

July 19, 2021

Motherson Sumi Systems Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Term Loan	1,108.27	2,118.29	[ICRA]AA+ (Stable); Reaffirmed
Fund-based facilities	600.00	1,002.00	[ICRA]AA+ (Stable)/A1+; Reaffirmed
Non-fund based bank facilities	100.00	925.00	[ICRA]AA+ (Stable)/A1+; Reaffirmed
Total BLR	1,808.27	4,045.29	
CP/STD programme	150.00	150.00	[ICRA]A1+; Reaffirmed

*Instrument details are provided in Annexure-1

Rationale

The reaffirmation of ratings of Motherson Sumi Systems Limited (MSSL) takes into consideration its established position as one of the leading automotive component suppliers globally and its well-diversified business profile across products, customers and geographies. The company's business profile is characterised by established relationships and market position with leading automobile OEMs across key markets in the USA, Europe, Asia (including India), strong in-house product development capabilities and a widespread geographical footprint. Over the years, it has been able to steadily strengthen its business and customer diversity, while improving its geographical reach through inorganic growth opportunities.

The benefits of its well-diversified business profile played out to some extent during the previous pandemic struck year. While Q1 FY2021 had been significantly impacted by the widespread impact of the pandemic across countries and Original Equipment Manufacturers (OEMs), the company was able to report faster-than-expected recovery thereafter, which was at first supported by China, and subsequently by other geographies such as India, Korea, North America and Europe, as the pandemic impact mellowed down in these regions, and automotive demand bounced back. Accordingly, MSSL was able to report highest-ever quarterly revenues of more than ~Rs. 17,000 crore in both Q3 and Q4 FY2021. Similarly, in the current fiscal, while Indian operations would have been impacted in Q1 FY2022 due to the second wave of the pandemic, the relatively resilient performance of other geographies are likely to have mitigated the impact of the second wave in India on the company's operating performance.

ICRA also notes the improvement in the company's profitability and operating performance over the past year, aided by cost-control initiatives undertaken in the wake of the pandemic, as well as turnaround in the new greenfield facilities set up under Samvardhana Motherson Peguform (SMP) (Kecskemet, Hungary and Tuscaloosa, USA). Aided by various focussed measures, the company was able to achieve EBITDA break-even at these plants in Q2 FY2021, despite the lower scale of operations and improve on the same in the subsequent quarters. Accordingly, the drag on its earnings due to these plants was minimal, resulting in operating profit margins (OPM) of more than 11% in H2 FY2021 vis-à-vis 8-9% reported over the past two years.

The ratings continue to draw comfort from MSSL's healthy financial risk profile, characterised by comfortable capital structure and strong liquidity. Despite the pandemic-induced disruptions in the first quarter of the fiscal, the company continued to maintain strong liquidity, ending FY2021 with sizeable cash and bank balances (Rs. 5,938 crore as on March 31, 2021), and low utilisation of revolving credit and working capital facilities (buffer of Rs. 6,678 crore as on March 31, 2021). MSSL was also able to pare down gross debt levels to Rs. 10,758 crore as on March 31, 2021 from Rs. 13,218 crore as on June 30, 2020, which coupled with the healthy cash balances, resulted in Net Debt almost halving over this period to Rs. 4,820 crore (as of March 31, 2021). Accordingly, credit metrics such as Net Debt/OPBITDA, NCA/Debt, interest cover, etc, improved during FY2021 to 1.2x, 31% and 9.7x, respectively, (from 1.6x, 21% and 8.9x, respectively, in FY2020).

ICRA notes that MSSL's financial performance remains exposed to challenges such as cyclical, increasing regulatory interventions and fierce competition witnessed by automotive companies in key developed markets, especially Europe (constituting ~50% of the company's revenues). Additionally, the overall large revenue dependence on the European OEMs exposes the company to adverse impact of imposition of any trade tariffs. However, MSSL's manufacturing footprint is spread over ~230 locations (in close proximity to customers) across the globe and its proven ability to adapt to the changing customer requirements across geographies mitigate the risk to an extent.

While MSSL has a history of growth largely led by inorganic investments, ICRA expects the management to continue to adopt a disciplined approach while evaluating further inorganic growth opportunities. The company's past track record of successfully turning around major acquisitions and refinancing its bond repayment obligations (raised on Samvardhana Motherson Automotive Systems Group BV's (SMRPBV) books) well ahead of time also provides comfort. To this effect, ICRA favourably notes that the company refinanced the \$400-million bond that was falling due in December 2021 well in advance, through borrowings availed domestically.

