MSSL Global RSA Module Engineering Limited

(Registration No. 2009/010528/06)

Annual Financial Statements

for the year ended 31 March 2020

The financial statements of MSSL Global RSA Module Engineering Limited have been audited in compliance with S30 of the Companies Act.

These annual financial statements for the year ended 31 March 2020 were published on 25th May 2020.

General information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Manufacturing of moulded parts
Directors	VC Sehgal (Retired on 1st Oct 2019) B Dhar (Retired on 1st Oct 2019) Bharat Kumar Garg (Appointed on 25th Sep 2019) Amit Bhakri (Appointed on 25th Sep 2019) A Pillay
Registered address	7 Forbes Street Midstream Estate Ekurhuleni 1692
Business address	Plot D1A, Automotive Supplier Park 30 Helium Road Rosslyn Ext 2 Pretoria 0200
Postal address	PO Box 2660 Brooklyn Square Pretoria 0002
Holding company	MSSL Mauritius Holdings Limited Incorporated in Mauritius
Ultimate holding company	Motherson Sumi Systems Limited Incorporated in India
Bankers	State Bank of India Standard Bank of South Africa Citi Bank Rand Merchant Bank (FNB)
Auditors	Ernst & Young Inc
Secretary	YS Rademan
Company registration number	2009/010528/06
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

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The reports and statements set out below comprise the annual financial statements presented to the shareholders:

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the year end and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances are above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year 31 March 2021 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 6 to 8.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The annual financial statements set out on pages 8 to 48 which have been prepared on the going concern basis, were approved by the directors on 6th July 2020 and are signed on its behalf by:

Director	**Director**	**Director**
Bharat Kumar Garg	**Amit Bhakri**	**A Pillay**

Directors' Report

The Directors submit their report for the year ended 31 March 2020.

1. Incorporation

The company was incorporated in South Africa on 29 May 2009 and obtained a certificate to commence business on the same day.

2. Review of activities

Main business and operations

The company is engaged in manufacturing of moulded parts and operates principally in South Africa.
Net profit of the company was 160 231 547 (2019: R152 635 343 profit), after taxation of R 54 321 520 (2019: R55 569 043).

Registered office	7 Forbes Street Midstream Estate Ekurhuleni 1692
Other division address	No 2, Wilcox Road Prospection Isipingo Durban 4113
Business address	Plot D1A, Automotive Supplier Park 30 Helium Road Rosslyn Ext 2 Pretoria 0200
Postal address	PO Box 2660 Brooklyn Square Pretoria 0075

3. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

4. Events after the reporting period

The directors are not aware of any other matter or circumstance arising since the end of the reporting period that would materially impact the annual financial statements.

5. Directors' interest in contracts

The directors have no interest in contracts for the current period under review.

6. Authorised and issued share capital

There were no changes in the authorised or issued share capital of the company during the year under review.

7. Dividends

A dividend of R120 000 000 was declared on 9th September 2019 and paid 16th September 2019. (2019: R120 000 000)

8. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Nationality
V C Sehgal (Retired)	Australian
B Dhar (Retired)	Australian
Bharat Kumar Garg	Australian
Amit Bhakri	Indian
A Pillay	South African

9. Secretary

The secretary of the company is YS Rademan of:

Business address	7 Forbes Street Midstream Estate 1692
Postal address	PO Box 2660 Brooklyn Square Pretoria 0075

10. Holding company

The company's holding company is MSSL Mauritius Holdings Limited incorporated in Mauritius.

11. Ultimate holding company

The company's ultimate holding company is Motherson Sumi Systems Limited incorporated in India.

12. Auditors

Ernst & Young Inc. will continue in office in accordance with section 90 of the Companies Act of South Africa.

13. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act of South Africa.

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Independent Auditor's Report

To the Shareholders of MSSL Global RSA Module Engineering Limited

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of MSSL Global RSA Module Engineering Limited ('the company') set out on pages 9 to 48, which comprise the statement of financial position as at 31 March 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of MSSL Global RSA Module Engineering Limited as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Statements* section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements of the company and in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits of the company and in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 48-page document titled "MSSL Global RSA Module Engineering Limited Annual Financial Statements for the year ended 31 March 2020", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other

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information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 ISAs 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 annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 company's ability 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 annual 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Ernst & Young Inc.
Director – Dawid Petrus Venter
Registered Auditor
Chartered Accountant (SA)

06 July 2020

MSSL Global RSA Module Engineering Limited
(Registration Number: 2009/010528/06)
Annual Financial Statements for the year ended 31 March 2020

Statement of Financial Position as at 31 March 2020

	Note	31 March 2020 R	31 March 2019 R
Assets			
Non-current assets			
Property, plant and equipment	*4*	432 286 690	411 085 468
Right-to-use assets	*5*	17 079 103	-
		449 365 793	**411 085 468**
Current assets			
Inventories	*7*	51 632 372	40 571 398
Short term loans & advances	*8*	2 000 000	-
Trade and other receivables	*9*	312 000 307	224 656 964
Cash and cash equivalents	*10*	227 956 955	116 168 398
Current tax receivable		10 783 770	18 878 568
		604 373 404	**400 275 328**
Total assets		**1 053 739 197**	**811 360 796**
Equity and liabilities			
Equity			
Share capital	*12*	60 000 000	60 000 000
Retained income		261 727 304	221 495 757
		321 727 304	**281 495 757**
Liabilities			
Non-current liabilities			
Loans from group companies	*13*	120 750 000	160 750 000
Long term lease liabilities	*14*	15 658 373	-
Deferred Tax	*6*	22 620 028	44 367 671
		159 028 401	**205 117 671**
Current liabilities			
Trade and other payables	*15*	251 819 785	152 207 083
Short Term Lease liabilities	*17*	2 314 936	-
Deferred income	*18*	318 848 771	172 540 285
		572 983 492	**324 747 368**
Total Liabilities		**732 011 893**	**529 865 039**
Total equity and liabilities		**1 053 739 197**	**811 360 796**

Statement of Comprehensive Income

	Note	31 March 2020 R	31 March 2019 R
Revenue	*19*	1 211 023 057	1 093 533 043
Cost of sales	*20*	(719 075 476)	(641 213 987)
Gross profit		**491 947 581**	**452 319 056**
Other income	*21*	53 983 341	42 103 856
Operating expenses	*22*	(318 818 625)	(275 106 648)
Operating profit		**227 112 297**	**219 316 264**
Investment revenue	*23*	5 685 304	5 198 178
Finance costs	*24*	(18 244 534)	(16 310 056)
Profit before taxation		**214 553 067**	**208 204 386**
Income tax expense	*25*	(54 321 520)	(55 569 043)
Profit for the year		**160 231 547**	**152 635 343**
Total comprehensive income / (loss) for the year		**160 231 547**	**152 635 343**
Earnings per share			
Per share information			
Basic earnings per share		2.67	2.54

MSSL Global RSA Module Engineering Limited
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Annual Financial Statements for the year ended 31 March 2020

