



Samvardhana Motherson International Limited

(formerly Motherson Sumi Systems Limited)

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August 10, 2023

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G-Block
Bandra-Kurla Complex
Bandra (E)
MUMBAI – 400051, India

BSE Limited
1st Floor, New Trading Ring
Rotunda Building
P.J. Towers, Dalal Street
Fort
MUMBAI – 400001, India

Scrip Code : MOTHERSON

Scrip Code : 517334

Subject: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“SEBI LODR”)

Dear Sir / Madam,

This is with reference to the disclosure made by Samvardhana Motherson International Limited (formerly Motherson Sumi Systems Limited) (“the Company”) on August 01, 2023 regarding acquisition of 100% equity share capital held by Ichikoh Industries, Ltd., Japan (“Ichikoh”) in Misato Industries Co. Ltd., Japan (MICL) and Ichikoh (Wuxi) Automotive Parts Co., Ltd., China (IWAP) by SMR Automotive Mirrors UK Limited, United Kingdom (“SMR UK”), a 100% step down subsidiary of Samvardhana Motherson Automotive Systems Group BV, Netherlands (“SMRP BV”) from Ichikoh.

Now, the Board of Directors of the Company in its meeting held on August 10, 2023 has, *inter-alia*, noted and approved the following:

- (i) The entire share capital of Ichikoh (Wuxi) Automotive Parts Co., Ltd (“IWAP”) will be divested to Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd., China (“SMR NBHX”). SMR NBHX is a 50:50 joint venture between Ningbo Huaxiang Electronics Co. Ltd. (“NBHX”) and Company (through one of its subsidiary in SMRP BV); and
- (ii) SMR Automotive System (Thailand) Limited has entered into a Business Transfer Agreement to acquire Mirror assembly business of Ichikoh Industries (Thailand) Limited. The assets thus acquired will be relocated to SMR Thailand’s premises.

In this respect, disclosures required under Regulation 30 of SEBI LODR read with SEBI circular SEBI/HO/CFDPoD-1/P/CIR/2023/123 dated July 13, 2023 to be issued by the Company are respectively enclosed herewith as Annexure – ‘A’ and ‘B’.

The Board Meeting of the Company commenced at 1200 Hours (IST) and concluded at 1410 Hours (IST).

The above is for your information and records.

Yours truly,

For Samvardhana Motherson International Limited
(formerly Motherson Sumi Systems Limited)

Alok Goel
Company Secretary

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Unit – 705, C Wing, ONE BKC, G Block
Bandra Kurla Complex, Bandra East
Mumbai – 400051, Maharashtra (India)
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CIN No.: L34300MH1986PLC284510
Email: investorrelations@motherson.com

Divestiture (including agreement to Sell)

Sr. No.	Details of Events that need to be provided	Information about such events								
	Transaction Overview	<p>Ichikoh (Wuxi) Automotive Parts Co., Ltd (“IWAP”), a company incorporated under the Laws of the People’s Republic of China (PRC). IWAP shall be referred as “Target”.</p> <p>Target is 100% owned by Misato Industries, Ltd (“Misato”), which is a company incorporated under laws of Japan. Samvardhana Motherson International Limited (“SAMIL”) holds 100% stake in Misato through SMR Automotive Mirrors UK Limited, a step down subsidiary of the SAMIL in the SMRP-BV structure.</p> <p>Target was acquired as a part of the transaction closed on Aug 01, 2023, wherein SAMIL through its indirect subsidiary has acquired 100% stake in Misato.</p> <p>To further simplify the structure, leverage greater synergies with the existing footprint and to consolidate the vision system business in China, the entire share capital of the Target will be acquired by Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd. (“SMR NBHX”), a company incorporated under the Laws of the People’s Republic of China (PRC).</p> <p>SMR NBHX is a 50:50 joint venture between Ningbo Huaxiang Electronics Co. Ltd. (“NBHX”) and SAMIL (through one of its subsidiary in SMRP-BV structure.).</p> <p>The Target Company’s’ activity mainly consists of manufacturing automotive mirrors and associated products in China.</p>								
A	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division or undertaking or subsidiary or associate company of the listed entity during the last financial year	<p>Target became a wholly owned subsidiary of SAMIL on August 01, 2023. Hence the revenue of Target in SAMIL in last financial year was nil.</p> <p>However, the revenue of the Target for last 3 years are as follows</p> <table border="1" data-bbox="671 1485 1329 1590"> <thead> <tr> <th>Particular (CNY mn)</th> <th>FY 2020</th> <th>FY 2021</th> <th>FY 2022</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td align="center">275</td> <td align="center">286</td> <td align="center">319</td> </tr> </tbody> </table>	Particular (CNY mn)	FY 2020	FY 2021	FY 2022	Turnover	275	286	319
Particular (CNY mn)	FY 2020	FY 2021	FY 2022							
Turnover	275	286	319							
B	Date on which the agreement for sale has been entered into;	August 10, 2023								
C	The expected date of completion of sale/disposal	Subject to satisfactory completion of conditions precedent to closing, the transaction is expected to be closed by September 30, 2023.								
D	Consideration received from such sale/disposal;	<p>The Target entity proposed to be transferred to SMR NBHX at the same consideration as was paid to Ichikoh Industries Limited (“Ichikoh”) for IWAP which was acquired as part of “Misato and IWAP” transaction announced in September 2022 and closed on August 01, 2023</p> <p>Consideration paid to Ichikoh for the Target was CNY 186 million (equivalent JPY paid). This is the same consideration that will be received on closing.</p>								