ICRA has also factored in the ongoing business reorganisation exercise with the Samvardhana Motherson Group (SMG), wherein the domestic wiring harness business (DWH), currently housed in MSSL, would be demerged into a separate listed entity, followed by the merger of MSSL's current parent entity Samvardhana Motherson International Limited (SAMIL) with itself. Consequently, SMRPBV would become a wholly-owned subsidiary of MSSL (restructured). Although the relatively higher-margin DWH business would be demerged, comfort is drawn from the fact the various businesses housed under SAMIL currently offer significant revenue growth and diversification potential and are likely to contribute materially to MSSL's consolidated profile over a longer term.

The Stable outlook on the long-term rating reflects ICRA's expectation that MSSL is likely to maintain healthy earnings and cash flows, supported by the reduction in losses from greenfield plants and controlled capital expenditure outgo. The same is likely to help the company to maintain a comfortable credit profile. Any acquisitions undertaken by the company and the consequent impact on its credit profile would remain a monitorable.

Key rating drivers and their description

Credit strengths

Leading automotive component manufacturer with strong global market position across segments – MSSL is one of the leading automotive component companies globally and a tier-I supplier of wiring harness, rear-view vision systems, interior and exterior modules to large global auto OEMs such as the Volkswagen Group (VW Group) and Mercedes Benz/Daimler. The company has a healthy market position in terms of global presence as well as share of business of its products. The company's polymer business (SMP) is a leading supplier of bumpers, cockpit assemblies and door trims in the premium segment with a sizeable global market share. Samvardhana Motherson Reflectec (SMR), the company's mirrors business, enjoys a dominant global market share for exterior mirrors. At a standalone basis, MSSL (along with its joint venture) enjoys a dominant position in the wiring harness segment for the Indian PV market, although after the business reorganisation, this would be demerged into a separate entity. Likewise, the PKC Group has a strong presence in the M&HCV segments in North America and Europe.

Well-diversified business profile across products, customers and geographies; established relationships and widespread geographical footprint – MSSL has a diversified automotive product portfolio of automotive vision systems, wiring harnesses, polymer-based auto components, tooling, metal machining and elastomers spanning key automotive markets globally. Aided by the acquisition of PKC Group (in FY2017) and Samvardhana Motherson Reydel Company (SMRC; in FY2019), the company's revenue dependence on the European OEMs and the Volkswagen (VW) Group (~30% in FY2021) has moderated. The same is likely to moderate further, aided by ramp-up in scale of operations of new plants set up by SMRPBV. Although a moderate dependence on the VW Group results in high client concentration risk, the same is mitigated to a large extent by the strong share of business enjoyed by MSSL across various model programmes. The company has a widespread geographical footprint, with plants located across geographies. Over the years, it has set up manufacturing facilities in close proximity to OEM plants,

thereby integrating into an OEM's supply chain, offering just-in-time (JIT) logistics. This has helped MSSL to gain new businesses and maintain a healthy order book.

Healthy financial risk profile, characterised by comfortable capital structure and strong liquidity profile – MSSL continues to maintain a conservative capital structure, with a gearing of 0.7 time and Net Debt/OPBDITA of 1.2 times as on March 31, 2021. The debt coverage indicators remain healthy, as reflected by an interest coverage of 9.7 times and NCA/Total Debt of 31% in FY2021. The liquidity position remains strong, supported by sizeable cash and bank balances, low utilisation of revolving credit and working capital facilities, despite the impact of Covid-19 pandemic on operating cash flows in H1 FY2021. Nevertheless, its credit profile would remain sensitive to any further waves of the pandemic, apart from any further debt-funded acquisition undertaken by the company. The management is likely to adopt a disciplined approach to evaluate further inorganic growth opportunities, which provides comfort.

Strong in-house product development capabilities coupled with technical collaborations strengthen competitive positioning; furthermore, product portfolio remains agnostic to prospective transition towards electrical mobility – The competition in the automotive industry remains high; nevertheless, aided by its in-house product development capabilities and technical collaborations (Sumitomo Wiring Systems Ltd. for wiring harness), MSSL has emerged as a preferred solution provider to its customers and has sustained a strong market position over the years. The company's product portfolio remains agnostic to internal combustion engines, hybrids and electric vehicles (EVs), thereby limiting any risk arising from a prospective transition towards electrical mobility, going forward. The company is even deriving a significant proportion of its order book from new EV orders, which offers comfort regarding its ability to keep up with evolving technological trends.

