

Expanding  
global  
scale.

Growing  
global  
revenues.

## Growing Globally

Through Trust backed by Performance  
...Consistently





## Our expanding global presence

21 Countries & over 90 facilities across the world



## Our growing global value

Rs. 67,022 million consolidated sales for the fiscal 2009-10

## Our increasing customer base

Over 1100 customers around the world

## Our changing global face

70% of total consolidated sales to customers outside India

MSSL becomes a  
**1.5 Billion Dollar Company**



Consolidated Sales  
**up by 158%**

Consolidated Domestic Sales  
**up by 42%**



Overseas Sales  
**up by 304%**

**SMR turns Profitable**  
within the 1<sup>st</sup> year of takeover

**Over Euro 800 million**  
new orders to SMR

SMR included in **Ford Aligned Business Framework (ABF)**

Within a span of 10 years the face of MSSL has changed.

MSSL is a global company headquartered in India.

From being a purely Indian company with domestic operations, it has evolved into a multinational company, growing fast with the growing trust of its customers and stakeholders, delivering global revenues backed by consistent performance, year after year.

One of the largest listed auto components companies in India, MSSL always focuses on value creating growth. MSSL has successfully maintained the growth momentum in growing Indian market and at the same time accelerated growth on a global level through judicious mix of organic and inorganic growth.

Making prudent acquisition of assets which are under distress conditions globally at reasonable prices, it has integrated them seamlessly and exceptionally to generate good revenues and cost savings, thereby growing inorganically. Each acquisition brought with it new customers, market segments, products, technologies, experience and skill sets.

MSSL has emerged as a global tier-1 supplier from a transitional phase marked by the game changing acquisition of Visiocorp (now known as Samvardhana Motherson Reflectec – SMR). Building on synergies with SMR's product portfolio, it

has acquired a global customer base for mirrors. This has enabled direct access to the global car makers as an existing supplier for a whole range of products.

Leveraging on the global strengths & resources it has achieved a new level of performance that spans multiple solutions catering to diverse needs of diverse customers around the world.

Continuously growing its content per car in the global and domestic markets by constantly adding new products, it has grown faster than the market to become a single-window source for integrated full system solutions for its customers worldwide.

MSSL's widespread operations cater to the global needs of its individual customers locally in their geographies by synergizing the functions of its multi-location facilities spanning five continents.

Delivering on its focused targets and setting futuristic goals depending on the strength of its management bandwidth and sound strategy, MSSL has established its firm presence across the world, continuously growing its locations, technology, people and skill-sets.

Consistently building its growth momentum on the foundation of its robust financial performance and its array of strategic JVs, it has enabled a new paradigm of delivering greater value to its shareholders through emphasis on free cash flows and growing profitability.

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## Disclaimer

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

# Corporate Information

## Founder Chairperson

(Late) Smt. S.L. Sehgal

## Chairman Emeritus

(Late) Sh. K.L. Sehgal

## Board of Directors

Mr. Mohinder Singh Gujral  
*Chairman*

Mr. Vivek Chaand Sehgal  
*Vice Chairman*

Mr. Toshimi Shirakawa  
*Director*

Mr. Hiroto Murai  
*Director*

Mr. Bimal Dhar  
*Director*

Mr. Toshihiro Watanabe  
*Whole Time Director*

Maj. Gen. Amarjit Singh (Retd.)  
*Director*

Mr. Arjun Puri  
*Director*

Mr. Laksh Vaaman Sehgal  
*Director*

Mr. Futoshi Urai  
*Alternate Director*

Mr. Pankaj K. Mital  
*Alternate Director*

## Registered Office

2nd Floor, F-7, Block B-1,  
Mohan Cooperative Industrial Estate,  
Mathura Road, New Delhi - 110 044, India.

## Investor Cell

Mr. G.N. Gauba  
(Company Secretary &  
Chief Financial Officer)  
E-mail: [investorrelations@motherson.com](mailto:investorrelations@motherson.com)

## Registrar

Karvy Computershare Pvt. Ltd.  
17-24, Vittal Rao Nagar,  
Madhapur, Hyderabad - 500 081,  
Andhra Pradesh, India.

## Auditors

Price Waterhouse  
Chartered Accountants,  
Building 8, 7th & 8th Floor,  
DLF Cyber City,  
Gurgaon - 122 002, Haryana, India.

## Bankers

State Bank of India  
ICICI Bank Ltd.  
Citibank N.A.  
HDFC Bank Ltd.  
Bank of Tokyo Mitsubishi Ltd.  
Axis Bank Ltd.



Samvardhana Motherson Group (SMG) is a focused, dynamic and progressive Group that is moving fast on a global growth trajectory carrying with it a legacy of exceptional & consistent performance. The Group, which posted a combined revenue of USD 2.2 billion (approx.) in 2009-10, is a trusted partner providing customers with innovative and value-added products, services and solutions across the globe.

## Diversified Portfolio

Samvardhana Motherson Group has a diversified bouquet of verticals providing solutions spanning a range of applications across diverse industries in different regions across the world.

Designed to meet the continuously transforming needs of customers across regions, this bouquet of services is continuously expanding to include a wider choice of products for its customers. The unique competencies of the Group's constituent companies combine to develop integrated solutions for its diverse customers,

who have constituted the nucleus of the Group's global evolution through the years.

Armed with a diversified product portfolio, SMG ventures supplement and support MSSL products around the world. These solutions comprise a range of applications across diverse industries that strengthen MSSL's position as a full system solutions provider.

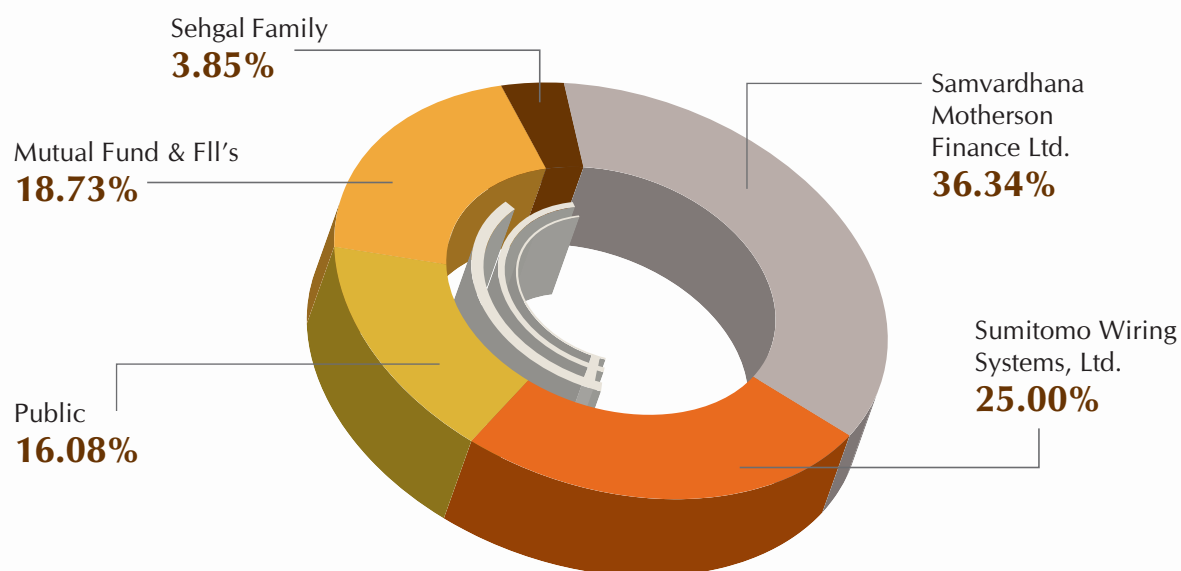




The flagship company of the Samvardhana Motherson Group, Motherson Sumi Systems Limited (MSSL) bears testimony to the power of trust of all its stakeholders and consistent performance of all its people to elevate an organization with modest beginnings to the status of a global market leader.

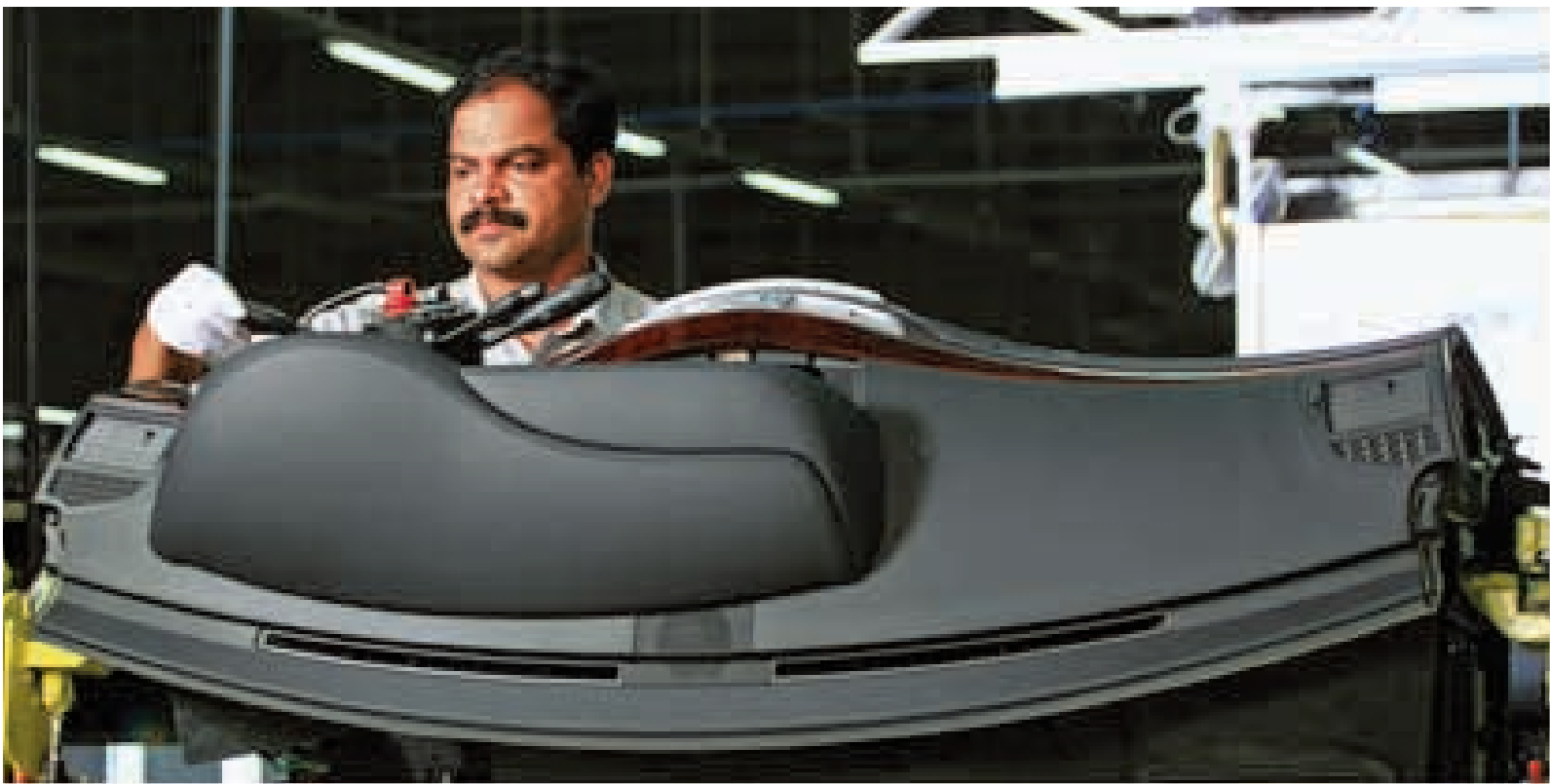
MSSL is a joint venture between Samvardhana Motherson Finance Limited (SMFL) and Sumitomo Wiring Systems, Ltd., Japan which is a global supplier and manufacturer of wiring harnesses, components & wires.

### MSSL Shareholding Structure\*



\*as on 30th June 2010





A Joint Venture specialist, with capabilities that extend from managing manufacturing companies to bringing new technologies to customers, MSSL is a customer-driven company providing innovative and value-added products, services and solutions to customers. Its growing market share in rear view mirrors – within India and globally, and wire harnesses in India – marks the translation of the company's global vision.

MSSL is one of the largest manufacturers of rearview mirrors for passenger cars in the world and India's largest manufacturer of automotive wiring harnesses and mirrors for passenger cars. The company is also a leading supplier of plastic components and modules to the automotive industry.

With its endeavour to constantly add new products to its expanding product line, thereby emerging as a single-service interface for multiple customer needs, MSSL has an extensive range of products and services supported by an amalgamation of multiple technologies to suit diverse needs of customers around the world.

The present product range of MSSL comprises rear view mirrors, wiring harnesses, molded plastic parts, complete modules including bumpers, dashboards, door trims, air filter systems HVAC systems, rubber components for automotive and industrial applications, high-precision machined metal parts and injection molding tools.

MSSL has a high degree of backward integration with in-house capabilities for critical inputs for all its major product ranges including tooling, molding, electronics, wiring harnesses, actuators and control cables for mirrors; wires, connectors, terminals and fuse boxes for wiring harnesses; compounding and tooling support for polymer processing and compounding and mixing for molded rubber products.

MSSL's diverse and expanding global customer base comprises almost all leading automobile manufacturers around the world. MSSL provides full system solutions right from product design to analysis, prototyping, tooling, molding, manufacture, assembly to supply of Integrated Modules. The ability to provide end-to-end solutions in each product category, and to combine





**// MSSL's diverse and expanding global customer base comprises almost all leading automobile manufacturers across the world. //**



these solutions in the form of full system solutions, has enabled the company to evolve as a preferred supplier.

MSSL's diversity of product range, coupled with the sheer depth within each product portfolio, has helped the company garner leadership in its area of operations, with investments in state-of-the-art technology made by the company and its JVs further boosting efficiencies and ensuring total customer satisfaction through consistent growth in trust and performance.

Acquisitions by MSSL provide access to customers in new geographies, enhance technological capabilities and expand the company's product range. Samvardhana Motherson Reflectec (SMR) – the new entity created through the Visiocorp acquisition has helped MSSL evolve as one of the world's leading automotive mirror manufacturers.

In a clear manifestation of its global presence and reach, the company's facilities are spread over India (Noida, Gurgaon,

Faridabad, Manesar, Pune, Lucknow, Bengaluru, Chennai, Nashik, Kandla & Puducherry), UAE, Sri Lanka, Singapore, China, Korea, Japan, Germany, UK, Czech Republic, Austria, Hungary, Italy, Spain, France, Ireland, USA, Mexico, Australia, South Africa & Mauritius to provide timely and quality delivery to its customers worldwide. MSSL has manufacturing bases across five continents - Asia, Europe, North America, Australia and Africa to support its customers.

MSSL's network of manufacturing bases, design centres, logistics centres, marketing support and sourcing hubs across a diversified geographical base is one of the key drivers of its growth as it enables the Company to supply from any of the alternative manufacturing bases and logistic models best suited to customer requirements.

# **SMI<sup>7</sup>** Samvardhana Motherson Reflectec



Exterior Mirrors



Mirrors with Integrated  
Turn Signals



Blind Spot Detection  
Systems



Telescopic Trailer Tow  
Mirrors



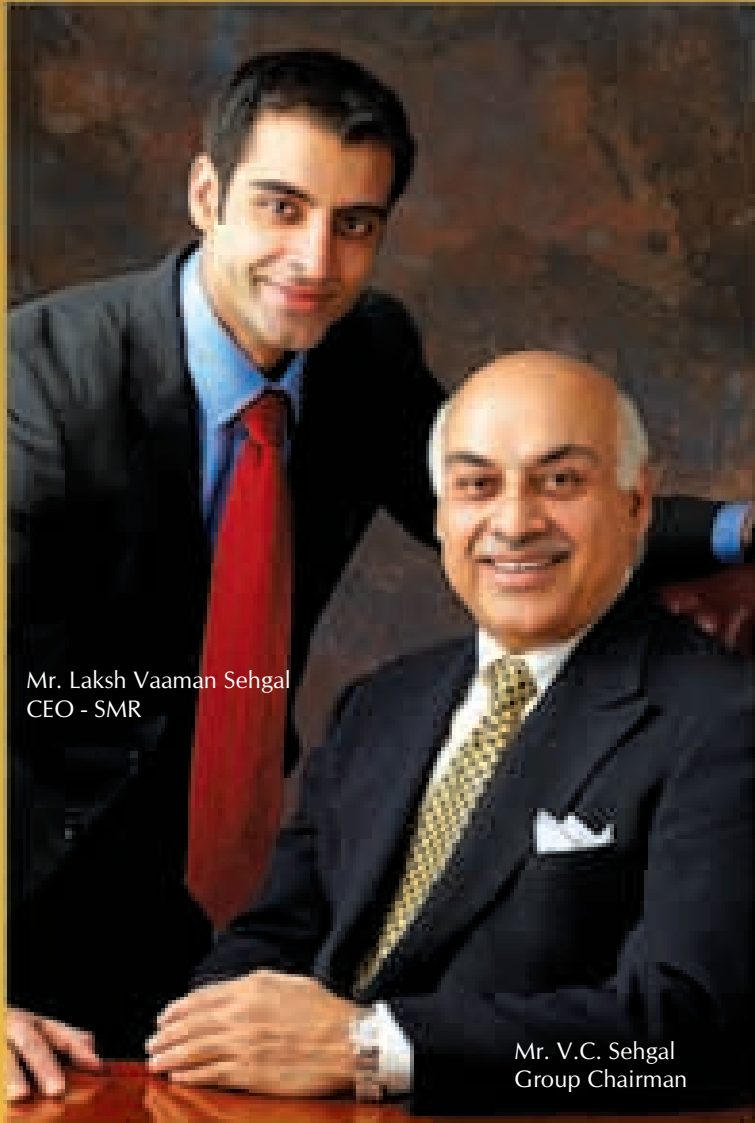
Interior Mirrors

## **SMR Profile**

Samvardhana Motherson Reflectec (SMR) is the new entity created in 2009 through the acquisition of Visiocorp by MSSL, along with Samvardhana Motherson Finance Limited (SMFL). SMR is one of the largest manufacturers of rearview mirrors for passenger cars in the world. SMR produces over 30 million exterior mirrors per year for almost all major vehicle manufacturers worldwide.

SMR operates 16 production sites and 10 engineering centers in

12 countries across 4 continents - North America, Europe, Asia and Australia. With a network of manufacturing, design and marketing centers in the USA, Mexico, UK, Spain, France, Hungary, Germany, India, China, Japan, South Korea and Australia, SMR is covering all the major regions of global automotive industry. Company's manufacturing plants are specialized in polymer processing, manufacturing of electronic and electro-mechanical systems, glass processing, automated painting and the assembly of complete systems.



Mr. Laksh Vaaman Sehgal  
CEO - SMR

Mr. V.C. Sehgal  
Group Chairman

“ SMR is on a fast growth track with improved all-round performance. Along with the technical, operational and financial performance we have worked on imbibing the Motherson DNA in SMR, aligning synergies, objectives, business values and work culture. This has been an important ingredient in seamless integration of SMR as an integral member of the MSSL family. ”

- Laksh Vaaman Sehgal

As a global technology leader in the engineering of exterior mirrors, SMR develops end-to-end solutions, undertaking black box designing of mirrors right from styling, product design, CAE analysis, mold design and mold flow analysis, prototyping, testing and validation to a fully-engineered assembled product.

