

April 13, 2020

The General Manager  
Dept. of Corporate Services  
**BSE Limited**  
P.J. Tower, Dalal Street,  
Mumbai – 400 001

The Vice-President  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E),  
Mumbai – 400 051

**Scrip Code : 517334**

**Scrip Code : MOTHERSUMI**

**Re.: Press Release**

Dear Sirs,

Please find enclosed a Press Release dated April 13, 2020 issued by the Company in respect of preparedness to tackle Covid-19 situation.

The above is submitted pursuant to the Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for your information and record.

Thanking you,

Yours truly,  
For Motherson Sumi Systems Limited

Sd/-  
Alok Goel  
Company Secretary

## **Motherson fully prepared to tackle Covid-19 Situation.**

Noida, 13<sup>th</sup> April 2020

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 many areas of the world with severe toll on health.

In light of this, Motherson has taken a holistic approach to protect the interest of various stakeholders including employees, customers, investors and societies where it is present.

### **Employees.**

Motherson believes that all of its global employees are part of the Motherson family and hence their safety is of paramount importance. In response to COVID-19, we have instituted many measures to protect their health and well-being:

- All plants and offices are adhering to all local and international safety guidelines
- Instituted work from home wherever possible
- All domestic / international travel has been temporarily suspended since early March.
- Where considered essential to operate, we have modified shift planning and provided infrastructure like masks, sanitizers, disinfectants etc. to promote safe working conditions
- Protocols and reopening standards are being implemented globally after taking valuable learning lessons from our reopened plants in China and Korea.
- Motherson has thus geared itself to provide requisite infrastructure to all its employees to work efficiently and with maximum productivity from their homes. Wherever manufacturing facilities are deemed essential or have opened adhering to local guidelines, we have provided them a safe environment, meeting all safety guidelines.

### **Customers.**

Motherson is in close contact with all our customers and receiving regular updates on plant reopening dates and customer schedules. So far, we do not see any change in our contracts or programs, and most customers are wanting to catch up on the lost production time in the coming months due to pent up demand. We are seeing positive development on demand coming from our China plants which went first into shutdown but have since recovered production levels to nearly pre COVID-19 times soon after starting up. This is a very positive indication for our industry.

While most of Motherson's plants in India, Europe and Americas are currently temporarily closed, we have received positive reopening dates for vast majority of the plants by end of April / early May. Multiple internal task forces have been created to monitor the situation on a daily basis across all our plants. We are in constant touch with various government organizations, our customers, suppliers and employees to ensure we get the latest updates and are ready to commence production in alignment with our customers. However, since it is a dynamic situation, there could be further delays in reopening plants in case the local governments extend lockdowns, of which there are no current clear indications.



## Investors.

Keeping in perspective the changing environment since the onset of COVID-19 in China, Motherson had instituted many projects across the globe aimed at cost rationalization, controlling non-critical business investments and optimizing working capital to conserve and generate cash flows:

- Prudent financial discipline allowed Motherson to pay dividends for the year within the year despite the global challenges, so that investors would have cash in their hands.
- Governments in various parts of the world have instituted employment protection schemes during this shut down period where they are bearing part of the employee costs. We are actively working with the governments to further reduce fixed costs during this period of non-production.
- We already completed our growth capex investments in last financial year and since our customer orders are intact, we believe our companies will generate significant free cash flows in coming years. Any future capex is aligned with the launch schedule of OEMs and will only get reduced / deferred if there are any changes in customer launches.
- Monetizing engineering working capital by actively working with our customers
- Working closely with customers for realization of receivables as well as with supply chain for smooth continuity of operations as lockdown restrictions are removed.
- Ensuring upkeep and maintenance of facilities during the lockdown period.

As a result of these measures, we are pleased to report that our March 31, 2020 Net Debt levels has been the lowest in Eleven quarters:

- MSSL Consolidated : Rs 71.5 bn
- SMRP : Eur 702 mm

Our liquidity is very strong as of March 31, 2020:

- Consolidated Cash Rs 46.9 bn with Eur 412 mm being cash at SMRPBV
- Consolidated drawable committed/uncommitted facilities of Rs 55 bn with Eur 458 mm (committed lines) at SMRP BV

We have adequate headroom in our bond documents to utilize the above and there are also no major maturities of debt in the next 12 months.