Credit challenges

Exposed to inherent cyclicality across global automotive markets – MSSL derives ~50% of its revenues from Europe and exhibits ~65-70% revenue dependence on the European OEMs. Thus, its business prospects remain exposed to the cyclical demand patterns across the global automotive markets, as well as the ability of its customers to maintain their market position or operating performance. Following the economic fallout led by the Covid-19 pandemic, global auto sales were impacted in H1 FY2021, resulting in a negative revenue outlook for auto parts suppliers. However, it bounced back relatively quickly in the second half aided by an increased preference for personal mobility. Even as recent supply chain constraints such as the semiconductor shortage have again resulted in temporary hiccups, MSSL's manufacturing footprint across global markets, coupled with its policy of order-backed expansion, continues to provide comfort, with the company likely to be in a position to support its OEMs by realigning its manufacturing strategy.

Aggressive expansion plans driven by inorganic growth strategy; track record of maintaining financial discipline and successful turnaround of acquired entities provide comfort – The company's management has a track record of pursuing an inorganic growth strategy, which is expected to continue and has been outlined by the management as per its Vision 2025. Most of its acquisitions are customer backed, with the management being primarily successful in turning around these entities. ICRA notes that aided by its acquisitions, MSSL has been able to enhance its operational profile significantly over the years, as reflected by strong synergies within the company, in terms of centralised procurement as well as a large product basket. This helped MSSL remain cost competitive and a preferred solution provider for its customers. Even as the company plans to diversify into non-automotive segments as well with a view of ramping up its scale of operations, the track record of successfully turning around major acquisitions by the management and the financial discipline exercised in acquiring the entities provide comfort.

Liquidity position: Strong

MSSL's liquidity position remains **strong**, supported by expectation of healthy cash flows, sizeable cash and bank balances (Rs. 5,938 crore cash and bank balances as on March 31, 2021) and low utilisation of revolving credit and working capital facilities (buffer of Rs. 6,678 crore as on March 31, 2021, mainly revolving credit facilities at SMPRBV level). The strong liquidity profile is likely to remain more than adequate to help the company meet its debt repayments in FY2022 (Rs. 1,844 crore in FY2022) and capital expenditure plans (~Rs. 2,000 crore), and continues to provide comfort.

Rating sensitivities

Positive factors – Healthier-than-expected scale up in operations across locations and a resulting improvement in the company’s return metrics and debt coverage indicators, would be favourably considered for a rating upgrade. Specific credit metrics that could result in an upgrade over the medium term include Net Debt/OPBDITA lower than 1.0 times on a sustained basis.

Negative factors – The ratings may be revised downwards in case of any prolonged weakness in demand across global automotive markets, thereby adversely impacting the company’s profitability and credit metrics. Furthermore, any large debt-funded capex or acquisitions and its impact on the credit profile would remain a rating sensitivity. Specific credit metrics that could result in a downgrade include Net Debt/OPBDITA greater than 1.8 times on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Auto Component Suppliers
Parent/Group Support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Motherson Sumi Systems Limited. As on March 31, 2021, the company had 170 subsidiaries, two associate companies and six JVs, which are all enlisted in Annexure-2.

About the company

MSSL is the flagship company of Samvardhana Motherson Group (SMG), a leading global automotive component supplier. The company has a diversified automotive product portfolio, which includes automotive vision systems, wiring harnesses, polymer parts, tooling, metal machining and elastomers spanning key automotive markets around the globe. The company was promoted in 1986 in technical and financial collaboration with Sumitomo Wiring Systems (SWS) and Sojitz Corporation, Japan. MSSL is a listed entity, with its promoter shareholding distributed between Samvardhana Motherson International Limited and the Sehgal family (~36.6% stake) and SWS, Japan (~25.1% stake) as on date. Post the ongoing business reorganisation exercise within the group (expected to be completed by October 2021), the shareholding will change to Sehgal family (50.4% stake) and SWS, Japan (17.7% stake), with the rest held by public.

