April 09, 2020

Motherson Sumi Systems Limited: Long-term rating placed on watch with negative implications; short-term rating reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Term loans	1,108.27	1,108.27	[ICRA]AA+ @; Rating placed on watch with negative implications
Fund-based facilities	600.00	600.00	[ICRA]AA+ @; Rating placed on watch with negative implications; [ICRA]A1+ Reaffirmed
Non-fund based bank facilities	100.00	100.00	[ICRA]AA+ @; Rating placed on watch with negative implications; [ICRA]A1+ Reaffirmed
Total BLR	**1,808.27**	**1,808.27**	
CP/STD programme	150.00	150.00	[ICRA]A1+; Reaffirmed

**Instrument details are provided in Annexure-1; @ Rating on watch with negative implications*

Rationale

The rating action of Motherson Sumi Systems Limited (MSSL) follows the impact of the novel coronavirus (Covid-19) outbreak on the global auto component industry and is in line with ICRA's negative outlook for the sector. The automotive supply chain disruption—largely limited to China during January and February 2020, snowballed into a demand shock owing to the deterioration in the economic environment. An unprecedented large-scale lockdown (across select geographies) has disrupted production of automobile OEMs and their supply chain from March 2020 onwards. Further, global demand for light vehicles, key segment for MSSL, is expected to remain sluggish in 2020, amid weakening economic growth across key markets. As the economic fallout from the pandemic continues to worsen, global auto sales are expected to remain significantly weak, resulting in a negative outlook for auto parts suppliers.

MSSL's business prospects remain exposed to cyclical demand patterns across global automotive markets as well as the ability of its customers to maintain their market position. The capital intensive automotive industry operates at moderate operating leverage, with some scope to prune costs. In the likelihood of sharp reduction in schedules from client OEMs, or delayed ramp up for new greenfield plants set up at significant capex over the past 2-3 years, MSSL's financial performance could weaken, going forward. Consequently, weaker earnings and cash flows in FY2021 are likely to restrict an improvement in the company's credit metrices (vis-à-vis previous expectations). ICRA will continue to monitor the situation as it evolves globally over the coming weeks/months and assess its impact on the credit profile of MSSL.

Given the environment, the liquidity cushion between cash balances and available lines of credit, and debt servicing requirements remain key. MSSL's liquidity remains strong, supported by sizeable cash and bank balances and low utilisation of revolving credit and working capital facilities (comprising largely revolving credit facilities at Samvardhana Motherson Automotive Systems Group BV), and provides comfort.

Key rating drivers and their description

Credit strengths

A 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, rearview vision systems, and interior and exterior modules to large global auto OEMs. 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 JV) enjoys a dominant position in the wiring harness segment for the Indian passenger vehicle market. Likewise, the PKC Group has a strong presence in the medium and heavy commercial vehicle (MCV and HCV; or trucks) segments in North America and Europe.

Well diversified business profile across products, customers and geographies; further supported by established relationships and widespread geographic 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 SMRC (in FY2019), the company's revenue dependence on European OEMs and the Volkswagen Group (VW Group) has moderated to levels of ~29% (H1 FY2020). The same is likely to moderate further, aided by ramp up in scale of operations of new plants set up by Samvardhana Motherson Automotive Systems Group BV (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 geographic footprint, with plants located across geographies. Over the years, the company has proceeded to set up manufacturing facilities in close proximity to OEM plants, thereby integrating into an OEM's supply chain and offering 'just-in-time' (JIT) logistics. This has helped MSSL gain new businesses and helped it 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, reflected in a gearing of 0.8 time and Net Debt/OPBDITA of 1.5 times as of March 31, 2019. The debt coverage indicators continue to remain healthy, reflected in an interest coverage of 12.6 times and NCA/Total Debt of 30.0% in FY2019. The liquidity position of the entity remains strong, supported by sizeable cash and bank balances and low utilisation of revolving credit and working capital facilities, even as cash flows are likely to remain impacted in FY2021 owing to the Covid-19 outbreak. The credit profile of the company would remain sensitive to the duration and breadth of the Covid-19 pandemic and any further debt-funded acquisition undertaken by the company. The management is expected to continue to adopt a disciplined approach while continuing 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, thereby limiting any risk arising from a prospective transition towards electrical mobility, going forward.

Credit challenges

Exposed to inherent cyclicality across global automotive markets; prolonged slowdown in global automobile demand following the Covid-19 outbreak could restrict improvement in credit metrics – MSSL derives ~50% of its revenues from Europe and exhibits ~65-70% revenue dependence on European OEMs. Thus, its business prospects remain exposed to cyclical demand patterns across global automotive markets as well as the ability of its customers to maintain their market position or operating performance. Global demand for light vehicles (MSSL's key segment catered) was already expected to remain sluggish in 2020, amid weakening economic growth across key markets. As the economic fallout from the COVID-19 outbreak continues to worsen, global auto sales are expected to remain significantly weak, resulting in a negative outlook for auto parts suppliers. A relatively prolonged period of curtailed automotive demand, as the consumer stays wary of large capital commitments, is likely. 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.

