)	Hong Kong	100%	100%	0%	0%	March 31, 2021
109	PKC Group Canada Inc. (held by PKC Wiring Systems Oy)	Canada	100%	100%	0%	0%	March 31, 2021
110	PKC Group USA Inc. (held by PKC Wiring Systems Oy)	USA	100%	100%	0%	0%	March 31, 2021
111	PKC Group Mexico S.A. de C.V. (held by PKC Wiring Systems Oy)	Mexico	100%	100%	0%	0%	March 31, 2021
112	Project del Holding S.a.r.l. (held by PKC Wiring Systems Oy)	Luxembourg	100%	100%	0%	0%	March 31, 2021
113	PK Cables do Brasil Ltda (jointly held by PKC Wiring Systems Oy & Project Del Holding S.à.r.l.)	Brazil	100%	100%	0%	0%	March 31, 2021
114	PKC Eesti AS (held by PKC Wiring Systems Oy)	Estonia	100%	100%	0%	0%	March 31, 2021
115	TKV-sarjat Oy (held by PKC Wiring Systems Oy)	Finland	100%	100%	0%	0%	March 31, 2021
116	Motherson Rolling Stocks S. de R.L. de C.V. (Jointly held by TKV-sarjat Oy and MSSL (GB) Limited)	Mexico	100%	-	0%	-	March 31, 2021

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
117	PKC SEGU Systemelektrik GmbH (held by PKC Wiring Systems Oy)	Germany	100%	100%	0%	0%	March 31, 2021
118	Groclin Luxembourg S.à r.l. (held by PKC Group Poland Holding Sp. z o.o.)	Luxembourg	100%	100%	0%	0%	March 31, 2021
119	PKC Vehicle Technology (Suzhou) Co., Ltd. (held by PKC Group APAC Limited)	China	100%	100%	0%	0%	March 31, 2021
120	AEES Inc. (held by PKC Group USA Inc.)	USA	100%	100%	0%	0%	March 31, 2021
121	PKC Group Lithuania UAB (held by PKC Eesti AS)	Lithuania	100%	100%	0%	0%	March 31, 2021
122	PKC Group Poland Holding Sp. z o.o. (held by PKC Wiring Systems Oy)	Poland	100%	100%	0%	0%	March 31, 2021
123	OOO AEK (jointly held by PKC Eesti AS & TKV sarjat O)	Russia	100%	100%	0%	0%	March 31, 2021
124	Kabel-Technik-Polska Sp. z o.o. (held by Groclin Luxembourg S.à r.l.)	Poland	100%	100%	0%	0%	March 31, 2021
125	T.I.C.S. Corporation (held by AEES Inc.)	USA	100%	100%	0%	0%	March 31, 2021
126	AEES Power Systems Limited partnership (jointly held by T.I.C.S. Corporation & AEES Inc.)	USA	100%	100%	0%	0%	March 31, 2021
127	Fortitude Industries Inc. (held by AEES Inc.)	USA	100%	100%	0%	0%	March 31, 2021
128	AEES Manufactuera, S. De R.L de C.V. (held by Project del Holding S.a.r.l.)	Mexico	100%	100%	0%	0%	March 31, 2021
129	Cableodos 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, 2021
130	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, 2021
131	Arneses 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, 2021
132	Asesoria 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, 2021
133	Arneses 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, 2021

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
134	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, 2021
135	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, 2021
136	Jiangsu Huakai-PKC Wire Harness Co., Ltd. (held by PKC Group APAC Limited)	China	50%	50%	50%	50%	March 31, 2021
137	PKC Vechicle Technology (Hefei) Co, Ltd. (held by PKC Group APAC Limited)	China	50%	50%	50%	50%	March 31, 2021
138	PKC Vehicle Technology (Fuyang) Co., Ltd. (held by PKC Vechicle Technology (Hefei) Co, Ltd.)	China	100%	-	0%	-	March 31, 2021
139	Shangdong Huakai-PKC Wire Harness Co., Ltd. (held by Jiangsu Huakai-PKC Wire Harness Co., Ltd.)	China	100%	100%	0%	0%	March 31, 2021
140	Motherson Rolling Stock Systems GB Limited (held by Kabel Technik Polska Sp. z o.o.)(incorporated on February 01, 2019)	UK	100%	100%	0%	0%	March 31, 2021
141	Motherson PKC Harness Systems FZ-LLC (held by PKC Eesti AS) (incorporated on July 7, 2019)	UAE	100%	100%	0%	0%	March 31, 2021
142	Global Environment Management (FZC) (held by MSSL Mauritius Holdings Limited)	UAE	100%	100%	0%	0%	March 31, 2021
143	SMRC Automotive Holdings B.V. (held by SMRPBV, jointly held by SMRPBV and SMRC Automotive Interiors Management B.V. till March 24, 2021)	Netherlands	100%	100%	0%	0%	March 31, 2021
144	SMRC Automotive Holdings Netherlands B.V. (held by SMRC Automotive Holdings B.V.)	Netherlands	100%	100%	0%	0%	March 31, 2021
145	SMRC Automotives Techno Minority Holdings B.V. (held by SMRC Automotive Holdings Netherlands B.V.)	Netherlands	100%	100%	0%	0%	March 31, 2021
146	SMRC Smart Automotive Interior Technologies USA, LLC (held by SMRC Automotive Holdings Netherlands B.V.)	USA	100%	100%	0%	0%	March 31, 2021

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
147	SMRC Automotive Modules France SAS (held by SMRC Automotive Holdings Netherlands B.V.)	France	100%	100%	0%	0%	March 31, 2021
148	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, 2021
149	SMRC Automotive Interiors Spain S.L.U. (held by Reydel Automotive Holding Spain , S.L.U)	Spain	100%	100%	0%	0%	March 31, 2021
150	SMRC Automotive Interior Modules Croatia d.o.o (held by SMRC Automotive Holdings Netherlands B.V.)	Croatia	100%	100%	0%	0%	March 31, 2021
151	Samvardhana Motherson Reydel Autotecc Morocco SAS (held by SMRC Automotive Holdings Netherlands B.V.)	Morocco	100%	100%	0%	0%	March 31, 2021
152	SMRC Automotive Technology RU LLC (held by SMRC Automotive Holdings Netherlands B.V.)	Russia	100%	100%	0%	0%	March 31, 2021
153	SMRC Smart Interior Systems Germany GmbH (held by SMRC Automotive Holdings Netherlands B.V.)	Germany	100%	100%	0%	0%	March 31, 2021
154	SMRC Automotive Interiors Products Poland SA (held by SMRC Automotive Holdings Netherlands B.V.)	Poland	100%	100%	0%	0%	March 31, 2021
155	SMRC Automotive Solutions Slovakia s.r.o. (held by SMRC Automotive Holdings Netherlands B.V.)	Slovakia	100%	100%	0%	0%	March 31, 2021
156	SMRC Automotive Holding South America B.V. (held by SMRC Automotive Holdings Netherlands B.V.)	Netherlands	100%	100%	0%	0%	March 31, 2021
157	SMRC Automotive Modules South America Minority Holdings B.V. (held by SMRC Automotive Holdings Netherlands B.V.)	Netherlands	100%	100%	0%	0%	March 31, 2021
158	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, 2021

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
159	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, 2021
160	SMRC Automotive Products India Limited (held by SMRC Automotive Holdings Netherlands B.V.)	India	100%	100%	0%	0%	March 31, 2021
161	SMRC Automotive Smart Interior Tech (Thailand)	Thailand	100%	100%	0%	0%	March 31, 2021
162	SMRC Automotive Interiors Japan Ltd. (held by SMRC Automotive Holdings Netherlands B.V.)	Japan	100%	100%	0%	0%	March 31, 2021
163	Shanghai SMRC Automotive Interiors Tech Consulting Co. Ltd. (held by SMRC Automotive Holdings Netherlands B.V.)	China	100%	100%	0%	0%	March 31, 2021
164	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, 2021
165	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, 2021
166	SMRC Automotives Technology Phil Inc. (held by SMRC Automotive Holdings Netherlands B.V.)	Philippines	100%	100%	0%	0%	March 31, 2021
167	Motherson Ossia Innovations llc. (held by Motherson Innovations LLC)	USA	51%	51%	49%	49%	March 31, 2021
168	Re-time Pty Limited (held by SMR Automotive Australia Pty Limited)	Australia	71.4%	71.4%	28.6%	28.6%	March 31, 2021
169	Wisetime Oy (held by PKC Wiring Systems Oy) (become subsidiary w.e.f March 6, 2020)	Finland	100.0%	100.0%	0%	0%	March 31, 2021
170	Motherson Sumi Wiring India Limited	India	100.0%	-	0%	-	March 31, 2021
171	Motherson Polymers Compounding Solution Limited (merged with the Company from September 30, 2020)	India	0%	100%	0%	0%	March 31, 2021
172	SMRC Automotive Interiors Management B.V. (held by SMRPBV)* (liquidated w.e.f March 24, 2021)	Netherlands	-	100%	-	0%	March 31, 2021
173	MSSL M Tooling Ltd (liquidated w.e.f. 30.10.2020)	Mauritius	-	100%	-	0%	March 31, 2021

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
174	Samvardhana Motherson Polymers Management Germany GMBH (held by MSSL GmbH) (Merged with MSSL GmbH from August 30, 2019)	Germany	-	100%	-	0%	March 31, 2021

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.	
Summarised balance sheet	**March 31, 2021**	**March 31, 2020**
Current assets	131,017	126,377
Current liabilities	139,672	132,040
Net current assets	**(8,655)**	**(5,663)**
Non-current assets	173,692	169,188
Non-current liabilities	95,879	101,575
Net non-current assets	**77,813**	**67,613**
Net Assets	**69,158**	**61,950**
Accumulated Non controlling Interest	**35,523**	**31,621**

	Samvardhana Motherson Automotive Systems Group B.V.	
Summarised statement of profit and loss	**March 31, 2021**	**March 31, 2020**
Revenue	421,444	445,679
Profit for the year	7,539	175
Other comprehensive income	935	1,353
Total comprehensive income	**8,474**	**1,528**
Profit allocated to non controlling interest	4,731	1,018
Dividend paid to NCI	1,503	1,381

	Samvardhana Motherson Automotive Systems Group B.V.	
Summarised cash flows	**March 31, 2021**	**March 31, 2020**
Cash flows from operating activities	38,882	35,024
Cash flows from investing activities	(13,438)	(13,194)
Cash flows from financing activities	(17,730)	(11,623)
Net increase / (decrease) in cash and cash equivalents	**7,714**	**10,207**

C. Interest in associates companies consolidated using equity method of accounting

Name of the Company	Country of Incorporation	% of ownership interest March 31, 2021	Quoted fair value		Carrying amount	
			March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
SAKS Ancillaries Limited	India	40.01%	-*	-*	44	43
Hubei Zhengao PKC Automotive Wiring Company Ltd. (held by PKC)	China	40%	-*	-*	1,074	875

* 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, 2021	Quoted fair value		Carrying amount	
			March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Kyungshin Industrial Motherson Limited	India	50%	-*	-*	2,060	2,076
Calsonic Kansei Motherson Auto Products Private Limited	India	49%	-*	-*	745	685
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd. (through SMR) (Includes Chongqing SMR Huaxiang Automotive Products Limited & Tianjin SMR Huaxiang Automotive Part Co. Limited) [1]	China	50%	-*	-*	3,243	2,396
Eissmann SMP Automotive Interieur Slovensko s.r.o (through SMP Deutschland GmbH)	Slovakia	49%	-*	-*	(0)	267

* 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.