MSSL started out as a single product (wiring harness) company, but has since expanded its product range to include polymer products, automotive mirrors and machined metal components. Besides organic growth through investments in identified geographies, the management has followed an acquisition-led growth strategy, which has helped in diversifying its operational profile over the years. The wiring harness business is housed under both MSSL (standalone), its subsidiary (domestic wiring harness business to be demerged into a separate entity post a business reorganisation within the Group w.e.f. April 1, 2021) as well as the PKC Group (a Finnish company acquired by MSSL in 2017). The rear-view mirror business is housed under SMR (acquired in 2009). The largest business by revenue—interior and exterior polymer products (~50% of overall revenues)—is mainly housed under SMP (acquired in 2011) and Samvardhana Motherson Reydel Company (SMRC, acquired in 2018).

Key financial indicators (audited)

MSSL (Consolidated)	FY2020	FY2021
Operating Income (Rs. crore)	64,788.7	61,654.0
PAT (Rs. crore)	1,237.0	1,484.5
OPBDIT/OI (%)	8.1%	8.1%
PAT/OI (%)	1.9%	2.4%
Total Outside Liabilities/Tangible Net Worth (times)	2.0	1.8
Total Debt/OPBDIT (times)	2.5	2.4
Net Debt/OPBDIT (times)	1.6	1.2
Interest Coverage (times)	8.9	9.7

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Note: Amount in Rs. crore; All calculations are as per ICRA research

Source: MSSL, ICRA research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years								
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Mar 31, 2021 (Rs. crore)	Date & Rating in	Date & Rating in FY2021			Date & Rating in FY2020			Date & Rating in FY2019		
					Jul 19, 2021	Sep 3, 2020	Jul 7, 2020 Apr 9, 2020	Feb 4, 2020 Jan 31, 2020	Dec 31, 2018	Aug 28, 2018	Apr 9, 2018			
1	Term Loans	Long-term	2,118.29	2,019.23	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ @	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Positive)	[ICRA]AA (Positive)			
2	Fund Based Limits	Long-term/ Short-term	1,002.00	174.28	[ICRA]AA+ (Stable)/ A1+	[ICRA]AA+ (Stable)/ A1+	[ICRA]AA+ @/A1+	[ICRA]AA+ (Stable)/ A1+	[ICRA]AA+ (Stable)/ A1+	[ICRA]AA+ (Positive)/ A1+	[ICRA]AA (Positive)/ A1+			
3	Non-fund Based Limits	Long-term/ Short-term	925.00	93.64	[ICRA]AA+ (Stable)/ A1+	[ICRA]AA+ (Stable)/ A1+	[ICRA]AA+ @/A1+	[ICRA]AA+ (Stable)/ A1+	[ICRA]AA+ (Stable)/ A1+	[ICRA]AA+ (Positive)/ A1+	[ICRA]AA (Positive)/ A1+			
4	Commercial Paper	Short-term	150.00	0.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+			

@ Under watch with negative implications

Complexity level of the rated instruments

Instrument	Complexity Indicator
Term Loans	Simple
Fund Based Limits	Simple
Non-fund Based Limits	Simple
Commercial Paper*	Very Simple

* Complexity categorization is as per the latest understanding of ICRA and is subject to change once the issuance terms are finalized

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Term Loan-1	November 2015	-	December 2026	21.00	[ICRA]AA+ (Stable)
NA	Term Loan-2	March 2017	-	March 2022	522.29	[ICRA]AA+ (Stable)
NA	Term Loan-3	March 2017	-	March 2022	575.00	[ICRA]AA+ (Stable)
NA	Term Loan-4	September 2020	-	September 2026	1,000.00	[ICRA]AA+ (Stable)
NA	Fund Based Limits	-	-	-	1,002.00	[ICRA]AA+ (Stable)/[ICRA]A1+
NA	Non-fund Based Limits	-	-	-	925.00	[ICRA]AA+ (Stable)/[ICRA]A1+
NA	Commercial paper	Yet to be placed			150.00	[ICRA]A1+