Sr. No.	Details of Events that need to be provided	Information about such events
		SMR NBHX will pay the consideration to acquire the Target from internal accruals
E	Brief details of buyers and whether any of the buyers belong to the promoter/promoter group/group companies. If yes, details thereof;	No
F	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";	<p>Yes, SMR NBHX is a 50:50 joint venture between Ningbo Huaxiang Electronics Co. Ltd. ("NBHX") and SAMIL (through one of its subsidiary in SMRP-BV structure.).</p> <p>The Transaction is being done at Arms' Length basis as the Target entity proposed to be transferred to SMR NBHX at the same consideration as was paid to Ichikoh Industries Limited ("Ichikoh") for IWAP which was acquired as part of "Misato and IWAP" transaction announced in September 2022 and closed on August 01, 2023</p>
G	Whether the sale, lease or disposal of the undertaking is outside Scheme of Arrangement? If yes, details of the same including compliance with regulation 37A of LODR Regulations.	This transaction is outside the scheme of arrangement. Further, the threshold mentioned in Regulation 37A of SEBI LODR are not applicable.
H	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale.	Not Applicable

Acquisition (including agreement to acquire)

Sr. no.	Details of Events that need to be provided	Information about such events
a)	Name of target entity, details in brief such as size, turnover etc.	<p>1) <u>Name of the Target:</u> Fixed assets, inventory, and future supply contracts for the mirror assembly business of select ongoing programs of Ichikoh Industries (Thailand) Limited. ("IIT Business" or "Target"). The assets being acquired will be relocated to SMR Thailand's premises.</p> <p>2) <u>Business of the Target being acquired:</u> Target is, inter alia, engaged in the manufacturing and sale of external rear view mirrors and related parts to the OEMs</p> <p>3) <u>Turnover for the CY 2022 (fiscal year same as calendar year):</u> approximately THB 293 mn (EUR 8.0 mn)</p>
b)	Whether the acquisition would fall within related party transaction(s) and whether the promoter/promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at arms length	No.
c)	Industry to which the entity being acquired belongs	Target is, inter alia, engaged in the manufacturing and sale of external rear view mirrors and related parts to the OEMs
d)	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the Company);	<p>On September 26, 2022, SAMIL through its subsidiary SMR Automotive Mirrors UK Limited entered into an agreement to purchase the Japanese and Chinese mirror business of Ichikoh Industries Limited, Japan.</p> <p>As a part of the agreement, both parties also announced the intent to transfer the automotive mirrors business of Ichikoh Industries Ltd. In Thailand and Malaysia ("ASEAN Business") at the net asset value.</p> <p>As a consequence of subsequent discussions, SMR Automotive System (Thailand) Limited has entered into a Business Transfer Agreement to acquire the IIT Business. The assets thus acquired will be relocated to SMR Thailand's premises.</p> <p>The business will help SMR Thailand grow its supplies to the Japanese Automakers in Thailand.</p>
e)	Brief details of any governmental or regulatory approvals required for the acquisitions	N/A
f)	Indicative time-period for completion of the acquisition	Transaction is expected to be closed on or before June 2024 after necessary customer approvals, entry into supply agreements and homologation qualifications.

Sr. no.	Details of Events that need to be provided	Information about such events								
g)	Nature of consideration – whether cash consideration or share swap and details of the same	Cash transaction								
h)	Cost of acquisition or the price at which the shares are acquired	<p>Fixed assets and Inventory to be acquired at Net Assets Value on closing as was agreed in the September 2022 transaction.</p> <ul style="list-style-type: none"> • Fixed Assets: Estimated depreciated book value as on the date of closing THB 4.7 mn (EUR 0.13 mn) • Inventory: On book value on the date of closing <p>Book value of fixed assets as on December 2022 is THB THB 5.5 mn (~EUR 0.15 mn)</p>								
i)	Percentage of shareholding / control acquired and / or number of shares acquired	This is an asset purchase transaction								
j)	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and other significant information (in brief)	<p>1) <u>Main line of business:</u> Target is, inter alia, engaged in the manufacturing and sale of external rear view mirrors and related parts to the OEMs.</p> <p><u>Date of incorporation of the Target:</u> Not applicable as this is an asset purchase.</p> <p>2) <u>Turnover of last three financial years:</u> Turnover generated by the assets being purchased were as follows</p> <table border="1" data-bbox="798 1160 1455 1272"> <thead> <tr> <th>Particular</th> <th>CY 2020</th> <th>CY 2021</th> <th>CY 2022</th> </tr> </thead> <tbody> <tr> <td>THB Mn</td> <td>246</td> <td>255</td> <td>293</td> </tr> </tbody> </table> <p><u>Presence:</u> The Target assets shall be relocated to the premises of SMR Thailand.</p>	Particular	CY 2020	CY 2021	CY 2022	THB Mn	246	255	293
Particular	CY 2020	CY 2021	CY 2022							
THB Mn	246	255	293							