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 s.r.o
March 31, 2021				
Current assets				
Cash and cash equivalents	545	260	2,961	0
Other assets	6,496	1,830	7,255	828
Total current assets	**7,041**	**2,090**	**10,216**	**829**
Total non-current assets	2,289	1,587	2,688	613
Current liabilities				
Financial liabilities (excluding trade payables)	328	358	-	-
Other liabilities	4,440	1,271	6,228	1,223
Total current liabilities	**4,768**	**1,629**	**6,228**	**1,223**
Total non-current liabilities	440	527	191	0
Consolidation adjustments and currency translation adjustment	-	-	(0)	(219)
Net assets	**4,122**	**1,521**	**6,485**	**(0)**

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 s.r.o
March 31, 2021				
Opening net assets	4,151	1,399	4,791	545
Profit for the year	(46)	135	1,446	(353)
Impairment / Consolidation adjustments	-	-	-	(213)
Other comprehensive income	16	(13)	-	-
Exchange gain / (loss)	-	-	248	21
Dividend paid	(0)	-	-	-
Closing net assets	**4,121**	**1,521**	**6,485**	**(0)**
Group's share in %	50%	49%	50%	49%
Group's share in ₹	2,060	745	3,243	(0)
Carrying amount	**2,060**	**745**	**3,243**	**(0)**

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
March 31, 2020				
Current assets				
Cash and cash equivalents	1,009	491	1,937	186
Other assets	5,496	1,493	4,207	667
Total current assets	**6,505**	**1,984**	**6,144**	**853**
Total non-current assets	2,087	1,710	2,492	767
Current liabilities				
Financial liabilities (excluding trade payables)	3,078	981	-	-
Other liabilities	936	640	3,812	1,054
Total current liabilities	**4,014**	**1,621**	**3,812**	**1,054**
Total non-current liabilities	427	674	33	6
Consolidation adjustments and currency translation adjustment	-	-	-	(15)
Net assets	**4,151**	**1,399**	**4,791**	**545**

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 s.r.o
March 31, 2020				
Opening net assets	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)	-
Closing net assets	**4,151**	**1,399**	**4,791**	**545**
Group's share in %	50%	49%	50%	49%
Group's share in ₹	2,076	685	2,396	267
Goodwill				
Carrying amount	**2,076**	**685**	**2,396**	**267**

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 s.r.o
March 31, 2021				
Revenue	14,550	4,659	19,547	5,054
Interest income	203	68	26	-
Depreciation and amortisation	257	431	490	177
Interest expense	38	77	1	2
Income tax expense	54	46	214	-
Profit from continuing operation	(46)	135	1,446	(353)
Other comprehensive income	16	(13)	-	-
Total comprehensive income	**(30)**	**122**	**1,446**	**(353)**

	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
March 31, 2020				
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)**

F. Summarised financial information of Associate

The table below provide summarised financial information for associate that is material to the group.

Summarised balance sheet	March 31, 2021	March 31, 2020
Hubei Zhengao PKC Automotive Wiring Company Ltd.		
Current assets	5,099	3,300
Non-current assets	405	331
Total assets	**5,504**	**3,631**
Non-current liabilities	0	0
Current liabilities	2,810	1,568
Total liabilities	**2,810**	**1,568**
Net assets	**2,694**	**2,063**
Group Share %	40%	40%

Reconciliation to carrying amounts:

Hubei Zhengao PKC Automotive Wiring Company Ltd.	March 31, 2021	March 31, 2020
Opening net assets	875	842
Investment during the year	-	-
Profit for the year	358	92
Exchange gain / (loss)	(9)	73
Dividend paid	(150)	(132)
Carrying amount	**1,074**	**875**

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, 2021	March 31, 2020
Aggregate carrying amount of individually immaterial associates	44	43
Aggregate amounts of the group's share of:		
Profit / (loss) from continuing operations	2	1

H. Commitments and contingent liabilities in respect of associates and joint ventures

	March 31, 2021	March 31, 2020
Share of joint venture's contingent liabilities in respect of:		
Excise matters	42	42
Unfulfilled export commitments under EPCG Scheme	28	115
Others	13	13
Commitments - joint ventures		
Share of joint venture's estimated value of contracts in capital account remaining to be executed, (Net of Advances)	50	13

49 Statutory group information required by Schedule III

March 31, 2021:

S. No.	Name of entity	Net Assets[1]		Share in profit or (loss)[1]		Share in other comprehensive income[1]		Share in total comprehensive income[1]	
		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	41	67,429	33	5,207	(7)	(235)	26	4,972
	Subsidiaries:								
	Indian:								
2	Samvardhana Motherson Polymers Limited	0*	529	(0)*	(0)	-	-	(0)*	(0)
3	Motherson Innovations Tech Limited (esrt MSSL Automobile Component Limited)	0*	3	0*	1	-	-	0*	1
4	Motherson Polymers Compounding Solution Limited (merged with the Company from September 30, 2020)	-	-	-	-	-	-	-	-
5	SMR Automotive Systems India ltd.	2	2,811	1	107	(1)	(36)	0*	71
6	SMRC Automotive Products India Limited	1	1,496	(0)*	(15)	(0)*	(1)	(0)*	(16)
7	Motherson Sumi Wiring India Limited	0*	0	0*	4	-	-	0*	4
	Foreign:								
8	Samvardhana Motherson Reflectec Group Holdings Limited	14	23,062	19	2,980	-	-	16	2,980
9	SMR Automotive Technology Holding, Cyprus ltd.	3	4,242	1	197	-	-	1	197
10	SMR Automotive Brasil LTDA.	0*	715	(1)	(98)	-	-	(1)	(98)
11	SMR Automotive Mirror Technology Holding Hungary KFT	1	2,078	2	363	(39)	(1,254)	(5)	(891)
12	SMR Holding Australia Pty Limited	1	1,834	2	361	-	-	2	361
13	SMR Automotive Australia Pty Limited	1	1,408	2	316	(0)*	(4)	2	313
14	SMR Automotive Mirror Technology, Hungary BT	8	12,721	11	1,793	0*	5	10	1,797
15	SMR Automotive Systems, France S.A.	0*	184	(3)	(444)	(2)	(55)	(3)	(500)
16	SMR Automotive System (Thailand) Limited	0*	582	0*	47	-	-	0*	47

S. No.	Name of entity	Net Assets[1]		Share in profit or (loss)[1]		Share in other comprehensive income[1]		Share in total comprehensive income[1]	
		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
17	SMR Automotive Mirror Parts and Holdings, UK ltd.	6	10,238	2	278	2	53	2	331
18	SMR Patents S.à.r.l.	(0)*	(15)	0*	25	-	-	0*	25
19	SMR Automotive Technology Valencia S.A.U.	0*	207	0*	2	-	-	0*	2
20	SMR Automotive Mirrors UK Limited	1	1,238	2	276	-	-	1	276
21	SMR Automotive Mirror Systems Holding Deutschland GmbH	2	2,702	1	90	-	-	0*	90
22	SMR Hyosang Automotive Ltd.	1	2,206	0*	66	-	-	0*	66
23	SMR Automotive Modules Korea Ltd.	3	4,926	(1)	(227)	(0)*	(1)	(1)	(228)
24	SMR Automotive Beteiligungen Deutschland GmbH	0*	115	0*	51	-	-	0*	51
25	SMR Automotive Systems Spain S.A.U.	1	1,525	4	550	-	-	3	550
26	SMR Automotive Servicios Mexico S.A de C.V. (Liquidated on July 2, 2019)	-	-	-	-	-	-	-	-
27	SMR Automotive Vision Systems Mexico S.A. de C.V.	2	2,848	1	221	6	208	2	429
28	SMR Automotive Mirrors Stuttgart GmbH	0*	273	2	274	-	-	1	274
29	SMR Grundbesitz GmbH & Co. KG	0*	293	0*	43	-	-	0*	43
30	SMR Mirror UK Limited	2	3,558	21	3,326	-	-	18	3,326
31	SMR Automotive Systems USA Inc.	3	4,184	19	3,046	-	-	16	3,046
32	SMR Automotive Mirror International USA Inc.	9	15,209	21	3,346	3	112	18	3,457
33	SMR Automotive Vision System Operations USA INC	8	13,120	28	4,362	-	-	23	4,362
34	SMR Automotive Beijing Company Limited	0*	425	0*	12	3	93	1	105
35	SMR Automotive Yancheng Co. Limited	1	1,016	1	215	2	72	2	287
36	SMR Automotive Holding Hong Kong Limited	0*	491	0*	5	-	-	0*	5
37	SMR Automotive Operations Japan k.k.	(0)*	(60)	(0)*	(1)	-	-	(0)*	(1)
38	SMR Automotive (Langfang) Co. Limited	0*	289	1	219	-	-	1	219

S. No.	Name of entity	Net Assets[1]		Share in profit or (loss)[1]		Share in other comprehensive income[1]		Share in total comprehensive income[1]	
		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
39	SMR Automotives Systems Macedonia Dooel Skopje	(0)*	(15)	(0)*	(0)	-	-	(0)*	(0)
40	SMR Automotive Industries RUS Limited Liability Company	0*	21	0*	2	-	-	0*	2
41	Samvardhana Motherson Corp Management Shanghai Co.,Ltd	0*	148	0*	19	-	-	0*	19
42	Re-time Pty Limited (Refer note 50)	0*	14	(0)*	(5)	-	-	(0)*	(5)
43	Samvardhana Motherson Global (FZE)	0*	126	1	80	-	-	0*	80
44	Motherson Innovations Company Limited	1	1,090	(3)	(488)	-	-	(3)	(488)
45	Motherson Innovations Deutschland GmbH	0*	53	0*	4	-	-	0*	4
46	Motherson Innovations LLC	-	-	-	-	-	-	-	-
47	Motherson Business Service Hungary Kft.	0*	1	(0)*	(0)	-	-	(0)*	(0)
48	Samvardhana Motherson Peguform GmbH	0*	712	2	372	-	-	2	372
49	SMP Automotive Exterior GmbH	2	2,587	1	146	-	-	1	146
50	SMP Deutschland GmbH	7	10,845	(9)	(1,406)	(3)	(87)	(8)	(1,493)
51	SMP Logistik Service GmbH	0*	50	0*	0	-	-	0*	0
52	SMP Automotive Solutions Slovakia s.r.o.	(1)	(1,855)	(2)	(348)	-	-	(2)	(348)
53	Changchun Peguform Automotive Plastics Technology Co.,Ltd.	6	10,139	17	2,640	-	-	14	2,640
54	Foshan Peguform Automotive Plastics Technology Co. Ltd.	1	1,062	2	316	-	-	2	316
55	Shenyang SMP Automotive Plastic Component Co. Ltd.	0*	249	(0)*	(3)	-	-	(0)*	(3)
56	SMP Automotive Technology Management Services (Changchun) Co. Ltd.	(0)*	(46)	(0)*	(10)	(0)*	(0)	(0)*	(10)
57	SMP Automotive Interiors (Beijing) Co. Ltd.	1	1,772	7	1,073	-	-	6	1,073
58	SMP Automotive Technology Iberica S.L.	6	9,212	5	854	-	-	5	854
59	SMP Automotive Technologies Teruel Sociedad Limitada	0*	283	0*	44	-	-	0*	44

S. No.	Name of entity	Net Assets[1]		Share in profit or (loss)[1]		Share in other comprehensive income[1]		Share in total comprehensive income[1]	
		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
60	Samvardhana Motherson Peguform Barcelona S.L.U	0*	507	1	146	-	-	1	146
61	SMP Automotive Produtos Automotivos do Brasil Ltda	(2)	(2,562)	(7)	(1,057)	-	-	(6)	(1,057)
62	SMP Automotive Systems México, S. A. de C. V.	3	5,261	(6)	(934)	6	194	(4)	(740)
63	Samvardhana Motherson Peguform Automotive Technology Portugal, S.A.	1	1,294	3	522	-	-	3	522
64	Celulosa Fabril (Cefa) S.A.	2	2,925	9	1,385	-	-	7	1,385
65	Modulos Ribera Alta S.L. Unipersonal	2	3,510	5	827	-	-	4	827
66	Samvardhana Motherson Innovative Autosystems B.V. & Co. KG	1	1,482	(9)	(1,394)	-	-	(7)	(1,394)
67	Samvardhana Motherson Innovative Autosystems Holding Company B.V.	0*	6	(0)*	(2)	-	-	(0)*	(2)
68	Samvardhana Motherson Innovative Autosystems de Mexico, S.A. de C.V.	0*	718	1	205	-	-	1	205
69	SM Real Estate GmbH	0*	207	0*	56	-	-	0*	56
70	Motherson Innovations Lights GmbH & Co. KG	0*	12	(0)*	(26)	-	-	(0)*	(26)
71	Motherson Innovations Lights Verwaltungs GmbH	0*	2	0*	0	-	-	0*	0
72	SMP Automotive Systems Alabama Inc.	(10)	(15,774)	(7)	(1,144)	-	-	(6)	(1,144)
73	Tianjin SMP Automotive Components Co. Ltd.	0*	313	1	175	-	-	1	175
74	Shenyang SMP Automotive Trim Co., Ltd	0*	330	(0)*	(16)	-	-	(0)*	(16)
75	SMP Automotive Interior Modules d.o.o. Ćuprija	0*	766	(1)	(135)	-	-	(1)	(135)
76	SMRC Automotive Interiors Management B.V. (liquidated w.e.f March 24, 2021)	-	-	1	115	-	-	1	115
77	SMRC Automotive Holdings B.V.	1	833	0*	4	-	-	0*	4
78	SMRC Automotive Holdings Netherlands B.V.	4	5,990	(1)	(232)	-	-	(1)	(232)
79	SMRC Automotives Techno Minority Holdings B.V.	0*	70	0*	18	-	-	0*	18
80	SMRC Smart Automotive Interior Technologies USA, LLC	-	-	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (All amounts in ₹ Million, unless otherwise stated)