Source: Company

Annexure-2: List of entities considered for consolidated analysis

Company Name	MSSL Ownership	Consolidation Approach
MSSL Mauritius Holdings Limited (MMHL)	100.00%	Full Consolidation
Motherson Electrical Wires Lanka Private Limited	100.00%	Full Consolidation
MSSL Mideast	100.00%	Full Consolidation
MSSL (S) Pte Limited	100.00%	Full Consolidation
Motherson Innovations Tech Limited	100.00%	Full Consolidation
Samvardhana Motherson Polymers Limited	51.00%	Full Consolidation
MSSL (GB) Limited	100.00%	Full Consolidation
Motherson Wiring System (FZE)	100.00%	Full Consolidation
MSSL Tooling	100.00%	Full Consolidation
MSSL GmbH	100.00%	Full Consolidation
Samvardhana Motherson Invest Deutschland GmbH	100.00%	Full Consolidation
MSSL Advanced Polymers s.r.o.	100.00%	Full Consolidation
Motherson Techno Precision GmbH	100.00%	Full Consolidation
MSSL s.r.l. Unipersonale	100.00%	Full Consolidation
Motherson Techno Precision México	100.00%	Full Consolidation
MSSL Manufacturing Hungary Kft	100.00%	Full Consolidation
Motherson Air Travel Pvt Ltd	100.00%	Full Consolidation
MSSL Australia Pty Limited	80.00%	Full Consolidation
Motherson Elastomers Pty Limited	100.00%	Full Consolidation
Motherson Investments Pty Limited	100.00%	Full Consolidation
MSSL Ireland Private Limited	100.00%	Full Consolidation
MSSL Global RSA Module Engineering Limited	100.00%	Full Consolidation
MSSL Japan Limited	100.00%	Full Consolidation
Vacuform 2000 (Proprietary) Limited	51.00%	Full Consolidation
MSSL México, S.A. De C.V.	100.00%	Full Consolidation
MSSL WH System (Thailand) Co., Ltd	100.00%	Full Consolidation
MSSL Korea WH Limited	100.00%	Full Consolidation
MSSL Consolidated Inc.	100.00%	Full Consolidation
MSSL Wiring System Inc	100.00%	Full Consolidation
Alphabet de Mexico, S.A. de C.V.	100.00%	Full Consolidation
Alphabet de Mexico de Monclova,	100.00%	Full Consolidation
Alphabet de Saltillo, S.A. de C.V.	100.00%	Full Consolidation
MSSL Wirings Juarez, S.A. de C.V.	100.00%	Full Consolidation
Samvardhana Motherson Global Holdings Ltd.	51.00%	Full Consolidation

Company Name	MSSL Ownership	Consolidation Approach
Samvardhana Motherson Automotive Systems Group B.V.	100.00%	Full Consolidation
Samvardhana Motherson Reflectec Group Holdings Limited (SMR)	98.45%	Full Consolidation
SMR Automotive Technology Holding Cyprus Limited	100.00%	Full Consolidation
SMR Automotive Mirror Parts and Holdings UK Ltd	100.00%	Full Consolidation
SMR Automotive Holding Hong Kong Limited	100.00%	Full Consolidation
SMR Automotive Systems India Limited	100.00%	Full Consolidation
SMR Automotive Systems France S.A.	100.00%	Full Consolidation
SMR Automotive Mirror Technology Holding Hungary KFT	100.00%	Full Consolidation
SMR Patents S.à.r.l.	100.00%	Full Consolidation
SMR Automotive Technology Valencia S.A.U.	100.00%	Full Consolidation
SMR Automotive Mirrors UK Limited	100.00%	Full Consolidation
SMR Automotive Mirror International USA Inc.	100.00%	Full Consolidation
SMR Automotive Systems USA Inc.	100.00%	Full Consolidation
SMR Automotive Beijing Company Limited	100.00%	Full Consolidation
SMR Automotive Yancheng Co. Limited	100.00%	Full Consolidation
SMR Automotive Mirror Systems Holding Deutschland GmbH	100.00%	Full Consolidation
SMR Holding Australia Pty Limited	100.00%	Full Consolidation
SMR Automotive Australia Pty Limited	100.00%	Full Consolidation
SMR Automotive Mirror Technology Hungary BT	100.00%	Full Consolidation
Motherson Business Service Hungary Kft	100.00%	Full Consolidation
SMR Automotive Modules Korea Ltd.	100.00%	Full Consolidation
SMR Automotive Beteiligungen Deutschland GmbH	100.00%	Full Consolidation
SMR Hyosang Automotive Ltd.	100.00%	Full Consolidation
SMR Automotive Mirrors Stuttgart GmbH	100.00%	Full Consolidation
SMR Automotive Systems Spain S.A.U	100.00%	Full Consolidation
SMR Automotive Vision Systems Mexico S.A de C.V	100.00%	Full Consolidation
Samvardhana Motherson Corp Management Shanghai Co Ltd.	100.00%	Full Consolidation
SMR Grundbesitz GmbH & Co. KG	93.07%	Full Consolidation
SMR Automotive Brasil Ltda.	100.00%	Full Consolidation
SMR Automotive System (Thailand) Limited	100.00%	Full Consolidation
SMR Automotives Systems Macedonia Dooel Skopje	100.00%	Full Consolidation
SMR Automotive Operations Japan K.K.	100.00%	Full Consolidation
SMR Automotive (Langfang) Co. Ltd	100.00%	Full Consolidation
SMR Automotive Vision System Operations USA INC	100.00%	Full Consolidation
SMR Mirror UK Limited	100.00%	Full Consolidation
Motherson Innovations Company Limited	100.00%	Full Consolidation
Motherson Innovations Deutschland GmbH	100.00%	Full Consolidation
Motherson Innovations LLC	100.00%	Full Consolidation
Samvardhana Motherson Global (FZE)	100.00%	Full Consolidation
SMR Automotive Industries RUS Limited Liability Company	100.00%	Full Consolidation
Samvardhana Motherson Peguform GmbH (SMP)	100.00%	Full Consolidation
SMP Automotive Interiors (Beijing) Co. Ltd.	100.00%	Full Consolidation
SMP Deutschland GmbH	100.00%	Full Consolidation
SMP Logistik Service GmbH	100.00%	Full Consolidation
SMP Automotive Solutions Slovakia s.r.o.	100.00%	Full Consolidation
Changchun Peguform Automotive Plastics Technology Co., Ltd.	50.00%	Full Consolidation
Foshan Peguform Automotive Plastics Technology Co. Ltd.	100.00%	Full Consolidation
Shenyang SMP Automotive Plastic Component Co. Ltd.	100.00%	Full Consolidation
Tianjin SMP Automotive Component Company Limited	100.00%	Full Consolidation

