

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of Samvardhana Motherson International Limited

### **Qualified Opinion**

We have audited the accompanying Special Purpose Interim Condensed Consolidated Financial Statements of Samvardhana Motherson International Limited (“the Holding Company”) its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), its associates and joint ventures, which comprise the interim condensed consolidated Balance Sheet as at September 30, 2020, and the interim condensed consolidated Statement of Profit and Loss, including other comprehensive income/loss, interim condensed consolidated Cash Flow Statement and the interim condensed consolidated Statement of Changes in Equity for the period then ended, and a summary of select explanatory notes (hereinafter referred to as “Special Purpose Interim Condensed Consolidated Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us and on consideration of reports of other auditors referred to in paragraphs below, except for the effects of the matters described in ‘Basis for Qualified Opinion’ section of our report, the accompanying Special Purpose Interim Condensed Consolidated Financial Statements have been prepared, in all material respects, in accordance with the requirements of Indian Accounting Standard (Ind AS) 34 specified under section 133 of the Companies Act, 2013 (“the Act”), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

### **Basis for Qualified Opinion**

We draw attention to Note 2 of the Special Purpose Interim Condensed Consolidated Financial Statements, which describe the basis of accounting and presentation. As stated in the aforesaid note, the management has not disclosed comparative information as required by Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder. Non-compliance to such requirement as part of the disclosure had resulted in qualifying our opinion on the Special Purpose Interim Condensed Consolidated Financial Statements.

We conducted our audit of the Special Purpose Interim Condensed Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the ‘Auditor’s Responsibilities for the Audit of the Special Purpose Interim Condensed Consolidated Financial Statements’ section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Interim Condensed Consolidated Financial Statements.

### **Emphasis of Matter- Covid-19 developments**

The developments surrounding the Corona (Covid-19) virus have a profound impact on people’s health and on our society as a whole, as well as on the operational and financial performance of organizations. The situation changes on a daily basis giving rise to inherent uncertainty. The Group is confronted with this uncertainty as well, which has been disclosed in the Note 31 to the Special Purpose Interim Condensed Consolidated Financial Statements, together with its evaluation thereof. We draw attention to the disclosure.

Our opinion is not modified in respect of this matter.

### **Responsibilities of Management and Those Charged with Governance for the Special Purpose Interim Condensed Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these Special Purpose Interim Condensed Consolidated Financial Statements in accordance with the requirements of Indian Accounting Standard (Ind AS) 34 specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Interim Condensed Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Special Purpose Interim Condensed Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Special Purpose Interim Condensed Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

### **Auditor's Responsibilities for the Audit of the Special Purpose Interim Condensed Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Special Purpose Interim Condensed Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Interim Condensed Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Interim Condensed Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Special Purpose Interim Condensed Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Special Purpose Interim Condensed Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Special Purpose Interim Condensed Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Special Purpose Interim Condensed Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Other matters**

We did not audit the Special Purpose Interim Condensed Financial Statements and other financial information, in respect of 16 subsidiaries, whose Special Purpose Interim Condensed Financial Statements include total assets of Rs. 11,590 million as at September 30, 2020, total revenues of Rs.2,051 million and net cash inflows amounting to Rs. 251 million for the six months period then ended. These Special Purpose Interim Condensed Financial Statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The Special Purpose Interim Condensed Consolidated Financial Statements also include the Group's share of net loss of Rs. 2,721 million for the half year ended September 30, 2020, as considered in the accompanying Special Purpose Interim Condensed Consolidated Financial Statements, in respect of 22 associates and 21 joint ventures, whose Special Purpose Interim Condensed Financial Statements have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion, in so far as it relates to the amounts and disclosures of such subsidiaries, associates and joint ventures is based solely on the report(s) of other auditors. Our opinion is not qualified in respect of this matter.

The accompanying Special Purpose Interim Condensed Consolidated Financial Statements include unaudited Special Purpose Interim Condensed Financial Statements and other unaudited financial information in respect of 9 subsidiaries, whose Special Purpose Interim Condensed Financial Statements and other financial information reflect total assets of Rs 1,022 million as at September 30, 2020, and total revenues of Rs 58 million and net cash outflows of Rs 19 million for the six months period then ended. These unaudited Special Purpose Interim Condensed Financial Statements and other unaudited financial information have been furnished to us by the management. The Special Purpose Interim Condensed Consolidated Financial Statements also include the Group's share of net profit of Rs. 321 million for the period ended September 30, 2020, as considered in the Special Purpose Interim Condensed Consolidated Financial Statements, in respect of 33 associates and 28 joint ventures, whose Special Purpose Interim Condensed Financial Statements, other financial information have not been audited and whose unaudited Special Purpose Interim Condensed Financial Statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, is based solely on such unaudited Special Purpose Interim Condensed Financial Statements and other unaudited financial information. In our opinion and according to the information and

# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

explanations given to us by the Management, these Special Purpose Interim Condensed Financial Statements and other financial information are not material to the Group.

Our opinion above on the Special Purpose Interim Condensed Consolidated Financial Statements, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

This report on the Special Purpose Interim Condensed Consolidated Financial Statements has been issued for use by the management in connection with the proposed scheme of merger of Samvardhana Motherson International Limited with Motherson Sumi Systems Limited (Joint Venture of Samvardhana Motherson International Limited). Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

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**per Pankaj Chadha**

Partner

Membership Number: 091813

UDIN: 20091813AAAAFA4770

Place of Signature: Gurugram

Date: November 23, 2020

**Samvardhana Motherson International Limited**  
**Interim condensed consolidated balance sheet as at September 30, 2020**  
 (All amounts are in INR million, unless otherwise stated)