Statement of Changes in Equity

	Share capital R	Retained income R	Total R
Balance as at 31 March 2018	60 000 000	188 860 414	248 860 414
Total comprehensive profit for the year	-	152 635 343	152 635 343
Dividend paid		(120 000 000)	(120 000 000)
Balance as at 31 March 2019	**60 000 000**	**221 495 757**	**281 495 757**
Total comprehensive profit for the year	-	160 231 547	160 231 547
Dividend paid		(120 000 000)	(120 000 000)
Balance as at 31 March 2020	**60 000 000**	**261 727 304**	**321 727 304**

MSSL Global RSA Module Engineering Limited
(Registration Number: 2009/010528/06)
Annual Financial Statements for the year ended 31 March 2020

Statement of Cash Flows

	Note	31 March 2020 R	31 March 2019 R
Cash flows from operating activities			
Cash generated from operations	*28.1*	464 308 005	226 208 698
Interest income		5 685 304	5 198 178
Finance cost		(15 894 368)	(16 310 056)
Taxation paid	*28.2*	(67 974 365)	(66 089 585)
Net cash from operating activities		**386 124 576**	**149 007 235**
Cash flows from investing activities			
Additions to property, plant, and equipment	*4*	(97 273 772)	(29 253 493)
Increase/ (decrease) in loans advanced to group companies		(2 000 000)	-
Net cash from investing activities		**(99 273 772)**	**(29 253 493)**
Cash flows from financing activities			
Repayment of long-term loans		(40 000 000)	-
Dividend paid		(120 000 000)	(120 000 000)
Net cash from financing activities		**(160 000 000)**	**(120 000 000)**
Total cash, cash equivalents and bank overdrafts movement for the year		126 850 804	(246 258)
Cash, cash equivalents and bank overdrafts		116 168 398	116 937 674
Effect of exchange rate movement on cash balances		(15 062 247)	(523 018)
Total cash, cash equivalents and bank overdrafts at end of the year	*10*	**227 956 955**	**116 168 398**

Accounting policies

1. Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Significant judgements include:

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Trade receivables

The company assessed its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Residual values and useful lives of plant and equipment

The directors reviewed the residual values, useful lives and carrying amount of its plant and equipment to determine the appropriate level of depreciation and whether there is any indication that those assets have suffered an impairment loss. The directors judged a residual value of zero as a result of the fact that furniture and equipment are held for trading and are normally scrapped.

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared for expected future cash flows for each group of assets.

Accounting policies

1.1 Significant judgements and sources of estimation uncertainty (Continued)

Provisions

Provisions were raised, and management determined an estimate based on the information available.

1.2 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspections are derecognised.

Land is not depreciated. Property, plant and equipment is depreciated on the straight-line basis over its expected useful lives to the estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items or property, plant and equipment have been assessed as follows:

Item	**Average useful life**
Buildings	20 years
Plant and equipment	10 years
Furniture and fittings	6 years
Office equipment	10 years
Generators	10 years
Computer equipment	3 years
Moulds and dies	6.17 years
Electrical installation	10 years
Factory equipment	10 years

Capital work in progress is reflected at cost and is only depreciated once available for use as intended by management.

The residual value, useful life and depreciation method of each asset is reviewed, and adjusted if appropriate, at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Accounting policies

1.2 Property, plant and equipment (Continued)

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

1.3 Intangible Assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the
- cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life, after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	**Useful life**
Computer software	2 years

Accounting policies

1.4 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as other income when the company's right to receive payment is established.

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount. Translation differences on monetary items are recognised in profit or loss while translation differences on non-monetary items are recognised in other comprehensive income and accumulated in equity.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Loans to and from group companies

These include loans from the holding company and is recognised initially at fair value plus direct transaction costs.
Loans from group companies are classified as financial liabilities measured at amortised cost.

Accounting policies

1.4 Financial instruments (Continued)

Trade and other receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other receivables

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.5 Income tax

Current income tax assets and liabilities

Current income tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current income tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Accounting policies

1.5 Income tax (Continued)

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Income tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 Leases

The company has applied IFRS 16 using the modification retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16 and the impact of changes is disclosed in Notes 26.

A. Significant accounting policy

Policy applicable from 1 January 2019

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for the consideration. To assess whether a contract conveys the right to control the use of an identified assets, the company assesses whether.

- the contract involves the use of an identified asset- this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified:
- the company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use: and
- the company has the right to direct the use of the assets. The company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare case where the decision about how and for what purpose the asset is used is predetermined, the company has the right to direct the use of the asset if either:
- the company has the right to operate the asset: or
- the company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.
At inception or on reassessment of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and building in which it is a lessee, the company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Accounting policies

Policy applicable from 1 January 2019
For contracts entered into before 1 January 2019, the company determined whether the arrangement was or contained a lease based on the assessment of whether:

Fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- The arrangement has conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met ;
- The purchaser has the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
- Facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

1.7 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overhead. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.9 Impairment of non-financial assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset:
- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

Accounting policies

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a re-valued asset is treated as a revaluation increase.

1.10 Government grants

Government grants are recognised when there is reasonable assurance that:
- the company will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income during the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income.

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.11 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service), are recognised in the period on which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Accounting policies

1.12 Provisions and contingencies

Provisions are recognised when:
- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Accounting policies

1.13 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with owner ship nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.
Revenue is earned from two separate revenue streams:

1) Tooling revenue
The Company changed its accounting policy with respect to the recognition of tooling revenue. The Company applies the 'percentage of completion method' to determine the appropriate amount to recognize in a given period. The Company determines the stage of completion on the basis of milestones achieved to date. When the outcome of a contract can be estimated reliably, and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. Revenue is recognised only to the extent of contract costs incurred that is probable to be recoverable. The company does not recognize profit on booking of such revenue ("Zero profit margin method") the costs include all expenses incurred in direct relation to the specific projects and a proportion of the fixed and variable general costs incurred on the basis of normal capacity for the Company's contracts. On the balance sheet, the Company reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings; a contract represents a liability where the opposite is the case.

Prior to this change in policy the Company recognized tooling based on the 'completed contract method'.

The Company believes the new policy is preferable and it more closely aligns the accounting for tooling transactions based on 'percentage of completion method'.

The impact of this change in accounting policy on the financial statements is primarily on the recognition of revenue and cost on achievement/completion of milestone of related tooling transactions. This change did not result in a material impact on the profitability of the current year or any years included within these financial statements. The impact on each line item of the primary financial statements since the adoption of above is provided as restated figures on the respective years.

Deferred revenue
Deferred revenue is earned from the sale of tools to contract customers. The deferred revenue is recognised per the conditions and terms as set out in the customer contracts. Balances will be transferred from deferred revenue to revenue on the passing of risks and rewards to the contract customers per the revenue recognition criteria above.

2) Component revenue
Component revenue is earned from the manufacture and supply of motor vehicle components to the various contract customers. The risks and rewards of ownership are transferred to the customer on delivery of the components to the customers' premises.

All recognition criteria are applied when accounting for both revenue streams per the conditions above.

Interest is recognised, in profit or loss, using the effective interest rate method.

Accounting policies

1.14 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:
- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.15 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the ultimate holding company's board of directors that makes strategic decisions.