S. No.	Name of entity	Net Assets[1]		Share in profit or (loss)[1]		Share in other comprehensive income[1]		Share in total comprehensive income[1]	
		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
81	SMRC Automotive Modules France SAS	3	5,086	(0)*	(28)	0*	3	(0)*	(25)
82	Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U.	0*	813	1	90	-	-	0*	90
83	SMRC Automotive Interiors Spain S.L.U.	2	3,621	3	504	-	-	3	504
84	SMRC Automotive Interior Modules Croatia d.o.o	0*	11	0*	1	-	-	0*	1
85	Samvardhana Motherson Reydel Autotecc Morocco SAS	0*	392	(0)*	(78)	-	-	(0)*	(78)
86	SMRC Automotive Technology RU LLC	0*	736	3	451	-	-	2	451
87	SMRC Smart Interior Systems Germany GmbH	0*	111	0*	4	(1)	(16)	(0)*	(12)
88	SMRC Automotive Interiors Products Poland SA	-	-	(0)*	(1)	-	-	(0)*	(1)
89	SMRC Automotive Solutions Slovakia s.r.o.	(0)*	(12)	(5)	(774)	(0)*	(1)	(4)	(775)
90	SMRC Automotive Holding South America B.V.	1	1,225	(0)*	(25)	-	-	(0)*	(25)
91	SMRC Automotive Modules South America Minority Holdings B.V.	0*	28	(0)*	(0)	-	-	(0)*	(0)
92	SMRC Automotive Tech Argentina S.A.	0*	773	(1)	(99)	-	-	(1)	(99)
93	SMRC Fabricacao e Comercio de Produtos Automotivos do Brasil Ltda	0*	487	0*	47	-	-	0*	47
94	SMRC Automotive Smart Interior Tech (Thailand) Ltd.	1	852	0*	49	1	27	0*	76
95	SMRC Automotive Interiors Japan Ltd.	(0)*	(13)	(0)*	(27)	(0)*	(3)	(0)*	(29)
96	Shanghai Reydel Automotive Technology Consulting Co. Ltd.	0*	18	0*	2	-	-	0*	2
97	PT SMRC Automotive Technology Indonesia	(0)*	(54)	(0)*	(9)	-	-	(0)*	(9)
98	Yujin SMRC Automotive Techno Corp.	1	1,500	(1)	(150)	2	61	(0)*	(89)
99	SMRC Automotives Technology Phil Inc.	(0)*	(69)	(0)*	(42)	-	-	(0)*	(42)
100	PKC Group Oy	6	10,369	10	1,600	-	-	8	1,600
101	PKC Wiring Systems Oy	4	5,932	(2)	(334)	-	-	(2)	(334)
102	Wisetime Oy	0*	158	0*	76	-	-	0*	

S. No.	Name of entity	Net Assets[1]		Share in profit or (loss)[1]		Share in other comprehensive income[1]		Share in total comprehensive income[1]	
		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
103	Motherson PKC Harness Systems FZ-LLC	(0)*	(160)	(1)	(161)	-	-	(1)	
104	PKC Group Poland Sp. z o.o.	(0)*	(384)	2	255	-	-	1	255
105	PKC SEGU Systemelektrik GmbH	(0)*	(182)	0*	37	-	-	0*	37
106	PKC Wiring Systems Llc	0*	43	(2)	(259)	-	-	(1)	(259)
107	PKC Eesti AS	9	15,038	3	436	-	-	2	436
108	TKV-Sarjat Oy	0*	9	(0)*	(1)	-	-	(0)*	(1)
109	OOO AEK	0*	345	(0)*	(68)	-	-	(0)*	(68)
110	PKC Group Lithuania UAB	0*	773	2	304	-	-	2	304
111	PK Cables do Brasil Ltda	0*	35	(3)	(549)	-	-	(3)	(549)
112	PKC Group Canada Inc.	0*	320	0*	2	-	-	0*	2
113	PKC Group Mexico S.A. de C.V.	0*	143	-	-	-	-	-	-
114	Project Del Holding S.à.r.l.	1	1,395	(0)*	(2)	-	-	(0)*	(2)
115	AEES Manufacturera, S. De R.L. de C.V	0*	788	0*	59	-	-	0*	59
116	Arneses de Ciudad Juarez, S. de R.L. de C.V.	0*	51	0*	18	-	-	0*	18
117	Arneses y Accesorios de México, S. de R.L. de C.V.	0*	221	1	149	-	-	1	149
118	Cableados del Norte II, S. de R.L. de C.V.	0*	300	0*	73	-	-	0*	73
119	Asesoria Mexicana Empresarial, S. de R.L. de C.V.	0*	132	0*	16	-	-	0*	16
120	Manufacturas de Componentes Electricos de Mexico S. de R.L de C.V.	0*	3	-	-	-	-	-	-
121	PKC Group de Piedras Negras, S. de R.L. de C.V.	0*	95	0*	28	-	-	0*	28
122	PKC Group AEES Commercial, S. de R.L. de C.V.	0*	46	0*	4	-	-	0*	4
123	PKC Group USA Inc.	(7)	(11,708)	6	955	-	-	5	955
124	AEES Inc.	7	11,414	(10)	(1,576)	-	-	(8)	(1,576)
125	AEES Power Systems Limited Partnership	1	2,118	0*	7	-	-	0*	7
126	Fortitude Industries Inc.	1	840	0*	14	-	-	0*	14
127	PKC Vehicle Technology (Hefei) Co., Ltd.	1	1,254	2	249	-	-	1	249
128	PKC Vehicle technology (Suzhou) Co. Ltd	0*	119	0*	30	-	-	0*	30

S. No.	Name of entity	Net Assets[1]		Share in profit or (loss)[1]		Share in other comprehensive income[1]		Share in total comprehensive income[1]	
		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
129	Jiangsu Huakai-PKC Wire Harness Co., Ltd.	3	4,738	3	524	-	-	3	524
130	Shandong Huakai-PKC Wire Harness Co. Ltd	1	1,500	2	279	-	-	1	279
131	PKC Group APAC Ltd.	(2)	(2,735)	(1)	(177)	-	-	(1)	(177)
132	Kabel Technik Polska Sp. z o.o.	1	1,800	6	981	-	-	5	981
133	PKC Group Poland Holding Sp. z o.o.	0*	745	(0)*	(37)	-	-	(0)*	(37)
134	Groclin Luxembourg S.à r.l.	1	1,915	(0)*	(2)	-	-	(0)*	(2)
135	Motherson Rolling Stock Systems GB Limited	1	1,647	3	470	-	-	2	470
136	Motherson Rolling Stocks S. de R.L. de C.V.	0*	0	0*	0	-	-	0*	0
137	PKC Vehicle Technology (Fuyang) Co., Ltd.	0*	32	(0)*	(23)	-	-	(0)*	(23)
138	MSSL Mideast (FZE)	15	25,629	3	468	-	-	2	468
139	MSSL (GB) Limited	22	37,237	1	200	-	-	1	200
140	MSSL Mauritius Holdings Limited	9	14,991	5	714	-	-	4	714
141	Samvardhana Motherson Global Holdings Limited Cyprus	46	76,330	0*	60	-	-	0*	60
142	MSSL (S) Pte Limited	1	1,202	0*	48	-	-	0*	48
143	Motherson Electrical Wires Lanka Private Limited	0*	651	1	223	0*	0	1	223
144	MSSL Consolidated Inc. USA	1	1,635	(0)*	(62)	-	-	(0)*	(62)
145	MSSL Wiring System Inc	3	5,457	6	907	5	175	6	1,081
146	Alphabet De Mexico S.A. de C.V	0*	24	0*	20	-	-	0*	20
147	Alphabet De Saltillo S.A. de C.V.	(0)*	(54)	0*	27	-	-	0*	27
148	Alphabet De Mexico de Monclova S.A. de C.V	(0)*	(17)	0*	14	-	-	0*	14
149	MSSL Wirings Juarez S.A. de C.V.	0*	4	0*	1	-	-	0*	1
150	MSSL Japan Limited	0*	17	(0)*	(9)	-	-	(0)*	(9)
151	MSSL Mexico S.A. De C.V.	0*	750	0*	48	0*	15	0*	63
152	MSSL WH System (Thailand) Co. Ltd.	0*	504	1	107	-	-	1	107
153	MSSL Korea WH Limited	(0)*	(9)	0*	4	-	-	0*	4
154	MSSL Ireland Private Limited	0*	32	(0)*	(1)	-	-	(0)*	(1)
155	MSSL s.r.l. Unipersonale	0*	19	0*	4	-	-	0*	4

S. No.	Name of entity	Net Assets[1]		Share in profit or (loss)[1]		Share in other comprehensive income[1]		Share in total comprehensive income[1]	
		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
156	MSSL Estonia WH OÜ	19	32,116	12	1,854	-	-	10	1,854
157	MSSL Australia Pty Limited	0*	199	1	124	-	-	1	124
158	Motherson Elastomers Pty Limited	0*	494	1	163	-	-	1	163
159	Motherson Investments Pty Limited	0*	23	0*	7	-	-	0*	7
160	MSSL Global RSA Module Engineering Limited	1	2,330	4	681	-	-	4	681
161	Vacuform 2000 (Proprietary) Limited	0*	13	(0)*	(28)	-	-	(0)*	(28)
162	MSSL GMBH	1	1,258	(0)*	(2)	-	-	(0)*	
163	Samvardhana Motherson Invest Deutschland GmbH	0*	72	0*	0	-	-	0*	
164	MSSL Advanced Polymers s.r.o.	0*	531	0*	10	-	-	0*	
165	Motherson Techno Precision GmbH	0*	20	(0)*	(37)	-	-	(0)*	
166	Motherson Techno Precision México, S.A. de C.V	(0)*	(74)	0*	52	-	-	0*	
167	MSSL Manufacturing Hungary Kft	(0)*	(67)	(1)	(108)	-	-	(1)	(108)
168	Motherson Air Travel Pvt Ltd	(0)*	(558)	(0)*	(30)	-	-	(0)*	(30)
169	MSSL Tooling (FZE)	1	2,238	3	539	-	-	3	539
170	Motherson Wiring System (FZE)	(0)*	(110)	0*	9	-	-	0*	9
171	Global Environment Management (FZC)	(0)*	(35)	0*	26	-	-	0*	26
172	Samvardhana Motherson Automotive Systems Group B.V.	58	96,929	31	4,858	9	288	27	5,146
173	MSSL M Tooling Ltd (liquidated w.e.f. 30.10.2020)	-	-	-	-	-	-	-	-
174	Motherson Ossia Innovations llc.	-	-	-	-	-	-	-	-
	Associates (Investment as per Equity method)								
	Indian:								
175	SAKS Ancillaries Limited	0*	42	0*	2	-	-	0*	2
	Foreign:								
176	Hubei Zhengao PKC Automotive Wiring Company Ltd.	2	2,698	6	895	-	-	5	895