Company Name	MSSL Ownership	Consolidation Approach
Shenyang SMP Automotive Trim Co. Ltd.	100.00%	Full Consolidation
SMP Automotive Technology Management Services	100.00%	Full Consolidation
SMP Automotive Technology Iberica S.L.	100.00%	Full Consolidation
Samvardhana Motherson Peguform Barcelona S.L.U	100.00%	Full Consolidation
SMP Automotive Technologies Teruel Sociedad Limitada	100.00%	Full Consolidation
Samvardhana Motherson Peguform Automotive Technology Portugal S.A.	100.00%	Full Consolidation
SMP Automotive Systems Mexico S.A. de C.V.	100.00%	Full Consolidation
SMP Automotive Produtos Automotivos do Brasil Ltda.	100.00%	Full Consolidation
SMP Automotive Exterior GmbH	100.00%	Full Consolidation
Samvardhana Motherson Innovative Autosystems B.V. & Co. KG	100.00%	Full Consolidation
Samvardhana Motherson Innovative Autosystems Holding Company BV	100.00%	Full Consolidation
SM Real Estate GmbH	100.00%	Full Consolidation
Samvardhana Motherson Innovative Autosystems de Mexico, S.A. de C.V.	100.00%	Full Consolidation
SMP Automotive Systems Alabama Inc.	100.00%	Full Consolidation
Celulosa Fabril (Cefa) S.A.	50.00%	Full Consolidation
Modulos Ribera Alta S.L.Unipersonal	100.00%	Full Consolidation
Motherson Innovations Lights GmbH & Co KG	100.00%	Full Consolidation
Motherson Innovations Lights Verwaltungs GmbH	100.00%	Full Consolidation
SMP Automotive Interior Modules d.o.o. Cuprija	100.00%	Full Consolidation
MSSL Estonia WH OÜ	100.00%	Full Consolidation
PKC Group Oy	100.00%	Full Consolidation
PKC Wiring Systems Oy	100.00%	Full Consolidation
PKC Group Poland Sp. z o.o.	100.00%	Full Consolidation
PKC Wiring Systems Llc	100.00%	Full Consolidation
PKC Group APAC Limited	100.00%	Full Consolidation
PKC Group Canada Inc.	100.00%	Full Consolidation
PKC Group USA Inc.	100.00%	Full Consolidation
PKC Group Mexico S.A. de C.V.	100.00%	Full Consolidation
Project del Holding S.a.r.l.	100.00%	Full Consolidation
PK Cables do Brasil Ltda	100.00%	Full Consolidation
PKC Eesti AS	100.00%	Full Consolidation
TKV-sarjat Oy	100.00%	Full Consolidation
Motherson Rolling Stocks S. de R. L. de C.V.	100.00%	Full Consolidation
PKC SEGU Systemelektrik GmbH	100.00%	Full Consolidation
Groclin Luxembourg S.à r.l.	100.00%	Full Consolidation
PKC Vehicle Technology (Suzhou) Co., Ltd.	100.00%	Full Consolidation
AEES Inc.	100.00%	Full Consolidation
PKC Group Lithuania UAB	100.00%	Full Consolidation
PKC Group Poland Holding Sp. z o.o.	100.00%	Full Consolidation
OOO AEK	100.00%	Full Consolidation
Kabel-Technik-Polska Sp. z o.o.	100.00%	Full Consolidation
T.I.C.S. Corporation	100.00%	Full Consolidation
AEES Power Systems Limited	100.00%	Full Consolidation
Fortitude Industries Inc.	100.00%	Full Consolidation
AEES Manufactuera, S. De R.L de C.V.	100.00%	Full Consolidation
Cableodos del Norte II, S. de R.L de C.V.	100.00%	Full Consolidation
Manufacturas de Componentes Electricos de Mexico S. de R.L de C.V.	100.00%	Full Consolidation
Arneses y Accesorios de México, S. de R.L de C.V.	100.00%	Full Consolidation
Asesoría Mexicana Empresarial, S. de R.L de C.V.	100.00%	Full Consolidation