Notes to the annual financial statements

2. New Standards and Interpretations

2.1 Standards and Interpretations

These standards and interpretations will have an immaterial effect on the above financial statements except where otherwise noted.

New pronouncements applicable to the 31 March 2020 year-end

The company applied IFRS 16 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below in note no 26. The company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective

The accounting policies adopted are consistent with those of the previous financial year, except as follows:

The following new and amended IFRSs did not have any impact on the accounting policies, financial position or performance of the Company:

Title	Effective date (annual periods beginning on or after)
IFRS 9 Financial Instruments – Classification and Measurement, and Disclosures	1 January 2018
Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2	1 January 2018
Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Amendments to IFRS 4	1 January 2018
Transfers of Investment Property - Amendments to IAS 40	1 January 2018
IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
AIP IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018

The adoption of the above standards and/or interpretations did not have any material impact on the financial statements.

Notes to the annual financial statements

2. New Standards and Interpretations (Continued)

2.2 Standards issued but not yet effective

The Company expects that adoption of these standards, amendments and interpretations will in most cases not have any significant impact on the Company's financial position or performance in the period of initial application.

Standards issued, but not yet effective are listed below:

Title	**Effective date (annual periods beginning on or after)**
IFRS 17 Insurance Contracts	1 Jan 2021
Conceptual Framework for Financial Reporting	1 Jan 2020
Definition of a Business – Amendments to IFRS 3	*1 Jan 2020*
Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7	*1 Jan 2020*
Definition of Material – Amendments to IAS 1 and IAS 8	*1 Jan 2020*
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	*1 Jan 2020*

Note: An entity shall apply the amendments for annual periods beginning on or after 1 January 2019. If an entity applies the standard for an earlier period, these amendments shall be applied for that earlier period.

Notes to the annual financial statements

3. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in note 13, cash and cash equivalents disclosed in note 9, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratios.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The gearing ratios at 2020 were as follows:

	Note	March 2020 R	March 2019 R
Loans from group companies	12	120 750 000	160 750 000
		120 750 000	160 750 000
Less: Cash and cash equivalents	10	227 956 955	116 168 398
Net debt		(107 206 955)	44 581 602
Total equity		321 727 304	281 495 757
Total capital		214 520 349	326 077 359
Gearing ratio		-49.98 %	13.67%

The decrease in gearing ratio is due to increase in equity by 40 231 547 (current year profit 2020: R 40 231 547) as well as repayment of borrowings from MSSL Mauritius Holdings Limited of R 40 000 000 during the year.

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. Risk management is carried out by a central treasury department (group treasury) under policies approved by the ultimate holding company's board of directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The directors provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Notes to the annual financial statements

3. Risk management (Continued)

Liquidity risk

Cash flow forecasting is performed in the operating segments of the company and aggregated by company finance. Company finance monitors rolling forecasts of the company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the company's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements — for example, currency restrictions.

The table below analyses the company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 31 March 2020	Less than 1 year	Between 1 and 5 years
Borrowings	-	120 750 000
Trade and other payables	251 819 785	-

As at 31 March 2019	Less than 1 year	Between 1 and 5 years
Borrowings	-	160 750 000
Trade and other payables	152 207 083	-

Interest rate risk

The company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risk. The cash received from borrowings is managed to ensure funds are invested in a manner to achieve maximum returns whilst minimising risks. The scenarios are run only for liabilities that represent the major interest-bearing positions. Based on the simulations performed, the impact on pre-tax profit of a 2% shift would be maximum increase of NIL. The simulation is done on quarterly basis to verify that the maximum loss potential is within the limit given by the management.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty. Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used.

Price risk

The company is not exposed to equity securities price risk and commodity price risk, as there are no significant investments in equities.

Foreign exchange risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities. The company does not hedge foreign exchange fluctuations.

Notes to the annual financial statements	**Note**	**31 March 2020 R**	**31 March 2019 R**

3. Risk management (Continued)

Sensitivity analysis

The company analyses its interest rate exposure. The company calculates the impact on profit and loss by simulating scenarios of interest rate shifts. These are done only for major interest-bearing liabilities. Since the long-term borrowings were settled during the year this sensitivity would have zero effect.

The following table reflects the market value of the company's assets and liabilities at year end in other currencies.

The carrying amount of trade and other receivables are denominated in the following currencies:

Rand	301 420 016	222 700 773
US Dollar	-	24 451
	301 420 016	222 725 224

The carrying amount of trade and other payables are denominated in the following currencies:

Rand	118 670 787	74 270 536
British Pound	-	-
Euro	26 154 097	932 070
US Dollar	85 383 178	35 828 679
Indian Rupee	615 796	500 477
Thai Baht	-	6 306
GBP	-	192 718
Japanese Yen	152 653	-
Australian Dollar	396 707	418 431
	2 313 73 218	112 149 217

Exchange rates used for conversion of foreign items were:

British Pound	22.14	18.88
Euro	19.66	16.25
US Dollar	17.83	14.49
Indian Rupee	0.24	0.21
Thai Baht	0.54	0.46
Japanese Yen	0.17	0.13
GBP	22.14	18.88
Australian Dollar	10.94	10.28

Notes to the annual financial statements

4. Property, plant and equipment

2020	Cost R	Accumulated Depreciation R	Net book Value R
Owned assets			
Land	40 073 116	-	40 073 116
Buildings	165 907 510	(52 996 986)	112 910 524
Plant and equipment	392 084 542	(230 028 814)	162 055 728
Furniture and fittings	3 150 619	(1 865 504)	1 285 115
Capital work in progress	57 681 326	-	57 681 326
Office equipment	1 380 564	(589 297)	791 267
Computer equipment	5 800 804	(4 982 829)	817 975
Generators	1 025 000	(247 425)	777 575
Moulds and dies	95 312	(92 962)	2 350
Electrical installation	31 159 283	(20 220 851)	10 938 432
Factory equipment	77 251 955	(32 298 673)	44 953 282
	775 610 031	**(343 323 341)**	**432 286 690**

2019	Cost R	Accumulated Depreciation R	Net book Value R
Owned assets			
Land	40 073 116	-	40 073 116
Buildings	163 164 276	(44 701 611)	118 462 665
Plant and equipment	355 498 263	(174 202 083)	181 296 180
Furniture and fittings	3 150 619	(1 498 882)	1 651 737
Capital work in progress	17 810 418	-	17 810 418
Office equipment	1 345 624	(452 534)	893 090
Computer equipment	5 300 755	(4 227 736)	1 073 019
Generators	1 025 000	(144 925)	880 075
Moulds and dies	95 312	(78 833)	16 479
Electrical installation	31 159 284	(17 104 923)	14 054 361
Factory equipment	59 713 593	(24 839 265)	34 874 328
	678 336 260	**(267 250 792)**	**411 085 468**