S. No.	Name of entity	Net Assets[1]		Share in profit or (loss)[1]		Share in other comprehensive income[1]		Share in total comprehensive income[1]	
		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
	Joint Ventures (Investment as per Equity method)								
	Indian:								
177	Kyungshin Industrial Motherson Limited	1	2,062	(0)*	(23)	0*	8	(0)*	(15)
178	Calsonic Kansei Motherson Auto Products Private Limited	0*	687	0*	66	(0)*	(6)	0*	60
	Foreign:								
179	Eissmann SMP Automotive Interieur Slovensko s.r.o	-	-	-	-	-	-	-	-
180	Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	3	5,678	9	1,417	-	-	7	1,417
181	Chongqing SMR Huaxiang Automotive Products	1	1,279	0*	52	-	-	0*	52
182	Tianjin SMR Huaxiang Automotive Part Co. Limited	0*	310	(0)*	(22)	-	-	(0)*	(22)
	Minority Interest in All Subsidiaries	(24)	(40,233)	(34)	(5,302)	(23)	(735)	(32)	(6,037)

March 31, 2020:

S. No.	Name of entity	Net Assets[1]		Share in profit or (loss)[1]		Share in other comprehensive income[1]		Share in total comprehensive income[1]	
		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
	Subsidiaries:								
	Indian:								
2	Samvardhana Motherson Polymers Limited	0*	529	(0)*	(0)	-	-	(0)*	(0)
3	Motherson Innovations Tech Limited (esrt MSSL Automobile Component Limited)	0*	2	0*	2	-	-	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 Limited	1	1,376	(2)	(239)	-	-	(2)	(239)

S. No.	Name of entity	Net Assets[1]		Share in profit or (loss)[1]		Share in other comprehensive income[1]		Share in total comprehensive income[1]	
		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
	Foreign:								
7	Samvardhana Motherson Reflectec Group Holdings Limited	13	19,970	17	2,194	-	-	14	2,194
8	SMR Automotive Technology Holding, Cyprus ltd.	3	3,933	5	701	-	-	5	701
9	SMR Automotive Brasil LTDA.	1	902	1	160	-	-	1	160
10	SMR Automotive Mirror Technology Holding Hungary KFT	1	2,082	5	608	-	-	4	608
11	SMR Holding Australia Pty Limited	1	1,531	5	610	-	-	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	-	-	1	174
18	SMR Automotive Technology Valencia S.A.U.	0*	199	0*	6	-	-	0*	6
19	SMR Automotive Mirrors UK Limited	1	923	2	219	-	-	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)*	(11)
24	SMR Automotive Systems Spain S.A.U.	1	952	6	766	-	-	5	766
25	SMR Automotive Servicios Mexico S.A de C.V. (Liquidated on July 2, 2019)	-	-	-	-	-	-	-	-
26	SMR Automotive Vision Systems Mexico S.A. de C.V.	2	2,746	5	688	(7)	(189)	3	499

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

S. No.	Name of entity	Net Assets[1]		Share in profit or (loss)[1]		Share in other comprehensive income[1]		Share in total comprehensive income[1]	
		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
27	SMR Automotive Mirrors Stuttgart GmbH	1	1,006	4	508	(3)	(76)	3	432
28	SMR Grundbesitz GmbH & Co. KG	0*	256	0*	27	-	-	0*	27
29	SMR Mirror UK Limited	1	1,315	31	3,954	-	-	25	3,954
30	SMR Automotive Systems USA Inc.	3	4,653	29	3,702	-	-	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	-	-	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)*	(2)
36	SMR Automotive Operations Japan k.k.	(0)*	(63)	(1)	(131)	-	-	(1)	(131)
37	SMR Automotive (Langfang) Co. Limited	0*	64	1	75	-	-	0*	75
38	SMR Automotives Systems Macedonia Dooel Skopje	(0)*	(14)	(0)*	(0)	-	-	(0)*	(0)
39	SMR Automotive Industries RUS Limited Liability Company	0*	22	0*	2	-	-	0*	2
40	Samvardhana Motherson Corp Management Shanghai Co.,Ltd	0*	82	(0)*	(37)	-	-	(0)*	(37)
41	Re-time Pty Limited (Refer note 50)	0*	16	(0)*	(8)	-	-	0*	1
42	Samvardhana Motherson Global (FZE)	0*	177	1	109	-	-	1	109
43	Motherson Innovations Company Limited	1	909	(7)	(895)	-	-	(6)	(895)
44	Motherson Innovations Deutschland GmbH	0*	47	0*	8	-	-	0*	8
45	Motherson Innovations LLC	-	-	-	-	-	-	-	-
46	Samvardhana Motherson Peguform GmbH	(1)	(912)	(10)	(1,234)	-	-	(8)	(1,234)
47	SMP Automotive Exterior GmbH	1	1,823	(1)	(162)	-	-	(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*	1

S. No.	Name of entity	Net Assets[1]		Share in profit or (loss)[1]		Share in other comprehensive income[1]		Share in total comprehensive income[1]	
		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 Solutions Slovakia s.r.o.	(1)	(1,467)	(1)	(78)	-	-	(0)*	(78)
51	Changchun Peguform Automotive Plastics Technology Co.,Ltd.	6	9,279	14	1,868	-	-	12	1,868
52	Foshan Peguform Automotive Plastics Technology Co. Ltd.	0*	708	1	75	-	-	0*	75
53	Shenyang SMP Automotive Plastic Component Co. Ltd.	0*	242	1	104	-	-	1	104
54	SMP Automotive Technology Management Services (Changchun) Co. Ltd.	(0)*	(34)	-	-	-	-	-	-
55	SMP Automotive Interiors (Beijing) Co. Ltd.	1	1,290	5	623	-	-	4	623
56	SMP Automotive Technology Iberica S.L.	5	7,964	12	1,517	-	-	10	1,517
57	SMP Automotive Technologies Teruel Sociedad Limitada	0*	233	1	116	-	-	1	116
58	Samvardhana Motherson Peguform Barcelona S.L.U	0*	352	2	283	-	-	2	283
59	SMP Automotive Produtos Automotivos do Brasil Ltda	(1)	(1,937)	(16)	(2,041)	-	-	(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	-	-	5	703
62	Celulosa Fabril (Cefa) S.A.	1	2,093	5	646	-	-	4	646
63	Modulos Ribera Alta S.L. Unipersonal	2	3,615	6	807	-	-	5	807
64	Samvardhana Motherson Innovative Autosystems B.V. & Co. KG	2	2,782	(4)	(564)	-	-	(4)	(564)
65	Samvardhana Motherson Innovative Autosystems Holding Company B.V.	0*	8	0*	0	-	-	0*	0
66	Samvardhana Motherson Innovative Autosystems de Mexico, S.A. de C.V.	0*	449	(2)	(203)	-	-	(1)	(203)
67	SM Real Estate GmbH	0*	148	0*	19	-	-	0*	19
68	Motherson Innovations Lights GmbH & Co. KG	0*	36	(0)*	(45)	-	-	(0)*	(45)
69	Motherson Innovations Lights Verwaltungs GmbH	0*	2	0*	0	-	-	0*	0
70	SMP Automotive Systems Alabama Inc.	(10)	(15,137)	(102)	(13,154)	-	-	(84)	(13,154)
71	Tianjin SMP Automotive Components Co. Ltd.	0*	129	(0)*	(52)	-	-	(0)*	(52)
72	SMRC Automotive Interiors Management B.V.	0*	9	-	-	-	-	-	-
73	SMRC Automotive Holdings B.V.	1	857	(1)	(136)	-	-	(1)	(136)
74	SMRC Automotive Holdings Netherlands B.V.	4	6,045	(4)	(566)	-	-	(4)	(566)
75	SMRC Automotives Techno Minority Holdings B.V.	0*	51	0*	3	-	-	0*	3
76	SMRC Smart Automotive Interior Technologies USA, LLC	-	-	-	-	-	-	-	-
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*	16
79	SMRC Automotive Interiors Spain S.L.U.	2	3,077	4	537	-	-	3	537
80	SMRC Automotive Interior Modules Croatia d.o.o	0*	10	0*	1	-	-	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)	-	-	(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*	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)*	(28)
87	SMRC Automotive Modules South America Minority Holdings B.V.	0*	29	(0)*	(0)	-	-	(0)*	(0)
88	SMRC Automotive Tech Argentina S.A.	0*	676	(0)*	(61)	-	-	(0)*	(61)
89	SMRC Fabricacao e Comercio de Produtos Automotivos do Brasil Ltda	0*	461	0*	58	-	-	0*	58

S. No.	Name of entity	Net Assets[1]		Share in profit or (loss)[1]		Share in other comprehensive income[1]		Share in total comprehensive income[1]	
		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
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*	3
93	PT SMRC Automotive Technology Indonesia	(0)*	(42)	0*	16	-	-	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)*	(20)
96	PKC Group Oy	7	10,246	8	1,080	-	-	7	1,080
97	PKC Wiring Systems Oy	5	7,795	2	214	-	-	1	214
98	PKC Netherlands Holding B.V (Liquidated on July 31, 2019)	0*	81	0*	4	-	-	0*	4
99	PK Cables Nederland B.V.(Liquidated on July 31, 2019)	(0)*	(0)	(0)*	(3)	-	-	(0)*	(3)
100	Wisetime Oy (become subsidiary w.e.f March 6, 2020, Refer Note 50)	0*	81	0*	4	-	-	0*	4
101	Motherson PKC Harness Systems FZ-LLC (incorporated on July 7, 2019)	(0)*	(0)	(0)*	(3)	-	-	(0)*	(3)
102	PKC Group Poland Sp. z o.o.	(0)*	(623)	(2)	(215)	-	-	(1)	(215)
103	PKC SEGU Systemelektrik GmbH	(0)*	(212)	0*	59	-	-	0*	59
104	PKC Wiring Systems Llc	0*	291	(2)	(214)	-	-	(1)	(214)
105	PKC Eesti AS	10	14,195	8	1,057	-	-	7	1,057
106	TKV-Sarjat Oy	0*	9	0*	2	-	-	0*	2
107	OOO AEK	0*	409	(0)*	(42)	-	-	(0)*	(42)
108	PKC Group Lithuania UAB	0*	459	1	94	-	-	1	94
109	PK Cables do Brasil Ltda	0*	603	(0)*	(14)	-	-	(0)*	(14)
110	PKC Group Canada Inc.	0*	294	(0)*	(14)	-	-	(0)*	(14)
111	PKC Group Mexico S.A. de C.V.	0*	127	-	-	-	-	-	-
112	Project Del Holding S.à.r.l.	1	1,358	(0)*	(3)	-	-	(0)*	(3)
113	AEES Manufacturera, S. De R.L. de C.V	0*	659	0*	0	-	-	0*	0

S. No.	Name of entity	Net Assets[1]		Share in profit or (loss)[1]		Share in other comprehensive income[1]		Share in total comprehensive income[1]	
		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
114	Arneses de Ciudad Juarez, S. de R.L. de C.V.	0*	30	(0)*	(1)	-	-	(0)*	(1)
115	Arneses y Accesorios de México, S. de R.L. de C.V.	0*	110	1	126	-	-	1	126
116	Cableados del Norte II, S. de R.L. de C.V.	0*	201	0*	40	-	-	0*	40
117	Asesoria Mexicana Empresarial, S. de R.L. de C.V.	0*	103	0*	15	-	-	0*	15
118	Manufacturas de Componentes Electricos de Mexico S. de R.L de C.V.	0*	3	-	-	-	-	-	-
119	PKC Group de Piedras Negras, S. de R.L. de C.V.	0*	60	0*	28	-	-	0*	28
120	PKC Group AEES Commercial, S. de R.L. de C.V.	0*	37	0*	19	-	-	0*	19
121	PKC Group USA Inc.	(9)	(13,152)	(7)	(939)	-	-	(6)	(939)
122	AEES Inc.	9	12,665	22	2,853	-	-	18	2,853
123	AEES Power Systems Limited Partnership	1	2,191	2	241	-	-	2	241
124	Fortitude Industries Inc.	1	855	(0)*	(45)	-	-	(0)*	(45)
125	PKC Vehicle Technology (Hefei) Co., Ltd.	1	956	1	94	-	-	1	94
126	PKC Vehicle technology (Suzhou) Co. Ltd	(0)*	(111)	2	278	-	-	2	278
127	Jiangsu Huakai-PKC Wire Harness Co., Ltd.	3	4,073	1	154	-	-	1	154
128	Shandong Huakai-PKC Wire Harness Co. Ltd	1	1,163	1	146	-	-	1	146
129	PKC Group APAC Ltd.	(1)	(2,019)	(1)	(191)	-	-	(1)	(191)
130	Kabel Technik Polska Sp. z o.o.	1	848	(0)*	(22)	-	-	(0)*	(22)
131	PKC Group Poland Holding Sp. z o.o.	1	770	0*	13	-	-	0*	13
132	Groclin Luxembourg S.à r.l.	1	1,863	(0)*	(2)	-	-	(0)*	(2)
133	Motherson Rolling Stock Systems GB Limited	1	990	5	681	-	-	4	681
134	MSSL Mideast (FZE)	16	24,457	6	804	-	-	5	804
135	MSSL (GB) Limited	23	34,487	18	2,319	-	-	15	2,319
136	MSSL Mauritius Holdings Limited	4	5,549	5	651	-	-	4	651
137	Samvardhana Motherson Global Holdings Limited Cyprus	50	74,124	0*	14	-	-	0*	14