	Note	As at September 30, 2020
<b>Assets</b>		
<b>Financial assets</b>		
Cash and cash equivalents	6	5,428
Bank balances other than cash and cash equivalents	7	619
Trade receivables	8	2,069
Loans	9	4,995
Investments	10	793
Other financial assets	11	1,295
<b>Total financial assets</b>		<b>15,199</b>
<b>Non-financial assets</b>		
Investment accounted for using the equity method		69,319
Inventories	12	925
Income tax assets (net)	13	370
Deferred tax assets (net)		225
Investment property		13
Property, plant and equipment	14	5,072
Right to use assets	14	1,248
Capital work in progress		234
Intangible assets under development		8
Goodwill		802
Other intangible assets		146
Other non-financial assets	15	874
<b>Total non-financial assets</b>		<b>79,236</b>
<b>Total assets</b>		<b>94,435</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Financial liabilities</b>		
Trade payables		1,517
Debt securities		7,900
Borrowings (other than Debt securities)	16	13,931
Lease liabilities		836
Other financial liabilities	17	1,553
<b>Total financial liabilities</b>		<b>25,737</b>
<b>Non-financial liabilities</b>		
Income tax liabilities (net)	13	21
Deferred tax liabilities (net)		130
Provisions		58
Employee benefit obligation		604
Government grants		17
Other non-financial liabilities	18	1,173
<b>Total non-financial liabilities</b>		<b>2,003</b>
<b>Equity</b>		
Equity share capital		4,736
<b>Other equity</b>		
Reserve and surplus		56,319
Other reserves		3,723
<b>Equity attributable to the owners of the company</b>		<b>64,778</b>
Non-controlling interests		1,917
<b>Total equity</b>		<b>66,695</b>
<b>Total liabilities and equity</b>		<b>94,435</b>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

As per our report of even date

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number : 301003E/ E300005

per **Pankaj Chadha**  
 Partner  
 Membership No. 091813

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**For and on behalf of the Board of Directors**

**SANJAY MEHTA**  
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**Sanjay Mehta**  
 Director  
 DIN 03215388

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**Vivek Avasthi**  
 Director  
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**Rajinder Kumar Bansal**  
 Deputy Chief Financial Officer  
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**Pooja Mehra**  
 Company Secretary  
 Membership No. FCS 5088

Place: Gurugram  
 Date : November 23, 2020

Place: Noida  
 Date : November 23, 2020

**Samvardhana Motherson International Limited**  
**Interim condensed consolidated statement of profit and loss for the half year ended September 30, 2020**  
 (All amounts are in INR million, unless otherwise stated)

	Note	For the half year ended September 30, 2020
<b>Revenue from operations</b>		
Interest income		215
Dividend income		2
Net gain on fair value changes		48
Revenue from contract with customers	19	4,814
Other operating income		<u>198</u>
<b>Total revenue from operations</b>		<b>5,277</b>
Other income		<u>85</u>
<b>Total income</b>		<b>5,362</b>
<b>Expenses</b>		
Finance costs	20	700
Cost of materials consumed	21	1,130
Purchase of stock-in-trade		216
Change in inventories of finished goods, work-in-progress and stock in trade		108
Employee benefits expenses	22	2,070
Depreciation and amortization expense	23	535
Other expenses	24	<u>1,685</u>
<b>Total expenses</b>		<b>6,444</b>
<b>Loss before exceptional item, share of net loss of investments accounted for using equity method and tax</b>		<b>(1,082)</b>
Exceptional item- expense [refer note 4 (ii)]		<u>40</u>
<b>Loss before share of net loss of investments accounted for using equity method and tax</b>		<b>(1,122)</b>
Group's share in net loss of investments accounted for using the equity method (net of tax)		<u>(5,189)</u>
<b>Loss before tax</b>		<b>(6,311)</b>
<b>Tax expenses</b>		
-Current tax expense		49
-Deferred tax credit		<u>(60)</u>
<b>Total tax expense/ (credit)</b>		<b>(11)</b>
<b>Loss for the period</b>		<b>(6,300)</b>
<b>Other comprehensive income</b>		
<b>Items that will be reclassified to profit or loss</b>		
Exchange loss on translation of foreign operations		(192)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (net of tax)		<u>493</u>
		<b>301</b>
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of defined benefit obligations		13
Change in fair valuation of FVOCI equity investments		147
Share of other comprehensive income of associates and joint ventures accounted for using the equity method (net of tax)		(22)
Income tax relating to the above items		<u>(1)</u>
		<b>137</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>438</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>(5,862)</b>
<b>Loss attributable to:</b>		
Owners		(6,331)
Non-controlling interests		<u>31</u>
		<b>(6,300)</b>
<b>Other comprehensive income attributable to:</b>		
Owners		439
Non-controlling interests		<u>(1)</u>
		<b>438</b>
<b>Total comprehensive income attributable to:</b>		
Owners		(5,892)
Non-controlling interests		<u>30</u>
		<b>(5,862)</b>
<b>Earnings per share:</b>		
Nominal value per share: INR 10/- (not annualised)		
Basic (INR per share)		(13.37)
Diluted (INR per share)		(13.37)

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

As per our report of even date

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number : 301003E/ E300005

per **Pankaj Chadha**  
 Partner  
 Membership No. 091813

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**For and on behalf of the Board of Directors**

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**Pooja Mehra**  
 Company Secretary  
 Membership No. FCS 5088

**Samvardhana Motherson International Limited**

**Interim condensed consolidated statement of changes in equity as at September 30, 2020**

(All amounts are in INR million, unless otherwise stated)

A. Equity share capital*	Amount
As at March 31, 2020	4,736
Changes in equity share capital	-
As at September 30, 2020	<u>4,736</u>

\*represents outstanding issued, subscribed, and fully paid-up shares of 473,613,855.