Notes to the annual financial statements

4. Property, plant and equipment (Continued)

Reconciliation of property, plant and equipment – 2020

	2019 R	Additions R	Transfers R	Depreciation R	2020 R
Owned assets					
Land	40 073 116	-	-	-	40 073 116
Buildings	118 462 665	2 743 234	-	(8 295 376)	112 910 524
Plant and equipment	181 296 180	12 223 032	24 363 247	(55 826 730)	162 055 728
Furniture and fittings	1 651 737	(710 045)	710 045	(366 622)	1 285 115
Capital work in progress	17 810 418	82 578 034	(42 707 126)	-	57 681 326
Office equipment	893 090	(297 656)	332 596	(136 764)	791 267
Computer equipment	1073 019	(193 619)	693 668	(755 093)	817 975
Generators	8 80 075	-	-	(102 500)	777 575
Moulds and dies	164 790	-	-	(14 129)	2 350
Electrical installation	14 054 361	(377 178)	377 177	(3 115 928)	10 938 432
Factory equipment	34 874 329	9 347 852	8 190 510	(7 459 409)	44 953 282
	411 085 468	**105 313 654**	**(8039 883)**	**(76 072 551)**	**432 286 690**

Reconciliation of property, plant and equipment – 2019

	2018 R	Additions R	Disposal R	Transfers R	Depreciation R	2019 R
Owned assets						
Land	40 073 116	-		-	-	40 073 116
Buildings	126 630 076	-		-	(8 167 411)	118 462 665
Plant and equipment	191 085 371	(8 966)		24 363 247	(34 143 472)	181 296 180
Furniture and fittings	1 259 638	-		710 045	(317 946)	1 651 737
Capital work in progress	23 215 205	37 302 339		(42 707 126)	-	17 810 418
Office equipment	681 750	-		332 596	(121 256)	893 090
Computer equipment	1 246 534	-		693 668	(867 183)	1 073 019
Generators	982 576	-		-	(102 501)	880 075
Moulds and dies	31 311	-		-	(14 832)	16 479
Electrical installation	16 780 444	-		377 177	(3 103 260)	14 054 361
Factory equipment	32 266 078	-		8 190 510	(5 582 263)	34 874 327
	434 252 099	**37 293 373**		**(8 039 883)**	**(52 420 124)**	**411 085 468**

Details of properties

Erf 411, Isipingo, KwaZulu-Natal

The property measures 200637 hectares and is registered under deed number G92/952

Purchase price: 24 January 2011	40 073 116	40 073 116

All the mortgage has been returned subsequent to repayment of loan.

Notes to the annual financial statements	Note	31 March 2020 R	31 March 2019 R

5. Right to use of asset

IFRS 16.47 requires a lessee to either present in the statement of financial position, or disclose in the notes, the right of-use assets separately from other assets and lease liabilities separately from other liabilities. If a lessee does not present right-of-use assets separately in the statement of financial position, the lessee is required to include right-of use assets within the same line item that the corresponding underlying assets would be presented if they were owned (e.g., under property, plant and equipment) and it is required to disclose which line items in the statement of financial position include those right-of-use assets. Similarly, if the lessee does not present lease liabilities separately in the statement of financial position, the lessee is required to disclose the line items in the statement of financial position which include those liabilities. The Company presented its 'Right-of-use assets' separately in the statement of financial position. The related lease liabilities were presented separately.

2020	**Cost R**	**Accumulated Depreciation R**	**Net book Value R**
Lease Assets			
Plant & Machinery (Lease)	2 673 855	(598 593)	2 075 262
Vehicles (Lease)	4 448 074	(1 099 774)	3 348 300
Land (Lease)	12 804 462	(1 148 921)	11 655 541
	19 926 391	**(2 847 288)**	**17 079 103**

2019	**Cost R**	**Accumulated Depreciation R**	**Net book Value R**
Lease Assets			
Plant & Machinery (Lease)	-	-	-
Vehicles (Lease)	-	-	-
Land (Lease)	-	-	-
	-	-	-

Notes to the annual financial statements	**Note**	**31 March 2020 R**	**31 March 2019 R**

6. Deferred tax

Deferred tax (liabilities)		
Current deferred tax asset	1 663 069	2 244 180
Non-current deferred tax asset	68 861 064	20 502 734
Current deferred tax liability	(51 227 300)	(19 724 023)
Non-current deferred tax liability	(41 916 861)	(47 390 562)
	(22 620 028)	**(44 367 671)**

Deferred tax asset		
Deferred tax on provisions	1 663 069	2 244 180
Finance Lease - liability	5 032 527	-
Deferred tax in income received in advance	63 828 537	20 502 734
	70 524 133	**22 746 914**

Deferred tax liability		
Deferred tax on fixed assets	(36 337 472)	(47 390 562)
Deferred tax on Section 24C allowance	(51 062 830)	(19 477 597)
Deferred tax on prepayments	(163 417)	(131 253)
Finance Lease - asset	(5 579 389)	-
Deferred tax on provision for doubtful debts	(1 053)	(115 173)
	(93 144 161)	**(67 114 585)**

Reconciliation of deferred tax (liabilities)/ asset

Balance at the beginning of the year	(44 367 671)	(35 523 219)
Provisions	(581 111)	644 328
Income received in advance	43 325 804	978 044
Lease adjustment	(546 863)	-
Section 24C allowance	(31 585 233)	(6 786 548)
Prepaid expenses	(32 164)	(37 286)
Doubtful debt provision	114 120	15 490
Government grants	5 953 666	(3 346 206)
Wear and tear allowance	5 099 424	(436 249)
Prior year adjustment	-	123 975
	22 620 028	**44 367 671**

Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

Notes to the annual financial statements	**Note**	**31 March 2020 R**	**31 March 2019 R**

7. Inventories

Raw materials, components		29 208 644	21 496 966
Components work in progress		12 057 765	8 878 855
Tooling work in progress		-	1 487 338
Finished goods		10 365 963	8 708 239
		51 632 372	**40 571 398**

8. Short term loans and Advances

Loans and advances to related parties
Unsecured, considered good

Loans to related parties (Short term)		2 000 000	-
Less: Provision for doubtful loans and advance to related parties		-	-
		2 000 000	**-**

9. Trade and other receivables

Trade receivables		302 598 204	222 256 464
Prepayments		500 807	468 760
Interest receivable (Current portion only)		32 917	-
Deposits		1 576 687	1 113 129
South African Revenue Services		7 291 692	818 611
		312 000 307	**224 656 964**

Fair value of trade and other receivables

Trade and other receivables		312 000 307	224 656 964

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The company does not hold any collateral as security.

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value. The effect of discounting is negligible. The fair values are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs, including counterparty credit risk.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired.
At 31 March 2020, R1 023 160 (2019: R1 008 837) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due		896 975	327 631
2 months past due		126 185	681 206
Total		**1 023 160**	**1 008 837**

Notes to the annual financial statements	**Note**	**31 March 2020 R**	**31 March 2019 R**

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	227 956 955	116 168 398

Bank ratings:

Standard Bank	F3
Citibank	F3
State Bank of India	F3
Rand Merchant Bank (FNB)	F3

Cash and cash equivalents comprise of the above for the purposes of the cash flow statement.

All bank accounts are denominated in Rands.