S. No.	Name of entity	Net Assets[1]		Share in profit or (loss)[1]		Share in other comprehensive income[1]		Share in total comprehensive income[1]	
		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
138	MSSL (S) Pte Limited	1	1,128	0*	6	-	-	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	-	-	11	1,688
141	MSSL Wiring System 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*	57
143	Alphabet De Saltillo S.A. de C.V.	(0)*	(10)	(0)*	(27)	-	-	(0)*	(27)
144	Alphabet De Mexico de Monclova S.A. de C.V	0*	12	(0)*	(0)	-	-	(0)*	(0)
145	MSSL Wirings Juarez S.A. de C.V.	0*	5	0*	4	-	-	0*	4
146	MSSL Japan Limited	0*	27	(0)*	(28)	-	-	(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	-	-	1	124
149	MSSL Korea WH Limited	(0)*	(13)	(0)*	(5)	-	-	(0)*	(5)
150	MSSL Ireland Private Limited	0*	32	0*	2	-	-	0*	2
151	MSSL s.r.l. Unipersonale	0*	14	0*	3	-	-	0*	3
152	MSSL Estonia WH OÜ	1	1,889	15	1,943	-	-	12	1,943
153	MSSL Australia Pty Limited	0*	267	1	116	-	-	1	116
154	Motherson Elastomers Pty Limited	0*	372	1	113	-	-	1	113
155	Motherson Investments Pty Limited	0*	14	0*	5	-	-	0*	5
156	MSSL Global RSA Module Engineering Limited	1	1,361	6	745	-	-	5	745
157	Vacuform 2000 (Proprietary) Limited	0*	37	0*	6	-	-	0*	6
158	MSSL GMBH	1	1,225	(0)*	(44)	-	-	(0)*	(44)
159	Samvardhana Motherson Invest Deutschland GmbH	0*	70	0*	0	-	-	0*	0
160	MSSL Advanced Polymers s.r.o.	0*	488	0*	46	-	-	0*	46
161	Motherson Techno Precision GmbH	0*	55	(0)*	(25)	-	-	(0)*	(25)
162	Samvardhana Motherson Polymers Management Germany GMBH (Merged with MSSL GmbH from August 30, 2019)	-	-	-	-	-	-	-	-
163	Motherson Techno Precision México, S.A. de C.V	(0)*	(118)	0*	9	-	-	0*	9

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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
164	MSSL Manufacturing Hungary Kft	0*	39	0*	3	-	-	0*	3
165	Motherson Air Travel Pvt Ltd	(0)*	(513)	(2)	(197)	-	-	(4)	(566)
166	MSSL Tooling (FZE)	1	1,656	4	458	-	-	3	458
167	Motherson Wiring System (FZE)	(0)*	(115)	0*	6	-	-	0*	6
168	Global Environment Management (FZC)	(0)*	(62)	0*	6	-	-	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	-	-	-	-	-	-	-	-
171	Motherson Ossia Innovations llc.	-	-	-	-	-	-	-	-
	Associates (Investment as per Equity method)								
	Indian:								
172	SAKS Ancillaries Limited	0*	42	-	-	-	-	-	-
	Foreign:								
173	Hubei Zhengao PKC Automotive Wiring Company Ltd.	1	825	1	92	-	-	1	92
	Joint Ventures (Investment as per Equity method)								
	Indian:								
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
	Foreign:								
176	Eissmann SMP Automotive Interieur Slovensko s.r.o	0*	319	(1)	(189)	-	-	(1)	(189)
177	Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	3	3,726	3	398	-	-	3	398
178	Chongqing SMR Huaxiang Automotive Products	1	806	0*	35	-	-	0*	35
179	Tianjin SMR Huaxiang Automotive Part Co. Limited	0*	43	(0)*	(1)	-	-	(0)*	(1)
	Minority Interest in All Subsidiaries	(24)	(35,650)	(10)	(1,244)	(31)	(822)	(13)	(2,066)

[1] 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 announced during financial year 2020-21

i) Acquisition of Motherson Rolling Stocks S. de R.L. de C.V. (MRS)

Motherson Rolling Stocks S. de R.L. de C.V. (MRS), a subsidiary of the group, has successfully completed the acquisition of assets and activities of Electrical Wiring Interconnection Systems (EWIS) performed at Bombardier Transportation's manufacturing site in Huehuetoca, Mexico (BT Ensambles México) on April 30, 2021 for a consideratoin of USD 8.7 million (subject to final adjustment).

MRS is part of the Rolling Stock Division which designs and manufactures electrical cabinets, power packs and electrical distribution systems for leading rolling stock manufacturers. The group has supported Bombardier's transformation process over the last years and the successful closure of this acquisition in Mexico is in alignment with the same.

As the initial accounting and a detailed study into allocation of purchase price over the fair value assets and liabilities assumed on acquisition is still in progress as at the date of this report, the disclosures generally applicable for a business combination are therefore not produced, however this has no impact on the consolidated financial statements for the year ended March 31, 2021 as the transaction has been completed in the month of April 2021.

ii) Acquisition of Plast Met group

On January 18, 2021 the Group through its subsidiary SMR Automotive Mirrors Stuttgart GmbH signed share purchase agreement for acquisition of 75% stake in Plast Met Plastik Metal San. İmalatveTic.A.Ş.(PM-Bursa) and Plast Met Kalıp San.veTic.A.Ş.(PM-Istanbul) together known as Plast Met group (Turkey) for a total purchase consideration of EUR 16.9 Mn (subject to final adjustments).

Plast Met is a large automotive supplier in Turkey for injection moulded parts and sub-assemblies, and also owns a state of art commercial tool room engaged in manufacture and supplying of high end injection moulding tools to customers worldwide. The group is based out of Turkey and is an important supplier of plastic moulded parts, related subassemblies, and injection moulding tools. It reported a turnover of EUR 33 million in 2019 and EUR 28 million (unaudited) in 2020. Two facilities of Plast Met are located at Istanbul and Bursa in Turkey and employ approximately 400 personnel. Building on the capabilities of Plast Met group, SMRP BV will be able to support its customers in the European region more efficiently.

As the initial accounting and a detailed study into allocation of purchase price over the fair value assets and liabilities assumed on acquisition is still in progress as at the date of this report, the disclosures generally applicable for a business combination are therefore not produced, however this has no impact on the consolidated financial statements for the year ended March 31, 2021 as the transaction has been completed in the month of April 2021.

B) Acquisition made during financial year 2019-20

i) 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.

Assets and Liabilities recognized as result of acquisition are as follows:

Particulars	Amount in ₹ Million
ASSETS / (LIABILITIES)	
Property, plant and equipment	54
Intangible assets	509
Inventories	561
Deferred tax liabilities (net)	(102)
Net identifiable assets acquired	**1,022**

Calculation of goodwill / (gain on bargain purchase)

Particulars	Amount in ₹ Million
Purchase consideration	851
Net identifiable assets acquired	1,022
Goodwill / (gain on bargain purchase)	**(171)**

The Group recognised gain on bargain purchase of ₹ 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.

ii) 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.

Assets and Liabilities recognized as result of acquisition are as follows:

Particulars	Amount in ₹ Million
ASSETS / (LIABILITIES)	
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)
Net identifiable assets acquired	**153**

Calculation of goodwill / (gain on bargain purchase)

Particulars	Amount in ₹ Million
Purchase consideration (including fair value of shares held)	444
Net identifiable assets acquired	153
Goodwill / (gain on bargain purchase)	**291**

The Group had initially recognised goodwill amounting to ₹ 291 million (EUR 3.5 million) after provisional fair valuation of its Assets and liabilities, recorded in these consolidated financial statements.

iii) 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.

Assets and Liabilities recognized as result of acquisition are as follows:

Particulars	Amount in ₹ Million
ASSETS / (LIABILITIES)	
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)
Net identifiable assets acquired	**28**
- thereof attributable to non-controlling interests	8
Total identifiable net assets atributable to the Group	**20**

Calculation of goodwill / (gain on bargain purchase)

Particulars	Amount in ₹ Million
Purchase consideration	20
Net identifiable assets acquired	20
Goodwill / (Bargain gain)	**-**

51 Reorganization and discontinued operations

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 ("MSWIL") 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 likely to be completed during FY2021-22. Subsequent to the year, the Scheme has been approved by the shareholders and has now been submitted to NCLT for its approval.

The aforesaid scheme has been considered as highly probable and demerger of DWH into MSWIL 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 statements. Accordingly, all previous periods figures in the financial statements have also been restated.

	March 31, 2021	March 31, 2020
Revenue from contract with customers	41,167	39,282
Other operating revenue	215	157
Revenue from operations	**41,382**	**39,439**
Other income	275	64
Total expenses	37,261	34,597
Profit/(loss) before tax for the period	**4,396**	**4,906**
Tax expense/ (credit)	1,129	1,303
Profit / (loss) for the period	**3,267**	**3,603**

The major classes of assets and liabilities of DWH business classified as held for distribution as on March 31, 2021 are presented below:

	March 31, 2021
ASSETS	
Non-current assets	
Property, plant and equipment	1,559
Right-of-use assets	138
Capital work in progress	1
Financial assets	
i. Loans	26
ii. Other financial assets	82
Deferred tax assets (net)	259
Other non-current assets	151
Non-current tax assets (net)	0
Total non-current assets	**2,216**

	March 31, 2021
Current assets	
Inventories	7,986
Financial assets	
i. Trade receivables*	6,749
ii. Cash and cash equivalents	372
iii. Loans	12
iv. Other financial assets	103
Other current assets	455
Total current assets	**15,677**
Total assets	**17,893**
LIABILITIES	
Non current liabilities	
Financial Liabilities	
i. Borrowings	139
ii. Lease liabilities	100
iii. Other financial liabilities	75
Employee benefit obligations	211
Government grants	222
Total non-current liabilities	**747**
Current liabilities	
Financial Liabilities	
i. Borrowings	675
ii. Lease liabilities	45
iii. Trade payables	
Total outstanding dues of micro, small and medium enterprises and	176
Total outstanding dues of creditors other than micro, small and medium enterprises*	7,340
iii. Other financial liabilities	831
Provisions	8
Employee benefit obligations	494
Government grants	30
Other current liabilities	447
Total current liabilities	**10,046**
Total liabilities	**10,793**
Net Assets directly associated with DWH business	**7,100**
*Includes below balances with related parties	
Trade receivables from related parties	56
Trade payable to related parties	1,614

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (All amounts in ₹ Million, unless otherwise stated)

Net cash flows attributable to the DWH business are as follows:

	March 31, 2021	March 31, 2020
Net cash generated from / (used in) operating activities	(29)	501
Net cash used in investing activities	(299)	(544)
Net cash generated from financing activities	384	158
Net increase in cash and cash equivalents	**55**	**115**

The income and expenses of continuing operation includes transactions with discontinued operation, which does not have impact on "Profit / (loss) for the year from continuing and discontinued operations" as disclosed in consolidated statement of profit and loss. Revenue from contract with customers on account of transaction between continuing operations and discontinued operations is as follows:

	March 31, 2021	March 31, 2020
Amount included in continuing operation	12,774	10,978
Amount included in discontinued operation	353	382

Assets and liabilities are disclosed after netting off of below mentioned amount of receivable and payable between continuing operation and discontinued operation in consolidated balance sheet.