Company Name	MSSL Ownership	Consolidation Approach
Arneses de Ciudad Juarez, S. de R.L de C.V.	100.00%	Full Consolidation
PKC Group de Piedras Negras, S. de R.L. de C.V.	100.00%	Full Consolidation
PKC Group AEES Commercial S. de R.L de C.V	100.00%	Full Consolidation
Jiangsu Huakai-PKC Wire Harness Co., Ltd.	50.00%	Full Consolidation
PKC Vehicle Technology (Hefei) Co, Ltd.	50.00%	Full Consolidation
PKC Vehicle Technology (Fuyang) Co, Ltd.	100.00%	Full Consolidation
Shangdong Huakai-PKC Wire Harness Co., Ltd.	100.00%	Full Consolidation
Motherson Rolling Stock Systems GB Limited	100.00%	Full Consolidation
Motherson PKC Harness Systems FZ-LLC	100.00%	Full Consolidation
Global Environment Management (FZC)	100.00%	Full Consolidation
SMRC Automotive Holdings B.V.	100.00%	Full Consolidation
SMRC Automotive Holdings Netherlands B.V.	100.00%	Full Consolidation
SMRC Automotives Techno Minority Holdings B.V.	100.00%	Full Consolidation
SMRC Smart Automotive Interior Technologies USA, LLC	100.00%	Full Consolidation
SMRC Automotive Modules France SAS	100.00%	Full Consolidation
Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U.	100.00%	Full Consolidation
SMRC Automotive Interiors Spain S.L.U.	100.00%	Full Consolidation
SMRC Automotive Interior Modules Croatia d.o.o	100.00%	Full Consolidation
Samvardhana Motherson Reydel Autotecc Morocco SAS	100.00%	Full Consolidation
SMRC Automotive Technology RU LLC	100.00%	Full Consolidation
SMRC Smart Interior Systems Germany GmbH	100.00%	Full Consolidation
SMRC Automotive Interiors Products Poland SA	100.00%	Full Consolidation
SMRC Automotive Solutions Slovakia s.r.o.	100.00%	Full Consolidation
SMRC Automotive Holding South America B.V.	100.00%	Full Consolidation
SMRC Automotive Tech Argentina S.A.	100.00%	Full Consolidation
SMRC Fabricacao e Comercio de Produtos Automotivos do Brasil Ltda	100.00%	Full Consolidation
SMRC Automotive Products India Private Limited	100.00%	Full Consolidation
SMRC Automotive Smart Interior Tech (Thailand) Ltd.	100.00%	Full Consolidation
SMRC Automotive Modules South America Minority Holdings B.V.	100.00%	Full Consolidation
SMRC Automotive Interiors Japan Ltd.	100.00%	Full Consolidation
Shanghai SMRC Automotive Interiors Tech Consulting Co. Ltd.	100.00%	Full Consolidation
PT SMRC Automotive Technology Indonesia	100.00%	Full Consolidation
Yujin SMRC Automotive Techno Corp.	50.90%	Full Consolidation
SMRC Automotives Technology Phil Inc.	100.00%	Full Consolidation
Motherson Ossia Innovations llc.	51.00%	Full Consolidation
Re-time Pty Limited	71.40%	Full Consolidation
Wisetime Oy	100.00%	Full Consolidation
Motherson Sumi Wiring India Limited	100.00%	Full Consolidation
SAKS Ancillaries Limited	40.01%	Equity Method
Hubei Zhengao PKC Automotive Wiring Company Ltd.	40.00%	Equity Method
Kyungshin Industrial Motherson Limited	50.00%	Equity Method
Calsonic Kansei Motherson Auto Products Private Limited	49.00%	Equity Method
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	50.00%	Equity Method
Eissmann SMP Automotive Interieur Slovensko s.r.o	49.00%	Equity Method
Chongqing SMR Huaxiang Automotive Products Limited	50.00%	Equity Method
Tianjin SMR Huaxiang Automotive Part Co. Limited	50.00%	Equity Method