The following facilities were noted

Standard Bank:

In respect of Vehicles Asset Financing	4 783 487	6 037 001
In respect of Credit Card	120 000	120 000
In respect of SB Fleet Management	60 000	60 000

11. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

Loans and receivables

Trade and other receivables – excluding VAT, prepayments deposits	302 598 204	222 256 464
Cash and cash equivalents	227 956 955	116 168 398
	530 555 159	**338 424 862**

12. Share capital

Authorised

60 000 000 Ordinary shares of R1 each	60 000 000	60 000 000

Reconciliation of number of shares issued

Reported at the beginning of the year	60 000 000	60 000 000

Issued

60 000 000 Ordinary shares of R1 each	**60 000 000**	**60 000 000**

Notes to the annual financial statements	Note	31 March 2020 R	31 March 2019 R

13. Loans from group companies

Holding company

MSSL Mauritius Holdings Limited		(120 750 000)	(160 750 000)

The loan forms part of 4 separate agreements with the following terms and conditions:

Agreement 1
The maximum loan amount is R 38m. Interest is due half-yearly at JIBAR plus 250 base points with a termination date of 30 June 2021 and has flexible repayment terms. The loan may be paid in whole or part earlier than the termination date.

Agreement 2
The maximum loan amount is R 40m. Interest is due half-yearly at JIBAR plus 250 base points with a termination date of 31 December 2021 and has flexible repayment terms. The loan may be paid in whole or part earlier than the termination date.
We have repaid the loan amount of R 40m as outstanding, in the month of Dec'19 during the financial year

Agreement 3
The maximum loan amount is R 40m. Interest is due half-yearly at JIBAR plus 250 base points with a termination date of 31 December 2021 and has flexible repayment terms. The loan may be paid in whole or part earlier than the termination date.

Agreement 4
The maximum loan amount is R 50m. Interest is due half-yearly at JIBAR plus 250 base points with a termination date of 31 December 2021 and has flexible repayment terms. The loan may be paid in whole or part earlier than the term.

Non-current liabilities		(120 750 000)	(160 750 000)

14. Long term lease liabilities

Financial Liabilities – Non Current		15 658 373	-
		15 658 373	**-**

15. Trade and other payables

Trade payables		231 373 218	112 149 218
Accrued expenses		16 065 573	36 937 881
Accrued leave pay		4 380 994	4 011 177
Operating lease payables		-	(891 193)
		251 819 785	**152 207 083**

The fair value of trade and other payables approximate their carrying value at the end of the year, due to their short-term nature.

Notes to the annual financial statements	Note	31 March 2020	31 March 2019
		R	R

16. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

Financial liabilities at amortised cost

Loans from group companies	120 750 000	160 750 000
Trade and other payables	247 438 791	148 195 906
	368 188 791	**308 945 906**

17. Short term lease liabilities

Financial Liabilities - Current	2 314 936	-
	2 314 936	**-**

18. Deferred income

Current liabilities

Government grant	90 889 709	99 316 237
Deferred tooling revenue	227 959 062	73 224 048
	318 848 771	**172 540 285**

Reconciliation of deferred revenue - 2020

	Opening balance	Additions	Realised during the year	Closing balance
	R	R	R	R
Government grant	99 316 237	9 275 966	(17 702 495)	90 889 709
Deferred tooling revenue	73 224 048	287 300 410	(132 565 397)	227 959 062
	172 540 285	**296 576 376**	**(150 267 892)**	**318 848 771**

Reconciliation of deferred revenue - 2019

	Opening balance	Additions	Realised during the year	Closing balance
	R	R	R	R
Government grant	111 440 413	5 402 348	(17 526 524)	99 316 237
Deferred tooling revenue	69 731 035	41 956 844	(38 463 831)	73 224 048
	181 171 448	**47 532 632**	**(56 163 795)**	**172 540 285**

Notes to the annual financial statements	Note	31 March 2020 R	31 March 2019 R

18. Deferred income (Continued)

Government grant:
The government grant relates to the Automotive Incentive Scheme (AIS). The maximum grant is for R83 300 000 (2017: R83 300 000), assuming a projected maximum qualifying investment amount of R238 000 000. (2018: R41 847 000), assuming a projected maximum qualifying investment amount of R139 490 000. (2019: R30 000 000), assuming a projected maximum qualifying investment amount of R120 000 000. The approval is conditional to meeting the requirements of the AIS. One of the requirements of the AIS, is that a claim form be submitted to the DTI for evaluation, after which the grant would be paid. As at 31 March 2020, approval1, approval 2, approval 3, approval 4, approval 5 were fully paid by DTI and claim 1 of approval 6 has been fully paid. Claim 2 &3 of approval 6 is not due yet

Deferred Revenue:
Advanced payments of up to 90% of the total contract price are received from customers during various stages of the tool's production. The final 10% payment is required upon sign-off of the completed tool. This is where risks and rewards transfer.

19. Revenue

	31 March 2020 R	31 March 2019 R
Sale of goods	1 211 023 057	1 093 533 043
Sale of goods consist of the following:		
Tooling revenue	170 909 169	71 073 912
Component revenue	1 040 113 888	1 022 459 132
	1 211 023 057	**1 093 533 043**

20. Cost of sales

Cost of goods sold include the following:	31 March 2020 R	31 March 2019 R
Cost of materials	617 108 841	541 675 700
Direct labour	98 895 427	98 375 770
Lease rental	3 071 208	1 162 517
	719 075 476	**641 213 987**

21. Other income

	31 March 2020 R	31 March 2019 R
Scrap Sales	859 817	870 035
Miscellaneous income	35 421 029	23 707 297
Government Grant Recognized	17 702 495	17 526 524
	53 983 341	**42 103 856**

Notes to the annual financial statements	**Note**	**31 March 2020 R**	**31 March 2019 R**

22. Expenses by nature

Consumables	14 647 297	20 448 435
Cost of material	617 108 841	541 675 700
Depreciation and amortisation	78 919 839	52 624 773
Employee costs and direct labour	177 006 373	176 625 475
Freight outward	5 711 074	6 540 903
Lease rentals on operating lease	1 613 307	3 706 019
Legal and professional fees	28 801 868	13 789 614
Management fees	445 713	50 191
Packaging cost	13 003 680	9 639 854
Loss on exchange differences	15 062 247	523 018
Repairs and maintenance	40 178 512	36 460 489
Utilities	24 006 069	25 277 301
Other expenses	21 389 281	28 958 863
Total cost of sales, distribution and administrative expenses	**1 037 894 101**	**916 320 635**

23. Investment revenue

Interest revenue		
Bank	5 331 066	5 198 178
Interest from Related Party	32 917	-
Interest Income from Income Tax Refund	322 321	-
	5 685 304	**5 198 178**

24. Finance costs

Bank and financial institutions	687 239	-
Group companies	15 207 129	16 310 056
Interest expense (Effect of IFRS16)	2 350 166	-
	18 244 534	**16 310 056**

25. Income tax expense

Major components of the income tax expense

Income tax – current	72 053 875	46 724 591
Income tax-Prior year under/(over) provision	4 015 288	-
Deferred tax – current	(21 747 643)	8 844 452
	54 321 520	**55 569 043**

