September 03, 2020

Motherson Sumi Systems Limited: Ratings reaffirmed at [ICRA]AA+/A1+; long-term rating removed from rating watch with negative implications and Stable outlook assigned

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+ (Stable); Reaffirmed, removed from rating watch with negative implications
Fund-based facilities	600.00	600.00	[ICRA]AA+ (Stable); Reaffirmed, removed from rating watch with negative implications; [ICRA]A1+ Reaffirmed
Non-fund based bank facilities	100.00	100.00	[ICRA]AA+ (Stable); Reaffirmed, removed from rating 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*

Rationale

ICRA had placed the long-term ratings of Motherson Sumi Systems Limited (MSSL) on rating watch with negative implications in April 2020, following the novel coronavirus (Covid-19) pandemic's impact on the global auto component industry, and in turn on MSSL's operations. Unprecedented large-scale lockdowns (across geographies) disrupted production of automobile original equipment manufacturers (OEM) and their supply chain. The impact of the pandemic on automotive demand across geographies was expected to be severe and prolonged, given the likely deferral of discretionary purchases, thereby delaying recovery even after resumption of operations.

Although the pandemic has disrupted operations across the automotive value chain and would lead to a contraction in demand in global light vehicle sales in the current fiscal, MSSL has been able to record a steady ramp up in operations across geographies, post relaxation of lockdowns and improvement in demand. While the European and American markets have seen a healthy sequential improvement in sales volume over the past few months, the China market has seen a strong recovery with sales volumes healthier than the pre-pandemic level. By July end, over 84% of MSSL's plants were running at more than 50% capacity. While production across most markets would still remain below the pre-pandemic levels, the steady ramp-up in utilisation levels across geographies on a sequential basis provides comfort.

MSSL's operating performance remained significantly impacted in FY2020 on account of weaker performance of new greenfield facilities set up under Samvardhana Motherson Peguform (SMP) (Kecskemet, Hungary and Tuscaloosa, USA). While the plant at Kecskemet, Hungary had been able to break even in Q4 FY2020, the Tuscaloosa, USA plant continued to report losses. Aided by various focussed measures, the company was able to trim the losses recorded at the greenfield plants significantly in Q1 FY2021 (from Euro 175 million in FY2020 to Euro 19 million in Q1 FY2021), despite the lower scale of operations. Accordingly, the two greenfield units are not likely to continue to be a drag on the company's earnings in the current fiscal.

All through the lockdowns and consequent stoppage of operations, MSSL has continued to maintain a strong liquidity position (across its key operating entities), supported by its sizeable cash and bank balances (Rs. 4,135-crore cash and bank balances as on June 30, 2020) and low utilisation of revolving credit and working capital facilities. Despite pressure on earnings in the current fiscal on account of the pandemic, the strong liquidity profile is likely to remain more than adequate to help the company meet its modest debt repayments in FY2021 and capital expenditure plans (estimated at ~Rs. 2,000 crore), while helping it maintain a healthy credit profile. Given these developments, ICRA has removed the long-term ratings from watch with negative implications and assigned a Stable outlook to the long-term rating.

The ratings assigned favourably factor in MSSL's 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 positions 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.

ICRA notes that MSSL's financial performance remains exposed to challenges such as cyclicality, 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 (including US) and its proven ability to adapt to the changing customer requirements across geographies mitigate the risk to an extent.

The management is expected to continue to adopt a disciplined approach while evaluating further inorganic growth opportunities. The company's management'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.

The Stable outlook on the long-term rating reflects ICRA's expectation that MSSL is likely to record a gradual improvement in earnings and more importantly cash flows from its existing operations, owing to reduction in operating losses from greenfield plants and reduced capital expenditure. 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 rating sensitivity.