B. Other equity	Reserves and surplus								Items of other comprehensive income (OCI)				Total attributable to Owners	Non Controlling interests
	Securities premium	Capital reserve on amalgamation	Reserve fund	General reserve	Capital redemption reserve	Capital reserve on consolidation	Impairment reserve	Retained Earning	FVOCI equity instrument	Foreign currency translation reserve	Treasury shares	Cash flow hedging reserve		
Restated balance as at March 31, 2020 [on account of common control transaction- refer note 5(a)]	3,263	2,402	2,095	50	50	607	-	54,303	(461)	4,722	(682)	(994)	65,355	1,857
Loss for the period	-	-	-	-	-	-	-	(6,331)	-	-	-	-	(6,331)	31
Other comprehensive income	-	-	-	-	-	-	-	(20)	150	(202)	-	511	439	(1)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-	<b>(6,351)</b>	<b>150</b>	<b>(202)</b>	-	<b>511</b>	<b>(5,892)</b>	<b>30</b>
Additions during the period														
Transfer to/(from) retained earnings	-	-	-	-	-	-	10	(46)	-	-	-	-	(36)	36
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	(6)	-	(6)	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	(6)
Deletion on account of deconsolidation (refer note 30)	-	-	-	-	-	-	-	(116)	-	-	688	-	572	-
Hyperinflation adjustment	-	-	-	-	-	-	-	55	-	-	-	-	55	-
Others	-	-	-	-	-	(3)	-	-	-	(3)	-	-	(6)	-
<b>Balance as at September 30, 2020</b>	<b>3,263</b>	<b>2,402</b>	<b>2,095</b>	<b>50</b>	<b>50</b>	<b>604</b>	<b>10</b>	<b>47,845</b>	<b>(311)</b>	<b>4,517</b>	<b>-</b>	<b>(483)</b>	<b>60,042</b>	<b>1,917</b>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

As per our report of even date

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number : 301003E/ E300005

per **Pankaj Chadha**  
Partner  
Membership No. 091813

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**For and on behalf of the Board of Directors**

**SANJAY MEHTA**  
Sanjay Mehta  
Director  
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Company Secretary  
Membership No. FCS 5088

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Date : November 23, 2020

For the half year ended  
September 30, 2020

<b>A. Cash flow from operating activities:</b>	
Loss before tax	(6,311)
<b>Adjustments for:</b>	
Share of loss in associates and joint ventures accounted for using the equity method	5,189
Depreciation and amortisation expense	535
Liabilities written back to the extent no longer required	(7)
Provision for impairment on loans written back	(6)
Loss on sale of investments	193
Provision for doubtful debts, advances and loans	11
Gain on sale of property, plant and equipment	(7)
Dividend income	(2)
Interest income	(215)
Fair value changes in financial assets measured at fair value through profit and loss	(48)
Finance cost	700
Unrealised foreign currency loss	37
<b>Operating profit before working capital changes</b>	<b>69</b>
<b>Changes in working capital:</b>	
Decrease in trade payables and other payables	(332)
Increase in employee benefit obligation	81
Increase in other financial liabilities	161
Decrease in other non financial liabilities	(32)
Decrease in trade receivables	254
Increase in other financial assets	(123)
Decrease in other non financial assets	204
Decrease in inventories	137
<b>Cash generated from operations</b>	<b>419</b>
Taxes paid	(70)
<b>Net cash generated from operations</b>	<b>349</b>
<b>B. Cash flow from investing activities:</b>	
Payments for purchase of property, plant and equipments and other intangible assets (including capital work in progress and intangible assets under development)	(209)
Proceeds from sale of property, plant and equipment and other intangible assets	5
Loan to related parties (net)	(2,318)
Proceeds from maturity of deposits with bank	(29)
Consideration paid on acquisition of subsidiary	(430)
Proceeds from sale of investments in subsidiary	45
Dividend income received	2
Interest income received	143
<b>Net cash used in investing activities</b>	<b>(2,791)</b>
<b>C. Cash flow from financing activities:</b>	
Interest paid	(274)
Purchase of treasury shares	(6)
Proceeds from borrowings (other than debt securities)	719
Repayment of borrowings (other than debt securities)	(1,549)
Payment of lease liability	(46)
<b>Net cash used in financing activities</b>	<b>(1,156)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,598)</b>
Cash and cash equivalents at the beginning of the period	9,055
Acquired on acquisition/ (deletion on change in shareholding)	(29)
<b>Cash and cash equivalents as at period end</b>	<b>5,428</b>
<b>Cash and cash equivalents comprise</b>	
Cash on hand	1
Balances with banks	5,427
<b>Cash and cash equivalents as per balance sheet</b>	<b>5,428</b>
<b>Total</b>	<b>5,428</b>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number : 301003E/ E300005

per Pankaj Chadha  
Partner

Membership No. 091813

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For and on behalf of the Board of Directors

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Director  
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**Rajinder  
Kumar Bansal**

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Rajinder Kumar Bansal  
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**Rajinder Kumar Bansal**  
Deputy Chief Financial Officer  
PAN- AJVPB1886F

**POOJA  
MEHRA**

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POOJA MEHRA  
Date: 2020.11.23  
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**Pooja Mehra**  
Company Secretary  
Membership No. FCS 5088

Place: Gurugram  
Date : November 23, 2020

Place: Noida  
Date : November 23, 2020

## 1 Corporate Information

The Samvardhana Motherson International Limited ("SAMIL" or "Company") was incorporated in India on December 9, 2004 to act as a Holding Company to hold/ make investments in Group companies which are primarily engaged in business in the automotive sector and is a public limited company domiciled in India. The Company was promoted by Mr. V.C. Sehgal, promoter of the Samvardhana Motherson Group. The Company holds the Certificate of Registration as a Non-Deposit Taking Systemically Important Core Investment Company ("CIC-ND-SI") issued by the Reserve Bank of India ("RBI") under Core Investment Companies (Reserve Bank) Directions, 2016 ("CIC Directions").

The Group comprises of SAMIL and its directly and indirectly held 29 subsidiaries (including stepdown subsidiaries), 90 joint ventures and 102 associates. The Group has manufacturing plants in India, Sri Lanka, Thailand, United Arab Emirates (UAE), Australia, United Kingdom (UK), Germany, Hungary, Portugal, Spain, France, Slovakia, China, South Korea, United States of America (USA), Brazil, Mexico, Czech Republic, South Africa, Serbia, Lithuania, Poland and Russia.