SMR is an engineering company with a strong research base. It carries out research in future technologies and has been continuously introducing path-breaking innovations in rear vision systems.

With a broad portfolio of manufacturing capabilities, SMR is well positioned to produce a large variety of high-quality products for the automotive industry and others as well, from simple plastic components to complex modules with world-class surfaces and integrated electric functions.



# Sumitomo Wiring Systems, Ltd.

## (Our principal partner)

Endorsing on the commitment of building the trust of partners and nurturing long-standing relationships is MSSL's oldest Joint Venture partner - Sumitomo Wiring Systems, Ltd. which is a subsidiary of Sumitomo Electric Industries (Japan).

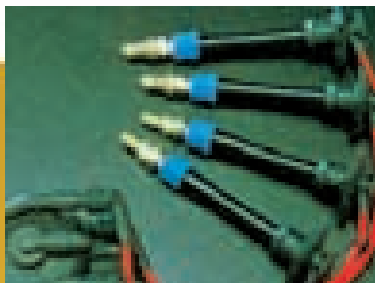
Evolving from a relationship of growing trust, the partnership with Sumitomo Wiring Systems, Ltd. (SWS) has constantly grown from strength to strength, since it started over two decades ago. As MSSL's oldest joint venture, dating back to 1986, this partnership has enabled us to ensure continuous up-gradation of technology

and a high degree of backward integration for wiring harnesses. The relationship also brought in tooling technology and molding technology critical for wiring harnesses and got further strengthened with subsequent ventures.



### Background

- A 100% subsidiary of Sumitomo Electric Industries (Japan).
- A global supplier engaged in the manufacture and sale of wire harnesses, components and wires.
- Enjoys the second-highest share in wire harnesses worldwide.



### Collaboration

- Provided technical assistance for manufacturing wiring harnesses in 1983.
- Entered into a joint venture to form Motherson Sumi Systems Limited (MSSL) in 1986.
- Joint venture covered the manufacture of wiring harnesses, catering mainly to the needs of Japanese OEMs.
- Engaged as the principal partner of MSSL, initially providing access to latest technologies for manufacturing wiring harnesses & wires, and gradually providing technical support for wiring harnesses, components, injection molded parts, mold manufacturing (through group companies), engineering design and software development (through joint ventures).
- A second JV formed with MSSL for wiring harness manufacturing in Sharjah.



### Support

- Pivotal in providing technical support to MSSL, in the form of resident technical advisors, training of engineers and production personnel, manufacturing methodologies, Japanese manufacturing techniques, quality circle activities, kaizen, as well as collaborative design and development.
- Instrumental in helping the Company stay abreast of state-of-the-art technologies and enhancing product quality at competitive costs.
- Buyback of wiring harnesses to SWS locations in Japan and Europe.





**Samvardhana Motherson Finance Limited (SMFL) is the principal holding company of the Samvardhana Motherson Group.**

As the main vehicle for exploring new business areas and forming new joint ventures of the Group in diversified areas, SMFL has played a pivotal role in the consistent growth of Samvardhana Motherson Group across the world.

With investments in over 30 companies, including Motherson Sumi Systems Limited (MSSL) and other Group companies, SMFL acts as the central corporate body for managing the Group companies and for their overall co-ordination.

The company has 36.34% stake in MSSL and holds 49% stake in the rear view mirror business of SMR, a joint venture with MSSL which acquired the rear view mirror business of Visiocorp, in March 2009.



## Product & Company Portfolio

Armed with a diversified product portfolio, encompassing the entire range of the Samvardhana Motherson Group products, SMFL ventures supplement and support MSSL products. SMFL's extensive JV portfolio is a key contributor in the enhancement of MSSL's position as a full system solutions provider to a wide range of industries.

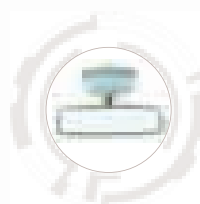
### SMFL Business Portfolio:

#### Wiring Harness Manufacturing



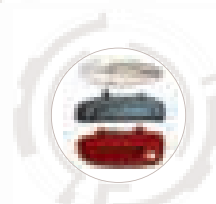
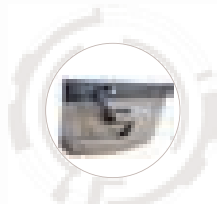
- Motherson Sumi Systems Ltd.
- Kyungshin Industrial Motherson Ltd.
- Motherson Sumi Wiring System Ltd. (FZC)
- MSSL (GB) Ltd.
- MSSL Ireland Pvt. Ltd.
- MSSL Mideast (FZE)
- Motherson Sumi Electric Wires (A Division of MSSL)
- Motherson Electrical Wires Lanka Pvt. Ltd.
- MSSL Global Wiring Ltd.

#### Rear View Mirrors



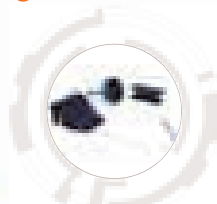
- Samvardhana Motherson Reflectec Group Holdings Ltd. (SMR)
  - = SMR Automotive Systems India Limited
  - = SMR Automotive Australia Pty Limited
  - = SMR Automotive Yancheng Co. Limited
  - = SMR Automotive Beijing Company Limited
  - = Ningbo SMR Huaxiang Automotive Mirrors Limited
  - = SMR Automotive Systems France S.A.
  - = SMR Automotive Mirror Technology Hungary Bt
  - = SMR Poong Jeong Automotive Mirrors Korea Ltd.
  - = SMR Hyosang Automotive Ltd.
  - = SMR Automotive Vision Systems Mexico S.A de C.V
  - = SMR Automotive Systems Spain S.A.U.
  - = SMR Automotive Mirrors UK Limited
  - = SMR Automotive Systems USA Inc.

#### Polymer Processing & Tool Manufacturing



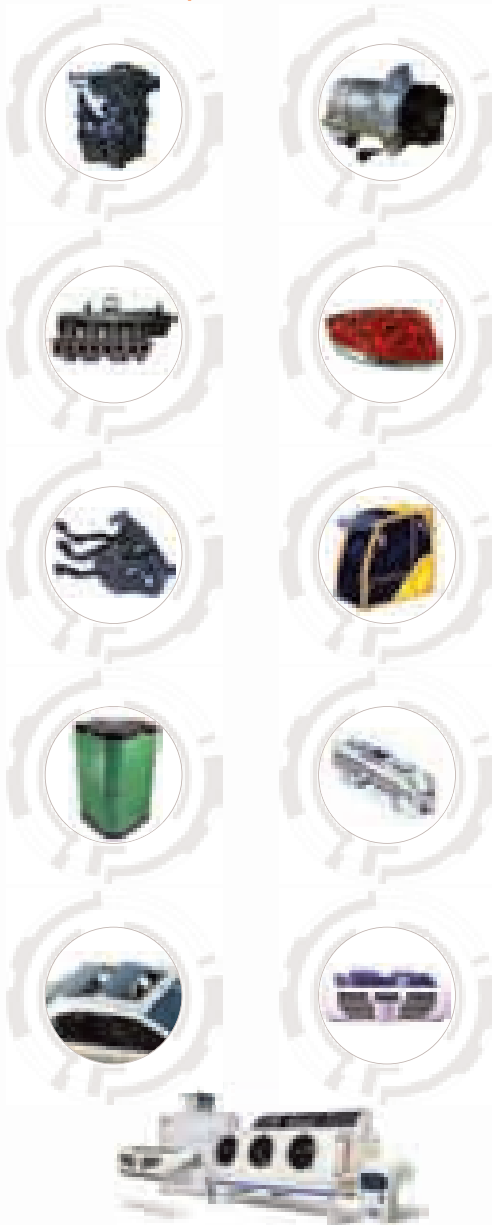
- Balda Motherson Solution India Ltd.
- MSSL Advanced Polymers s.r.o.
- MSSL Polymers GmbH
- Motherson Automotive Technologies & Engineering (A Division of MSSL)
- Sumi Motherson Innovative Engineering Ltd.
- MSSL Tooling (FZE)
- CTM India Ltd.
- Motherson Molds and Diecasting Ltd.
- Motherson Polymer Solutions (A Division of MSSL)

#### Elastomer Processing



- Motherson Elastomers Pty Ltd.
- Woco Motherson Advanced Rubber Technologies Ltd.
- Woco Motherson Elastomer Ltd.
- Woco Motherson Ltd. (FZC)
- Motherson Advance Elastomers Technology (A Division of MSSL)

## Modules & Systems



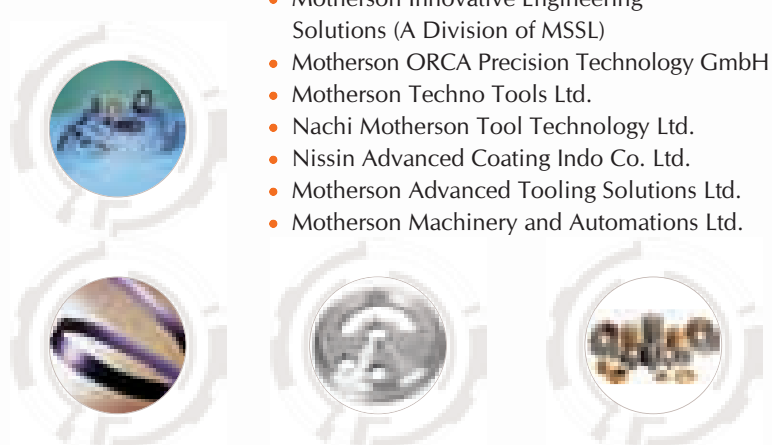
- Calsonic Kansei Motherson Auto Products Ltd.
- Fritzmeier Motherson Cabin Engineering Ltd.
- Magneti Marelli Motherson Auto System Ltd.
- Motherson Zanotti Refrigeration Systems Ltd.
- Spheros Motherson Thermal System Ltd.
- Webasto Motherson Sunroofs Ltd.
- Global Environment Management (FZC)
- Motherson Climate System Ltd.

## IT & Design Engineering



- A Basic Concepts Designs Pty Ltd.
- Miyazu Motherson Engineering Design Ltd.
- MothersonSumi INFotech & Designs Ltd.
- Samvardhana Motherson Virtual Analysis Ltd.

## Metal Working



- Motherson Innovative Engineering Solutions (A Division of MSSSL)
- Motherson ORCA Precision Technology GmbH
- Motherson Techno Tools Ltd.
- Nachi Motherson Tool Technology Ltd.
- Nissin Advanced Coating Indo Co. Ltd.
- Motherson Advanced Tooling Solutions Ltd.
- Motherson Machinery and Automations Ltd.

## Manufacturing Support



- AES (India) Engineering Ltd.
- Anest Iwata Motherson Ltd.
- Anest Iwata Motherson Coating Equipment Ltd.
- Matsui Technologies India Ltd.
- Motoman Motherson Robotics Ltd.



## VISION

To be a Globally Preferred Solutions Provider

## MISSION

- Ensure Customer Delight
- Involve Employees as “Partners” in Progress
- Enhance Shareholder Value
- Set new standards in good corporate citizenship

## VALUES

- Be a lean, responsive and learning organisation
- Continuously improve to achieve world-class standards and total customer satisfaction
- Proactively manage change
- Maintain high standards of integrity and safety
- Ensure a common culture and a common set of values throughout the organisation
- Recognize individuals' contributions
- Develop stronger leadership skills, greater teamwork and a global perspective
- Constantly upgrade skill levels across the organization through knowledge sharing programmes



## Growing Market Position

A global entity with a constantly expanding global presence that serves a global customer base, MSSL has leadership position across the range of products it manufactures. The company is considered among the largest auto ancillaries in India and is one of the most diversified groups in the Indian automotive industry.

- One of the largest manufacturers of automotive rear view mirrors for passenger cars in the world
- Largest manufacturer of automotive wiring harnesses in India, with more than 65 per cent market share in passenger car segment, serving the entire automotive industry
- Largest manufacturer of rear view mirrors for passenger cars and MUVs in India, with nearly 48 per cent share in the segment.
- One of the largest manufacturers and suppliers of plastic components to automotive industry
- One of the most diversified groups in the Indian automotive industry

\* all market shares as assessed by the company



# Growing Consistently...

**Ten years ago, we saw a vision...**

**A vision to grow bigger, and better...**

**A vision to transform ourselves from a small company with limited presence into a leading auto ancillary business group catering to customers across geographies...**

**A vision to de-risk ourselves and to deliver the maximum returns to our valued stakeholders. This was our vision for the past decade...**



## Growing Geographical Reach

With negligible exports MSSL had a small geographical presence extending to just India and Austria in 2000. By 2010 the Company has expanded its geographical presence to 21 countries, encompassing India, Sri Lanka, Singapore, Ireland, UK, Germany, Austria, Sharjah, Mauritius, Hungary, Mexico, Spain, France, China, South Korea, USA, Czech Republic, Australia, Japan, Italy and South Africa.

## Growing Customer Confidence

The Company's strength lies in acquiring new customers while retaining the existing ones. MSSL has, since its inception, always striven to retain all its valued customers. The Company's growth lies in the fact that it has expanded both horizontally and vertically. While gaining the confidence of the new customers in the form of new orders, MSSL also enjoys the confidence of its existing customers who continue to entrust the Company with their new businesses.

## Growing Trust of Joint Venture Partners

Back in 2000, MSSL had four joint venture partners. In 2010, MSSL has 12 joint venture companies with 8 joint venture partners from five countries across the globe – Japan, Germany, S. Korea, Australia and China. With the deep rooted trust that MSSL shares with its JV partners, the same partners have formed multiple joint ventures with the company.

## Growing Sales Globally

The customer and export profile of the Company also underwent a

major transformation to become leaner and stronger - contribution from a single largest customer came down to 15% from 80% in 2000 and sales to customers outside India increased to 70% of total sales. The CAGR of sales for the past 10 years is 45.09%

## Growing Product Portfolio

The product portfolio of the Company comprised of wiring harness, wires, blow molded products, cockpit modules, fuses, connectors and high tension cords in 2000. The Company added manufacturing capacities to take its total number of facilities to over 90 in 2010, in line with the changing customer requirements. The product profile was expanded to add new product ranges and to add depth to the existing ones. MSSL product portfolio now comprises of wiring harnesses, rear view mirrors, polymer processing, elastomer processing, modules and systems, high precision machined metal products and injection molding tools.

## Growing Capabilities through Acquisitions

MSSL has the ability to turn assets under distress conditions to profitable ventures. MSSL made its first acquisition in 2002 - Wexford Electronics, the 1st overseas wiring harness facility. Thus MSSL Ireland Pvt. Ltd and MSSL Mideast FZE were established. During this period there were a few major acquisitions. The machining business of Reiner Prazision GmbH was acquired in Germany in 2005. This acquisition added capabilities in precision metal machining and the Company started supplying in Europe. In 2005 the Company acquired the business of G&S Kunststofftechnik GmbH. This added capabilities in plastic injection molding including 2K molding and enabled in setting-



up a window for customer support and logistics. Asset acquisition of ASL Systems was done in 2006 for consolidating the Company's position in wiring harness business in niche markets. Assets from Huon Corporation were acquired in 2006 for manufacture of door trims. The acquisition of 100% shares of FP Formagrau s.r.o. was done in 2006 for increasing capabilities in injection molding and plastics. In 2007 business of Empire Rubber was acquired from Huon Corporation.

Visiocrp acquisition in 2009 placed MSSL as a leading supplier of rear vision systems across the globe. This was a strategic move aimed at leveraging our existing product strengths and management expertise to provide the necessary synergies that would enable expansion into the fast growing and ever expanding global automotive systems business.

### Growing Technology Base

MSSL has been bringing latest technologies to its customers with support of its collaborators in multiple technology areas. Each new acquisition has brought new technologies to the company. MSSL has always added new products and technologies to meet the present and future requirements of its customers. Over the years this has led to major technology advancement for the Company. MSSL's ability to assimilate and integrate this amalgamation of diverse technologies to provide integrated solutions to its customers as a single source places MSSL in a unique position as a full system solutions provider. With the strong research base of SMR the company now has the ability to bring forward innovative technologies. SMR has over 600 patents and is continuously working on future technologies.

### Growing Customer Base

Today MSSL is serving almost every major automobile manufacturer globally. Sales to customers outside India constitute 70% of the total sales. The Company has its manufacturing facilities spread across 21 countries and it caters to the global needs of its customers locally due to its multi location facilities spanning five continents. The Company serves a wide spectrum of industries. Automotive industry is the main industry served. However, the Company also serves major industry segments in the non automotive sector like earthmoving and material handling equipment, agriculture and farm equipment, medical diagnostics, white goods, electronics, office automation and many more. The customer base of MSSL is continuously expanding.

### Return on Investment for Shareholders

MSSL is committed to sustained and value-creating growth for all its stakeholders. An investor who invested Rs. 1,000 in MSSL in 1993 would have a value of Rs. 3,12,000 as on 30th June, 2010. The Company had a market cap of Rs. 123.97 crore and total turnover of Rs. 177.7 crore in the year 2000. In 2010 the market cap is of Rs. 4,644.96 crore and total turnover is of Rs. 6,702 crore.