Notes to the annual financial statements	**Note**	**31 March 2020 R**	**31 March 2019 R**
Reconciliation of the income tax expense			
Reconciliation between accounting profit and income tax expense.			
Accounting profit		214 553 067	208 204 386
Tax at the applicable tax rate of 28%		60 074 859	58 297 228
Tax effect of adjustments on taxable income			
Prior year under provision – deferred tax		-	(123 977)
Permanent difference		(287,134)	(411 264)
Prior year over under provision		4,015,288	-
Temporary difference		(9,481,493)	(2 192 944)
Unrecognised deferred tax asset on assessed loss		-	-
Tax effect on amount recovered from insurance		-	-
		54 321 520	**55 569 043**

26. Effect of IFRS -16

Depreciation	2 847 288	-
Finance cost	2 350 166	-
Lease charges	-4 303 248	-
	894 206	**-**

IFRS 16.49 requires a lessee to present in the statement of profit or loss, the interest expense on lease liabilities separately from the depreciation charge for the right-of-use asset. The interest expense on the lease liabilities is a component of finance costs, which IAS 1.82(b) requires to be presented separately in the statement of profit or loss. Consistent with this requirement, the company presented interest expense on lease liabilities under 'finance costs' and the depreciation charge on the right-of-use asset under 'cost of sales' and 'administrative expenses'

27. Employee costs

Salaries and other short-term costs	177 006 373	176 625 475

28. Notes to the statement of cash flows

28.1 Cash generated from operations

Profit before taxation	215 447 273	208 204 386
Adjustments for:		
Depreciation and amortisation	76 072 551	52 624 773
Gain on foreign exchange	15 062 247	523 018
Interest received	(5 685 304)	(5 198 178)
Finance costs	15 894 368	16 310 056
Changes in working capital:		
(Increase) in inventories	(11 060 974)	12 806 125
(Increase) /decrease in trade and other receivables	(87 343 343)	(24 302 657)
Increase /(decrease) in trade and other payables	99 612 702	(26 127 662)
Increase in deferred income	146 308 486	(8 631 163)
	464 308 006	**226 208 698**

Notes to the annual financial statements	**Note**	**31 March 2020 R**	**31 March 2019 R**

28. Notes to the statement of cash flows (Continued)

28.2 Taxation paid

Amount outstanding at beginning of the year	(18 632 713)	732 281
Normal income taxation	55 135 155	46 724 591
Amount due at end of the year	31 471 924	18 632 713
	67 974 366	**66 089 585**

29. Commitments

Capital commitments

Already contracted for but not provided for

Property, plant and equipment	29 902 116	4 764 148

This committed expenditure relates to property and will be financed by available bank facilities, existing cash resources, funds internally generated and the Dti loan received.

30. Operating Lease

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

-within one year	3 104 429	2 203 215
-in second to fifth year inclusive	9 429 535	10 149 521
-later than five years	10 232 275	18 619 079
	22 766 239	30 971 815

Lease rental amounting to R 22 766 239 (2019: R 30 971 815) relating to the lease of the land and building and machinery and property, respectively, are included in the income statement. The lease term for the land on which the

Notes to the annual financial statements

31. Related parties

Ultimate Holding Company - Motherson Sumi Systems Limited, India
Holding Company - MSSL Mauritius Holdings Limited, Mauritius

Directors	Bhrat Kumar Garg
	Amit Bhakri
	A Pillay
Key management	V Johri
	SN Das
	A Dadwal

Subsidiaries of Motherson Sumi Systems Ltd. (ultimate holding company)

Name of Company	Category
MSSL Mauritius Holdings Limited	Subsidiary Company
Motherson Electrical Wires Lanka Pvt. Ltd.	Subsidiary Company
MSSL Mideast (FZE)	Subsidiary Company
MSSL (S) Pte Ltd.	Subsidiary Company
Motherson Innovations Tech Limited (formerly MSSL Automobile Component Ltd.)	Subsidiary Company
Motherson Polymers Compounding Solutions Ltd.	Subsidiary Company
Samvardhana Motherson Polymers Ltd.	Subsidiary Company
MSSL (GB) Limited	Subsidiary Company
Motherson Wiring System (FZE)	Subsidiary Company
MSSL GmbH	Subsidiary Company
MSSL Tooling (FZE)	Subsidiary Company
Samvardhana Motherson Invest Deutschland GmbH	Subsidiary Company
MSSL Advanced Polymers s.r.o	Subsidiary Company
Motherson Techno Precision GmbH (formerly Motherson Orca Precision Technology GmbH)	Subsidiary Company
MSSL s.r.l Unipersonale	Subsidiary Company
Motherson Techno Precision México, S.A. de C.V	Subsidiary Company
MSSL Australia Pty Ltd	Subsidiary Company
MSSL Ireland Pvt. Ltd.	Subsidiary Company
Global Environment Management (FZE)	Subsidiary Company
Motherson Elastomers Pty Limited	Subsidiary Company
Motherson Investments Pty Limited	Subsidiary Company
MSSL Global RSA Module Engineering Limited	Subsidiary Company
MSSL Japan Limited	Subsidiary Company
Vacuform 2000 (Proprietary) Limited.	Subsidiary Company
MSSL México, S.A. De C.V.	Subsidiary Company
MSSL WH System (Thailand) Co., Ltd	Subsidiary Company
MSSL Korea WH Limited	Subsidiary Company
MSSL Consolidated Inc.	Subsidiary Company
MSSL Wiring System Inc., USA	Subsidiary Company
Alphabet de Mexico, S.A. de C.V.	Subsidiary Company
Alphabet de Mexico de Monclova, S.A. de C.V.	Subsidiary Company
Alphabet de Saltillo, S.A. de C.V.	Subsidiary Company
MSSL Wirings Juarez S.A. de C.V.	Subsidiary Company
MSSL Manufacturing Hungary Kft	Subsidiary Company
Motherson Air Travel Pvt. Ltd.	Subsidiary Company

Notes to the annual financial statements

31. Related parties (Continued)

Subsidiaries of Motherson Sumi Systems Ltd. (ultimate holding company)