## 2 Basis of accounting and presentation

The Special Purpose Interim Condensed Consolidated Financial Statements for the half year ended September 30, 2020 comprise the interim condensed consolidated balance sheet as at September 30, 2020, and the related interim condensed consolidated statements of profit and loss including other comprehensive income, cash flows, statement of changes in equity and explanatory notes of the Company and its subsidiaries (hereinafter collectively referred to as "the Group") and joint ventures and associates for the half year ended September 30, 2020.

The Special Purpose Interim Condensed Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended except for disclosure/presentation of comparative information as explained below, for use by the management in connection with the proposed scheme of merger of the Company with Motherson Sumi Systems Limited (Joint Venture of the Company) as mentioned below in note 4.

The Special Purpose Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the half yearly financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended March 31, 2020.

The Group has followed the same accounting policies in preparation of these Special Purpose Interim Condensed Consolidated Financial Statements as those followed in the preparation of its annual consolidated financial statements as at and for the year ended March 31, 2020 except for the adoption of new and amended standards and changes described in note 3 below and hence these financials should be read in conjunction with annual consolidated financial statements of the Group as at and for the year ended March 31, 2020.

The Special Purpose Interim Condensed Consolidated Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value;
- Defined benefit pension plans – plan assets measured at fair value;
- Derivative financial instruments

The Special Purpose Interim Condensed Consolidated Financial Statements are presented in INR and all values are rounded to the nearest millions (INR 000,000), except when otherwise stated. Amount appearing as zero "0" in the financial statements are below the rounding off norm adopted by the Group.

The Special Purpose Interim Condensed Consolidated Financial Statements do not include Comparative Information as required by Ind AS 34 and therefore, they do not comply with presentation and disclosure requirements of Ind AS 34 to this extent. Specifically, the Condensed Comparative Consolidated Balance Sheet as at March 31, 2020, the Condensed Consolidated Statement of Profit & Loss for the corresponding half year ended September 30, 2019, the Condensed Consolidated Statement of Changes in Equity for the corresponding half year ended September 30, 2019 and Consolidated Cash Flow Statement for the corresponding half year ended September 30, 2019 has not been presented in these Special Purpose Interim Condensed Consolidated Financial Statements.

## 3 New standards, interpretations and amendments adopted by the Group effective from April 1, 2020

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the Special Purpose Interim Condensed Consolidated Financial Statements of the Group. The following amendments and interpretations, which were effective for the annual periods beginning on or after April 1, 2020, were adopted by the Group. The adoption of these amendments did not have a material impact on the Special Purpose Interim Condensed Consolidated Financial Statements, nor these are expected to have any material impact on financial position or financial performance of the Group going forward.

- Amendments to Ind AS 103- Business Combinations which change the definition of a business to enable entities to determine whether an acquisition is a business combination or an asset acquisition.
  - Amendments to its definition of material in Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates clarifying the definition of materiality to aid in application.
  - Interest Rate Benchmark Reform (Amendments to Ind AS 109 and Ind AS 107), which modifies some specific hedge accounting requirements to provide relief from the potential effects of uncertainty caused by Interest Rate Benchmark Reform. In addition, the amendments require companies to provide additional information to investors about hedging relationships directly affected by these uncertainties.
  - Amendment to Ind AS 116- Leases to make it easier for lessees to account for COVID-19 related rent concessions such as rent holidays and temporary rent reductions. The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before June 30, 2021. The amendment does not affect lessors.
- The amendment can be applied immediately to any financial statements—interim or annual—not yet authorized for issue. The amendment is voluntary. The group did not voluntarily adopt this amendment.

A number of other new standards, amendments to standards have been issued that are not yet effective. The impact of these are expected not to be material to the Group.

- 4 (i) The Board of Directors of the Company, at their meeting held on July 02, 2020 approved the Composite Scheme of Amalgamation and Arrangement proposed to be undertaken amongst the Company, Motherson Sumi Systems Limited (MSSL), joint venture of the Company, and a new wholly owned subsidiary of the MSSL (incorporated on July 2, 2020 as Motherson Sumi Wiring India Limited) ("Resulting Company") and their respective shareholders and creditors ("Scheme"). As part of the Scheme, the following steps are proposed to be undertaken:
- a) Demerger of Domestic Wiring Harness undertaking of the MSSL ("DWHU") to the Resulting Company;
  - b) Amalgamation of the Company into and with MSSL by absorption, subsequent to the completion of the demerger referred to in (a) above.

The transaction is to be effected pursuant to a Composite Scheme of Amalgamation and Arrangement ("Scheme") and is subject to receipt of regulatory and other approvals inter-alia approval from shareholders, creditors, NCLT etc. as may be applicable. The transaction is likely to be completed by FY 2021-22.

- (ii) Further, exceptional item for the half year ended September 30, 2020 includes legal and professional expenses for INR 40 million incurred on account of this Amalgamation / Arrangement.

**Samvardhana Motherson International Limited****Notes to interim condensed consolidated financial statements for the half year ended September 30, 2020**

(All amounts are in INR million, unless otherwise stated)

**5 Acquisition/Disposal of subsidiaries/joint ventures and associates****a. Acquisition of Motherson Air Travel Agency Limited (MATA)**

On June 26, 2020, the Group acquired 74% stake in Motherson Air Travel Agency Limited (MATA) at a consideration of INR 430 million. MATA is into travel and hospitality business and provides significant portion of its services to the Group.