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Truly Global

Presence in 21 Countries

Over 90 Facilities

Serving over 1100 Customers

Supplying to Customers in 36 Countries

Serving over 1400 Destinations

8 JV Partners From 5 Countries

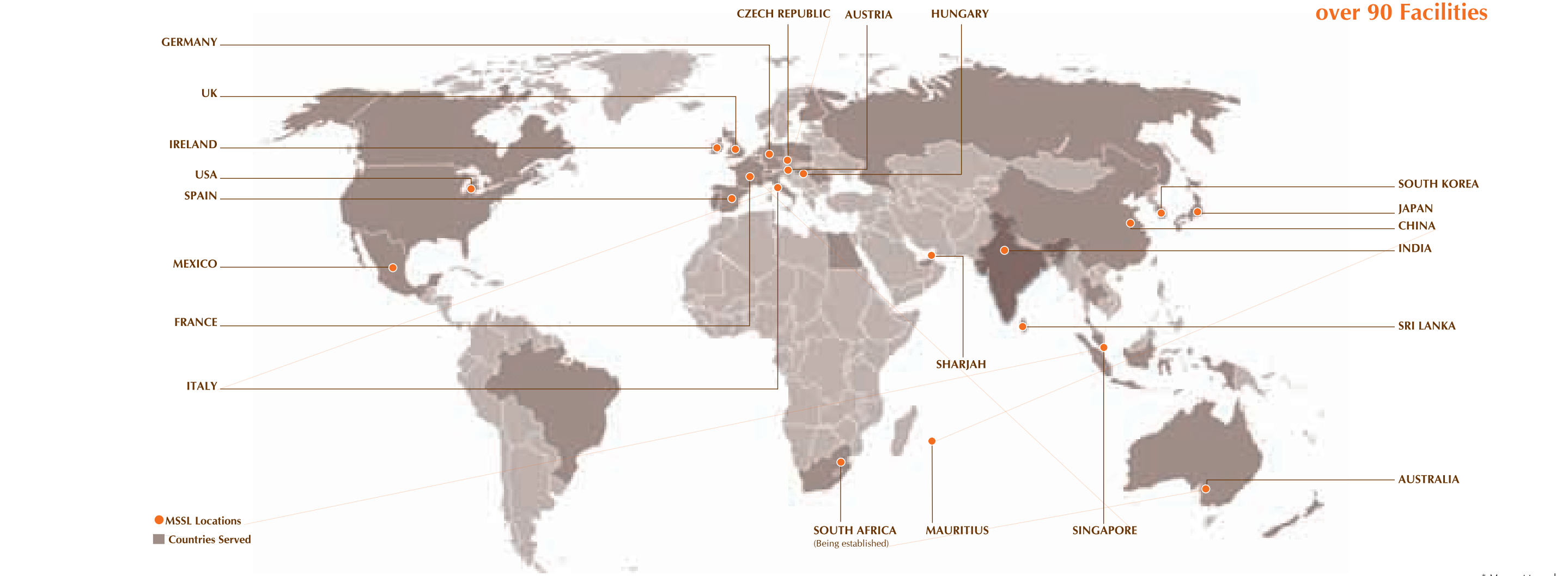
12 JVs in 6 Countries





# Global Locations

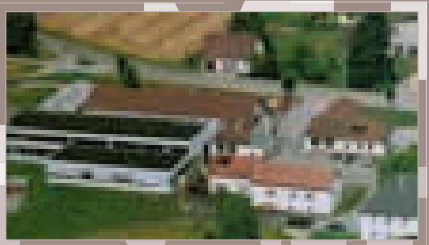
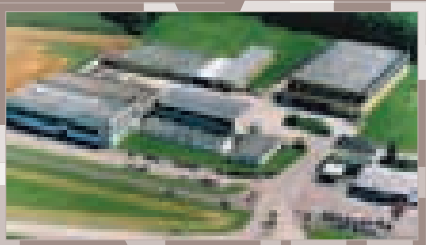
21 Countries  
over 90 Facilities



\* Map not to scale

## Countries Served

- |             |          |                  |           |             |            |               |            |             |                |               |       |
|-------------|----------|------------------|-----------|-------------|------------|---------------|------------|-------------|----------------|---------------|-------|
| ■ Australia | ■ Brazil | ■ Czech Republic | ■ France  | ■ India     | ■ Italy    | ■ Mexico      | ■ Poland   | ■ Scotland  | ■ South Africa | ■ Sri Lanka   | ■ UAE |
| ■ Austria   | ■ Canada | ■ Egypt          | ■ Germany | ■ Indonesia | ■ Japan    | ■ Netherlands | ■ Portugal | ■ Singapore | ■ South Korea  | ■ Switzerland | ■ UK  |
| ■ Belgium   | ■ China  | ■ Finland        | ■ Hungary | ■ Ireland   | ■ Malaysia | ■ New Zealand | ■ Russia   | ■ Slovenia  | ■ Spain        | ■ Thailand    | ■ USA |



## Truly Global

Presence in 21 Countries

Over 90 Facilities

Serving over  
1100 Customers

Supplying to  
Customers in  
36 Countries

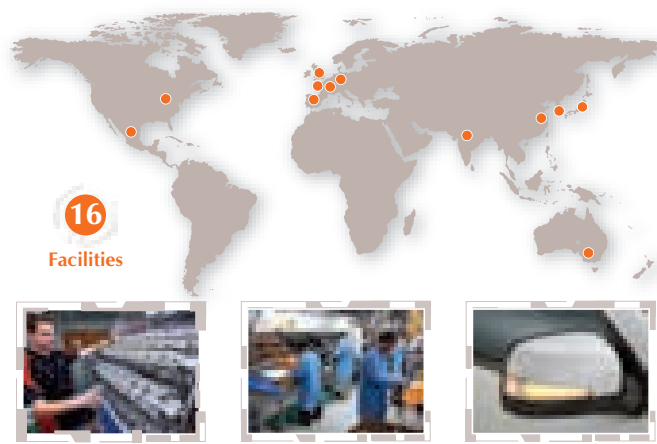
Serving over  
1400 Destinations

8 JV Partners  
From 5 Countries

12 JVs in 6 Countries



## Rearview Mirrors



## Wiring Harnesses



## Polymer Processing



## Elastomer, Metal Machining & Others



## Global Design Network



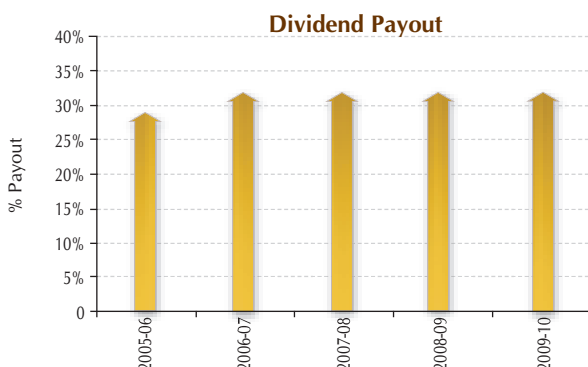
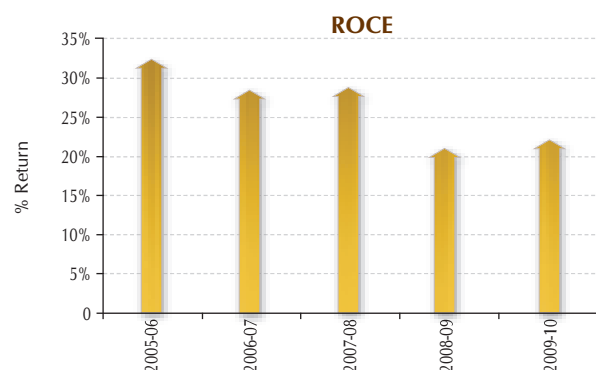
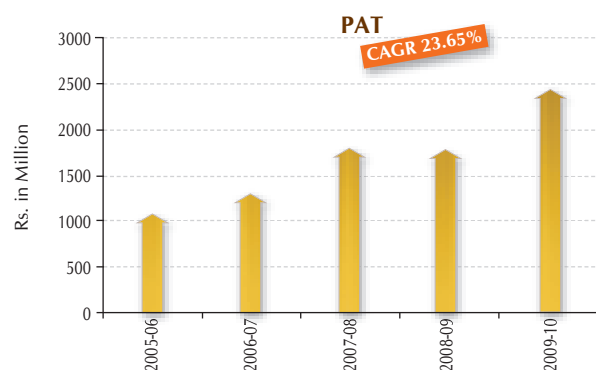
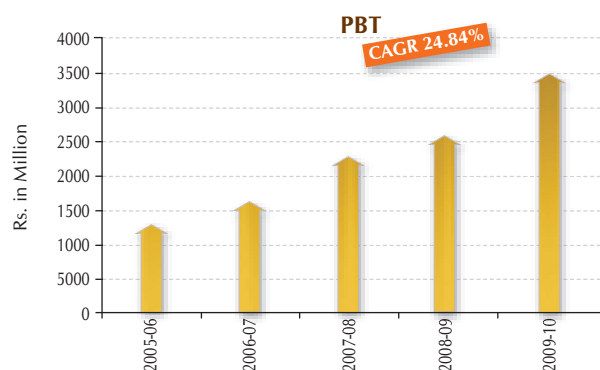
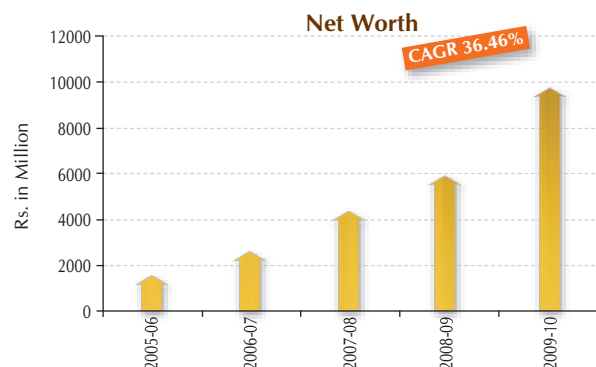
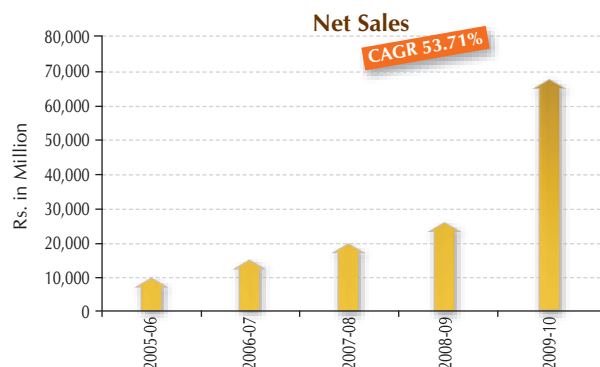
## Representative & Support Centres



# Financial Milestones

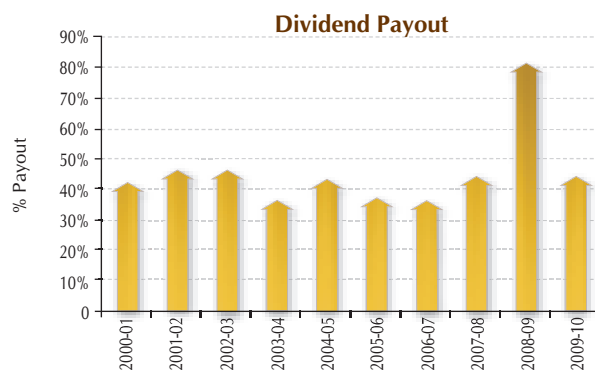
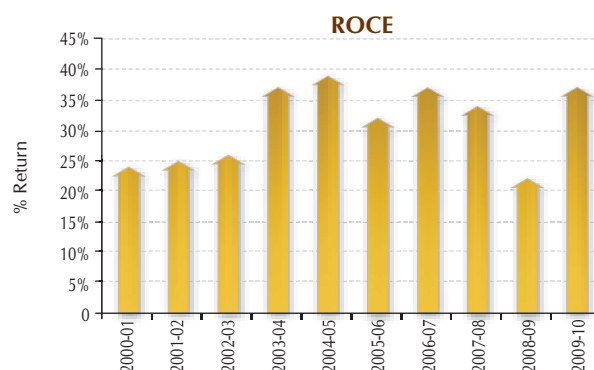
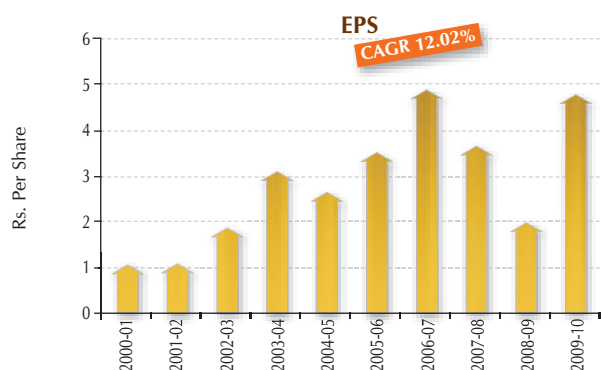
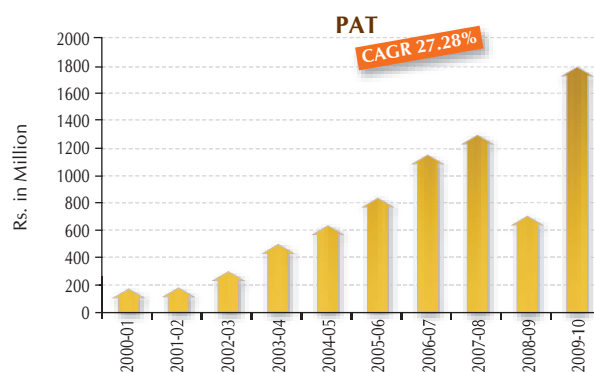
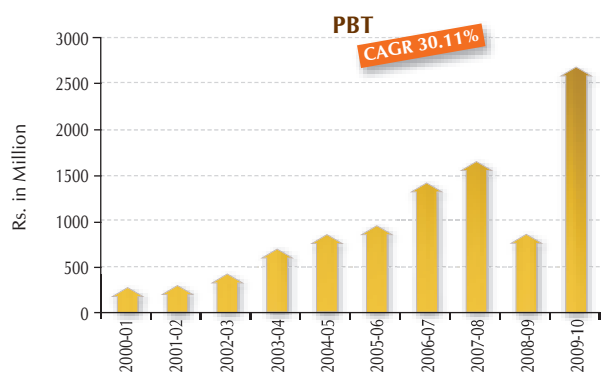
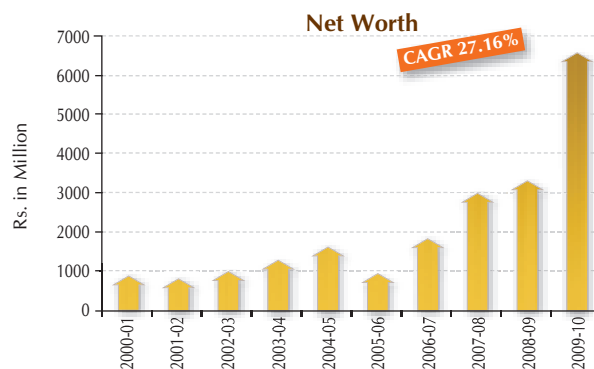
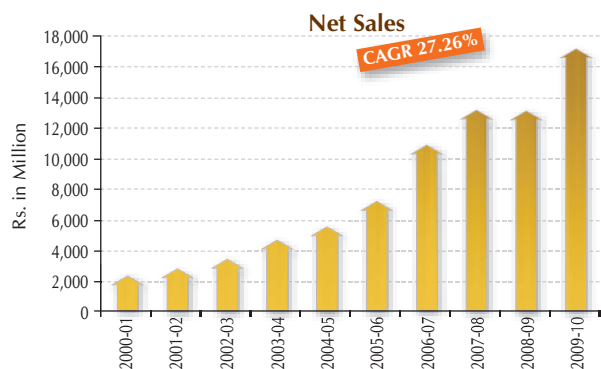
Consolidated

## Growth in past 5 Years





## Growth in past 10 Years



# Growing Product Range

Leveraging its competence in existing areas, and collaborating with global technology leaders, MSSL has developed a showcase of products for varied applications, designed to fulfil the needs of diverse customers across the globe.

Transforming itself from a wiring harness manufacturer to a single-

service interface for multiple customer needs, MSSL has consistently grown its content per car by continuously adding new products to its portfolio. Within each segment, the company today provides a comprehensive range of products, with each product portfolio extensively developed to suit customer needs across various industries in different parts of the world.

## Products

- Automotive Rear View Mirrors
- Wiring Harnesses
- Wires
- Injection Molded Products
- Blow Molded Products
- Liquid Silicone Rubber Molded Components
- Injection Molding Tools
- Precision Machined Metal Components
- Modules
  - IP/Cockpit
  - Door Trims
  - Bumpers
  - Air Filter Systems
  - Car Air Conditioning Systems
- Waste Recycling System

## Industries Served

- Automotive
- Off-Road Vehicles
- Earthmoving and Material Handling Equipment
- Agriculture and Farm Equipment
- Medical Diagnostics
- Rubber and Tyre Industry
- IT Hardware
- Test and Measuring
- Scientific Equipment
- Elevators
- Electrical Equipment
- Lawn Equipment
- White Goods
- Electronics
- Office Automation



# Chairman's Letter



“ Building on this platform of growing trust, we will strive to deliver excellent performance for years to come to take our global growth to even higher levels of success.”

## Dear Shareholders

I write to you at the culmination of yet another remarkable year in the journey of MSSL. Carrying forward the transformational odyssey that it embarked on a year ago with the acquisition of Visiocrp (SMR), your company has acquired a new global face that has positioned it as one of the leading players in the global auto components industry.

Being at the right place at the right time has always been a critical factor in the global growth of your company, which has consistently leveraged its inherent strengths and growing presence to make the most of the unfolding opportunities in the industry to outperform the market.

Even as the global economy is recovering slowly, your company reported excellent numbers to further strengthen its leadership position in the auto components industry globally and within India by becoming a billion dollar company.

A significant development is the turnaround of SMR which has become PAT positive and has contributed significantly to the top line growth, as the real impact of the takeover has reflected in this year's performance. The core business of wiring harnesses, polymers and other businesses have all performed very well.

A good fiscal discipline and adept handling of volatility in currencies and material prices supported by enhanced

operational efficiencies helped your company achieve improved profitability.

Going by the initial trends for 2010-11, as indicated by the increasing production figures of passenger cars which have shown a positive rise for the first quarter, the situation is expected to get even better going forward. These trends augur extremely well for your company, which is well poised to make the most of the burgeoning opportunity bandwidth to create even better value for the stakeholders. Building on this platform of growing trust, we will strive to deliver excellent performance for years to come to take our global growth to even higher levels of success.

In conclusion, I wish to thank all our stakeholders for their continued support to the company's growth plans, and for their consistent goodwill and cooperation that has enabled MSSL to become one of the leading players in the global auto components industry.

Sincerely,

**M.S. Gujral**  
Chairman, Motherson Sumi Systems Ltd.

# From the desk of Group Chairman & MSSL Vice Chairman

## Dear Shareholders

On behalf of MSSL I would like to thank you for your unstinted and unwavering support in all our endeavours. The year 2009-10 was a remarkable year for your company. It was the last actionable year for achieving our 5 year targets for 2010. We believe in setting challenging targets for ourselves and we have consistently delivered results. MSSL has always taken a proactive approach towards growing faster than the market. I thank our esteemed customers, without whose confidence we could not have achieved what we have achieved.

Strategic investments, sound management practices that adapted rapidly to the changing environment and the contribution of our employees have collectively resulted in the company's positive output over the years.

“ MSSL had set a target of becoming a billion dollar company by 2010. In the year FY10, MSSL has achieved a turnover of around US\$1.5bn. MSSL's consolidated total sales are up by 158%. As a global company with global manufacturing and support network MSSL's sales outside India grew by 304%. ”

Let me take you through a brief account of our targets and how we delivered them in the last ten years. It has been an interesting journey which has been nothing short of a metamorphosis.