Source: MSSL audited financials for FY2021 **Note:** ICRA has taken a consolidated view of the parent (MSSL) and its subsidiaries while assigning the ratings.

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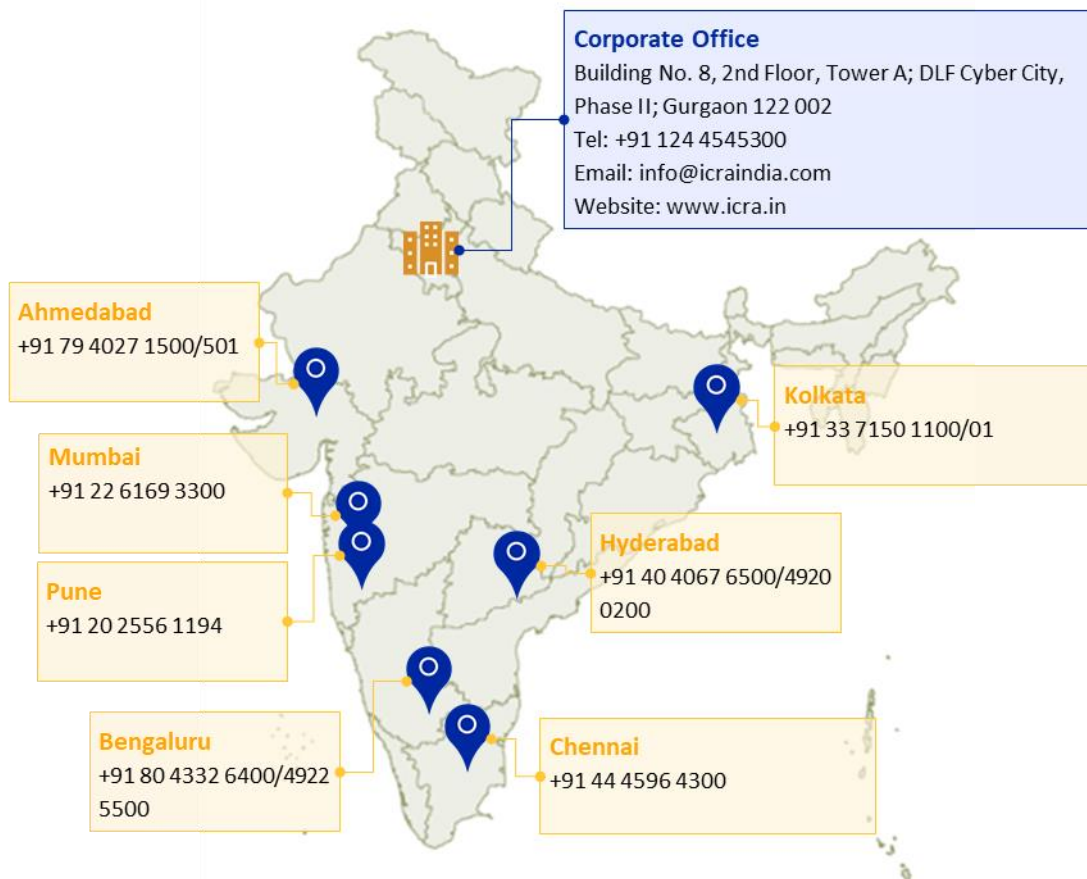
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