**i) Assets and Liabilities recognized by Group as result of acquisition are as follows:**

Particulars	Amount in INR Million
Property, plant and equipment	303
Other intangible assets (including intangible assets under development)	2
Non current investments	0
Income Tax asset	19
Deferred tax assets (net)	15
Other non-current assets	4
Inventories	1
Trade receivables	46
Cash and cash equivalents	30
Loans	30
Other financial assets	19
Other current assets	10
Borrowings	(86)
Accrued employee liabilities	(4)
Trade payables	(30)
Other financial liabilities	(6)
Other current liabilities	(9)
<b>Net assets acquired</b>	<b>344</b>

**ii) Calculation of Capital reserve on consolidation**

Particulars	Amount in INR Million
Net assets	344
Share of non controlling interest	(90)
Purchase consideration	(430)
	(176)
<b>Adjustment to reserves</b>	
Addition in Retained earnings	241
Addition in Capital reserve	7
Capital reserve on consolidation	(424)

The acquisition has been accounted using pooling of interest method as specified in Appendix C- Ind AS 103. Accordingly all the assets, liabilities and reserves have been recognised at their carrying value as at April 01, 2019.

**b. Sale of stake in subsidiary**

During the half year ended September 30, 2020, the Group sold its investments in two of its wholly owned subsidiaries Motherson Sintermetal Products SA (MSP) and Samvardhana Mothersons Adsys Tech Limited (SMAST) at a consideration of EUR 100 (INR 0 million) and INR 46 million respectively. The sale of these investments resulted in loss of INR 193 million which has been disclosed as "Loss on sale of investments in subsidiaries" under the head "Other expenses" in the interim condensed consolidated statement of profit and loss.

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**Samvardhana Motherson International Limited****Notes to interim condensed consolidated financial statements for the half year ended September 30, 2020**

(All amounts are in INR million, unless otherwise stated)

<b>6 Cash and cash equivalents</b>	<b>As at September 30, 2020</b>
Cash on hand	1
Balances with banks:	
- In current accounts	1,527
- Deposits with original maturity of less than three months	3,900
<b>Total</b>	<b><u>5,428</u></b>
<b>7 Bank balances other than cash and cash equivalents</b>	<b>As at September 30, 2020</b>
Deposits with original maturity of more than three months but less than 12 months	613
Unpaid dividend account	6
<b>Total</b>	<b><u>619</u></b>
<b>8 Trade receivables</b>	<b>As at September 30, 2020</b>
Considered good	2,069
Credit impaired	234
Less: Allowances for credit loss	(234)
<b>Total</b>	<b><u>2,069</u></b>
<b>9 Loans</b>	<b>As at September 30, 2020</b>
<b>At Amortised cost</b>	
Unsecured, considered good	
- Loans to related parties	4,986
- Loans to employees	9
<b>Total</b>	<b><u>4,995</u></b>
<b>10 Investments</b>	
Represents investments other than investment accounted for using the equity method. No significant addition/deletion in investment since March 31, 2020. Also refer note 25.	
<b>11 Other financial assets</b>	<b>As at September 30, 2020</b>
Unsecured, considered good (unless otherwise stated)	
Security deposits	
- Unsecured, considered good	278
- Credit impaired	4
	<u>282</u>
Less: Allowances for credit loss	(4)
	<u>278</u>
Interest receivable	489
Unbilled revenue	440
Deposits with original maturity for more than 12 months	31
Others	57
<b>Total</b>	<b><u>1,295</u></b>
<b>12 Inventories</b>	<b>As at September 30, 2020</b>
Raw materials	206
Work-in-progress	405
Finished goods	155
Stock-in-trade	69
Stores and spares	90
<b>Total</b>	<b><u>925</u></b>

**Samvardhana Motherson International Limited****Notes to interim condensed consolidated financial statements for the half year ended September 30, 2020**

(All amounts are in INR million, unless otherwise stated)

	<b>As at</b>
	<b>September 30, 2020</b>
<b>13 Income tax assets/liabilities</b>	
Income tax assets (net)	370
Income tax liabilities (net)	(21)
<b>14 Property, plant and equipment and Right of use assets</b>	
<b>Property, plant and equipment</b>	<b>Changes in the Gross Block</b>
Addition	166
Deletion on disposal of subsidiary	1,195
<b>Right of use assets</b>	<b>Changes in the Gross Block</b>
Addition	63
Deletion on disposal of subsidiary	98
<b>15 Other non financial assets</b>	<b>As at</b>
	<b>September 30, 2020</b>
Unsecured, considered good (unless otherwise stated)	
<b>Advances recoverable</b>	
- Unsecured, considered good	360
- Credit impaired	7
	<u>367</u>
Less: Allowances for credit loss	(7)
	<u>360</u>
Capital advances	72
Prepaid expenses	192
Balances with government authorities	245
Others	5
<b>Total</b>	<u><u>874</u></u>
<b>16 Borrowings (other than Debt securities)</b>	<b>As at</b>
	<b>September 30, 2020</b>
<b>At amortised cost</b>	
<b>Secured</b>	
Term loans from banks	
- Rupee loan	2,203
Term loans from other than banks	
- Rupee loan	1,125
Loans repayable on demand from banks	
- Rupee loan	474
Other short term loans from banks	
- Rupee loan	18
- Foreign currency loan	15
<b>Unsecured</b>	
Term loans from banks	
- Foreign currency loan	7,898
Other short term loans from banks	
- Foreign currency loan	2,161
Loan from related parties	37
<b>Total</b>	<u><u>13,931</u></u>

**Samvardhana Motherson International Limited****Notes to interim condensed consolidated financial statements for the half year ended September 30, 2020**

(All amounts are in INR million, unless otherwise stated)