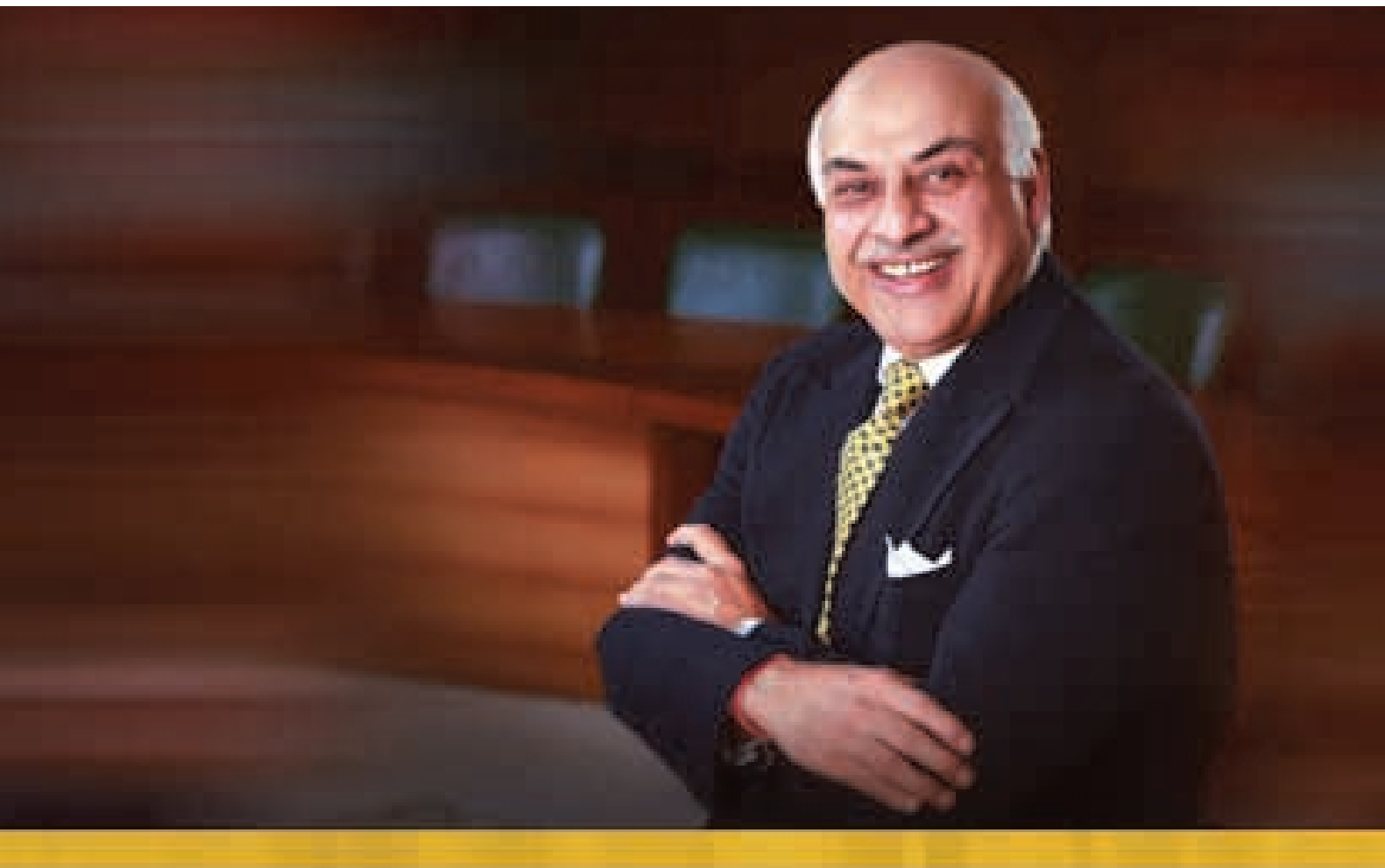
In the year 1999-2000, we came out with our first five year projections. We were an approx. Rs. 100 crore plus company and we targeted Rs. 1000 crores by 2005 which was multifold growth in 5 years. It was not just a top line growth, but growth supported with 40% Return on Capital Employed (ROCE) and a target of 40% dividend payout of the profit of the Company.

We came out with a report card of our performance in 2005.

Targets for 2005 as set in the year 2000	Our Achievement in 2005
To cross Rs. 1000 Crore (Consolidated) by the year 2005	Achieved Rs. 1029 Crores*
Attaining Return on Capital Employed of 40%	Achieved Average ROCE of 39%
Not to have dependence of over 25% on any one source	Largest Customer – 27% of total turnover
Achieve 30% of sales from exports	29% of sales from exports
Dividend Payout Ratio 40%	Dividend Payout Ratio at 43% for 2004-05

(\*Considering full turnover of JVs)

We delivered fairly well on these targets in spite of the Y2K, 9/11 & other disturbances. The realization of Vision 2005 concluded one chapter in our growth.



We again challenged ourselves to a new Vision for 2010. We targeted making MSSL a Billion Dollar Company, with a target of 40% ROCE and 40% Dividend Payout. It gives me immense pleasure to give you the scorecard of our performance against the set targets:

<b>Targets for 2010 as set in the year 2005</b>	<b>Our Achievement in 2010</b>
Make MSSL a billion dollar Company	MSSL is a 1.5 billion USD company
Contribution from a single customer should not exceed 20% of the total turnover	Contribution of the largest customer is 15%
Sales outside India should be 60% of the consolidated turnover	Sales outside India constitute 70% of the consolidated turnover
Strive to maintain a ROCE of 40%	ROCE is 37% on standalone basis, 22% on consolidated basis (SMR was acquired on 6th March 2009)
Shift our dividend policy of 40% payout of the company's net profit to 40% payout of the consolidated profit.	Payout Ratio at 32% of the consolidated profit, 44% on standalone basis

This period saw a host of global crises including a global slowdown unprecedented in the recent history, increasing price levels and input costs. Despite this MSSL has performed very well against the targets. The company has achieved on all the set parameters. We would like to thank our customer for helping us in achieving our target of a

billion dollar company. During the same period we acquired Visiocorp, now known as Samvardhana Motherson Reflectec (SMR).

Our goal is to make MSSL a globally preferred solutions provider and to achieve breakthrough growth in revenues and profits through its team of motivated workforce spread globally. We have grown over 40 times in the last 10 years.

In FY 2009-10 all the divisions of MSSL have performed well. We have grown at CAGR of 53% over the past 5 years. The company has consistently outperformed the market by increased penetration of the market & expanding the content per car, continuously adding more products and orders. We are grateful to our customers who have reposed their trust and confidence in us by placing orders for their products. We continue to get orders for new projects of our existing customers and we have also received orders from new customers.


The customers for wiring harness include major global automotive companies. Apart from passenger cars, MSSL has also received new orders for harnesses in commercial vehicles, 2 wheelers, material handling & earth moving equipment and also in agriculture and farm equipment.

Post acquisition, SMR is doing phenomenally well. The past one year saw the restructuring of SMR on 5 focus area's:

1. A sturdy & steady company

SMR was acquired at the behest of our customers. The biggest challenge was to make this company stable. We gave support





in the form of management expertise & the strategic know how. The company has become stable with successful transformation and integration of business with MSSL.

## 2. Financial Stability

We planned to turnaround the company in the first year of acquisition. SMR has done phenomenally well and became EBIDTA positive in the first quarter itself and PAT positive by the year end with the contribution of approx Rs. 4,100 crore to the top line of MSSL.

## 3. Production Stability

Post acquisition we initiated a series of measures in an effort to turn SMR around into a profitable entity which includes streamlining of operations along with rationalization of costs and support functions at other plants. The improvement in the performance of SMR is reflected in the trust & confidence reposed by customers in the form of new orders worth 800 million Euros starting from 2011-12 onwards till lifetime of the model. These new orders will start flowing in from 2011. SMR is on a good growth journey and currently we are investing in expanding our facilities to support the new orders. A second plant at Hungary is being commissioned. We are planning further expansion in other geographies as well.

## 4. Quality and R&D

SMR has done investments in engineering and R&D through which SMR will strive to maintain its competitive edge with new technologies and innovations. One of the biggest achievements of this year was inclusion of SMR into Aligned Business Framework (ABF) of Ford. This reiterates our commitment towards the quality, cost, delivery and performance to our customers. We want to thank Ford for bestowing their trust on us. SMR has a strong research base. It is working on a number of future technologies including driver assist systems.

## 5. Human Resource

The spectacular performance of SMR in the past one year has been possible due to the tremendous effort put in by the existing team at SMR who brought about this turnaround so quickly. They worked cohesively as a team to make the company profitable in the first year itself, after acquisition. The success of this entire team is reflected in the results.

MATE, the polymer division of MSSL, has established itself as a module supplier to the car manufacturers. We are focusing on higher level assemblies and modules and continuously adding new products in this segment. In addition to IP (dashboard) modules for Ford Fiesta, we are now manufacturing IP Modules for Ford Figo as well. We have also started supplies of door trims to Volkswagen Polo and Maruti Suzuki Ritz and Wagon R. MATE is continuously upgrading and expanding its facilities for increasing customer requirements. MATE would continue to witness healthy growth in the coming year because of expanding customer base and diversified product portfolio.

Your company had issued FCCBs worth 50.30 million Euros in 2005 which were due in 2010. I am thankful to our shareholders and investors for the trust they have shown in us which has led to a 100% conversion of FCCBs.

In FY 2009-10 we have bought the full stake of two of our joint venture partners - Motherson Pudenz Wickmann Limited and Balda Motherson Solution India Limited. These were very amicable settlements in full concurrence and understanding between the partners. All the employees of these companies were absorbed into MSSL with Balda Motherson Solutions India becoming 100% subsidiary of MSSL.

We will be strengthening our capabilities and building facilities to support our growth. We work closely with our customers for their upcoming models. Even during the recession we did not stop our expansion plans, which were aligned to our customers' future requirements. As a result when the demand grew fast, we were comfortably positioned and equipped to serve all the increased requirements of our customers. OEM's are making substantial investment in India to cater to the Indian market as well as for exporting fully assembled cars from India.

Our customers are creating new and exciting products. With a number of new launches lined up in the coming years the domestic market will give a multitude of opportunities for growth. MSSL is now a Tier-I supplier to almost every major automotive producer globally. This has given us a strong foothold in the global automotive market.

At the behest of our customers we are entering new markets and increasing our reach by setting up bases in South Africa and some other developing countries. We have set up an office in Japan and plan an R&D centre as well. MSSL has good opportunities overseas as we can now compete globally for a wide product range. We have the capability of setting up plants in countries of our interest in a very short time. When our customers provide us the opportunity, we can serve them globally through our global locations with our multiple product lines.

MSSL has always worked on five year plans. Keeping the current visibility of the market in mind we have charted out our Vision for 2015.

### Vision 2015

**We are targeting revenue of USD 5 Billion for MSSL Consolidated. We will continue to grow in all the market segments globally focusing on growing customer confidence and developing people skills on a global level.**

SMR has given us a global platform. The markets in India, China and Brazil are also showing excellent growth opportunities. In India, we always work closely with our joint venture partners to bring new technologies and products to our customer in India. However considering the market size and our growth target, by 2015 our sales outside India would continue to be over 70%.

Since 2000 we have consistently targeted a ROCE of 40%. There have been many factors such as increasing input costs which also have an increased impact on investments. However we have remained focused on higher ROCE and return on investment and consistently delivered healthy cash flows. The given geographical spread affects free flow of cash and presents different macroeconomic conditions; hence the return on capital employed will vary from geography to geography. However we will continue to target ROCE at 40% on a consolidated basis.

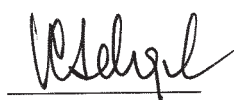
As a company, we want to create value for our stakeholders. We are setting ourselves the target for 40% dividend payout ratio of the consolidated profits of the company.

We are present in 21 countries. By the end of 2015 we would be present in 26-27 countries across Asia, America, Europe & Africa.

MSSL is committed to the automotive business which is approx. 95% of our total business. Based on current market conditions we have a visibility for the future based on which we have set our 5 year targets. We will continue to work towards our targets and set new benchmarks.

Our customers have been our guiding force and most of our growth has been customer driven. We will continue to create more value for all our stakeholders who have always supported us and helped us in our growth.

I would like to thank all our stakeholders - our customers, collaborators, shareholders and employees along with various governments, concerned bodies and financial institutions and look forward to your support for the journey towards our new Vision 2015.



**V.C. Sehgal**

Chairman, Samvardhana Motherson Group  
Vice Chairman, Motherson Sumi Systems Ltd.

26th July, 2010

# Financial Highlights

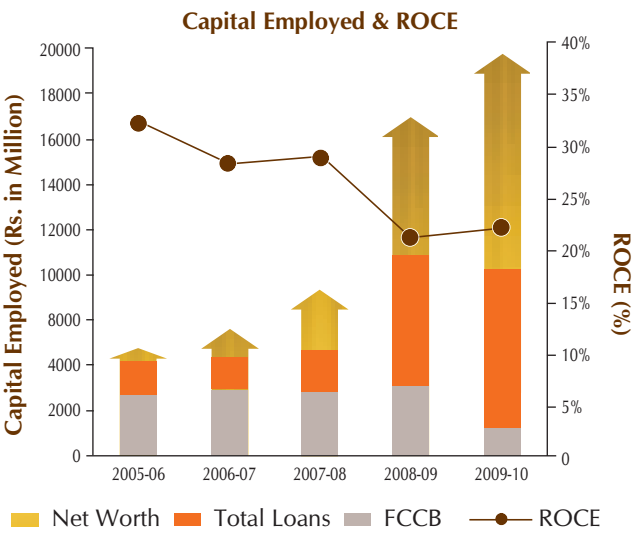
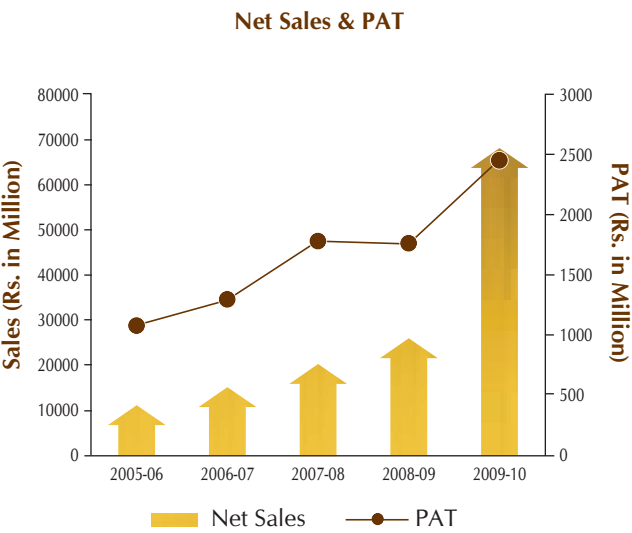
## Consolidated

Rs. in Million

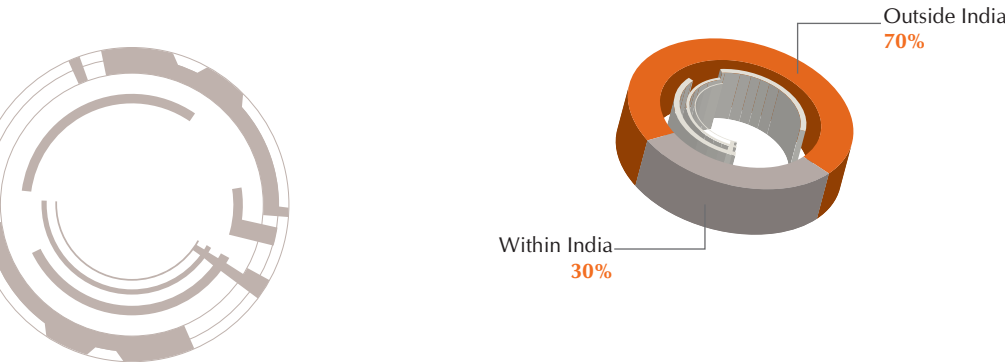
	2009-10	2008-09	% change
Sales- Net of excise			
Within India	20,431	14,430	42%
Outside India	46,591	11,526	304%
Total Sales	67,022	25,956	158%
PBIDT*	6,836	3,245	111%
Profit before tax	3,428	2,560	34%
Profit after tax (Net)	2,336	2,212	6%
Earnings per share (Rs. per share)	6.48	4.96	31%
Reserves and surplus#	9,353	5,793	61%
Loan Funds	7,057	5,880	20%
Foreign currency convertible bonds	1,122	3,071	(63%)

\*Excluding foreign exchange fluctuation on FCCB & exceptional income / expense.

#Excluding reserve on amalgamation, revaluation reserve, capital reserve on consolidation.



## Sales break-up

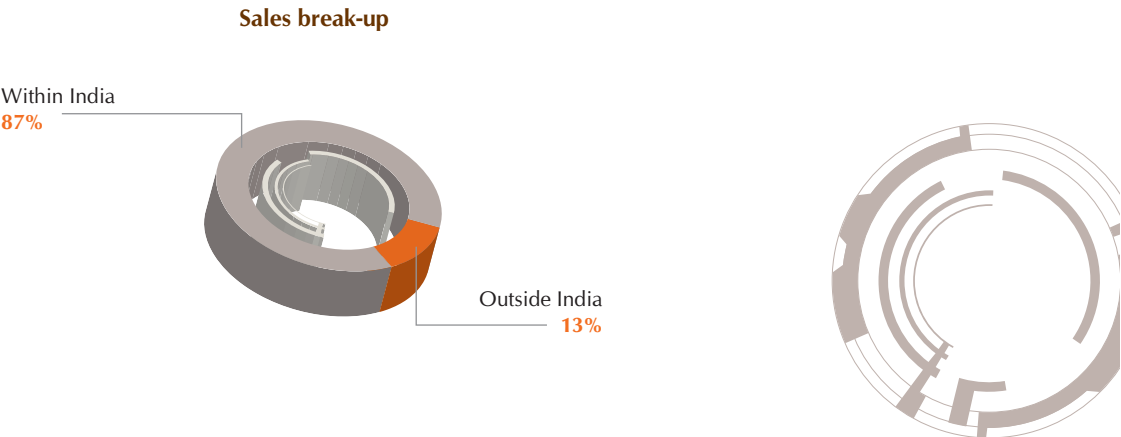
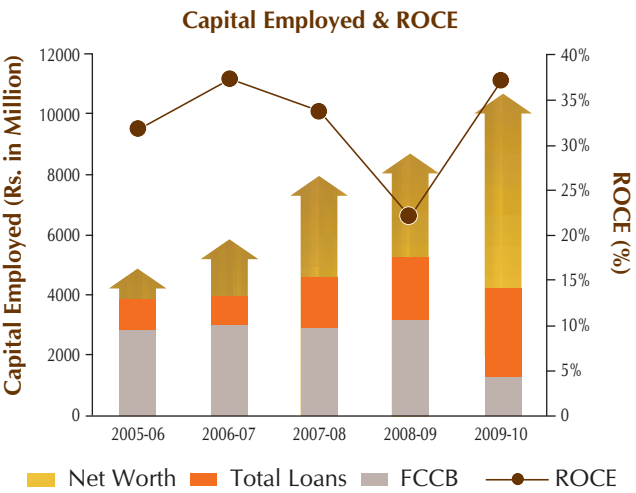
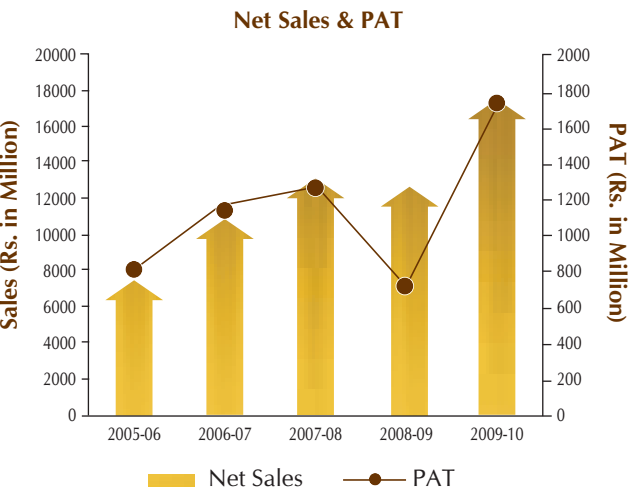


Standalone

Rs. in Million

	2009-10	2008-09	% change
Sales- Net of excise			
Within India	14,871	10,382	43%
Outside India	2,178	2,567	-15%
Total Sales	17,049	12,949	32%
PBIDT*	3,523	2,048	72%
Profit before tax	2,670	852	213%
Profit after tax (Net)	1,785	695	157%
Equity Capital	375	356	5%
Earnings per share (Rs. per share)	4.76	1.96	143%
Reserves and surplus#	6,199	3,210	93%
Loan Funds	3,008	2,311	30%
Foreign currency convertible bonds	1,122	3,071	(63%)

\*Excluding foreign exchange fluctuation on FCCB & exceptional income / expense.  
#Excluding reserve on amalgamation, revaluation reserve.