MSSL Estonia WH OÜ	Subsidiary Company
Samvardhana Motherson Global Holdings Ltd.	Subsidiary Company
Samvardhana Motherson Automotive Systems Group B.V.	Subsidiary Company
Samvardhana Motherson Reflectec Group Holdings Limited	Subsidiary Company
SMR Automotive Technology Holding Cyprus Ltd.	Subsidiary Company
SMR Automotive Mirror Parts and Holdings UK Ltd.	Subsidiary Company
SMR Automotive Holding Hong Kong Limited	Subsidiary Company
SMR Automotive Systems India Limited	Subsidiary Company
SMR Automotive Systems France S. A.	Subsidiary Company
SMR Automotive Mirror Technology Holding Hungary Kft	Subsidiary Company
SMR Patents S.aR.L.	Subsidiary Company
SMR Automotive Technology Valencia S.A.U.	Subsidiary Company
SMR Automotive Mirrors UK Limited	Subsidiary Company
SMR Automotive Mirror International USA Inc.	Subsidiary Company
SMR Automotive Systems USA Inc.	Subsidiary Company
SMR Automotive Beijing Co. Limited	Subsidiary Company
SMR Automotive Yancheng Co. Limited	Subsidiary Company
SMR Automotive Mirror Systems Holding Deutschland GmbH	Subsidiary Company
SMR Holding Australia Pty Limited	Subsidiary Company
SMR Automotive Australia Pty Limited	Subsidiary Company
SMR Automotive Mirror Technology Hungary Bt	Subsidiary Company
SMR Automotive Modules Korea Ltd	Subsidiary Company
SMR Automotive Beteiligungen Deutschland GmbH	Subsidiary Company
SMR Hyosang Automotive Ltd.	Subsidiary Company
SMR Automotive Mirrors Stuttgart GmbH	Subsidiary Company
SMR Automotive Systems Spain S.A.U.	Subsidiary Company
SMR Automotive Vision Systems Mexico S.A. de C.V.	Subsidiary Company
SMR Grundbesitz GmbH & Co. KG	Subsidiary Company
SMR Automotive Brasil LTDA	Subsidiary Company
SMR Automotive System (Thailand) Limited	Subsidiary Company
SMR Automotives Systems Macedonia Dooel Skopje	Subsidiary Company
SMR Automotive Operations Japan K.K.	Subsidiary Company
SMR Automotive (Langfang) Co. Ltd.	Subsidiary Company
SMR Automotive Vision System Operations USA INC	Subsidiary Company
SMR Mirror UK Limited	Subsidiary Company
Samvardhana Motherson Peguform GmbH	Subsidiary Company
SMP Automotive Interiors (Beijing) Co. Ltd	Subsidiary Company
SMP Deutschland GmbH	Subsidiary Company
SMP Logistik Service GmbH	Subsidiary Company
SMP Automotive Solutions Slovakia s.r.o	Subsidiary Company
Changchun Peguform Automotive Plastics Technology Co. Ltd	Subsidiary Company
Foshan Peguform Automotive Plastics Technology Co. Ltd.	Subsidiary Company
SMP Automotive Technology Management Services (Changchun) Co. Ltd.	Subsidiary Company
SMP Automotive Technology Iberica S.L	Subsidiary Company
Samvardhana Motherson Peguform Barcelona S.L.U	Subsidiary Company
SMP Automotive Technologies Teruel Sociedad Limitada	Subsidiary Company
Samvardhana Motherson Peguform Automotive Technology Portugal S.A	Subsidiary Company

Notes to the annual financial statements

31. Related parties (Continued)

Subsidiaries of Motherson Sumi Systems Ltd. (ultimate holding company)

SMP Automotive Systems Mexico S.A. de C.V	Subsidiary Company
SMP Automotive Produtos Automotivos do Brasil Ltda.	Subsidiary Company
SMP Automotive Exterior GmbH	Subsidiary Company
Samvardhana Motherson Innovative Autosystems B.V. & Co. KG	Subsidiary Company
Samvardhana Motherson Innovative Autosystems Holding Company BV	Subsidiary Company
SM Real Estate GmbH	Subsidiary Company
Samvardhana Motherson Innovative Autosystems de México, S.A. de C.V	Subsidiary Company
SMP Automotive Systems Alabama Inc.	Subsidiary Company
Motherson Innovations Company Limited, U.K.	Subsidiary Company
Motherson Innovations Deutschland GmbH	Subsidiary Company
Samvardhana Motherson Global (FZE)	Subsidiary Company
SMR Automotive Industries RUS Limited Liability Company	Subsidiary Company
Celulosa Fabril (Cefa) S.A.	Subsidiary Company
Modulos Ribera Alta S.L.	Subsidiary Company
Motherson Innovations Lights GmbH & Co KG	Subsidiary Company
Motherson Innovations Lights Verwaltungs GmbH	Subsidiary Company
PKC Group Oy	Subsidiary Company
PKC Wiring Systems Oy	Subsidiary Company
PKC Group Poland Sp. z o.o.	Subsidiary Company
PKC Wiring Systems Llc	Subsidiary Company
PKC Group APAC Limited	Subsidiary Company
PKC Group Canada Inc.	Subsidiary Company
PKC Group USA Inc.	Subsidiary Company
PKC Group Mexico S.A. de C.V.	Subsidiary Company
Project del Holding S.a.r.l.	Subsidiary Company
PK Cables do Brasil Ltda	Subsidiary Company
PKC Eesti AS	Subsidiary Company
TKV-sarjat Oy	Subsidiary Company
PKC SEGU Systemelektrik GmbH	Subsidiary Company
Groclin Luxembourg S.à r.l.	Subsidiary Company
PKC Vehicle Technology (Suzhou) Co., Ltd.	Subsidiary Company
AEES Inc.	Subsidiary Company
PKC Group Lithuania UAB	Subsidiary Company
PKC Group Poland Holding Sp. z o.o.	Subsidiary Company
OOO AEK	Subsidiary Company
Kabel-Technik-Polska Sp. z o.o.	Subsidiary Company
AEES Power Systems Limited partnership	Subsidiary Company
T.I.C.S. Corporation	Subsidiary Company
Fortitude Industries Inc.	Subsidiary Company
AEES Manufactuera, S. De R.L de C.V.	Subsidiary Company
Cableodos del Norte II, S. de R.L de C.V.	Subsidiary Company
Manufacturas de Componentes Electricos de Mexico S. de R.L de C.V.	Subsidiary Company
Arneses y Accesorios de México, S. de R.L de C.V.	Subsidiary Company
Asesoria Mexicana Empresarial, S. de R.L de C.V.	Subsidiary Company
Arneses de Ciudad Juarez, S. de R.L de C.V.	Subsidiary Company
PKC Group de Piedras Negras, S. de R.L. de C.V.	Subsidiary Company
PKC Group AEES Commercial S. de R.L de C.V	Subsidiary Company

Notes to the annual financial statements

31. Related parties (Continued)

Subsidiaries of Motherson Sumi Systems Ltd. (ultimate holding company)