Management intends to pursue aggressive growth, primarily driven by inorganic growth strategy; however, track record of maintaining financial discipline and successful turnaround of acquired entities provides comfort - The company's management has a track record of pursuing an inorganic growth strategy, which is expected to continue. Most of the acquisitions undertaken by the company (22 acquisitions since FY2002) have been customer backed, with the management being largely 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, which have helped MSSL remain cost competitive and a preferred solution provider for its customers. The track record of successfully turning around major acquisitions by the management as well as financial discipline exercised in acquiring the entities provides comfort.

Liquidity position: Strong

The liquidity position of the entity remains **strong**, supported by sizeable cash and bank balances and low utilisation of revolving credit and working capital facilities (largely revolving credit facilities at SMRPBV). Even as the ongoing lockdowns across geographies in view of the Covid-19 pandemic is expected to impact cash flows over the short-term, the entity continues to have sufficient liquidity to meet its fixed overheads and debt repayments (remain modest at ~Rs. 85 crore in FY2021). The entity is also likely to lower its earlier planned capex of ~Rs. 2,400-2,500 crore in FY2021.

Rating sensitivities

Positive triggers – Given that the ratings have been placed on watch with negative implication, rating upgrade is unlikely in the near-term. However, stabilisation of global automobile demand following the resolution to the ongoing Covid-19 outbreak and macro-economic environment, which leads to a healthier than expected scale up in operations across locations (especially greenfield plants in USA and Hungary) and a resulting improvement in the company's operating metrics and debt coverage indicators, would be favourably considered for a change in outlook to stable. Specific credit metrics that could result in an upgrade over the medium term include Net Debt/OPBDITA lower than 1.0 time and RoCE higher than 25% on a sustained basis.

Negative triggers – The ratings may be revised downwards if the weakness in demand across global automotive markets is more prolonged than currently expected, thereby adversely impact profitability and credit metrics of the company. Furthermore, any large debt-funded capex or acquisitions and its impact on the credit profile would also continue to 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.

The impact of the proposed demerger of the domestic wiring harness business (~8-9% of consolidated turnover) along with associated debt and other obligations into a separate entity pursuant to approval and implementation of a proposed scheme, on the credit profile of the entity, would also remain a monitorable.

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, 2019, the company had 170 subsidiaries, three associate companies and four 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 holding ~36.6% stake and SWS, Japan, holding ~25.1% stake.

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 the company diversify its operational profile over the years. The wiring harness business of the company is housed under both MSSL (standalone) and its subsidiary, 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)—are largely housed under SMP (acquired in 2011) and Samvardhana Motherson Reydel Company (SMRC, acquired in 2018).

Key financial indicators (Consolidated)

	FY2018	FY2019
Operating Income (Rs. crore)	56,293.3	63,522.9
PAT (Rs. crore)	2,121.8	1,985.0
OPBDIT/OI (%)	9.1%	8.4%
RoCE (%)	18.1%	15.5%
Total Outside Liabilities/Tangible Net Worth (times)	1.9	2.0
Total Debt/OPBDIT (times)	2.0	2.2
Interest Coverage (times)	12.5	12.6
DSCR	6.7	3.3

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

S. No.	Instrument	Type	Current Rating (FY2021)			Chronology of Rating History for the past 3 years						
			Amount Rated (Rs. crore)	Amount O/S* (Rs. crore)	Date & Rating	Date & Rating In FY2020		Date & Rating in FY2019			Date & Rating in FY2018	
					9-Apr-20	4-Feb-20	31-Jan-20	31-Dec-18	28-Aug-18	09-Apr-18	06-Oct-17	06-Apr-17
1	Commercial Paper	Short term	150.00	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
2	Term Loan	Long Term	1108.27	1106.92	[ICRA]AA+ @	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Positive)	[ICRA]AA (Positive)	[ICRA]AA (Positive)	[ICRA]AA (Stable)
3	Fund Based	Long term/Short term	600.00	-	[ICRA]AA+ @/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Positive)/ [ICRA]A1+	[ICRA]AA (Positive)/ [ICRA]A1+	[ICRA]AA (Positive)/ [ICRA]A1+	[ICRA]AA (Stable)/ [ICRA]A1+
4	Non-Fund Based	Long term/Short term	100.00		[ICRA]AA+ @/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Positive)/ [ICRA]A1+	[ICRA]AA (Positive)/ [ICRA]A1+	[ICRA]AA (Positive)/ [ICRA]A1+	[ICRA]AA (Stable)/ [ICRA]A1+
5	Issuer Rating	Long Term	-	-	-	-		-	-	-	-	[ICRA]AA (Stable) Withdrawn