	<b>As at</b>
	<b>September 30, 2020</b>
<b>17 Other financial liabilities</b>	
Premium on redemption of debentures	157
Interest accrued on debentures	550
Interest accrued on borrowings	75
Employee benefits payable	175
Security deposits received	63
Payables relating to purchase of fixed assets	393
Unpaid dividend	36
Recovery against vehicle loan	38
Other payables	66
<b>Total</b>	<b>1,553</b>
	<hr/> <hr/>
	<b>As at</b>
	<b>September 30, 2020</b>
<b>18 Other non financial liabilities</b>	
Unearned revenue	131
Statutory dues payable	185
Advance from customers	856
Others	1
<b>Total</b>	<b>1,173</b>
	<hr/> <hr/>
	<b>For the half year ended</b>
	<b>September 30, 2020</b>
<b>19 Revenue from contract with customers</b>	
<b>Sale of Products</b>	
Finished Goods	
Within India	1,945
Outside India	204
Traded Goods	351
<b>Sale of Services</b>	2,314
<b>Total</b>	<b>4,814</b>
	<hr/> <hr/>
	<b>For the half year ended</b>
	<b>September 30, 2020</b>
<b>Timing of Revenue Recognition</b>	
Goods transferred at point in time	2,500
Services transferred over time	2,314
<b>Total Revenue from contracts with customers</b>	<b>4,814</b>
	<hr/> <hr/>
	<b>For the half year ended</b>
	<b>September 30, 2020</b>
<b>20 Finance cost</b>	
Debt securities	407
Others	293
<b>Total</b>	<b>700</b>
	<hr/> <hr/>
	<b>For the half year ended</b>
	<b>September 30, 2020</b>
<b>21 Cost of materials consumed</b>	
Opening stock of raw materials	286
Add : Purchases of raw materials	1,107
Less: Closing stock of raw materials	(206)
Less: Deletion on account of disposal of subsidiary	(59)
Exchange differences opening stock (gain)/loss	1
Exchange differences closing stock (loss)/gain	1
<b>Total</b>	<b>1,130</b>
	<hr/> <hr/>
	<b>For the half year ended</b>
	<b>September 30, 2020</b>
<b>22 Employee benefit expenses</b>	
Salaries, wages and bonus	1,873
Contribution to provident and other funds	131
Gratuity and leave encashment	19
Staff welfare expenses	47
<b>Total</b>	<b>2,070</b>
	<hr/> <hr/>

**Samvardhana Motherson International Limited****Notes to interim condensed consolidated financial statements for the half year ended September 30, 2020**

(All amounts are in INR million, unless otherwise stated)

	<b>For the half year ended September 30, 2020</b>
<b>23 Depreciation and amortization expense</b>	
Depreciation on property, plant and equipment	377
Depreciation on right to use assets	121
Amortization on intangible assets	37
<b>Total</b>	<b>535</b>
	<b>For the half year ended September 30, 2020</b>
<b>24 Other expenses</b>	
Electricity, water and fuel	124
Repair and maintenance	
- Machinery	40
- Building	15
- Others	30
Consumption of stores and spare parts	65
Conversion charges	47
Rates & taxes	8
Legal and professional fees	153
Travelling expenses	38
Freight and forwarding	143
Lease rent	115
Design and development charges	383
Leaseline and webhosting charges	98
Insurance	20
Loss on sale of investment in subsidiaries	193
Donation	8
Royalty	8
Director sitting fee	1
Commission	1
Provision for doubtful debts, advances and loans	11
Miscellaneous expenses	184
<b>Total</b>	<b>1,685</b>

25 Fair Value Measurement

Financial instruments by category

Financial assets

Investments	304	489	-
Trade receivables	-	-	2,069
Loans	-	-	4,995
Cash and cash equivalents	-	-	5,428
Bank balances other than cash and cash equivalents	-	-	619
Other financial assets	-	-	1,295
<b>Total financial assets</b>	<b>304</b>	<b>489</b>	<b>14,406</b>

Financial liabilities

Debt securities	-	-	7,900
Borrowings (other than debt securities)	-	-	13,931
Lease liabilities	-	-	836
Trade payable	-	-	1,517
Other financial liabilities	-	-	1,553
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>25,737</b>

i. Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurements

Financial asset

Financial investments at FVTOCI / FVTPL

Unquoted investments	-	-	793
<b>Total</b>	<b>-</b>	<b>-</b>	<b>793</b>

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Financial assets

Loans	-	-	4,995
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>4,995</b>

Financial liabilities

Debt Securities	-	-	7,900
Borrowings other than debt securities	-	-	13,931
Lease liabilities	-	-	836
Other financial liabilities	-	-	1,553
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>24,220</b>

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities are considered to be the same as fair value due to their short term maturities.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

There is no change/transfer between levels of fair value hierarchy.

ii. Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the use of various valuation method (including NAV and price of recent investment method) investments in equity and preference shares.
- the fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, foreign exchange risk, probability of default.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

iii. Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items:

	Unquoted equity instruments	Unquoted Preference Shares
<b>As at March 31, 2020</b>	<b>353</b>	<b>253</b>
Fair value gains/(losses)	147	58
Exchange adjustment	(11)	(7)
<b>As at September 30, 2020</b>	<b>489</b>	<b>304</b>

**iv. Valuation inputs and relationships to fair value**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date.

The Group's financial assets at fair value through other comprehensive income represent equity shares in unlisted entities. The management has fair valued the relevant financial instruments using the recent transactions method, utilising information provided directly by the issuer on recent investments.

The below table represents impact of change in transaction price in other comprehensive income:

<b>Investments at FVTOCI*</b>	<b>September 30, 2020</b>
<b>Sensitivity</b>	
<b>Impact of change in transaction price*</b>	
Decrease in price by 0.50%	(3)
Increase in price by 0.50%	3
* Holding all the other variables constant	

The below table represents impact of change in transaction price in statement of profit and loss:

<b>Investments at FVTPL</b>	<b>September 30, 2020</b>
<b>Sensitivity</b>	
<b>Impact of change in transaction price*</b>	
Decrease in price by 0.50%	(2)
Increase in price by 0.50%	2
* Holding all the other variables constant	

*(This space has been intentionally left blank)*

**Samvardhana Motherson International Limited****Notes to interim condensed consolidated financial statements for the half year ended September 30, 2020**

(All amounts are in INR million, unless otherwise stated)

**26 Capital and other commitments****i) Letter of comforts issued on behalf of group companies:**

<b>Joint Ventures</b>	<b>As at September 30, 2020</b>
a) On behalf of Marelli Motherson Auto Suspension Parts Private Limited (Formerly Magneti Marelli Motherson Shock Absorbers India Private Limited)	150
b) On behalf of Motherson Auto Solutions Limited	660