	March 31, 2021
Amount receivable from discontinued operation	2,441
Amount payable to discontinued operation	104

The Company has incurred expenses amounting ₹ 199 million in connection to this scheme of arrangement, which has been disclosed as exceptional expenses in Consolidated statement of profit and loss for the year ended March 31, 2021.

52 During the financial year 2020-21, 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 MSSL Mauritius which is ultimately loaned to Samvardhana Motherson Automotive Group BV (SMRP BV)fur. SMRP BV utilised these funds together with cash on the balance sheet, for prepayment of USD 375 million and bought back USD 17.6 million senior secured notes, out of its USD 400 million senior secured notes due in December 2021. SMRP BV has incurred an expenditure of Rs 424 million (EUR 4.9 million) towards prepayment premium and unamortised portion of bonds expenses, which has been disclosed as exceptional expenses in consolidated financial statement.

53 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Group's operations and consolidated financial for the year ended March 31, 2021 have been impacted partially 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 first quarter of the fianancial year and resumed gradually with prescribed regulations and precautions. Accordingly, the consolidated financial results for the year ended March 31, 2021 are not strictly comparable with those of previous year.

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 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.

In order to support the businesses in dealing with difficult economic circumstances due to COVID-19 outbreak, governments across the globe announced various forms of assistance measures in the form of full or partial compensation of payroll related costs, direct payment assistance to temporarily laid off employees including compensation for short-time working.

In addition to above, the Group secured various bank loans that are guaranteed partly by respective governments in order to provide liquidity to the businesses. As of March 31, 2021 the Group had obtained sanction for ₹ 9,316 million of such bank loans, of which ₹ 8,265 million have been drawn down.

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

per **PANKAJ CHADHA**
Partner
Membership No.: 091813

Place: Gurugram
Date: June 02, 2021

For and on behalf of the Board

V.C. SEHGAL
Chairman

PANKAJ MITAL
Whole-time Director/
Chief Operating Officer

G.N. GAUBA
Chief Financial Officer

ALOK GOEL
Company Secretary

Place: Noida
Date: June 02, 2021

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013 read with rule 5 of Companies (Accounts) Rule, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

Part A: Subsidiaries

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Date of Acuisition	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Exchange Rate	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend/ Earnings transfer to owners	% of shareholding	Country
1	MSSL Mideast (FZE)	March 31, 2021		EUR	85.74	8,078	17,551	30,583	4,954	4,901	3,061	464	-	464	-	100%	UAE
2	Motherson Electrical Wires Lanka Private Limited	March 31, 2021		USD	73.11	11	640	723	72	-	1,130	252	33	219	-	100%	Sri Lanka
3	MSSL (GB) Limited	March 31, 2021		GBP	100.73	22,875	14,638	43,894	6,381	32,403	3,984	560	75	485	-	100%	UK
4	MSSL Japan Limited	March 31, 2021		JPY	0.66	12	6	790	773	-	1,231	-8	0	-8	-	100%	Japan
5	MSSL WH System (Thailand) Co., Ltd	March 31, 2021		THB	2.34	351	153	1,328	824	-	1,225	104	-0	104	-	100%	Thailand
6	MSSL Korea WH Limited	March 31, 2021		KRW	0.06	13	-22	63	73	-	97	4	-	4	-	100%	Korea
7	MSSL Mexico S.A. De C.V.	December 31, 2020		MXP	3.58	408	250	902	244	-	1,534	137	45	92	-	100%	Mexico
8	MSSL Wiring System Inc	March 31, 2021		USD	73.11	2,493	2,964	9,268	3,811	-	14,787	1,055	162	893	-	100%	USA
9	Alphabet de Mexico, S.A. de C.V.	December 31, 2020	August 1, 2014	MXP	3.58	6	131	532	394	-	1,874	65	28	36	-	100%	Mexico
10	Alphabet de Mexico de Monclova, S.A. de C.V.	December 31, 2020	August 1, 2014	MXP	3.58	0	58	321	262	-	1,274	26	14	13	-	100%	Mexico
11	Alphabet de Saltillo, S.A. de C.V.	December 31, 2020	August 1, 2014	MXP	3.58	0	63	556	493	-	1,265	5	13	-8	-	100%	Mexico
12	MSSL Wirings Juarez, S.A. de C.V.	December 31, 2020		MXP	3.58	0	7	15	8	-	96	5	2	2	-	100%	Mexico
13	MSSL Tooling (FZE)	March 31, 2021		EUR	85.74	3	2,235	3,187	949	-	2,320	534	-	534	-	100%	UAE
14	MSSL Global RSA Module Engineering Limited	March 31, 2021	November 1, 2009	ZAR	4.95	297	2,033	6,777	4,447	-	6,905	1,008	270	738	-	100%	South Africa
15	Vacuform 2000 (Proprietary) Limited	March 31, 2021	July 1, 2011	ZAR	4.95	5	7	818	805	-	527	-31	-1	-31	-	51%	South Africa
16	MSSL Australia Pty Limited	March 31, 2021		AUD	55.53	194	5	240	41	0	-	133	3	129	250	80%	Australia
17	Motherson Elastomers Pty Limited	March 31, 2021		AUD	55.53	0	494	1,021	527	-	2,704	247	78	170	122	100%	Australia
18	Motherson Investments Pty Limited	March 31, 2021		AUD	55.53	0	23	177	154	-	-	13	6	7	-	100%	Australia
19	MSSL Ireland Private Limited	March 31, 2021	March 25, 2002	EUR	85.74	4	28	47	15	-	-	-1	0	-1	-	100%	Ireland
20	MSSL Mauritius Holdings Limited	March 31, 2021		EUR	85.74	3,243	3,174	38,644	32,227	2,161	-	707	-	707	-	100%	Mauritius

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Date of Acuisition	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Exchange Rate	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend/ Earnings transfer to owners	% of shareholding	Country
21	MSSL (S) Pte Limited	March 31, 2021		SGD	54.37	1,118	84	1,202	0	945	-	48	-	48	-	100%	Singapore
22	Motherson Wiring System (FZE)	March 31, 2021		EUR	85.74	3	-113	120	230	-	-	9	-	9	-	100%	UAE
23	Samvardhana Motherson Global Holdings Ltd.	March 31, 2021		EUR	85.74	173	76,158	112,882	36,553	77,074	-	62	2	59	-	51%	Cyprus
24	Samvardhana Motherson Polymers Limited	March 31, 2021		INR	1.00	38	491	529	0	528	-	-0	-	-0	-	51%	India
25	Motherson Innovations Tech Limited	March 31, 2021		INR	1.00	1	2	17	15	-	38	2	1	1	-	100%	India
26	MSSL Consolidated Inc.	March 31, 2021		USD	73.11	2,566	-931	2,503	868	2,493	-	-61	-	-61	-	100%	USA
27	MSSL Estonia WH OÜ	March 31, 2021		EUR	85.74	-	32,116	48,985	16,869	48,956	-	1,836	-	1,836	-	100%	Estonia
28	Global Environment Management (FZC)	March 31, 2021		USD	73.11	314	-349	49	84	-	102	25	-	25	-	100%	UAE
29	MSSL GmbH	December 31, 2020		EUR	85.74	21	1,112	5,812	4,679	602	2,356	-115	8	-123	-	100%	Germany
30	Samvardhana Motherson Invest Deutschland GmbH	December 31, 2020		EUR	85.74	17	54	78	7	-	12	5	-	5	5	100%	Germany
31	MSSL Advanced Polymers s.r.o.	December 31, 2020	December 01, 2006	CZK	3.28	7	471	1,884	1,406	-	1,595	13	5	8	-	100%	Czech Republic
32	Motherson Techno Precision GmbH	December 31, 2020		EUR	85.74	86	-60	614	589	0	528	-40	-	-40	-	100%	Germany
33	MSSL s.r.l. Unipersonale	December 31, 2020		EUR	85.74	1	18	22	3	-	32	6	2	4	-	100%	Italy
34	Motherson Air Travel Pvt Ltd	March 31, 2021		EUR	85.74	-	-558	1,269	1,826	-	273	-30	-	-30	-	100%	Ireland
35	Motherson Techno Precision México, S.A. de C.V	December 31, 2020		MXP	3.58	0	-50	679	728	-	706	109	47	62	-	100%	Mexico
36	MSSL Manufacturing Hungary Kft	March 31, 2021		EUR	85.74	1	-24	2,450	2,473	-	799	-48	-	-48	-	100%	Hungary
37	Samvardhana Motherson Automotive Systems Group B.V.	March 31, 2021		EUR	85.74	6	98,688	184,188	85,494	110,353	-	-383	65	-448	-	100%	Netherlands
38	Samvardhana Motherson Peguform GmbH	March 31, 2021		EUR	85.74	2	-2	16,366	16,366	10,332	-	-1,987	129	-2,116	-	100%	Germany
39	Samvardhana Motherson Innovative Autosystems Holding Company BV	March 31, 2021		EUR	85.74	9	0	10	1	-	-	0	-	0	-	100%	Netherlands
40	SMP Automotive Interiors (Beijing) Co. Ltd.	December 31, 2020		CNY	11.16	474	1,102	3,360	1,783	-	8,639	1,157	174	983	669	100%	China

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Date of Acuisition	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Exchange Rate	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend/ Earnings transfer to owners	% of shareholding	Country
41	SMP Automotive Exterior GmbH	March 31, 2021		EUR	85.74	2	1,432	8,210	6,776	2	13,390	191	9	182	182	100%	Germany
42	Samvardhana Motherson Innovative Autosystems B.V. & Co. KG	March 31, 2021		EUR	85.74	257	642	7,837	6,937	-	11,886	-1,559	0	-1,559	-	100%	Germany
43	SM Real Estate GmbH	March 31, 2021		EUR	85.74	2	216	837	619	-	156	62	10	52	-	100%	Germany
44	Samvardhana Motherson Innovative Autosystems de México, S.A. de C.V.	December 31, 2020	January 30, 2015	MXP	3.58	893	-164	1,395	667	-	923	-11	-8	-3	-	100%	Mexico
45	SMP Deutschland GmbH	March 31, 2021	November 23, 2011	EUR	85.74	2	6,357	48,598	42,239	939	82,932	-1,814	-39	-1,776	-1,776	100%	Germany
46	SMP Automotive Solutions Slovakia s.r.o.	March 31, 2021	November 23, 2011	EUR	85.74	0	1,985	278	2,263	-	940	-354	-	-354	-	100%	Slovakia
47	SMP Logistik Service GmbH	March 31, 2021	November 23, 2011	EUR	85.74	2	47	96	47	-	383	1	1	0	-	100%	Germany
48	Changchun Peguform Automotive Plastics Technology Co., Ltd.	December 31, 2020	November 23, 2011	CNY	11.16	926	7,048	18,099	10,125	1,495	23,709	3,281	399	2,882	2,232	50% +1share	China
49	SMP Automotive Technology Management Services (Changchun) Co. Ltd.	December 31, 2020	November 23, 2011	CNY	11.16	15	-47	104	136	-	-	4	-	4	-	100%	China
50	Foshan Peguform Automotive Plastics Technology Co. Ltd.	December 31, 2020		CNY	11.16	669	259	3,048	2,119	-	2,740	199	21	178	-	100%	China
51	SMP Automotive Technology Iberica S.L.	March 31, 2021	November 23, 2011	EUR	85.74	1,733	7,507	24,540	15,300	6,099	20,590	1,677	828	849	-	100%	Spain
52	SMP Automotive Technologies Teruel Sociedad Limitada	March 31, 2021	November 23, 2011	EUR	85.74	43	243	456	171	-	834	58	14	43	-	100%	Spain
53	Samvardhana Motherson Peguform Barcelona S.L.U	March 31, 2021	November 23, 2011	EUR	85.74	22	486	7,535	7,027	-	1,688	184	39	145	-	100%	Spain
54	SMP Automotive Produtos Automotivos do Brasil Ltda.	March 31, 2021	November 23, 2011	BRL	12.98	6,161	-8,717	2,057	4,613	-	4,710	-998	-	-998	-	100%-1share	Brazil
55	SMP Automotive Systems Mexico S.A. de C.V.	December 31, 2020	November 23, 2011	MXP	3.58	3,468	1,184	16,883	12,231	-	16,327	-408	-174	-234	-	100%-1share	Mexico
56	Samvardhana Motherson Peguform Automotive Technology Portugal S.A.	March 31, 2021	November 23, 2011	EUR	85.74	9	1,286	3,293	1,999	-	6,003	692	176	516	-	100%	Portugal
57	SMP Automotive Systems Alabama Inc.	March 31, 2021		USD	73.11	-	-15,774	27,397	43,171	-	29,768	-4,198	-3,072	-1,127	-	100%	USA
58	Celulosa Fabril (Cefa) S.A.	December 31, 2020	November 23, 2011	EUR	85.74	5	2,949	4,289	1,335	172	4,053	1,433	105	1,328	600	50%	Spain
59	Modulos Ribera Alta S.L.Unipersonal	December 31, 2020		EUR	85.74	172	3,258	4,966	1,536	-	9,286	1,612	383	1,229	1,029	100%	Spain