Jiangsu Huakai-PKC Wire Harness Co., Ltd.	Subsidiary Company
PKC Vechicle Technology (Hefei) Co, Ltd.	Subsidiary Company
Shanjdong Huakai-PKC Wireharness Co. Ltd.	Subsidiary Company
Shenyang SMP Automotive Plastic Component Co. Ltd.	Subsidiary Company
Tianjin SMP Automotive Component Company Limited	Subsidiary Company
SMRC Automotive Holdings B.V. (formerly Reydel Automotive Holdings B.V.)	Subsidiary Company
SMRC Automotive Holdings Netherlands B.V. (formerly Reydel Automotive B.V.)	Subsidiary Company
SMRC Automotive Interiors Management B.V. (formerly Reydel Automotive Management B.V.)	Subsidiary Company
SMRC Automotives Techno Minority Holdings B.V. (formerly Reydel Automotive Minority Holdings B.V.)	Subsidiary Company
SMRC Smart Automotive Interior Technologies USA, LLC (formerly Reydel Automotive USA, LLC)	Subsidiary Company
SMRC Automotive Modules France SAS (formerly Reydel Automotive France SAS)	Subsidiary Company
Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L.U. (formerly Reydel Automotive Holding Spain , S.L.U)	Subsidiary Company
SMRC Automotive Interiors Spain S.L.U. (formerly Reydel Automotive Spain, S.L.U)	Subsidiary Company
SMRC Automotive Interior Modules Croatia d.o.o (formerly Reydel Automotive Croatia d.o.o.)	Subsidiary Company
Samvardhana Motherson Reydel Autotecc Morocco SAS (formerly Reydel Automotive Morocco SAS)	Subsidiary Company
SMRC Automotive Technology RU LLC (formerly Reydel Automotive Rus LLC)	Subsidiary Company
SMRC Smart Interior Systems Germany GmbH (formerly Reydel Automotive Germany GmbH)	Subsidiary Company
SMRC Automotive Interiors Products Poland SA (formerly Reydel Automotive poland SA) (dormant)	Subsidiary Company
SMRC Automotive Solutions Slovakia s.r.o. (formerly Reydel Automotive Slovakia s.r.o.)	Subsidiary Company
SMRC Automotive Holding South America B.V. (formerly Reydel Automotive South America B.V.)	Subsidiary Company
SMRC Automotive Modules South America Minority Holdings B.V. (formerly Reydel Automotive South America Minority Holdings B.V.)	Subsidiary Company
SMRC Automotive Tech Argentina S.A. (formerly Reydel Automotive Argentina SA)	Subsidiary Company
SMRC Fabricação e Comércio de Produtos Automotivos do Brasil Ltda (formerly Reydel Automotive Brazil)	Subsidiary Company
SMRC Automotive Products India Private Limited (formerly Reydel Automotive India Pvt. Ltd.)	Subsidiary Company
SMRC Automotive Smart Interior Tech (Thailand) Ltd. (formerly Reydel Automotive Thailand Ltd.)	Subsidiary Company
SMRC Automotive Interiors Japan Ltd. (formerly Reydel Automotive Japan Ltd.)	Subsidiary Company

Notes to the annual financial statements

31. Related parties (Continued)

Subsidiaries of Motherson Sumi Systems Ltd. (ultimate holding company)

Shanghai SMRC Automotive Interiors Tech Consulting Co. Ltd. (formerly Shanghai Reydel Automotive Technology Consulting Co. Ltd.)	Subsidiary Company
PT SMRC Automotive Technology Indonesia (formerly PT Reydel Automotive Indonesia)	Subsidiary Company
Yujin SMRC Automotive Techno Corp. (formerly Yujin- Reydel Corp.)	Subsidiary Company
SMRC Automotives Technology Phil Inc. (formerly Reydel Automotive Phils Inc.)	Subsidiary Company
MSSL M Tooling Ltd	Subsidiary Company
Motherson Innovations LLC, USA	Subsidiary Company
Motherson Ossia Innovations LLC, USA	Subsidiary Company
Samvardhana Motherson Corp Management Shanghai Co Ltd.	Subsidiary Company
Motherson Rolling Stock Systems GB Ltd.	Subsidiary Company
Motherson PKC Harness Systems FZ-LLC (incorporated on July 7, 2019)	Subsidiary Company
Wise time Oy (become the subsidiary w.e.f March 6, 2020)	Subsidiary Company
Re-time Pty Limited (Stake of SMR Australia is 71.40%)	Subsidiary Company

Interest in associated companies

Name of the Company	Category
Saks Ancillaries Limited	Associate Company
Hubei Zhengao PKC Automotive Wiring Company Ltd	Associate Company

Interest in Joint ventures companies

Name of the Company	Category
Kyungshin Industrial Motherson Pvt. Ltd.	Joint Venture Company
Calsonic Kansei Motherson Auto Products Pvt. Ltd.	Joint Venture Company
Ningbo SMR Huaxiang Automotive Mirrors Co. Limited	Joint Venture Company
Chongqing SMR Huaxiang Automotive Products Limited	Joint Venture Company
Eissmann SMP Automotive interieur Slovakia s.r.o.	Joint Venture Company
Tianjin SMR Huaxiang Automotive Parts Co., Ltd.	Joint Venture Company

Related party balances

Year-end balances arising from sales/purchases of goods/services

Payables to fellow subsidiaries and holding company	207 322 078	30 265 499
Receivables from fellow subsidiaries	324 284	409 450
	207 646 362	**30 674 949**

Notes to the annual financial statements	Note	31 March 2020 R	31 March 2018 R
31. Related parties (Continued)			
Loans from related parties			
Loan from holding company		(120 750 000)	(160 750 000)
Interest on loan			
Holding company		15 207 129	16 310 056
Related party transactions			
Operating expenses recharged			
Fellow subsidiaries		10 818 750	11 582 322
Purchases of goods and services			
Fellow subsidiaries		153 427 527	84 482 311
Interest repaid on loan during this year			
Holding Company		17 390 509	16 181 621
Loans to related parties			
Loan to Vacuform 2000 (Proprietary)		2 000 000	-
Interest Income from loan			
Loan to Vacuform 2000 (Proprietary)		32 917	-
Sale of goods and services			
Fellow subsidiaries		(1 996 780)	-
Purchases of Fixed Assets			
Fellow subsidiaries		4 050 900	-

32. Events after the reporting period

The directors are not aware of any other matter or circumstance arising since the end of the reporting period that would materially impact the annual financial statements.

Notes to the annual financial statements	Note	31 March 2020 R	31 March 2018 R

33. Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by weighted average number of ordinary shares outstanding during the year.

Basic earnings per share

From continuing operations (c per share)	2.67	2.54

Basic earnings per share was based on earnings profit of R 160 231 547 (2019: R 152 635 343) and weighted average number of ordinary shares of 60 000 000 (2019: 60 000 000).

34. Segment information

The Chief Operating Officer is the company's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by them for the purposes of allocating resources and assessing performance.

Management consider the business from both a geographic and product perspective. Geographically, management consider the performance in the following regions: Rosslyn, Incubation Centre at Ford and Durban Plant.

Revenue

The revenue from external parties reported to management is measured in a manner consistent with that in the income statement. Sales between segments are carried out at arm’s length.

	IC Nissan 2020	Rosslyn Plant 2020	Durban Plant 2020	Incubation centre 2020
	R	R	R	R
Revenue	8 429 875	311 925 915	645 810 820	244 855 446
EBITA	8 429 875	(151 724 995)	165 286 902	244 855 446
Other information				
Segment assets	797 312	474 339 420	394 818 677	18 645 649

	IC Nissan 2019	Rosslyn Plant 2019	Durban Plant 2019	Incubation centre 2019
	R	R	R	R
Revenue	9 884 020	281 195 088	554 450 151	248 003 784
EBITA	9 884 020	(204 076 868)	179 812 216	9 884 020
Other information				
Segment assets	1 085 439	428 569 307	359 520 194	23 920 845

Notes to the annual financial statements	**Note**	**31 March 2020 R**	**31 March 2019 R**

35. Key management compensation

Prescribed officers-executive

	Salaries R	**Salaries R**
Vishnu Johri	7 695 634	6 959 979
Ajay Dadwal	2 276 369	1 966 722
Satya Narayan Das	1 706 906	1 507 746
	11 678 909	**10 434 447**

36. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

37. Liquidity and solvency

The directors have performed the required liquidity and solvency test required by the Companies Act 71 of 2008.