# Growing Customer Trust

If numbers bear testimony to an organization's motivation to deliver the best at all times, then awards are an endorsement of the commitment of its people around the world to go that extra mile in enabling it to translate this vision into reality.

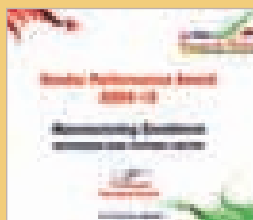
MSSL's global growth trajectory has, over the years, been marked by the achievement of many an accolade and award, each of

which demonstrates the company's endeavour to take its vision forward of becoming a globally preferred solutions provider.

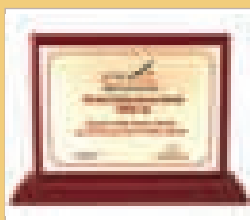
Founded on a philosophy of trust and customer service, MSSL's commitment to its customers is evidenced in the recognitions that have been bestowed on it since inception. The year 2009-10 brought some more recognitions.

## Awards

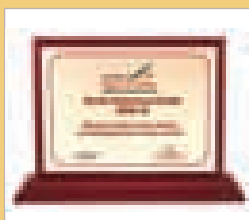
### Maruti Suzuki



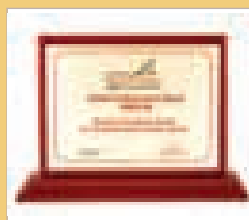
Manufacturing Excellence



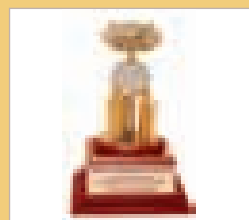
System Audit Rating Award



Warranty Improvement Award

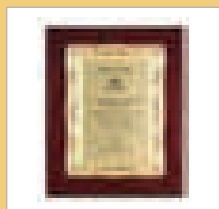


Focused Cost Down Award



Overall Performance Award - Platinum

### Hyundai

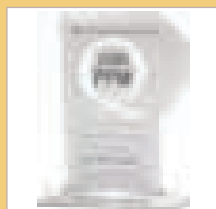


Quality Excellence Award



Best Cooperation Award

### Toyota

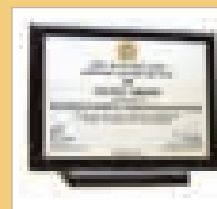


Zero PPM Award



Best Quality Supplier Award

### Honda Siel Cars



5S Award

### Tata Motors



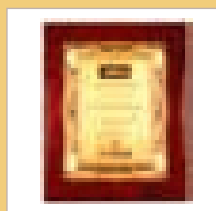
Excellence in Quality

### Fiat



Best Vendor Award in Quality and Delivery

### Ashok Leyland



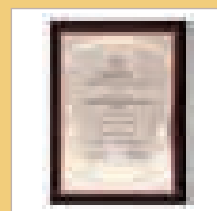
Outstanding Performance in Development

### John Deere



Outstanding Support In Design & Development

### L&T Komatsu



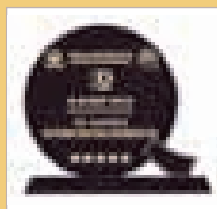
Significant Contribution & Overall Performance in Wiring Harness Category

### Denso



Outstanding Performance in Quality

### AUTVS



5/5 Star rating in 5S practices

### GE



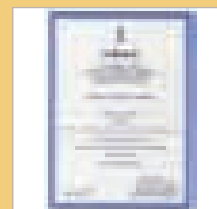
Supplier of the Year

### INFAC India



Quality Improvement Award

### KASEZ



Top Exporter Award



# Management Discussions and Analysis

## OVERVIEW

This has been a momentous year for MSSL as it embarks on its journey to be a diversified global automotive supplier.

The past year was characterized by a deep global recession - one of the worst in modern times. In most global markets, our business proved to be quite resistant to the generally weak economy. We have been able to serve our customers with constant quality and efficiency even in these challenging times.

The year started with the challenge of turning around Samvardhana Motherson Reflectec (SMR) and also achieving target for the five year growth plan set up in the year 2005.

The Company's performance has been truly impressive, exponential growth was what we targeted & achieved. We are very proud of the remarkable results our business has delivered.

## HIGHLIGHTS:

Some of the main highlights during 2009-10 are as follows:

- The Company has achieved its target for becoming a billion dollar Company by 2010. During financial year 2009-10, MSSL has achieved a turnover of around US\$1.5 billion.**
- In a major turnaround, the acquired entity Samvardhana Motherson Reflectec (SMR) turned PAT +ve during the first year of its restructuring indicating the renewed customer trust in SMR. These results were delivered against the backdrop of the worldwide economic recession.
- SMR has received new orders worth Euro 800 million from its customers. These orders will start from 2011 over the next 5-6 years depending on the life of model.

- 100% Conversion of Zero Coupon Convertible Bonds (FCCB) into equity shares as on 30th June 2010.
- Capital expenditure incurred of Rs. 4,129 million for expansion of capacity and development capabilities.
- Major cost of restructuring at SMR has been accounted for, successful completion of closure of two plants as envisaged at the time of acquisition of SMR.
- Dynamic growth in revenues of 158% on consolidated basis and 32% on standalone basis.
- Robust increase in revenues generated from overseas sales of 304%.
- Dividend per share increase from Rs. 1.35/share to Rs.1.75/share.

## AUTOMOTIVE / NON AUTOMOTIVE

The company's revenues are categorised into two segments i.e. automotive and non - automotive, business growth for the year 2009-10 in both segments has been given in the table below.

In automotive segment the company supplies worldwide to all leading automobile manufacturers, main product offered by the company in this segment are wiring harness, automotive mirrors, molded plastic components, rubber components, machined metal components, complete modules including bumpers, dashboards & door trims. The contribution of automotive segment in the company's revenue has increased to 95% and grew by 182% on consolidated basis. On standalone basis contribution of automotive segment has increased to 90% and grew by 33%.

Rs. in Millions

	2009-10	Percentage of Total	2008-09	Percentage of Total	Growth in percentage
Consolidated					
Automotive	63,856	95%	22,669	87%	182%
Non Automotive	3,166	5%	3,287	13%	-4%
<b>TOTAL</b>	<b>67,022</b>	<b>100%</b>	<b>25,956</b>	<b>100%</b>	<b>158%</b>
Standalone					
Automotive	15,303	90%	11,522	89%	33%
Non Automotive	1,746	10%	1,427	11%	22%
<b>TOTAL</b>	<b>17,049</b>	<b>100%</b>	<b>12,949</b>	<b>100%</b>	<b>32%</b>

In non automotive segment, MSSL is one of the largest suppliers of wiring harness for manufacturers of material handling equipments and industrial forklifts. MSSL also manufacture and assemble water purifiers for HUL in India. The company offers variety of products to its customers from individual parts to complete business solution. In this segment revenue contribution has increased by 22% on standalone basis and remains flat on consolidated basis due to weak global demand mainly in construction industry for material handling equipments and industrial forklifts.

#### SALES PERFORMANCE

The sales performance of the company during the year 2009-10 on consolidated and standalone basis is as follows:

Rs. in Millions			
Consolidated	2009-10	2008-09	% Change
Customers within India	20,431	14,430	42%
Customers Outside India	46,591	11,526	304%
Net Sales	67,022	25,956	158%

Rs. in Millions			
Standalone	2009-10	2008-09	% Change
Customers within India	14,871	10,382	43%
Customers Outside India	2,178	2,567	-15%
Net Sales	17,049	12,949	32%

MSSL has presence in 21 countries and conducts its operations through more than 90 manufacturing and technical centre's located globally. The company offers its customers a wide range of value added products.

The company's sale to customer outside India has got a strong momentum with SMR and it rose by 304% on consolidated basis while on standalone basis it declined by 15% due to weak demand mainly in Europe. The company witnessed a remarkable growth of 42% on consolidated basis and 43% on standalone basis for sales to customers within India.

#### GLOBAL CAR PRODUCTION

The automotive industry had a challenging year in 2009-10. The deteriorating industry and economic situations resulted in the bankruptcy filings of Chrysler and General Motors in April and June. Vehicle sales and production in USA & Europe, while down significantly during 2008-09, started showing signs of recovery from Quarter 1 (2009-10) on back of variety of "scrappage" programs like "Cash for Clunkers" implemented by various governments. These programs generally provide financial incentives for consumers to replace less fuel-efficient, old and typically higher polluting vehicles, with new vehicles, thereby motivating vehicle sales.

All major global markets including North America, Japan/ Korea and Europe registered a positive growth quarter on quarter during 2009-10.

Vehicle Production: Region (in numbers)	FY 2009-10			
	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar
Europe	4,240,740	4,078,352	4,511,913	4,691,799
Greater China	2,791,612	2,976,726	3,513,105	3,718,212
Japan/Korea	2,446,561	2,895,659	3,359,573	3,323,562
Middle East/Africa	392,659	418,780	503,360	528,079
North America	1,776,597	2,354,836	2,744,780	2,898,103
South America	925,453	982,942	1,012,133	924,827
South Asia	1,090,107	1,287,851	1,475,827	1,581,372
<b>Grand Total</b>	<b>13,663,729</b>	<b>14,995,146</b>	<b>17,120,691</b>	<b>17,665,954</b>

## INDIAN VEHICLE & COMPONENT MARKET

The year began with weak vehicle sales and production, turnaround came in the second quarter of 2009-10. Indian economy witnessed a strong recovery within a short period as a result of the fiscal incentives initiated by the Government and the Reserve Bank of India.

During 2009-10, Indian vehicle market posted an impressive increase in passenger vehicle, commercial vehicle & two wheelers market, all registered positive double digit growth over the previous year.

Segment	2009-10	2008-09	2007-08
<b>Passenger Vehicle</b>			
Numbers	2,351	1,846	1,754
Growth Rate	27%	5%	14%
<b>Commercial Vehicle</b>			
Numbers	566	417	545
Growth rate	36%	(23%)	5%
<b>Two Wheelers</b>			
Numbers	10,512	8,348	8,009
Growth Rate	26%	4%	(5%)

Major global players are setting up their manufacturing facility in India for domestic market as well as exports, making India a small car hub in the Asia-Pacific region.

Indian auto component industry is today seen as a significant player in the global automotive supply chain and has emerged as one of the key centres in Asia. Global auto makers are now sourcing the range of high value and critical automobile components from India.

## FINANCIAL REVIEW

The summary of the financial results of the company on consolidated and standalone basis is as follows:

The current year figures include the results of SMR for the twelve month whereas the previous year figures include the results for one month, hence are not comparable.

Rs. in Millions			
Consolidated	2009-10	2008-09	% change
Sales	67,022	25,956	158%
Other Income	2,753	491	461%
Cost of Goods Sold	41,659	15,493	169%
Employee Cost	11,319	3,440	229%
Other Expenses	9,961	4,269	133%
<b>PBIDT (*)</b>	<b>6,836</b>	<b>3,245</b>	<b>111%</b>

Consolidated	2009-10	2008-09	% change
Exchange Fluctuation Gain / (Loss) on FCCB	258	(249)	-
Exceptional Income / (Expenditure) Net	(430)	897	-
PBT	3,428	2,560	34%
<b>PAT</b>	<b>2,336</b>	<b>2,212</b>	<b>6%</b>
Concern Share after adjusting Minority Interest	2,428	1,763	38%
<b>EPS (Rs.)</b>	<b>6.48</b>	<b>4.96</b>	<b>31%</b>

\*Represents excluding foreign exchange fluctuation on FCCB & exceptional income / expense.

During the year under review, the Company consolidated sales hit a new record level of Rs. 67,022 million, registering an energetic growth of 158% in comparison to the previous year sales of Rs. 25,956 million.

The Profit before Interest Depreciation and Tax (PBIDT) increased to Rs. 6,836 million from Rs. 3,245 million during 2008-09, a significant growth of 111%.

Profit before Tax (PBT) amounted to Rs. 3,428 million as against Rs. 2,560 million during previous year, recorded an increase of 34%.

The key raw material for the company's wiring harness division is copper. There is significant increase in prices of copper during the year. Further the company has arrangements with its major customers for passing on the price increase, therefore it does not have major impact on its earnings. Other raw materials / components used by the company are resins like PP, Nylons, ABS etc. for Polymer and Mirror division.

As mentioned earlier, manpower cost is not comparable with previous year since current year consolidated figures include the results of SMR for the full year.

During the year, the company has earned exchange fluctuation gain of Rs. 258 million on account of FCCB (Previous year exchange loss of Rs. 249 million).

Profit before tax has also been impacted due to one time restructuring costs (net) amounting to Rs. 430 million in respect of SMR's manufacturing locations at Germany, Australia and France.

Rs. in Millions			
Standalone	2009-10	2008-09	% change
Sales	17,049	12,949	32%
Other Income	989	372	166%
Cost of Goods Sold	10,222	7,795	31%
Staff Cost	1,645	1,360	21%
Other Expenses	2,648	2,118	25%
<b>PBIDT (*)</b>	<b>3,523</b>	<b>2,048</b>	<b>72%</b>
Exchange Fluctuation Gain / (Loss) on FCCB	258	(249)	-
Exceptional Income / (Expenditure) Net	(200)	(110)	82%
PBT	2,670	852	213%
PAT	1,785	695	157%
<b>EPS (Rs.)</b>	<b>4.76</b>	<b>1.96</b>	<b>143%</b>

\*Represents excluding foreign exchange fluctuation on FCCB & exceptional income / expense.

During the period, the company standalone revenue grew by 32% to Rs. 17,049 million.

PBIDT increased to Rs. 3,523 million from Rs. 2,048 million, up by 72%.

PBT amounted to Rs. 2,670 million, up from Rs. 852 million during previous year, recorded a substantial growth of 213%.

During the year, the company has earned exchange fluctuation gain of Rs. 258 million on account of FCCB (Previous year exchange loss of Rs. 249 million).

The exceptional expenditure / Income represents provision for diminution amounting to Rs. 200 million recorded by the Company in the value of its investment in a joint venture and a subsidiary in view of the continued losses incurred by them.

## FINANCIAL POSITION

The financial position and other highlights are as follows:

Rs. in Millions			
Consolidated	2009-10	2008-09	% change
Capital Expenditure (Net of disposals)	3,780	2,627	44%
Net Fixed Assets	16,356	15,250	7%
Cash & Bank Balance	3,431	2,766	24%
Net Current Assets	5,051	2,865	76%
Net Worth	11,611	7,546	54%
FCCB	1,122	3,071	-63%
	(€18.5mn.)	(€45.7mn.)	
Loans other than FCCB	7,057	5,880	20%

Rs. in Millions			
Standalone	2009-10	2008-09	% change
Capital Expenditure (Net of disposals)	1,948	2,119	-8%
Net Fixed Assets	7,528	6,146	22%
Cash & Bank Balances	365	179	104%
Net Current Assets	1,530	350	337%
Net Worth	7,128	3,873	84%
FCCB	1,122	3,071	-63%
	(€18.5mn.)	(€45.7mn.)	
Loans other than FCCB	3,008	2,311	30%

## FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBS)

During the year 2005-06, the Company had issued Zero Coupon Foreign Currency Convertible Bonds (FCCBs) of Euro 50.30 million of which an amount of Euro 18.50 million was outstanding as on March 31, 2010. The conversion price of these bonds is Rs. 74.30 per share at fixed exchange rate of Rs 52.01 = Euro 1.

Subsequent to the year end, the Company has received notices for exercise of conversion option by all holders of bonds of face value Euro 18.5 million. Consequent to the exercise of conversion option by holders of bonds of face value Euro 18.5 million, the Company has allotted 12,950,000 equity shares during the year. After this allotment, the FCCB stands fully converted.

## CAPITAL EXPENDITURE

During the year, the Company incurred capital expenditure of Rs. 4,129 million and Rs. 2,048 million on consolidated and standalone basis respectively. The significant portion of this expenditure has been funded from internal accruals. During the year, the Company expects capital expenditure of Rs. 4,000 million to Rs. 5,000 million.

## REVENUES

MSSL is one of the leading global suppliers in automotive mirrors manufacturing industry and also largest manufacturers of automotive Wiring Harness in India. It also supplies plastic components and modules to the automotive industry. Other product range of MSSL comprises of rubber components for automotive and industrial applications, high precision machined metal parts, injection molding tools and HVAC Systems.

During the period, the consolidated revenues of MSSL increase by 158% to Rs. 67,022 million and on a standalone basis, the revenues increase by 32% to Rs. 17,049 million.

	Rs. in Millions		
	2009-10	2008-09	% change
<b>Consolidated</b>			
Mirrors	41,529	3,643	1040%
Wiring Harness	18,102	15,675	15%
Polymer Components	5,609	4,486	25%
Rubber/Metal machined & other products	1,782	2,152	(17%)
<b>Total</b>	<b>67,022</b>	<b>25,956</b>	<b>158%</b>
<b>Standalone</b>			
Wiring Harness	12,376	9,453	31%
Polymer Components	4,578	3,216	42%
Rubber/Metal machined & other products	95	280	(66%)
<b>Total</b>	<b>17,049</b>	<b>12,949</b>	<b>32%</b>

#### AUTOMOTIVE MIRRORS

Samvardhana Motherson Reflectec (SMR), the mirror division of the company constitute 62% share of the total business portfolio of MSSL. Samvardhana Motherson Reflectec (SMR) specializes in developing, producing and distributing rear vision systems for the global automotive market. This is a technology driven product where innovation and styling are very important. With new car models being launched the market for mirrors is also expanding. The complexity in product is continuously increasing with the integration of new features, multiple functions, environment sensors and driver assist systems.

SMR employ approximately 5,000 employees at production facilities and engineering centers in 10 countries across the globe to support its customer.

With over 600 patents it has an impressive history of innovations in mirror technologies. SMR R&D team is developing driver assist systems. Mirror with camera based Blind Spot Detection System was the first product in this series. Driver assist systems are an emerging trend in the passenger car segment.

Mirror division has a broad portfolio of exterior and interior mirrors designed for a range of passenger and commercial vehicles. It caters to a range of price segments ranging from the cost-sensitive segment and premium segment of

automobiles. The division capabilities include design & engineering, sub-component production and assembly & testing, it enable us to manufacture a variety of mirrors for a range of OEMs. In addition to rear view vision systems, we manufacture door modules and handles, blind spot detection cameras and switches. Further, our design and aesthetics capabilities, such as our ability to paint mirror housings to the exact body color specifications of a vehicle, distinguish us from our competitors.