@ Rating on watch with negative implications

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the 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
-	Term Loan-1	November 2015	-	November 2022	9.09	[ICRA]AA+ @
-	Term Loan-2	March 2017	-	March 2022	522.83	[ICRA]AA+ @
-	Term Loan-3	March 2017	-	March 2022	575.00	[ICRA]AA+ @
-	Term Loan-Unallocated	-	-	-	1.35	[ICRA]AA+ @
-	Fund based	-	-	-	600.00	[ICRA]AA+ @/[ICRA]A1+
-	Non-fund based	-	-	-	100.00	[ICRA]AA+ @/[ICRA]A1+
-	Commercial paper	**Yet to be placed**			150.00	[ICRA]A1+

Source: Motherson Sumi Systems Limited; @ Rating on watch with negative implications

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
MSSL Mauritius Holdings Limited (MMHL)	100.00%	Full Consolidation
Motherson Electrical Wires Lanka Private Limited	100.00%	Full Consolidation
MSSL Mideast (FZE)	100.00%	Full Consolidation
MSSL (S) Pte Limited	100.00%	Full Consolidation
MSSL Automobile Component Limited	100.00%	Full Consolidation
Samvardhana Motherson Polymers Limited (SMPL)	51.00%	Full Consolidation
Motherson Polymers Compounding Solution Limited	100.00%	Full Consolidation
MSSL (GB) Limited	100.00%	Full Consolidation
Motherson Wiring System (FZE)	100.00%	Full Consolidation
MSSL Tooling (FZE)	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
Samvardhana Motherson Polymers Management Germany GMBH	100.00%	Full Consolidation
Motherson Techno Precision México, S.A. de C. V	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 Overseas Wiring System Ltd.	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, S.A. de C.V.	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%	Full Consolidation
Samvardhana Motherson Automotive Systems Group B.V.	00.00%	Full Consolidation
Samvardhana Motherson Reflectec Group Holdings Limited	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
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
SMR Automotive Servicios Mexico S.A de C.V	100.00%	Full Consolidation
Samvardhana Motherson Corp Manag. 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	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% +1share	Full Consolidation
Foshan Peguform Automotive Plastics Technology Co. Ltd.	100.00%	Full Consolidation
Shenyang SMP Automotive Components Co. Ltd.	100.00%	Full Consolidation
Tianjin SMP Automotive Component Company Limited	100.00%	Full Consolidation
SMP Automotive Technology Management Services (changchun) co. ltd	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 México, S.A. de C.V	100.00%	Full Consolidation
SMP Automotive Systems Alabama Inc.	100.00%	Full Consolidation
Celulosa Fabril 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
MSSL Estonia WH OÜ	100.00%	Full Consolidation
PKC Group Plc	100.00%	Full Consolidation
PKC Wiring Systems Oy	100.00%	Full Consolidation
PKC Netherlands Holding B.V	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
PKC SEGU Systemelektrik GmbH	100.00%	Full Consolidation
PK Cables Nederland B.V.	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 partnership	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
Asesoria Mexicana Empresarial, S. de R.L de C.V.	100.00%	Full Consolidation
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 Vechicle Technology (Hefei) Co, Ltd.	50.00%	Full Consolidation
Shangdong Huakai-PKC Wire Harness Co., Ltd.	100.00%	Full Consolidation
Global Environment Management (FZC)	100.00%	Full Consolidation
Global Environment Management Australia Pty Limited	100.00%	Full Consolidation
SMRC Automotive Interiors Management B.V.	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.	50.00%	Full Consolidation
SMRC Smart Automotive Interior Technologies USA, LLC	50.00%	Full Consolidation
SMRC Automotive Modules France SAS	100.00%	Full Consolidation
Reydel Automotive Holding Spain, S.L.U.	100.00%	Full Consolidation
SMRC Automotive Interiors Spain S.L.U.	100.00%	Full Consolidation
Reydel Automotive Croatia d.o.o.	100.00%	Full Consolidation
Reydel Automotive Morocco SAS	100.00%	Full Consolidation
SMRC Automotive Modules Russia LLC	100.00%	Full Consolidation
SMRC Smart Interior Systems Germany GmbH	100.00%	Full Consolidation
Reydel Automotive 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 Modules South America Minority Holdings B.V.	100.00%	Full Consolidation
Reydel Automotive Argentina SA	100.00%	Full Consolidation
Reydel Automotive Brazil Industria e Comercio de Sistemas Automotivos 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 Interiors Japan Ltd.	100.00%	Full Consolidation
Shanghai Reydel Automotive Technology Consulting Co. Ltd.	100.00%	Full Consolidation
PT SMRC Automotive Technology Indonesia	100.00%	Full Consolidation
Yujin-SMRC Automotive Modules Corp.	50.90%	Full Consolidation
Reydel Automotive Phils Inc.	100.00%	Full Consolidation

Motherson Rolling Stock Systems GB Limited	100.00%	Full Consolidation
MSSL M Tooling Ltd	100.00%	Full Consolidation
Motherson Osia Innovation llc.	51.00%	Full Consolidation
SAKS Ancillaries Limited	40.01%	Equity Method
Re time Pty Limited	35.00%	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

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