To further enhance liquidity in these uncertain times, the Board of Directors has accorded in-principle approval to raise up to Rs 10 bn and delegated its Committee of Directors to evaluate and decide on various borrowing proposals. We are also proactively working to leverage on various government support schemes to enhance liquidity.

***“Our team has done a phenomenal job in almost doubling MSSL’s turnover over the last 5 years to USD 9.6 bn / INR 630 bn on an unaudited basis” said Motherson’s Chairman Mr Vivek Chaand Sehgal.” Our aspirational 5-year plans cannot be timed perfectly, and the unprecedented COVID-19 situation has hindered us in closing many target acquisitions. However, we believe that these same opportunities have become more attractive in valuations since the COVID crisis. Secondly, with our strong financial position and with customer faith intact, we are also being asked by many of our customers to look at more specific companies which are in trouble and we believe can be acquired at low valuations. We wanted to showcase our plans to the investors in June but keeping in mind the current environment, we will probably do so in October. We are grateful to all the customers, government bodies and our financing partners for their support in these trying times”***



Further MSSL has been intimated by its parent, Samvardhana MotherSON International Limited (“SAMIL”) that part of its debt has been repaid as well and subsequently 30.5 mm MSSL shares are expected to be released from pledge during this week. It intends to pay back more facilities from internal accruals and dividends going forward.

### **Societies.**

MotherSON has always set a high standard when it comes to ethics and professionalism. The company has a deeply rooted belief of conducting all day to day operations with positivity and acting in a responsible manner for the wider community.

In this current environment, MotherSON is leading multiple initiatives to help the world come out on the other side stronger. This includes activities such as distributing daily meals, as well as working with individual governments to support their local initiatives.

In addition, MotherSON is also working closely with their customers to support the manufacturing of medical devices. This includes supporting OEMs in the production of ventilators, supplying spray guns for sanitizing and producing oil free compressors for medical use.

MotherSON continues to actively monitor the situation on a daily basis and is ready to take further risk management decisions as required. At the same time, it is putting in place all measures necessary to ensure safety of its employees and readiness of its suppliers to restart production in all plants as soon as possible.

### **Safe Harbour**

*The contents of this press release are based on unaudited numbers for the financial year ended March 31, 2020. The contents are for informational purposes only and for the reader's personal non-commercial use. The contents are intended, but not guaranteed, to be correct, complete, or absolutely accurate and are also subject to financial audits. This press release also contains forward-looking statements based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, are reasonable. Forward looking statements involve known and unknown risks, contingencies, uncertainties, market conditions and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. The Company disclaims any obligation or liability to any person for any loss or damage caused by errors or omissions, whether arising from negligence, accident or any other cause. Recipients of this press release are not to construe its contents, or any prior or subsequent communications from or with the Company or its representatives as investment, legal or tax advice. In addition, this release does not purport to be all inclusive or to contain all of the information that may be required to make a full analysis of the Company, target entities or the proposed transaction. Recipients of this press release should each make their own evaluation of the Company and of the relevance and adequacy of the information and should make such other investigations as they deem necessary.*

### **About MotherSON Sumi Systems Limited**

MotherSON Sumi Systems Limited (MSSL) is one of the world's leading specialised automotive component manufacturing companies for OEMs. MSSL was established in 1986 as a joint venture with Sumitomo Wiring Systems and was listed in 1993 on BSE and NSE in India. MSSL is a focused, dynamic and progressive company providing customers with innovative and value-added products, services and solutions. With a diverse global customer base of nearly all leading automobile manufacturers globally, the company has a presence in 41 countries across five continents. MSSL is currently the largest auto ancillary in India and among the Fab 50 companies of India by Forbes magazine. MSSL is the flagship company of the MotherSON Group, ranked 21st among global automotive suppliers by Automotive News. For more details, please visit [www.motherSON.com](http://www.motherSON.com) (CIN - L34300MH1986PLC284510). For other details on MotherSON Sumi Systems Limited, please contact:

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