	Rs. in Millions		
Mirrors*	2009-10	2008-09	Growth in Percentage
<b>Consolidated</b>			
Customers Within India	1,593	634	151%
Customers Outside India	39,936	3,009	1227%
<b>Total</b>	<b>41,529</b>	<b>3,643</b>	<b>1040%</b>

\*The current year figures include the results of SMR for the twelve month whereas the previous year figures include the results for one month, hence are not comparable.

#### WIRING HARNESSES

The Company has been progressively consolidating its position in wiring harness. Comprehensive design capabilities from the vehicle designing stage and extensive product portfolio enable dominant market share and a high proportion of total revenues of the company. The wiring harness division operates with 27 manufacturing facilities & 7 design centres in 7 countries serving a large number of major automotive, heavy duty and industrial customers worldwide. The company offers wide range of products for the automotive industry and includes passenger cars and MUVs, two wheelers, commercial vehicles, tractors and farm equipment, earth moving and material -handling equipment, electrical & electronics and medical systems.

The division contributed for nearly one- fourth of the Company's revenue. The Company is a leading supplier of wiring harnesses to most of the OEMs in India and together with its Joint Ventures also enjoys 65% market share of the passenger car segment in India as assessed by the Company. There is a high degree of backward integration for the product. Critical inputs like wires, connectors, terminals and fuse boxes, tube clamps and binders, grommets and seals, caps and sleeves etc. are all manufactured by the group which facilitates consistent, just-in-time product supply and high quality end product.



The Company with its subsidiaries and joint ventures has its wiring harness manufacturing base spread in India, Sharjah, Ireland, Sri Lanka, Italy, Japan and the United Kingdom. These manufacturing unit locations have been strategically selected to give logistical support to serve major customer destinations. The combination of design, range, quality, infrastructure, technology and proximity helped MSSL emerge as a complete service provider in the field of wiring harness.

In the wiring harnesses division also we provide solutions right from designing and development to online supplies and logistics support. With the increasing features in passenger cars the wiring harnesses have become more complex with a lot of value addition.

Rs. in Millions			
Wiring Harness	2009-10	2008-09	Growth in Percentage
<b>Consolidated</b>			
Customers Within India	14,563	10,801	35%
Customers Outside India	3,539	4874	-27%
<b>Total</b>	<b>18,102</b>	<b>15,675</b>	<b>15%</b>
<b>Standalone</b>			
Customers Within India	10,718	7,404	45%
Customers Outside India	1,658	2,049	-19%
<b>Total</b>	<b>12,376</b>	<b>9,453</b>	<b>31%</b>

#### DOMESTIC MARKET

The Company continues to be a dominant player in the domestic market. The sale of wiring harnesses in the domestic market registered a strong growth of 45% on standalone basis and 35% on consolidated basis. The wiring harness division continued to receive appreciation from its customers which is reflected in the awards received in the categories of Quality, Cost, Delivery, Development, Management, Vendor Performance & Supply to name a few.

#### EXPORTS

The total export of wiring harness on consolidated basis registered a negative growth of 27% on consolidated basis due to global turmoil. The exports from India were also down at Rs. 1.65 billion, on standalone basis. The consolidated sale to customers outside India in this segment is negative mainly due to weak demand from construction industry for material handling equipments and industrial forklifts. The company is focused on increasing its export content, therefore

expanded its facility at EOU, Noida. The company has also set up new plant at Kandla for exports of wiring harness to SMR.

#### OUTLOOK

The Company's customer base has expanded this year both domestically and in the international market with the entry of various new customers across all segments. The customer base is expected to expand substantially in the coming years also as many new customers are entering the market and existing customers are introducing new models. The prospects of the segment appear encouraging across the foreseeable future. The cost of main raw material, copper continues to be volatile in the international market, which remains a challenge.

The Company has expanded the following capacities during the year 2009-2010.

- Plants have been set up in Noida & Pune to meet the requirements of domestic and export market.
- Plant for export of wiring harnesses has been set-up at Kandla.
- Plant has been set up at Chennai for supplies to Nissan.
- Plants are being set up at Haldwani, Lucknow and Pathredi for increasing customer base and demand.
- Plant being set up at Chennai for manufacture of proprietary PVC compounds for wires.
- Wire capacity will be increased with plant being set up at Noida exclusively for the manufacturing of 18,000 kms per month Japanese specification wires (JASO) with technical support of SWS.

#### POLYMER

With 15 manufacturing units across India, Sharjah, Germany and Czech Republic, the division contributed 8% to the Company's consolidated revenues in 2009-10. It is amongst the largest plastic component suppliers to the automotive and consumer durable industries in India.

Motherson Automotive Technologies Engineering (MATE), the Polymer division of the company, which manufactures wide range of injection-moulded components, assemblies, blow moulded components and integrated modules,

registered a remarkable growth of 25% on consolidated basis and 42% on standalone during 2009-10.

MATE is continuously upgrading and expanding its facilities for increasing customer requirements. New units at Pune and Chennai have started supplies during 2009-10, ramping up of volumes and stabilization will be done during 2010-11. MATE is a supplier for water purifiers to HUL in India, sold under brand name "Pureit" and also manufactures air filters for automotive application with technology from Roki.

During the year 2009-10, the company started supply of door trims to Volkswagen for "Polo" and bumpers to Tata Motors for its new vehicle "Aria".

MATE has 11 manufacturing facilities in India spread over Noida, Manesar, Pune, Bangalore, Chennai and Pondicherry.

This division has established itself as a module supplier to the car manufacturers. It would continue to witness healthy growth because of expanding customer base and diversified product portfolio.

Rs. in Millions			
Polymer	2009-10	2008-09	Growth in Percentage
<b>Consolidated</b>			
Customers Within India	4,244	2,970	43%
Customers Outside India	1,365	1,516	-10%
<b>Total</b>	<b>5,609</b>	<b>4,486</b>	<b>25%</b>
<b>Standalone</b>			
Customers Within India	4,134	2,810	47%
Customers Outside India	444	406	9%
<b>Total</b>	<b>4,578</b>	<b>3,216</b>	<b>42%</b>

#### DOMESTIC

During the year, polymer division achieved an increase of 43% in its domestic revenues on consolidated basis. The division is focusing on adding new value added modules that require specialized engineering abilities.

#### MARKETS OUTSIDE INDIA

On consolidated basis the sales to the customers outside India is Rs 1.3 billion, negative growth in sales due to impact of global recession on industry. In addition to the revenues being contributed by MATE, this business is operated through the Company's subsidiaries namely MSSL Polymers GmbH

(MSP-G), MSSL Tooling (FZE) (MTL), Global Environment Management FZC (GEM) and MSSL Advanced Polymers s.r.o. (MSP - CZ). GEM launched its product Aerobin in Europe, and is setting up the distribution network.

#### OUTLOOK

- New unit coming up at Bangalore for Toyota small car is almost near completion, commercial production will start by year end.
- MATE will be expanding its facility at Pune and setting up new facility in Northern Region.
- MSSL Advanced Polymers s.r.o (Czech Republic) building new facility for increasing production capacity.
- MSSL Global RSA Module Engineering Ltd., a new company incorporated in South Africa for supplying to leading automotive manufacturers is building a new facility at Automotive Supplier Park, South Africa.

#### MACHINED METAL COMPONENTS, RUBBER COMPONENTS AND OTHERS

Metal Machining business is done by Motherson Innovative Engineering Solutions (MINES), a division of MSSL which has facilities at Bangalore and Chennai. In addition to this, the Company has a Joint Venture Motherson ORCA Precision Technologies GmbH at Donaueschingen, Germany.

The Rubber business is conducted through the 3 joint ventures with Woco and Motherson Elastomers Pty Ltd., MSSL has established facilities for rubber compounding and products in India.

Rs. in Millions			
Rubber/ Metal Machined Components	2009-10	2008-09	Growth in Percentage
<b>Consolidated</b>			
Customers Within India	32	25	28%
Customers Outside India	1,750	2,127	-18%
<b>Total</b>	<b>1,782</b>	<b>2,152</b>	<b>-17%</b>
<b>Standalone</b>			
Customers Within India	20	168	-88%
Customers Outside India	75	112	-33%
<b>Total</b>	<b>95</b>	<b>280</b>	<b>-66%</b>

The performance of these activities comprising namely rubber, metal, fuses and fuse related components has been discussed in details under "Performance of Subsidiaries and Joint Ventures".

## OUTLOOK

The Company has set up facilities for rubber compounding and rubber moulding at Chennai by shifting part of the equipment from Australia. This is expected to increase competitiveness of the Company in the product category.

## PERFORMANCE OF COMPANIES

The financial performance and brief of the Company's subsidiaries is as follows:

### SAMVARDHANA MOTHERSON REFLECTEC GROUP HOLDINGS LIMITED (SMR), JERSEY (Consolidated with its Subsidiaries & Joint Venture)

**Introduction:** SMR is a subsidiary of Motherson Sumi Systems Ltd and specializes in the manufacturing of automotive mirrors. It has production facilities and engineering centers in 10 countries across the globe.

**Area of Business & Industry Segment:** SMR is part of the automotive segment of group and it specializes in developing, producing and distributing rear vision systems for the global automotive market.

#### Performance in 2009-10:

	Rs. in Millions
Consolidated	2009-10
Sales	41,587
- Within India	1,593
- Outside India	39,994
PBIDT (*)	2,362
Depreciation	1,502
Exceptional Income / (Expenditure) Net	(430)
PBT	107
PAT	87
Concern Share after adjusting Minority Interest	59

\*Represents excluding exceptional income / expense

Post acquisition, the company has initiated a series of measures in an effort to turn around SMR into a profitable entity. These includes streamlining of operations, closure of 2 manufacturing facilities, rationalization of costs and support functions at other facilities, enhancement of focus on quality, management changes to support leaner structure, engineering and staff restructuring, integration of IT activities, rework on patent costs and investments in engineering and product innovation.

## MSSL MIDEAST (FZE)

**Introduction:** MSSL (ME) is a 100% subsidiary of Motherson Sumi Systems Ltd and specializes in the manufacturing of wiring harness. It is located in SAIF Zone Sharjah, UAE.

**Area of Business & Industry Segment:** It supplies wiring harness to leading manufacturers of material handling, construction, agricultural machines, garbage handling trucks etc. It caters to the European & the U.S. market.

#### CERTIFICATIONS: ISO/TS 16949:2009

**Performance in 2009-10:** The Company recorded revenue of Euro 11 million as compared to Euro 21 million of the previous year. A negative growth is shown due to weak demand from construction industry for material handling equipments and industrial forklifts.

## MSSL (GB) LTD.

**Introduction:** The Company is a 100% subsidiary of Motherson Sumi Systems Ltd. and located in New Castle, UK.

**Area of Business & Industry Segment:** After acquisition of ASL Systems Ltd. UK, it supplies wiring harness and related modules to niche segments in UK.

**Performance in 2009:** The revenue for the company remained flat at GBP 4 million as compared to previous year.

## MOTHERSON SUMI WIRING SYSTEM LIMITED (FZO)

**Introduction:** The Company is a joint venture between Motherson Sumi Systems Ltd and Sumitomo Wiring Systems Ltd, Japan. The company is located in SAIF Zone, Sharjah, UAE.

**Area of Business & Industry Segment:** MSWS supplies wiring harness to Sumitomo Electric Wiring Systems in Hungary.

#### CERTIFICATIONS: ISO/TS-16949:2009.

**Performance in 2009-10:** The Company recorded revenue of Euro 23 million as compared to Euro 30 million of the previous year.

## MOTHERSON ELECTRICAL WIRES LANKA PRIVATE LIMITED

**Introduction:** The Company is a 100% subsidiary of Motherson Sumi Systems Limited and is located in Sri Lanka.

**Area of Business & Industry Segment:** The Company specializes in the manufacturing of wires for automotive applications and is one of the largest automotive wire manufacturers. It supplies wires to different manufacturing locations of the Group.

**CERTIFICATIONS: ISO 9001:2000**

**Performance in 2009-10:** MWL achieved revenue of US \$ 26 million as compared to US \$ 24 million of the previous year. The Company has expanded its capacity to meet the requirements of the Group.

**MSSL TOOLING (FZE)**

**Introduction:** The Company is a 100% subsidiary of Motherson Sumi Systems Limited and is located in Sharjah, UAE.

**Area of Business & Industry Segment:** The Company specializes in the manufacturing of plastic molded components and high quality tools and parts. The Company also has post molding and assembly set up facilities. MTL supplies to Tier 1 customers and supports the polymer division in Europe. The Company serves the auto components, pharmaceuticals, construction-anchors industry.

**CERTIFICATIONS: TS 16949, ISO 9001:14001**

**Performance in 2009-10:** During the year the company has changes its accounting year end from December to March. The revenue of MTL is Euro 4 million for the current period, as compared to Euro 4 million of the previous year. The Company is in the expanding mode in terms of infrastructure and existing business.

**MSSL POLYMERS GmbH**

**Introduction:** The Company is a 100% subsidiary of Motherson Sumi Systems Ltd. and is located in Germany.

**Area of Business & Industry Segment:** The product range includes steering column, airbag, seat belt, reflectors and side rear view and tail lamp parts and serves the automotive sector.

**CERTIFICATIONS: ISO TS 16949:2002, DIN EN ISO 14 001, DIN EN ISO 13 485**

**Performance in 2009:** The Company recorded revenue of Euro 7 million, as compared to Euro 13 million of the previous year. A negative growth is shown due to drop in volume of work of major customers due to global recession.

**MSSL ADVANCED POLYMERS S.R.O**

**Introduction:** The Company is a 100% subsidiary of Motherson Sumi Systems Ltd. and is located in Pardubice, Czech Republic.

**Area of Business & Industry Segment:** The Company supplies products to leading European automotive Tier-I suppliers. The product range of the Company includes connecting door rods, plastic parts safety belts, connectors, sensing elements, covers, parts for pneumatic dispatch, visible parts for roof rays, plastic parts for fuel tanks etc.

**CERTIFICATIONS: TS 16949**

**Performance in 2009:** The Company generated revenue of Euro 4 million as compared to Euro 5 million last year. A new manufacturing unit is being established in the same location Pardubice, Czech Republic with about triple the production capacity than the present plant.

**MOTHERSON ELASTOMERS PTY LTD.**

**Introduction:** The Company is a 100% subsidiary of Motherson Sumi Systems Ltd. and is located in Bendigo, Victoria in Australia.

**Area of Business & Industry Segment:** The Company manufactures orbitread tyre compounds, conveyor belting rubber compounds, automotive component rubber compounds, weather strips, glass runs, boot and hood seals, tank straps, rubber flares, bonded components, suspension ushes, engine and transmission mounts, bump stops, large engine gaskets, silent blocs, industrial mountings and couplings, auto and truck suspension components. MEPL caters to the automotive, mining, tyre retreaders, construction, defense and rail industry.

#### **CERTIFICATIONS: TS 16949, QS 9000, ISO 9001 & 14001**

**Performance in 2009:** The revenue of the company stands at AUD 26 million as compared to AUD 32 million last year. It is one of the largest Non Tyre related Mixing Plants in Australia.

#### **MOTHERSON ORCA PRECISION TECHNOLOGY GmbH**

**Introduction:** The Company is a 51% subsidiary of Motherson Sumi Systems Ltd. and is located in Germany. It was previously called Motherson Reiner GmbH.

**Area of Business & Industry Segment:** The Company serves automobile and auto component manufacturers and tier 1 customers. The product range includes precision turn parts for fuel injection, fuel pump, emission controls, pressure sensors, air condition systems etc. The coverage range lasts from small range to full production run.

#### **CERTIFICATIONS: ISO /TS 16949:2002 (2ND EDITION: 2002-03-01)**

**Performance in 2009:** The revenue for the company stands at Euro 4 million as compared to Euro 6 million of the previous year.

#### **MOTHERSON TRADINGS LIMITED**

**Introduction:** The Company is a subsidiary of Motherson Sumi Systems Ltd. MTL is located in Noida, India.

**Performance in 2009-10:** Motherson Sumi Systems Limited bought the entire stake of Wilhelm Pudenz GmbH & Wickmann Werke GmbH, Germany in the joint venture Motherson Pudenz Wickmann Limited and the Company has been renamed Motherson Tradings Limited. The revenue of the company stands at Rs. 11 million this year.

#### **GLOBAL ENVIRONMENT MANAGEMENT (FZC)**

**Introduction:** The Company is a joint venture between Motherson Sumi Systems Ltd. and E- Compost Pty Ltd, Australia, it is located at the SAIF Zone, Sharjah, UAE.

**Area of Business & Industry Segment:** The Company has a 100% subsidiary in Australia for marketing its key product Aerobin in Australia. The product re-cycles household and garden wastes into beneficial compost without any use of electricity or chemicals which helps in avoiding dumping of household waste into landfill.

**Performance in 2009:** The revenue of the Company stands at AUD 1 million as compared to AUD 2 million in the last year. The Aerobin is now available in Europe, USA, Japan and Australia.

#### **MSSL GLOBAL WIRING LTD.**

**Introduction:** The Company is a 100% subsidiary of Motherson Sumi Systems Ltd. and is located at Kandla, Special Economic Zone.

**Area of Business & Industry Segment:** It supplies wiring harness for automotive mirrors to various locations of SMR.

**Performance in 2009-10:** This is the first year of operations for the Company, the revenue stands at Rs. 10 million.

#### **MSSL GLOBAL RSA MODULE ENGINEERING LTD.**

**Introduction:** The Company is a 100% subsidiary of Motherson Sumi Systems Ltd. and is proposed to be located at Automotive Supplier Park, South Africa.

**Area of Business & Industry Segment:** The Company is setting up a new facility at South Africa for manufacturing of molded parts like Bumpers, Interior Trims and Paint shop for leading OEM's.



The summary of financial highlights and brief of the JV companies is as follows:

Rs. in Millions

	MSSL Holding	Capital Employed		Net Sales		Profit after Tax		Capital Expenditure	
	2009-10	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Kyungshin Industrial Motherson Ltd.	50%	1,366.67	1,022.70	6,058.28	4,983.13	589.97	440.08	76.71	184.10
Balda Motherson Solution India Ltd.	40%	379.79	397.04	365.93	199.82	(49.98)	(415.84)	1.10	27.67
Woco Motherson Ltd. (FZC)	33.33%	95.08	107.45	259.04	266.95	58.83	59.49	0.92	2.20
Woco Motherson Elastomer Ltd.	33.33%	191.00	167.29	312.84	322.02	43.70	36.65	1.90	3.95
Woco Motherson Advanced Rubber Technologies Ltd.	33.33%	348.62	307.53	475.15	374.51	127.60	70.34	3.49	12.09
Calsonic Kansei Motherson Auto Products Ltd.	49%	176.48	117.15	610.44	3.21	13.87	(45.57)	110.67	77.38
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	50%	744.65	-	966.67	-	32.32	-	49.54	-

#### KYUNGSHIN INDUSTRIAL MOTHERSON LIMITED (KIML)

**Introduction:** KIML is a joint venture between Kyungshin Industrial Co. Ltd., South Korea and Motherson Sumi Systems Ltd. The company manufactures wiring harnesses at three locations in Chennai (India).