  

<b>Property plant and equipment</b>	<b>As at September 30, 2020</b>
Estimated value of contracts on capital account remaining to be executed, (net of advances of INR 72 million)	552

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**Samvardhana Motherson International Limited****Notes to interim condensed consolidated financial statements for the half year ended September 30, 2020**

(All amounts are in INR million, unless otherwise stated)

**27 Contingent liabilities**

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an on-going basis, with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its consolidated financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the consolidated financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

**(i) Claims against the Group not acknowledged as debts**

<b>Particulars</b>	<b>As at September 30, 2020</b>
Excise, sales tax and service tax matters	68
Income tax matters	413
Unfulfilled export commitment under EPCG Scheme	184
Claims made by workmen	50
Bank guarantees	225
Others (refer (c) below)	1,798

(a) The Group does not expect any reimbursements in respect of the above contingent liabilities.

(b) It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(c) Motherson Sumi Systems Limited (MSSL) (Joint venture of the Group) has acted as surety in respect of subsidy received by one of its subsidiary, which limits the total liability of the Group to 1.2x of the amount of subsidy granted. As per the conditions of subsidy received from the local government the subsidiary is required to incur certain level of capital expenditure along with maintaining the headcount at certain level for a period of 5 years. As of September 30, 2020, both the conditions have been fulfilled however headcount level needs to be sustained for 5 years therefore MSSL may be contingently liable for INR 2,538 million in the event of non-compliance of subsidy conditions by the subsidiary in the future. Accordingly, own share of Group of INR 1,676 million has been included in "others" above.

(d) Above contingent liability includes Group share of contingent liability of the associates and joint ventures entities.

**(ii) Provident fund matters**

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The Group believes that the judgement will be applicable prospectively and accordingly has considered the applicability of the judgement prospectively. Further, the Group will update its provision for earlier years, on receiving further clarity on the subject.

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**28. Segment**

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the Group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments examines the Group's performance categorized in to following segments:

**(a) Description of segments and principal activities**

Segments	Description
MSSL Standalone	Represents standalone operations of Motherson Sumi Systems Limited (MSSL), engaged mainly in the business of manufacturing and trading of automobile parts for commercial and passenger vehicles.
SMR	Represents subsidiaries of Samvardhana Motherson Reflectec Group Holdings Limited which are engaged in development, manufacture and supply of rear view mirrors and drive assistance systems.
SMP	Represents subsidiaries of Samvardhana Motherson Automotive Systems Group B.V. (SMRP BV) (an overseas subsidiary of the MSSL) which are engaged in manufacturing and supplies of plastic parts and system modules for vehicle interiors and exteriors.
PKC	Represents PKC Group Plc including its subsidiaries. PKC is engaged in designing, manufacturing and integrating electrical distribution systems, electronics and related components for commercial vehicle industries, rolling stock manufacturers and other related segments.
Others	Comprise other subsidiaries of the Company (excluding SMR, SMP and PKC mentioned above) that are below the thresholds for separate reporting as operating segments.

The CODM primarily uses a measure of revenue from operation and earnings before interest, tax, depreciation, amortisation and exceptional item (EBITDA) to assess the performance of the operating segments on monthly basis.

**Unallocated:**

Revenue, expenses, assets and liabilities have been identified to a segment on the basis of relationship to operating activities of the segment. Assets and liabilities which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed under unallocated.

**Inter Segment transfer:**

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

**(a) Revenue from operation**

Interest income, rental income, dividend income, income recognised on sales of assets and investment are excluded from segment revenue. Transactions between segments are carried out at arm's length and are eliminated on consolidation. The segment revenue is measured in the same way as in the statement of profit or loss.

<b>Revenue from operation (excludes interest income &amp; foreign exchange gain)</b>	<b>September 30, 2020</b>
MSSL Standalone	4,257
SMR	30,117
SMP	82,925
PKC	12,516
Others	11,030
<b>Total</b>	<b>140,845</b>
Add: Segment revenue from discontinued operations (MSSL Standalone segment)*	4,277
<b>Less: Intersegment</b>	<b>3,700</b>
<b>Total revenue</b>	<b>141,422</b>
	136,410
<b>Less: Revenue not recognised in consolidated financial statements in respect of segments which are accounted for using equity method of accounting</b>	
<b>Total revenue as per statement of profit and loss</b>	<b>5,012</b>

**(c) Segment Results**

	<b>September 30, 2020</b>
MSSL Standalone	83
SMR	758
SMP	(3,741)
PKC	(141)
Others	(770)
<b>Total</b>	<b>(3,811)</b>
Add: Profit / (loss) of discontinued operation (MSSL Standalone segment)*	86
<b>Less: Intersegment</b>	<b>(413)</b>
<b>Less: Result not recognised in consolidated financial statements in respect of segments which are accounted for using equity method of accounting</b>	<b>(2,715)</b>
<b>Total</b>	<b>(597)</b>
<b>Less: Unallocated expenses</b>	<b>485</b>
<b>Less: Interest expense (net)</b>	<b>5,189</b>
<b>Less: Exceptional Item</b>	<b>40</b>
<b>Total loss before tax</b>	<b>(6,311)</b>

**(d) Segment Assets**

Segment assets are allocated based on the operations of the segment and the physical location of the asset. Assets not used directly in operations of the segment like investments, other common assets are reported as unallocated assets.