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Date of Acuisition	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Exchange Rate	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend/ Earnings transfer to owners	% of shareholding	Country
60	Motherson Innovations Lights GmbH & Co KG	March 31, 2021	January 02, 2017	EUR	85.74	2	-40	52	90	2	95	-7	-0	-7	-	100%	Germany
61	Motherson Innovations Lights Verwaltungs GmbH	March 31, 2021	January 02, 2017	EUR	85.74	2	0	3	0	-	-	0	0	0	-	100%	Germany
62	Tianjin SMP Automotive Component Company Limited	December 31, 2020		CNY	11.16	335	76	1,608	1,197	-	2,742	191	-	191	-	100%	China
63	Shenyang SMP Automotive Plastic Component Co. Ltd.	December 31, 2020		CNY	11.16	223	-59	435	271	-	1,077	65	-	65	-	100%	China
64	SMP Automotive Interior Modules d.o.o. Ćuprija	March 31, 2021		EUR	85.74	900	-134	1,255	489	-	-	-157	-24	-134	-	100%	Serbia
65	Shenyang SMP Automotive Trim Co., Ltd	December 31, 2020		CNY	11.16	268	-	364	96	-	-	-	-	-	-	100%	China
66	Samvardhana Motherson Reflectec Group Holdings Limited	March 31, 2021		EUR	85.74	2,611	16,114	19,212	488	8,015	-	-1,387	-	-1,387	-	98.45%	Jersey
67	SMR Automotive Technology Holding Cyprus Limited	March 31, 2021	March 06, 2009	EUR	85.74	171	3,055	5,361	2,135	5,358	-	-820	-	-820	-	100%	Cyprus
68	SMR Automotive Brasil Ltda.	December 31, 2020		BRL	12.98	1,071	-292	1,266	486	-	1,210	-33	-37	4	-	100%	Brasil
69	SMR Automotive Mirror Technology Holding Hungary KFT	March 31, 2021	March 06, 2009	EUR	85.74	3	2,059	2,063	2	1,296	1	176	-	176	257	100%	Hungary
70	SMR Holding Australia Pty Limited	March 31, 2021	March 06, 2009	AUD	55.53	1,884	-50	1,838	4	1,797	-	376	-0	376	376	100%	Australia
71	SMR Automotive Australia Pty Limited	March 31, 2021	March 06, 2009	AUD	55.53	627	781	2,949	1,541	19	4,337	470	141	329	376	100%	Australia
72	SMR Automotive Mirror Technology Hungary BT	March 31, 2021	March 06, 2009	EUR	85.74	87	1,829	25,436	23,520	1	52,269	1,581	30	1,552	-	100%	Hungary
73	SMR Automotive Systems France S.A.	March 31, 2021	March 06, 2009	EUR	85.74	68	188	1,679	1,424	-	4,508	-489	-	-489	-	100%	France
74	SMR Automotive Systems India Limited	March 31, 2021	March 06, 2009	INR	1.00	137	2,650	4,294	1,508	-	4,786	136	54	82	-	100%	India
75	SMR Automotive System (Thailand) Limited	March 31, 2021		THB	2.34	1,105	-524	1,207	626	-	1,376	46	-	46	-	100%	Thailand
76	SMR Automotive Mirror Parts and Holdings UK Ltd	March 31, 2021	March 06, 2009	EUR	85.74	0	10,238	16,005	5,767	5,095	-	328	-	328	2,466	100%	UK
77	SMR Patents S.à.r.l.	March 31, 2021	March 06, 2009	EUR	85.74	1	-16	539	555	-	411	62	37	25	-	100%	Luxembourg

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Date of Acuisition	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Exchange Rate	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend/ Earnings transfer to owners	% of shareholding	Country
78	SMR Automotive Technology Valencia S.A.U.	March 31, 2021	March 06, 2009	EUR	85.74	214	-6	215	7	5	-	2	0	2	-	100%	Spain
79	SMR Automotive Mirrors UK Limited	March 31, 2021	March 06, 2009	EUR	85.74	0	1,210	4,171	2,961	-	9,944	308	63	245	-	100%	UK
80	SMR Automotive Mirror Systems Holding Deutschland GmbH	March 31, 2021	March 06, 2009	EUR	85.74	2	2,877	3,806	927	964	22	452	185	267	-	100%	Germany
81	SMR Hyosang Automotive Ltd.	March 31, 2021	March 06, 2009	KRW	0.06	29	2,177	3,385	1,178	-	4,450	86	19	67	-	100%	Korea
82	SMR Automotive Modules Korea Ltd.	March 31, 2021	March 06, 2009	KRW	0.06	261	5,234	9,031	3,536	2,205	18,440	-279	-115	-163	-	100%	Korea
83	SMR Automotive Beteiligungen Deutschland GmbH	March 31, 2021	March 06, 2009	EUR	85.74	2	62	290	225	-	-	56	5	51	-	100%	Germany
84	SMR Automotive Systems Spain S.A.U.	March 31, 2021	March 06, 2009	EUR	85.74	100	1,519	4,517	2,897	189	4,265	676	131	545	-	100%	Spain
85	SMR Automotive Vision Systems Mexico S.A. de C.V.	December 31, 2020	March 06, 2009	MXP	3.58	362	2,340	5,092	2,390	-	6,989	1,066	50	1,017	373	100%	Mexico
86	SMR Automotive Mirrors Stuttgart GmbH	March 31, 2021	March 06, 2009	EUR	85.74	2	-	1,838	1,836	180	4,333	266	-	266	-	100%	Germany
87	SMR Grundbesitz GmbH & Co. KG	March 31, 2021	March 06, 2009	EUR	85.74	5	204	311	102	-	92	61	19	42	-	93%	Germany
88	SMR Mirror UK Limited	March 31, 2021		EUR	85.74	3,520	33	14,466	10,913	12,237	-	3,217	5	3,212	3,310	100%	UK
89	SMR Automotive Systems USA Inc.	March 31, 2021	March 06, 2009	USD	73.11	5	4,129	8,882	4,747	-	27,171	3,912	961	2,951	3,319	100%	USA
90	SMR Automotive Mirror International USA Inc.	March 31, 2021	March 06, 2009	USD	73.11	5,541	9,390	15,495	565	15,448	-	-23	1	-24	-	100%	USA
91	SMR Automotive Vision System Operations USA INC	March 31, 2021		USD	73.11	4,133	8,987	44,681	31,561	4,133	-	561	-364	925	-	100%	USA
92	SMR Automotive Beijing Company Limited	December 31, 2020	March 06, 2009	CNY	11.16	37	386	413	-10	-	-	14	1	13	-	100%	China
93	SMR Automotive Yancheng Co. Limited	December 31, 2020	March 06, 2009	CNY	11.16	493	534	2,697	1,671	-	4,144	260	43	217	7	100%	China
94	SMR Automotive Holding Hong Kong Limited	March 31, 2021	March 06, 2009	EUR	85.74	197	294	492	1	489	-	5	1	5	-	100%	Hong Kong
95	SMR Automotive Operations Japan K.K.	March 31, 2021		JPY	0.66	17	-81	73	137	-	201	2	0	2	-	100%	Japan
96	SMR Automotive (Langfang) Co. Ltd	December 31, 2020		CNY	11.16	1,226	-966	3,577	3,317	-	6,676	290	-	290	-	100%	China
97	SMR Automotives Systems Macedonia Dooel Skopje	December 31, 2020		MKD	1.39	0	-15	1	16	-	-	-0	-	-0	-	100%	Macedonia

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Date of Acuisition	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Exchange Rate	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend/ Earnings transfer to owners	% of shareholding	Country
98	Samvardhana Motherson Global (FZE)	March 31, 2021		USD	73.11	3	122	258	133	-	437	78	-	78	124	100%	UAE
99	Motherson Innovations Company Limited	March 31, 2021		EUR	85.74	5,459	-4,337	1,201	79	1,105	-	-483	-	-483	-	100%	UK
100	Motherson Innovations Deutschland GMBH	March 31, 2021		EUR	85.74	2	50	70	18	-	164	6	2	4	-	100%	Germany
101	SMR Automotive Industries RUS Limited Liability Company	December 31, 2020		RUB	0.97	26	-5	23	1	-	16	4	1	3	-	100%	Russia
102	Samvardhana Motherson Corp Management Shanghai Co Ltd.	December 31, 2020		CNY	11.16	174	-13	212	51	-	214	25	0	24	-	100%	China
103	Re-Time PTY Ltd	June 31, 2020		AUD	55.53	62	-46	23	7	-	27	-10	-	-10	-	71%	Australia
104	Motherson Business Service Hungary Kft.	March 31, 2021		EUR	85.74	1	-0	1	0	-	-	-0	-	-0	-	100%	Hungary
105	PKC Group Oy	March 31, 2021	March 27, 2017	EUR	85.74	533	9,836	28,572	18,203	5,046	-	1,586	2	1,584	1,758	100%	Finland
106	PKC Wiring Systems Oy	March 31, 2021	March 27, 2017	EUR	85.74	18	5,914	26,094	20,163	5,344	-	-331	0	-331	1,758	100%	Finland
107	Wisetime Oy	December 31, 2020	March 06, 2020	EUR	85.74	1	157	214	56	-	-	99	20	79	-	100%	Finland
108	Motherson PKC Harness Systems FZ-LLC	March 31, 2021		EUR	85.74	3	-163	771	930	-	-	-159	-	-159	-	100%	UAE
109	PKC Group Poland Sp. z o.o.	December 31, 2020	March 27, 2017	PLN	18.53	380	-973	3,476	4,069	-	9,799	114	121	-7	-	100%	Poland
110	PKC SEGU Systemelektrik GmbH	December 31, 2020	March 27, 2017	EUR	85.74	2	-193	827	1,018	-	1,868	53	0	53	-	100%	Germany
111	PKC Wiring Systems Llc	December 31, 2020	March 27, 2017	RSD	0.73	1,837	-1,651	3,278	3,092	-	4,935	-171	-0	-171	-	100%	Serbia
112	PKC Eesti AS	December 31, 2020	March 27, 2017	EUR	85.74	88	14,950	18,002	2,964	6,185	12,917	432	-	432	-	100%	Estonia
113	TKV-sarjat Oy	March 31, 2021	March 27, 2017	EUR	85.74	1	8	25	16	5	-	-1	-	-1	-	100%	Finland
114	OOO AEK	December 31, 2020	March 27, 2017	RUB	0.97	68	272	653	313	-	951	-87	-13	-75	-	100%	Russia
115	PKC Group Lithuania UAB	December 31, 2020	March 27, 2017	EUR	85.74	12	761	1,373	600	-	1,845	358	56	301	-	100%	Lithuania
116	PK Cables do Brasil Ltda	December 31, 2020	March 27, 2017	BRL	12.98	4,225	-4,190	3,254	3,218	-	5,045	-506	-2	-504	-	100%	Brazil
117	PKC Group Canada Inc.	December 31, 2020	March 27, 2017	CAD	58.21	822	-502	323	2	-	4	3	1	2	-	100%	Canada
118	PKC Group Mexico S.A. de C.V.	December 31, 2020	March 27, 2017	MXP	3.58	0	143	143	0	-	-	-	-	-	-	100%	Mexico
119	Project del Holding S.a.r.l.	December 31, 2020	March 27, 2017	EUR	85.74	654	742	1,398	3	-	-	-2	-	-2	-	100%	Luxembourg
120	AEES Manufactuera, S. De R.L de C.V.	December 31, 2020	March 27, 2017	MXP	3.58	60	711	1,735	964	-	2,031	69	15	54	-	100%	Mexico