**Area of Business & Industry Segment:** The Company is a single source of procuring wiring harness for Hyundai Motor India Ltd. for its complete range of cars manufactured in India. It caters exclusively to Hyundai Motors. The Company has the facility of conveyerised mass production of wiring harness

**CERTIFICATIONS:** ISO/TS 16949:2009, ISO 14001:2004, QUALITY 5 STAR

**Performance in 2009-10:** KIML achieved a turnover of Rs. 6,058 million as compared to Rs. 4,983 million in the previous year registering a growth of 18%. KIML is the 100% supplier of wiring harnesses to Hyundai Motors India Ltd. since the inception.

#### BALDA MOTHERSON SOLUTION INDIA LIMITED

**Introduction:** Balda Motherson is a joint venture between Balda AG (Germany) and Motherson Sumi Systems Limited and is located in Chennai.

**Area of Business & Industry Segment:** The company supplies injection moulded components and assemblies for mobile phones, electrical and electronic equipments. The product range includes plastic covers for telecom (chargers / antennae), circuit breaker parts, automotive connectors etc.

**CERTIFICATIONS:** ISO 9001, ISO14001, OSHAS-18001

**Performance in 2009-10:** The sales for the company reached Rs 366 million as compared to Rs. 200 million in 2008-09. MSSL, subsequent to the year end, has acquired 60% stake held by Balda AG.

#### WOCO MOTHERSON LTD. (FZC)

**Introduction:** The Company is a joint venture between Motherson Sumi Systems Ltd. and WOCO Group of Germany.

The company is located at the Sharjah Airport International Free Zone, Sharjah, UAE.

**Area of Business & Industry Segment:** WML specializes in liquid silicone rubber injection Molding. The product range includes products for automotive applications, medical equipment applications, measuring and control technology and kitchen appliances.

**CERTIFICATIONS:** ISO TS 16949:2002

**Performance in 2009:** The revenue of the company stands at Euro 4 million as compared to Euro 5 million of the previous year. In calendar year 2009, the company distributed a total dividend of Euro 0.9 million.

#### WOCO MOTHERSON ELASTOMER LTD.

**Introduction:** The Company is a joint venture between Motherson Sumi Systems Ltd. and WOCO Group of Germany and is located in Noida, India.

**Area of Business & Industry Segment:** The Company manufactures and exports injection molded rubber components back to the Joint Venture Partner. WML products cater to the automotive, industrial and the construction sector.

**CERTIFICATIONS:** TS 16949- 2009, ISO 14001- 2004

**Performance in 2009-10:** The revenue of the Company is Rs. 313 million as compared to Rs. 322 million of the previous year.

#### WOCO MOTHERSON ADVANCED RUBBER TECHNOLOGIES LTD.

**Introduction:** The Company is a joint venture between Motherson Sumi Systems Ltd. and WOCO Group of Germany and is located at Kandla, Special Economic Zone.

**Area of Business & Industry Segment:** The Company focuses on European automotive and auto component manufacturing. The range includes pedal parts and solid silicon articles for acoustic applications besides manufacturing and exporting rubber, rubber to metal and rubber to plastic bonded parts.

**CERTIFICATIONS:** ISO: TS 16949:2009

**Performance in 2009-10:** The revenue of the Company stands at Rs. 475 million as compared to Rs. 375 million of the previous year. The division received the Top Exporter Award for 2008-09 by the KASEZ authority.

#### CALSONIC KANSEI MOTHERSON AUTO PRODUCTS LIMITED

**Introduction:** The Company is a joint venture between Motherson Sumi Systems Ltd. and Calsonic Kansai, Japan. The manufacturing units are located in Manesar and Chennai in India.

**Area of Business & Industry Segment:** The Company specializes in the manufacture of climate- control systems including HVAC modules, compressors, body control modules and meters clusters for the automotive industry.

**Performance in 2009-10:** The Company generated revenue of Rs. 610 million as against Rs. 3 million in the previous year. A new manufacturing unit has come up in Chennai and production has successfully commenced in this unit this year. Another new facility is coming up in Ahmedabad, Gujarat for supply of compressors to Tata Nano. Expansion in new business prospects with Maruti and Nissan will be met from existing units in Manesar and Chennai.

#### SUPPORT SUBSIDIARIES

##### MSSL GmbH, GERMANY

The Company is a 100% subsidiary of MSSL through MSSL Mideast. MSSL GmbH is located in Gelnhausen near Frankfurt and acts as the holding company and corporate office providing support to the European entities.

##### MSSL MAURITIUS HOLDINGS LTD., MAURITIUS

The company is a 100% subsidiary of Motherson Sumi Systems Ltd. and is located in Mauritius. The Company is holding investments in Woco Motherson Limited (FZC) Sharjah, MSSL Ireland Pvt. Limited, Ireland, Global Environment Mangament (FZC), Samvardhana Motherson Global Holdings Ltd. and MSSL Global RSA Module Engineering Limited.

#### **MSSL IRELAND PVT. LTD., IRELAND**

The company is a 100% subsidiary of MSSL, Mauritius. The company is located in Ireland and provides design services, mainly to wiring harnesses customers. It also provides logistics support services to MSSL and MSSL Mideast, enabling them to supply online to customers in Europe.

#### **MSSL (S) PTE LTD., SINGAPORE**

The company is a 100% subsidiary of Motherson Sumi Systems Ltd. and is located in Singapore. It provides support to MSSL and its group companies mainly for international purchasing. The company is also a holding company for the group investments in Australia.

#### **MSSL HANDELS GmbH, AUSTRIA**

The company is a 100% subsidiary of Motherson Sumi Systems Ltd. and is located in Austria. It provides support to MSSL by coordinating with the customers.

#### **MSSL AUSTRALIA PTY. LTD., AUSTRALIA**

The company is an 80% subsidiary of Motherson Sumi Systems Ltd. The Company, after phase- out of Door TRIM Program is now functioning as the Corporate office and holding company for the group investments in Australia.

#### **MSSL INVESTMENTS PTY. LTD., AUSTRALIA**

The company is an 80% subsidiary of Motherson Sumi Systems Ltd. through MSSL Australia Pty. Ltd.

#### **HUMAN RESOURCE**

Employees are primary builders and the foundation stone of an organization. Proper management of human resource is very vital for the success of an organization. The Company focuses on recruiting the best talent in the industry as the right people steer the organization in the right direction. Proper induction and orientation is stressed upon which provides a sense of belongingness and ownership towards the organization. Engaged employees feel a strong emotional bond to the organization that employs them. This is the key to MSSL's success. Skill management is an ongoing process. Employees assess and are given the opportunity to upgrade their existing skills. Training programs are conducted for this purpose. For senior executives, Leadership Development Programmes are institutionalized. MSSL provides an

environment to its employees to take higher responsibilities and stretch assignments from very early stages of their career. In the manufacturing units, for each activity there is a person declared as the owner of that activity, who takes the onus of maintaining and improving the activity.

To develop and reinforce the sense of belongingness to the organization various welfare measures for the employees are taken. These involve employees outside the ambit of their jobs in extra-curricular activities which includes monitoring of working conditions through infrastructure for health and insurance against disease/ accident for the workers and their families. There are also cultural programmes and competitions. There are annual day celebrations, painting competition for the children of employees, picnics, cultural activities and quality circles, where maximum employee participation is solicited. Our team also participated in the global skill Olympics organized by our collaborator SWS. Such programs transcend all bars and create the "WE" feeling amongst employees.

Quality Circle is one of the most important employee participation methods in MSSL. In MSSL the potential of people is utilized for the improvement of product quality and productivity of employees. The Quality Circle movement has been gaining strength in the Company. MSSL has 213 quality circles operating within the Company, its subsidiaries and joint ventures. It was a moment of pride for us when Shreshtha QC of Faridabad won the National Quality Circle Convention organized by ACMA. Many such awards have been won by our Quality Circles nationally. Saarthak Quality Circle of Noida received "Par Excellence Award" in QC Convention Organized By QCFI (Delhi Chapter). Similarly Chetna Quality Circle of Bangalore Won "Excellent Award In CCQC Organized By QCFI Bangalore - Chapter". They also won the "Excellent Award In NCQC organized By QCFI". Perna Quality Circle of SBU 5 won the QC convention organized by HSCI supplier's Club.

MSSL today has more than 90 facilities spread across 21 countries on five different continents. The diverse workforce of the Group is its strength. Exposure to different methodologies of work across the globe has increased the flexibility and enhanced the ability to change and adopt to new technologies and practices. It has helped us in giving a global exposure and understanding to our employees and has also facilitated in serving our customer across the globe in a better way.

## ENVIRONMENT, HEALTH AND SAFETY (EHS)

Health and Safety of employees is of prime importance. Human life is precious. Utmost attention is given to the safety of its employees, related communities and the environment at large. Health and safety form an integral part of work environment.

Safety is everybody's responsibility. However, in MSSL the overall responsibility of employee health and safety falls on Human Resource Management. Educating about safety programs, making employees aware about the health and safety policy of the Company, conduct formal safety training, etc all form part of EHS training. The supervisors and departmental heads are responsible for maintaining safe working conditions.

A Safety Week was observed during 4th March 2009-10th March 2009 across the MSSL units. Main objective of the week was to "Make your workplace Safe, Secure & Injury Free". To achieve this many programs were conducted across the various units & activity areas. Trainings were given to staff bus drivers, ambulance drivers, forklift drivers etc. trainings are also given to contractors services like canteen, housekeeping & security for safety awareness. Mock drill sessions are carried out for fire fighting. Various other activities were carried out this week which included display of safety banners, distribution of safety badges, a quiz competition on the safety measures and a safety march was held for the workers on the shop floor of the units. A meeting was also held with all contractors for safety awareness. In addition to these, Advanced Fire Fighting Technique cylinders were made available for the units.

Safety audits are carried out at regular intervals in all the units. A training module of general safety has been introduced for new employees. A new system has been started for issuing work permit. This work permit system covers all the aspects related to safety before starting of the work, after completion of work and also during the work.

Most of the units of MSSL are accredited with ISO 14001 certification. MSSL re-affirms its commitment to provide a safe working place and clean environment to its employees and other stakeholders as an integral part of its business philosophy and values. The Company will continuously enhance its environmental, occupational health and safety performance in its activities, products and services through a structured MSSL management framework.

MSSL develops products that help in improving the environment. Its subsidiary, Global Environment Management, is dedicated towards developing products for improving the environment. Their first product Aerobin is a technological breakthrough in home and garden waste management that allows households to effectively recycle organics at home. The product helps the average household divert 50% of their waste away from landfill, into compost. Aerobin composts aerobically, a decomposition process that doesn't give off the potent, dangerous, greenhouse gases that occur when organic waste is decomposed anaerobically in landfill. This reduces household carbon emissions. The organic compost and diluted Leachate produced by the Aerobin can be used as a natural soil conditioner in the garden also.

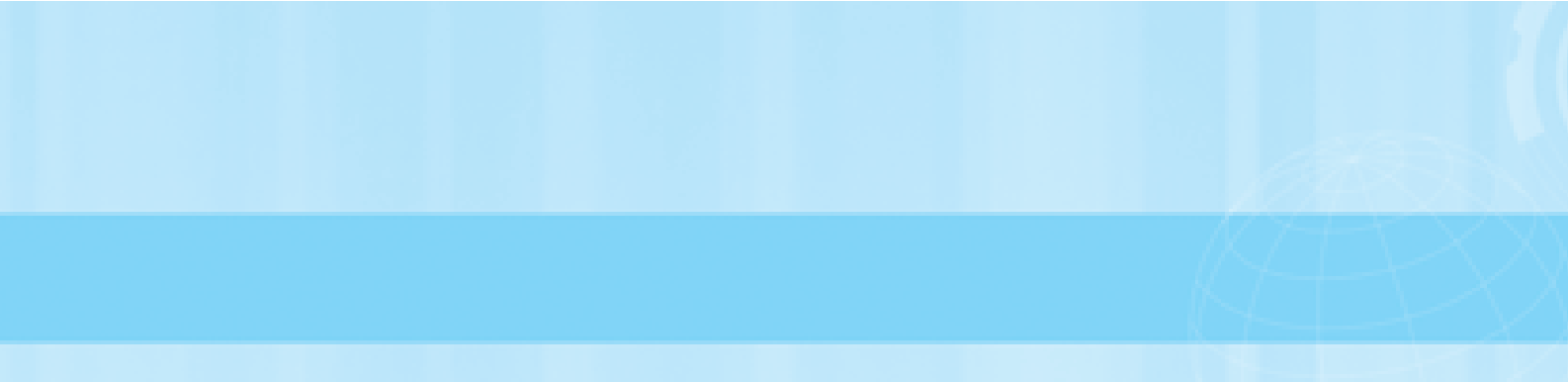
There are small conservation drives observed throughout the Company like reducing paper wastage, using the best pollution control equipment which ensure. A special team called the 'Green Team' has been deputed at some of our units who take initiatives like using environmental friendly products etc. there is also a movement in our units of tree plantation for a green and pollution free environment.

The aim is to ensure that EHS risks and impacts are managed effectively and to identify opportunities to reduce risks and contribute to continuous improvement.

## OPPORTUNITIES AND FUTURE PROSPECTS

The global recession affected all sectors. However, the automotive sector and the automotive component sector were fast to recover from this slowdown and have registered a strong growth. OEMs are making substantial investments in India to cater to the Indian market as well as for exporting fully assembled cars from India. New Car makers are making substantial investments in India and setting up factories here. This opens a wide market for the auto component sector in the near future.

The buoyancy in the Indian automobile market has put makers of auto components in a tight spot as they struggle to keep pace with rising demand. The unanticipated growth has caught suppliers off guard, some of whom are still recovering from the bruises of the slowdown of 2008-09. During the slowdown we continued expanding our capacities which today is proving beneficial to us. With market revival, the demand has also increased and today we are in a position to meet the increased demands of our customers.



Automobile industry accounts for about 15% of the country's gross domestic product. The government is taking various initiatives to promote the automobile industry like assigning technology fund for the industry, adoption of cleaner fuel and filling in the skill gap. The industry is expected to double itself from 1.5 million units at present to 3 million units by 2016.

MSSL has its spread across 21 countries. These include a network of manufacturing bases, design centers, logistics centers, marketing support and sourcing hubs across diversified geographical base. With its presence in strategic locations, near our main customer clusters, the Company is in a position to service all its customers across the world, supported by robust logistics management. The philosophy of increasing content per car has a huge potential for the Company in the coming times.

MSSL has expanded its capacities even in trying times, so the Company is ready for the challenges the market is posing and to meet the increased demand of its customers. The Company is in its growth phase. There are investments to be made in expanding and upgrading our facilities. However, as always the Company would be judicious in its capital spending.

#### **CORPORATE SOCIAL RESPONSIBILITY - CSR**

Contributing to the society in which we operate, to ensure its sustainable development is MSSL's commitment to a better society. Aid to underprivileged children is a major area of focus in CSR activities for MSSL through various programs in the community. Special emphasis is given to the education and development of the girl child. The Company is associated with NGOs and institutions dedicated to primary education and over all development of underprivileged girl children. Support is also extended to an NGO run for special children. The Company extends its support to these special children of the society by arranging sale cum exhibition of the products made by these children of the NGO. The Company also provides scholarships

to needy children who have an aim and ambition in life and gives support to orphanages and old age homes.

Various programs have been incorporated in house where employees are encouraged to come forward directly or indirectly in- aid of these children. One such program is the designing of greeting cards in-house by the Company on various festive occasions. These cards are then sent via email to the various stakeholders of the company. On every card sent a certain amount is set aside for organizations catering to Child Relief.

The Company in partnership with an NGO participated in a program where all the employees of MSSL came forward in large numbers to donate old/ new clothes, utensils, footwear, dry ration, magazines, school material, books and toys, which was then donated to underprivileged villagers under 'Cloth for Work' scheme.

Blood donation camps in association with Rotary Blood Bank and Goodwill hospital are also organized in the Company premises at regular intervals. Employees come in huge number for donating blood.

MSSL also lays special emphasis on using environment friendly product for safeguarding the environment through sustainable business products. It strives to achieve goals of achieving symbiosis with nature, and has been proceeding with efforts toward environmental protection in all aspects of its business activities. Tree plantation drives are also initiated in the company at intervals.

With a true corporate vision, the Company embraces a wider community rather than just its shareholders, customers and suppliers. Keeping in mind larger societal issues the Company tries to integrate economic, environmental and social factors in its business strategies.



## Directors' Report

### *To the members,*

Your Directors have the pleasure in presenting the 23rd Annual Report together with the audited accounts of the Company for the financial year ended 31st March, 2010.

#### FINANCIAL RESULTS

The summarized financial results of the company for the year ended 31st March, 2010 and for the previous year ended 31st March, 2009 are as follows:

	(Rs. in Million)	
	Year ended 31.03.2010	Year ended 31.03.2009
Gross sales	18,284	14,429
Net sales	17,049	12,949
Other Income	1,235	372
Profit before depreciation, interest and tax	3,569	1,688
Less: Depreciation	646	545
Less: Interest (net)	252	291
Profit before tax	2,671	852
Less: Provision for taxation	886	157
<b>Profit after tax</b>	<b>1,785</b>	<b>695</b>
Add: Balance brought forward	1,631	1,597
Profit available for appropriation	3,416	2,292

#### OPERATIONS AND PERFORMANCE

The year under review was a transformational year for the Company. The Company has scaled new heights and set several new benchmarks in terms of sales, profit and net worth. During the year under review, your company achieved a turnover of Rs. 18,284 million including other income of Rs. 1,235 million resulting in a growth of about 37.25% over its turnover of Rs. 13,321 million

including other income of Rs. 372 million of the previous financial year ended March, 2009.

The profit after tax for the year ended March, 2010 at Rs. 1,785 million was higher than 157% from the previous financial year ended March, 2009 at Rs. 695 million. As per the Consolidated Accounts, the profit after tax was Rs. 2,336 million as compared to Rs. 2,212 million in year 2008-09.

The operational performance of the Company has been comprehensively covered in the Management discussion and analysis, which forms part of the Directors' Report.

#### DIVIDEND

Your Directors recommended payment of dividend of Rs.1.75 per share on the face value of Rs. 1/- each for the financial year ended March 31, 2010. The dividend, if approved by the members will be paid on or after August 26, 2010.

#### FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs)

Your Company had issued 50,300 Zero Coupon Foreign Currency Convertible Bonds (FCCBs) of ₹1,000 each aggregating to ₹50,300,000 on 15 July 2005. The Company has received notices for exercise of conversion option by all Bondholders before the maturity date and that Bonds have been entirely converted into equity shares. Accordingly, there is no outstanding balance of FCCBs.