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 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 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 SMRC (in FY2019), the company's revenue dependence on the European OEMs and the VW Group has moderated to ~28% (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 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 0.9 times and Net Debt/OPBDITA of 1.6 times as on March 31, 2020. The debt coverage indicators remain healthy, as reflected by an interest coverage of 8.9 times and NCA/Total Debt of 21.7% in FY2020. The liquidity position remains strong, supported by sizeable cash and bank balances, 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 pandemic.

MSSL's credit metrics are likely to weaken in the current fiscal. However, the same is expected to revert to comfortable levels by FY2022 (Net Debt/OPBDITA expected to range between 1.2-1.5 times). Its credit profile would remain sensitive to the duration and extent of the Covid-19 pandemic, apart from any further debt-funded acquisition undertaken by the company. The management is likely 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 could restrict improvement in credit metrics – 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. The 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. Following the economic fallout led by the Covid-19 pandemic, global auto sales are likely 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, would remain a concern. 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. Most of its acquisitions (22 acquisitions since FY2002) 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. 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

The company's liquidity position remains **strong**, supported by sizeable cash and bank balances (Rs. 4,135 crore cash and bank balances as on June 30, 2020), low utilisation of revolving credit and working capital facilities (buffer of ~Rs. 5,902 crore as on June 30, 2020, mainly revolving credit facilities at SMPRBV level). The strong liquidity profile is likely to remain more than adequate to help the company meet its modest debt repayments in FY2021 (~Rs. 85 crore in FY2021) and capital expenditure plans (~Rs. 2,000 crore), and continues to provide comfort.

Rating sensitivities

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

Negative triggers – The ratings may be revised downwards if the weakness in demand across the global automotive markets is more prolonged than currently expected, 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, 2020, the company had 167 subsidiaries, 2 associate companies and 6 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).

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) and its subsidiary (domestic wiring harness business expected to be demerged into a separate entity post a business reorganisation within the Group w.e.f. April 1, 2021), 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 mainly housed under SMP (acquired in 2011) and Samvardhana Motherson Reydel Company (SMRC, acquired in 2018).

Key financial indicators (Consolidated)

	FY2019	FY2020
Operating Income (Rs. crore)	63,522.9	63,657.8
PAT (Rs. crore)	1,985.0	1,237.0
OPBDIT/OI (%)	8.4%	8.4%
RoCE (%)	15.5%	10.2%
Total Outside Liabilities/Tangible Net Worth (times)	2.0	2.0
Total Debt/OPBDIT (times)	2.2	2.5
Net Debt/OPBDIT (times)	1.5	1.6
Interest Coverage (times)	12.6	8.9
DSCR	3.3	3.8

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	
					03-Sep-20	07-Jul-20	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	125.00	[ICRA]A1+	[ICRA]A1+	[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+ (Stable)	[ICRA]AA+ @	[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+ (Stable)/ [ICRA]A1+	[ICRA]AA+ @/ [ICRA]A1+	[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+ (Stable)/ [ICRA]A1+	[ICRA]AA+ @/ [ICRA]A1+	[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+ (Stable)
-	Term Loan-2	March 2017	-	March 2022	522.83	[ICRA]AA+ (Stable)
-	Term Loan-3	March 2017	-	March 2022	575.00	[ICRA]AA+ (Stable)
-	Term Loan-Unallocated	-	-	-	1.35	[ICRA]AA+ (Stable)
-	Fund based	-	-	-	600.00	[ICRA]AA+ (Stable)/[ICRA]A1+
-	Non-fund based	-	-	-	100.00	[ICRA]AA+ (Stable)/[ICRA]A1+
INE775A14749	Commercial paper	July 2020	-	September 2020	50.00	[ICRA]A1+
INE775A14756	Commercial paper	August 2020	-	November 2020	75.00	[ICRA]A1+
-	Commercial paper	Yet to be placed			25.00	[ICRA]A1+

Source: Motherson Sumi Systems Limited

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	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
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	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
Motherson Techno Precision GmbH	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
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
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
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
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
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
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
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 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.	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
MSSL M Tooling Ltd	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

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