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ Million, unless otherwise stated)

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Date of Acuisition	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Exchange Rate	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend/ Earnings transfer to owners	% of shareholding	Country
121	Arneses de Ciudad Juarez, S. de R.L de C.V.	December 31, 2020	March 27, 2017	MXP	3.58	0	49	118	68	-	335	25	8	17	-	100%	Mexico
122	Arneses y Accesorios de México, S. de R.L de C.V.	December 31, 2020	March 27, 2017	MXP	3.58	0	229	1,749	1,520	-	4,676	232	86	146	-	100%	Mexico
123	Cableodos del Norte II, S. de R.L de C.V.	December 31, 2020	March 27, 2017	MXP	3.58	0	284	578	295	-	1,495	98	28	70	-	100%	Mexico
124	Asesoria Mexicana Empresarial, S. de R.L de C.V.	December 31, 2020	March 27, 2017	MXP	3.58	7	126	270	137	-	560	28	7	22	-	100%	Mexico
125	Manufacturas de Componentes Electricos de Mexico S. de R.L de C.V.	December 31, 2020	March 27, 2017	MXP	3.58	1	2	8	5	-	-	-	-	-	-	100%	Mexico
126	PKC Group de Piedras Negras, S. de R.L. de C.V.	December 31, 2020	March 27, 2017	MXP	3.58	0	90	199	109	-	669	42	13	29	-	100%	Mexico
127	PKC Group AEES Commercial S. de R.L de C.V	December 31, 2020	March 27, 2017	MXP	3.58	0	42	109	67	-	336	16	5	11	-	100%	Mexico
128	PKC Group USA Inc.	December 31, 2020	March 27, 2017	USD	73.11	988	-14,793	-5,014	8,792	4,357	-	-1,282	-	-1,282	-	100%	USA
129	AEES Inc.	December 31, 2020	March 27, 2017	USD	73.11	0	13,040	13,485	444	697	27,424	-423	-617	194	-	100%	USA
130	AEES Power Systems Limited partnership	December 31, 2020	March 27, 2017	USD	73.11	-	2,411	2,738	327	-	613	457	107	350	-	100%	USA
131	T.I.C.S. Corporation	December 31, 2020	March 27, 2017	USD	73.11	-	-	-	-	-	-	-	-	-	-	100%	USA
132	Fortitude Industries Inc.	December 31, 2020	April 01, 2017	USD	73.11	1	846	1,550	703	-	957	20	0	19	-	100%	USA
133	PKC Vechicle Technology (Hefei) Co, Ltd.	December 31, 2020	March 27, 2017	CNY	11.16	1,116	74	3,092	1,902	67	6,329	191	8	184	-	50%	China
134	PKC Vehicle Technology (Suzhou) Co., Ltd.	December 31, 2020	March 27, 2017	CNY	11.16	967	-862	287	182	-	143	13	1	13	-	100%	China
135	Jiangsu Huakai-PKC Wire Harness Co., Ltd.	December 31, 2020	March 27, 2017	CNY	11.16	1,339	3,318	7,886	3,229	1,116	9,683	470	44	425	112	50%	China
136	Shangdong Huakai-PKC Wire Harness Co., Ltd.	December 31, 2020		CNY	11.16	1,116	358	3,289	1,815	-	3,953	330	38	292	-	100%	China
137	PKC Vehicle Technology (Fuyang) Co., Ltd.	December 31, 2020		CNY	11.16	-	-	-	-	-	-	-	-	-	-	100%	China
138	PKC Group APAC Limited	December 31, 2020	March 27, 2017	HKD	9.40	5	-2,824	2,760	5,580	2,760	-	-206	-	-206	-	100%	Hong Kong
139	Kabel-Technik-Polska Sp. z o.o.	March 31, 2021	March 27, 2017	PLN	18.53	292	1,508	5,474	3,674	-	6,417	1,161	220	941	-	100%	Poland

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140	PKC Group Poland Holding Sp. z o.o.	December 31, 2020	March 27, 2017	PLN	18.53	389	378	4,100	3,333	1,946	-	33	13	20	-	100%	Poland
141	Groclin Luxembourg S.à r.l.	December 31, 2020	March 27, 2017	EUR	85.74	228	1,687	1,927	11	1,927	-	-2	0	-2	-	100%	Luxembourg
142	Motherson Rolling Stock Systems GB Ltd	March 31, 2021		GBP	100.73	-	-	-	-	-	2,827	220	32	188	1,050	100%	United Kingdom
143	SMRC Automotive Holdings B.V.	March 31, 2021	August 2, 2018	USD	73.11	0	833	893	60	37	-	11	7	4	-	100%	Netherland
144	SMRC Automotives Technology Phil Inc.	March 31, 2021	August 2, 2018	PHP	1.51	75	-156	265	346	-	44	-49	2	-51	-	100%	Philippines
145	SMRC Automotive Smart Interior Tech (Thailand) Ltd.	December 31, 2020	August 2, 2018	THB	2.34	1,315	-625	1,514	824	-	1,453	-3	-	-3	-	100%	Thailand
146	SMRC Automotive Interiors Spain S.L.U.	December 31, 2020	August 2, 2018	EUR	85.74	1,310	2,841	7,297	3,145	-	11,374	434	85	350	-	100%	Spain
147	SMRC Automotive Modules France SAS	March 31, 2021	August 2, 2018	EUR	85.74	571	3,736	24,701	20,394	-	32,092	-10	-92	81	-	100%	France
148	SMRC Smart Interior Systems Germany GmbH	December 31, 2020	August 2, 2018	EUR	85.74	2	212	657	443	-	538	16	6	10	-	100%	Germany
149	SMRC Fabricacao e Comercio de Produtos Automotivos do Brasil Ltda.	March 31, 2021	August 2, 2018	BRL	12.98	1,112	-606	2,093	1,588	-	3,661	-9	26	-35	-	100%	Brazil
150	Shanghai SMRC Automotive Interiors Tech Consulting Co. Ltd.	December 31, 2020	August 2, 2018	CNY	11.16	11	8	23	4	-	53	3	0	3	-	100%	China
151	SMRC Automotive Products India Private Limited	March 31, 2021	August 2, 2018	INR	1.00	1,166	512	3,939	2,261	-	3,590	2	-11	14	-	100%	India
152	Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U.	December 31, 2020	August 2, 2018	EUR	85.74	1,354	1,666	3,023	3	2,450	-	-2	-16	14	-	100%	Spain
153	SMRC Automotive Interiors Products Poland SA	December 31, 2020	August 2, 2018	PLN	18.53	-	-	-	-	-	-	0	1	-1	-	100%	Poland
154	SMRC Automotive Interiors Japan Ltd.	March 31, 2021	August 2, 2018	JPY	0.66	66	-89	154	177	-	154	-29	4	-33	-	100%	Japan
155	Yujin SMRC Automotive Techno Corp.	March 31, 2021	August 2, 2018	KRW	0.06	551	936	3,320	1,832	-	5,888	-420	-165	-255	162	51%	Korea
156	SMRC Automotive Interior Modules Croatia d.o.o.	December 31, 2020	August 2, 2018	HRK	11.33	0	11	13	2	-	26	1	0	1	-	100%	Croatia
157	SMRC Automotive Solutions Slovakia s.r.o.	December 31, 2020	August 2, 2018	EUR	85.74	355	-207	2,904	2,756	-	-	-563	66	-629	-	100%	Slovakia
158	SMRC Automotive Technology RU LLC	December 31, 2020	August 2, 2018	RUB	0.97	1,100	-637	1,594	1,132	-	2,088	308	43	265	-	100%	Russian Federation

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159	SMRC Automotive Holdings Netherlands B.V.	March 31, 2021	August 2, 2018	EUR	85.74	0	5,990	13,132	7,142	9,395	77	-210	20	-230	81	100%	Netherland
160	SMRC Automotives Techno Minority Holdings B.V.	March 31, 2021	August 2, 2018	EUR	85.74	0	70	3,124	3,054	8	-	21	3	18	-	100%	Netherland
161	SMRC Automotive Tech Argentina S.A.	December 31, 2020	August 2, 2018	ARS	0.79	554	153	1,280	573	-	695	44	49	-6	-	100%	Argentina
162	Samvardhana Motherson Reydel Autotecc Morocco SAS	December 31, 2020	August 2, 2018	MAD	8.07	1,001	-701	1,939	1,640	-	1,384	41	8	33	-	100%	Morocco
163	PT SMRC Automotive Technology Indonesia	December 31, 2020	August 2, 2018	IDR	0.01	13	-44	33	64	-	-	-20	0	-20	-	100%	Indonesia
164	SMRC Automotive Holding South America B.V.	March 31, 2021	August 2, 2018	USD	73.11	0	1,225	1,230	5	1,225	-	-23	2	-25	-	100%	Netherland
165	SMRC Automotive Modules South America Minority Holdings B.V.	March 31, 2021	August 2, 2018	USD	73.11	0	28	29	1	29	-	-0	-	-0	-	100%	Netherland
166	SMRC Automotive Interiors Management B.V.	March 31, 2021	August 2, 2018	USD	73.11	-	-	-	-	-	-	113	-	113	-	100%	Netherland
167	SMRC Smart Automotive Interior Technologies USA, LLC	March 31, 2021	August 2, 2018	USD	73.11	-	-	-	-	-	-	-	-	-	-	100%	USA
168	Motherson Innovations LLC	March 31, 2021		USD	73.11	-	-	-	-	-	-	-	-	-	-	100%	USA
169	Motherson Ossia Innovations LLC.	March 31, 2021		USD	73.11	-	-	-	-	-	-	-	-	-	-	51%	USA
170	Motherson Sumi Wiring India Limited	March 31, 2021		INR	1.00	1	-4	0	4	-	-	-4	-	-4	-	100%	India

Notes:

1. Subsidiary companies 'MSSL M Tooling Ltd' was liquidated on October 30, 2020, SMRC Automotive Interiors Management B.V was liquidated on March 24, 2021, Motherson Polymers Compounding Solution Limited was merged with the company from September 30, 2020.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company as on March 31, 2021			Description of how there is significant influence	Reason why the associate/ joint venture is not Consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			No.	Amount of Investment in Associates/ Joint Venture	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation
1	Saks Ancillaries Limited	March 31, 2021	1,000,000	11	40.01%	The Group controls 40.01% share holding of Saks Ancillaries Limited.	The Company carries out the equity method of accounting	46	4	
2	Kyungshin Industrial Motherson Limited	March 31, 2021	8,600,000	86	50%	Joint Control along with its joint venture partner	The Company carries out the equity method of accounting	2,060	-46	
3	Calsonic Kansei Motherson Auto Products Private Limited	March 31, 2021	30,930,836	400	49%	Joint Control along with its joint venture partner	The Company carries out the equity method of accounting	745	135	
4	Ningbo SMR Huaxiang Automotive Mirrors Co. Limited	December 31, 2020	-	558	50%	Joint Control along with its joint venture partner	The Company carries out the equity method of accounting	2,668	1,200	
5	Chongqing SMR Huaxiang Automotive Products Limited	December 31, 2020	-	223	50%	Joint Control along with its joint venture partner	The Company carries out the equity method of accounting	620	41	
6	Tianjin SMR Huaxiang Automotive Part Co. Limited	December 31, 2020	-	78	50%	Joint Control along with its joint venture partner	The Company carries out the equity method of accounting	71	-13	
7	Eissmann SMP Automotive interieur Slovakia s.r.o.	December 31, 2020		232	49%	Joint Control along with its joint venture partner	The Company carries out the equity method of accounting	110	-422	
8	Hubei Zhengao PKC Automotive Wiring Company Ltd.	December 31, 2020		651	40%	Joint Control along with its joint venture partner	The Company carries out the equity method of accounting	1,004	703	

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