	<b>September 30, 2020</b>
MSSL Standalone	20,850
SMR	63,530
SMP	151,341
PKC	17,937
Others	72,081
<b>Total</b>	<b>325,739</b>
Add: Discontinued operation (MSSL Standalone segment)*	4,818
<b>Less: Intersegment</b>	<b>71,425</b>
<b>Less: Segment assets not recognised in consolidated financial statements in respect of segments which are accounted for using equity method of accounting</b>	<b>235,417</b>
<b>Unallocated:</b>	
Deferred tax assets (net)	225
Income tax assets (net)	370
Investment accounted for using the equity method	69,319
Other corporate assets and investments	806
<b>Total assets as per balance sheet</b>	<b>94,435</b>

**Samvardhana Motherhood International Limited****Notes to interim condensed consolidated financial statements for the half year ended September 30, 2020**

(All amounts are in INR million, unless otherwise stated)

**(e) Segment liabilities**

Segment liabilities are allocated based on the operations of the segment. Liabilities not used directly in operations of the segment common liabilities like borrowings are reported as unallocated liabilities.

	<b>September 30, 2020</b>
MSSL Standalone	19,055
SMR	33,840
SMP	141,509
PKC	11,866
Others	42,423
<b>Total</b>	<b>248,693</b>
Add: Discontinued operation (MSSL Standalone segment)*	<b>2,351</b>
<b>Less: Intersegment</b>	<b>71,295</b>
<b>Less: Segment liabilities not recognised in consolidated financial statements in respect segments which are accounted for using equity method of accounting</b>	<b>152,160</b>
<b>Unallocated:</b>	
Deferred tax liabilities (net)	130
Income tax liabilities (net)	21
<b>Total</b>	<b>27,740</b>

\* The Scheme mentioned in note 4 has been considered as highly probable by MSSL and meet the criteria prescribed in Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" to be considered as discontinued operation, hence DWH business has been disclosed as discontinued operation in note above.

*(This space has been intentionally left blank)*

**Samvardhana Motherson International Limited**

**Notes to interim condensed consolidated financial statements for the half year ended September 30, 2020**

(All amounts are in INR million, unless otherwise stated)

**29 Related parties**

Following are the total amount of transactions that have been entered into with related parties during the period ended September 30, 2020, as well as balances with related parties as at September 30, 2020.

**(a) Key management personnel compensation**

	<b>September 30, 2020</b>
Short-term employee benefits	16
Post-employment benefits	1
Long-term employee benefits	2
<b>Total compensation</b>	<b>19</b>

**(b) Details of significant transactions, in the ordinary course of business at commercial terms, and balances with related parties**

<b>Particulars</b>	<b>For the half year ended September 30, 2020</b>			
	<b>Joint ventures and associates</b>	<b>Key Managerial Persons</b>	<b>Other related parties</b>	<b>Total</b>
Dividend received	2	-	2	4
Sale of services	1,932	-	57	1,989
Sale of goods	338	-	3	341
Investments sold*	-	-	45	45
Investments purchased*	-	85	345	430
Loan given*	500	-	1,818	2,318
Reimbursement of expenses (net)	7	-	1	8
Interest income*	10	-	22	32
Purchase of goods	10	-	133	143
Purchase of services	44	1	172	217
Purchase of property, plant and equipment	-	-	45	45
Security deposit given	-	-	80	80
Security deposit received back	-	-	4	4
Capital advance given	-	-	50	50

**Balances as at period end:**

<b>Particulars</b>	<b>As at September 30, 2020</b>			
	<b>Joint ventures and associates</b>	<b>Key Managerial Persons</b>	<b>Other related parties</b>	<b>Total</b>
Letter of comfort	810	-	-	810
Security deposit paid	15	-	140	155
Security deposit received	43	-	-	43
Trade receivables	710	-	22	732
Trade payables	29	-	108	137
Advance received from customers	127	-	-	127
Loans receivable	560	-	4,426	4,986
Interest receivable	6	-	23	29
Loans payable	37	-	-	37
Employee benefit payable	-	2	-	2
Other advances and receivable	1	-	2	3

Note : The Group has given letters of support and letters of comfort to its joint venture companies, refer note no 26 (i).

\* Represents transaction based on the contractual terms with the parties and without considering the related Ind AS adjustments.

**Samvardhana Motherson International Limited**

**Notes to interim condensed consolidated financial statements for the half year ended September 30, 2020**

(All amounts are in INR million, unless otherwise stated)

**30** The Group had set-up a trust namely Samvardhana Employees Welfare Trust ('the Trust') for welfare of the employees of the Company and its affiliate companies. During the current period, the Company has entered into an irrevocable delegation deed with various beneficiary companies. Accordingly, the Group no longer controls the Trust. Consequently, the Group has derecognised treasury shares of INR 688 million. Further the Group is carrying provision of INR 17 million on account of cost recharge by the Trust.

**31 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**

The Group's operations and consolidated financial statements for the half year ended September 30, 2020 have been adversely impacted by the outbreak of COVID-19 pandemic and the consequent lockdown announced by governments in many of the jurisdictions, the group operates, due to which the operations were suspended for a large part of the half year and resumed only gradually with prescribed regulations and precautions..

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, property, plant and equipments, goodwill, intangible assets and inventory etc. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these special purpose interim condensed consolidated financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future demand of its products. The Group has performed analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. However, given the effect of pandemic on the overall economic activities globally and in particular the countries where the Group operates and in particular on the global automotive industry, the impact assessment of COVID-19 on the interim special purpose interim condensed consolidated financial statements captions is subject to significant estimation and uncertainties given its nature and duration and accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these special purpose interim condensed consolidated financial statements. The Group will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.

As per our report of even date

**For S.R. Batliboi & Co. LLP**

ICAI Firm registration number: 301003E/ E300005

**PANKAJ  
CHADHA**  
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**per Pankaj Chadha**

Partner

Membership No. 091813

**For and on behalf of the Board of Directors**

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**Sanjay Mehta**

Director

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**Vivek Avasthi**

Director

DIN 00033876

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Kumar  
Bansal**  
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**Rajinder Kumar Bansal**

Deputy Chief Financial Officer

PAN- AJVPB1886F

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**Pooja Mehra**

Company Secretary

Membership No. FCS 5088

Place: Gurugram

Date : November 23, 2020

Place: Noida

Date : November 23, 2020