#### SHARE CAPITAL

During the financial year 2009-10, your Company has issued 19,040,000 equity shares of Rs. 1/- each and further during current financial year has issued 12,950,000 equity shares of Rs. 1/- each on account of conversion of Foreign Currency Convertible Bonds (FCCBs) as per following details:

Date of Allotment	Particulars of Issue	No. of Shares	Total Share Capital after allotment (Rs/millions)
	Share Capital as on 31-3-2009		355.554
07.01.2010	Conversion of FCCBs	1,400,000	356.954
11.01.2010	Conversion of FCCBs	700,000	357.654
16.01.2010	Conversion of FCCBs	2,030,000	359.684
28.01.2010	Conversion of FCCBs	1,120,000	360.804
30.01.2010	Conversion of FCCBs	1,400,000	362.204
06.02.2010	Conversion of FCCBs	210,000	362.414
20.02.2010	Conversion of FCCBs	210,000	362.624
06.03.2010	Conversion of FCCBs	2,135,000	364.759



Date of Allotment	Particulars of Issue	No. of Shares	Total Share Capital after allotment (Rs/millions)
18.03.2010	Conversion of FCCBs	5,985,000	370.744
31.03.2010	Conversion of FCCBs	3,850,000	374.594
Post Balance Sheet date allotments:			
14.04.2010	Conversion of FCCBs	2,100,000	376.694
26.04.2010	Conversion of FCCBs	4,200,000	380.894
18.05.2010	Conversion of FCCBs	4,200,000	385.094
23.06.2010	Conversion of FCCBs	1,050,000	386.144
30.06.2010	Conversion of FCCBs	1,400,000	387.544

#### CREDIT RATING

The Company continues to enjoy "A1+" rating by ICRA for its commercial paper / short-term debt program of Rs. 1,000 million.

#### FIXED DEPOSITS

The Company has neither invited nor accepted any deposits from the public during the year. There is no unclaimed or unpaid deposit lying with the Company.

#### DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Maj. Gen. Amarjit Singh (Retd.) and Mr. M.S. Gujral, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

Brief resume of the above Directors, nature of their expertise in functional areas and the name of the public companies in which they hold the Directorship and the Chairmanship/Membership of the Committees of the Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, are given as Annexure to the Notice convening the Annual General Meeting.

None of the Directors of your Company is disqualified as per provision of Section 274(1)(g) of the Companies Act, 1956. Your Directors have made necessary disclosures as required under various provisions of the Act and Clause 49 of the Listing Agreement.

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 and subject to disclosures in the Annual Accounts, we state as under:-

- That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure were made for the same;

- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for year ended on that date;

- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- That Directors have prepared the annual accounts on a going concern basis.

#### AUDITORS

M/s. Price Waterhouse, Chartered Accountants (Registration No.-007568S), statutory auditors of the Company, who retire at the conclusion of the ensuing Annual General Meeting of the Company have expressed their unwillingness to be considered for re-appointment as Auditors of the Company for the financial year 2010-11. Special notice has also been received from a member proposing the appointment of M/s. Price Waterhouse, Chartered Accountants (Registration No.-012754N) as statutory auditors of the Company for the financial year 2010-11.

M/s. Price Waterhouse, Chartered Accountants (Registration No.-012754N) have expressed their willingness for appointment as statutory auditors and confirmed that their appointment, if made, will be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956 and they are not disqualified for appointment within the meaning of Section 226 of the said Act.

#### AUDITORS' REPORT

The observations of the Auditors and the relevant notes on the

accounts are self-explanatory and therefore do not call for any further comments.

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard - 21 on Consolidated Financial Statements read with Accounting Standard - 23 on Accounting for Investments in Associates and AS -27 on Financial Reporting of Interests in Joint Venture in Consolidated Financial Statements, your Directors have the pleasure in attaching the Consolidated Financial Statements which form a part of the Annual Report.

The performance of the Company on consolidated basis is discussed at length in the Management discussion and analysis.

### PARTICULARS REQUIRED AS PER SECTION 212 OF THE COMPANIES ACT, 1956

As per Section 212 of the Companies Act, 1956, a Company is required to attach the Directors report, balance sheet and profit and loss account of the subsidiaries of the Company.

Ministry of Corporate Affairs, Government of India has granted approval that the requirement to attach various documents in respect of subsidiary companies as set out in sub section (1) of Section 212 of the Companies Act, 1956, shall not apply to the Company. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Annual Report of the Company. Financial information of the subsidiary companies, as required by the said approval, is disclosed in the Annual Report.

A step down subsidiary company in the name of SMR Brasil LTDA at Brazil has been incorporated on 12th March, 2010 through SMR Automotive Mirror Technology Holding Hungary KFT and the first financial year will be from 12th March, 2010 to 31st December, 2010.

The annual accounts of the subsidiary companies, along with related detailed information shall be made available to the holding and subsidiary investors seeking such information at any point of time. Any shareholder of the Company/ its subsidiaries interested in obtaining the annual accounts of the subsidiaries may write to the Company Secretary at the Registered Office of the Company. The annual accounts of the subsidiary companies shall also be kept for inspection by any investor in the Registered Office of the Company. In the opinion of the management, the consolidated

accounts present a full and fair picture of the state of affairs and financial condition and they are accepted globally.

Details of subsidiaries of the Company are covered in Management discussion and analysis Report forming part of the Annual Report.

### AUDIT COMMITTEE

The Audit Committee was constituted in terms of the requirements set out in Clause 49 of the Listing Agreement with the stock exchange(s) on Corporate Governance comprising Mr. M. S. Gujral, Maj. Gen. Amarjit Singh (Retd.), Mr. Toshimi Shirakawa and Mr. Arjun Puri. Mr. M. S. Gujral is the Chairman of the Audit Committee.

### EXPORTS

The Company's exports during the year were Rs. 2,148 million as against Rs. 2,347 million in the previous financial year. The Company continues to make its efforts towards achieving higher growth by providing cost competitive quality solutions to its customers. In addition, the Company has facilities mainly in Europe, to constantly service the customers as well as scan the markets for growth.

### CORPORATE GOVERNANCE

A separate section on Corporate Governance, forming a part of the Director's Report and the certificate from the Company's auditors confirming compliance of conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement, is included in the Annual Report.

### LISTING

The shares of your Company are listed at National Stock Exchange of India Limited, Bombay Stock Exchange Limited, Delhi Stock Exchange Limited and Ahmedabad Stock Exchange Limited. The listing fees for the year 2010-11 have paid to the said Stock Exchanges.

The bonds of the Company were listed at Singapore Exchange Securities Trading Limited. Since all the bonds (FCCBs) are converted into equity shares as on 30.06.2010, there is no outstanding FCCB.

### PARTICULARS OF EMPLOYEES

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the name and other particulars of the employees are

set out in the annexure to the Directors' Report.

However, having regard to the provisions of section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report is being sent to all the shareholders of the company excluding the statement of particulars of employees under section 217(2A) of the Companies Act, 1956. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at the registered office of the Company.

#### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

Information under section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure 'A' to this Report.

#### **HUMAN RESOURCES**

The relations with the employees and associates continued to remain cordial throughout the year. The Directors of your

Company wish to place on record their appreciation for the excellent team spirit and dedication displayed by the employees of the Company.

#### **ACKNOWLEDGEMENT**

Your Board of Directors would like to place on record their sincere appreciation for the wholehearted support and contributions made by all the employees of the Company as well as customers, suppliers, bankers and government authorities particularly in the state of Delhi, Haryana, Uttar Pradesh, Maharashtra, Tamilnadu and Karnataka towards the conduct of the efficient operations of your Company. Last but not the least the Board of Directors wish to thanks the shareholders, FCCB holders of the Company and the collaborator Sumitomo Wiring Systems Limited, Japan for its continuous support.

For and on behalf of the Board  
for **MOTHERSON SUMI SYSTEMS LIMITED**

Place : Noida  
Date : July 26, 2010

M.S. Gujral  
Chairman

V. C. Sehgal  
Vice Chairman

## Annexure `A' To Directors' Report

Information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo Pursuant to Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report.

### A. CONSERVATION OF ENERGY

#### a) Energy Conservation measures taken:

The Company has constantly been emphasizing as optimization of energy consumption in every possible area in its units. Various avenues are being explored at periodic interval and after careful analysis and planning measures are being initiated to minimize the consumption of energy by optimum utilization of energy consuming equipments. During the year under review, the following measures were initiated/adopted for conservation and optimize utilization of energy.

- Installation of occupancy sensor to switch-off lights automatically
- Installation of auto switch-off timer in fans
- Reduction in energy consumed by replacing high wattage bulbs on machines to low wattage LEDs.
- Energy saving tube lights installed across all units
- Installed variable drive motors on compressors
- Daylight sensors on street lights
- Optimised air-cooling systems
- Changing the water circuit for optimizing the water cooling circulation
- Installation of automatic timer controlled circuit for plant lighting

#### b) Future Proposals for Energy Conversion

The Company will take necessary measures as may be required from time to time for conversion of energy.

#### c) Impact of the measures at (a) & (b) above for reduction of energy consumption

The above measures will result in energy saving and consequent decrease in cost of production.

### B. TECHNOLOGY ABSORPTION

The following efforts are being made in technology absorption:

### RESEARCH & DEVELOPMENT (R&D)

#### 1. Specific areas in which R&D is carried out by the Company

The Company has been continuously working towards enhancing its research and development capabilities. In addition to enhancing capabilities in the area of wiring harness design and adoption of new methods and techniques for manufacturing and assembly of harnesses, the company is also focusing in enhancing its capabilities in the area of Jigs and applicators designing and manufacturing.

The Company has been keeping pace with the technological advances by implementation of state-of-the-art manufacturing best practices. Research and Development was carried out for the development of the new models for several Indian and overseas customers.

In process engineering the Company introduced a silicon sealing machines for earth terminals.

#### 2. Benefits derived as a result of the above R&D

The benefits derived as a result of the above research and development programmes was in the form of winning new businesses, building confidence of existing customer and reducing the time to market.

#### 3. Future plan of action

Steps are continuously being taken for innovation and renovation of products and enhancement of product quality/profile, to offer better products at relatively affordable prices to customers.

#### 4. Expenditure on R&D

During the year, the Company spent Rs. 51.95 million. This is equivalent of 0.30% of the turnover.

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

With the changing requirements in wiring harness manufacturing, the Company has acquired new machines and processes as per the product requirements. The Company has successfully implemented a number of Kaizen led improvements to enhance

productivity and manufacturing efficiency.

The company sends its design engineering regularly to its Collaborator, for working together for designing and development of new harnesses for future models to be introduced by the OEMs, in addition to collaborators technicians providing on-site support to the company.

- Benefits derived as a result of the above efforts: The Company is now partnering the new development and designing with its major customers.
- Imported Technology: the company has access and implemented the latest processes and techniques in its manufacturing and design facilities.

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. The activities relating to export, incentives to increase exports and developments of new export markets are discussed below.

The Company has continued to maintain focus and avail of export opportunities based on economic consideration. During the year, the Company has exports (FOB value) worth Rs. 2,148 million.

#### 2. Total foreign exchange used and earned

	(Rs. in million)
a. Total Foreign exchange earned	2,155
b. Total Foreign exchange used	7,090

The detailed information on foreign exchange earnings and outgo is also furnished in the notes to the accounts.

For and on behalf of the Board  
for **MOTHERSON SUMI SYSTEMS LIMITED**

Place : Noida

Date : July 26, 2010

M.S. Gujral

Chairman

V. C. Sehgal

Vice Chairman

# Report on Corporate Governance

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is based on the principles of integrity, transparency, accountability and commitment to values. Your Company views its policies of Corporate Governance not only to comply with the statutory requirements in letter and spirit, but also to aims at implementing the best practices, keeping in view the overall interest of all its stakeholders. Your Company takes Corporate Governance as a Critical tool to enhance trust of the Company's Customers, Employees, Investors, Government and the Community at large and would help the Company achieve its goal of maximizing value for all its stakeholders.

## BOARD OF DIRECTORS

The Board presently comprises of the majority of Non-executive and Independent Directors, who are eminent professionals with a rich experience in business, finance and public enterprises. The composition of the Board, and the number of other Directorships held by each Directors and relevant information for their category as on 31.03.2010 is given in the table below:

Name of the Director	Executive/Non-executive/ Independent	Other Directorship (in Public Co.)	Committee memberships	Committee Chairmanships
Mr. M. S. Gujral	Independent Director	7	8	5
Mr. V. C. Sehgal	Non-executive Director	13	7	1
Mr. Toshimi Shirakawa	Non-executive Director	2	1	–
Mr. Bimal Dhar	Non-executive Director	9	2	–
Mr. Hiroto Murai	Non-executive Director	1	–	–
Maj. Gen. Amarjit Singh (Retd.)	Independent Director	2	4	2
Mr. Arjun Puri	Independent Director	1	2	–
Mr. Toshihiro Watanabe	Executive/Whole-time Director	2	1	–
Mr. Laksh Vaaman Sehgal	Non-executive Director	8	2	–
Mr. Futoshi Urai (Alternate Director to Mr. Hiroto Murai)	Non-Executive Director	2	–	–
Mr. Pankaj Mital (Alternate Director to Mr. Bimal Dhar)	Executive/Chief Operating Officer	2	1	–

## ATTENDANCE AT BOARD MEETINGS AND ANNUAL GENERAL MEETINGS

The Board of Directors of the Company meets at least once a quarter to review the quarterly results and other items on the agenda.

The information regularly supplied to the Board of Directors include amongst others the following:

1. Annual Operating plans and budgets and updates.
2. Quarterly Performance of our various units/divisions, subsidiaries and joint venture companies
3. Materially important legal cases
4. Details of any Joint Venture or Collaboration Agreement
5. Developments on Human Resource of the Company

The Board of Directors of the Company met seven times during the financial year 2009-2010 : (i) April 30, 2009 (ii) June 29, 2009 (iii) July 27, 2009 (iv) October 26, 2009 (v) January 7, 2010 (vi) January 28, 2010 and (vii) March 31, 2010.



The table for the attendance record of the Directors is as given below:

Name of the Director	No. of Board meetings attended	Attendance at last Annual General Meeting
Mr. M. S. Gujral	7	Yes
Mr. V. C. Sehgal	7	Yes
Mr. Toshimi Shirakawa *	–	Yes
Mr. Bimal Dhar	4	Yes
Mr. Hiroto Murai	1	Yes
Maj. Gen. Amarjit Singh (Retd.)	7	Yes
Mr. Arjun Puri	4	Yes
Mr. Toshihiro Watanabe	7	Yes
Mr. Laksh Vaaman Sehgal	6	Yes
Mr. Pankaj Mital	3	Yes
(Alternate Director to Mr. Bimal Dhar)		
Mr. Futoshi Urai	4	No
(Alternate Director to Mr. Hiroto Murai)		

\* Out of seven Meeting, he participated in three meeting over teleconference.

#### REMUNERATION OF DIRECTORS

The details of the payments made to the Directors during the financial year ended March 31, 2010 are as follows:

Name of the Director	Gross remuneration (Rs.)	Sitting fee# (Rs.)	Total (Rs.)
Mr. M. S. Gujral	Nil	3,80,000	3,80,000
Maj. Gen. Amarjit Singh (Retd.)	Nil	3,80,000	3,80,000
Mr. Arjun Puri	Nil	2,20,000	2,20,000

#Includes sitting fees paid for committee meetings.

Name of the Director	Salary	Amount
Mr. Toshihiro Watanabe	Basic salary	5,76,000.00
	Special Allowance	9,33,120.00
	Bonus	–
	Other benefits	21,12,802.00
	<b>TOTAL</b>	<b>36,21,922.00</b>
Mr. Pankaj Mital	Basic salary	33,21,456.00
	Bonus	6,00,240.00
	Other benefits	7,38,003.00
	<b>TOTAL</b>	<b>46,59,699.00</b>

#### AUDIT COMMITTEE

The Audit Committee of the Company comprises the majority of Independent Directors. The members of the Audit Committee met six times during the financial year 2009-10 and the Committee reviewed the quarterly, half-yearly and annual financial statements before submission to the Board.

The dates on which the meetings were held are as follows:

(i) May 8, 2009 (ii) June 27, 2009 (iii) June 29, 2009 (iv) July 27, 2009 (v) October 26, 2009 and (vi) January 28, 2010.

The composition and attendance of each member of the Committee is given below:

Name	Designation	Non-executive/ Independent	Committee meetings attended
Mr. M.S. Gujral	Chairman	Independent	6
Maj. Gen. Amarjit Singh (Retd.)	Member	Independent	6
Mr. Toshimi Shirakawa *	Member	Non-executive	–
Mr. Arjun Puri	Member	Independent	6

\* Out of six Meeting, he participated in three meeting over teleconference.

The terms of reference of the Audit Committee comprises the following:

- To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors.
- To review compliance with internal control systems.
- To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board.
- To investigate into any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek professional advice, if necessary.
- To review the Company's financial and risk management policies.
- To obtain external advice, legal or other professional advise.
- To secure attendance of outside parties with relevant expertise, if it considers necessary.
- To seek information from any employee.

#### INVESTORS' GRIEVANCE COMMITTEE

The Company has an Investors' Grievance Committee which looks into shareholders' and investors' grievances. The following are the members of the Committee:

Name	Designation	Executive/Non-executive/ Independent
Mr. M.S. Gujral	Chairman	Independent/Non-executive
Mr. Toshihiro Watanabe	Member	Executive

Mr. G.N. Gauba, the Company Secretary, is the Compliance Officer.

#### SHARE TRANSFERS

- All shares have been transferred and returned in about 20 days from the date of receipt, so long as the documents have been clear in all respects.
- The Share Transfer Committee meets normally once a fortnight.
- Total number of shares transferred in physical form during the year 2009-2010 was 11771 as compared to 29144 during 2008-2009.
- As on March 31, 2010, there are no equity shares pending for transfer.

#### INVESTOR RELATIONS

92 complaints relating to the non-receipt of shares after transfer, non-receipt of dividend etc. were received.

All the complaints received during the year were cleared within the financial year.

The complaints are generally responded to within 10 days from the date in which they are lodge with the Company.

## PARTICULARS OF THE PAST THREE AGMS

Annual General Meeting	Date	Time	Venue	Special Resolutions passed
20th	July 30, 2007	3:30 P.M.	FICCI Golden Jubilee Auditorium, New Delhi	Issue of Bonus Shares in the ratio of 1 share for every 2 shares held.
21st	August 11, 2008	11:30 A.M.	FICCI Golden Jubilee Auditorium, New Delhi	Re-appointment of Mr. Pankaj Mital as Manager under the companies Act, 1956 for a period of 3 years w.e.f. 01.04.2008.  Appointment of Mr. Toshihiro Watanabe as Whole-time Director for a period of 3 years w.e.f.02.06.2008.
22nd	September 24, 2009	11:30 A.M.	FICCI Golden Jubilee Auditorium, New Delhi	Revision the remuneration of Mr. Toshihiro Watanabe, Whole-time Director of the Company.

During the year under review, the Company conducted one Postal Ballot as required under the Companies (passing of Resolution by Postal Ballot) Rules, 2001 for passing Special Resolution which relate to Amendment in the Object Incidental or Ancillary of the Main Objects of the Company. Mr. Suresh Shetty was the scrutinizer for conducting the postal ballot. The Special Resolution passed by overwhelming majority.

## Particulars of loans/ advances and investment in its own shares by listed companies, their subsidiaries, associates, etc., required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement

(Rs. in Million)

Name of Company	Status	Nature	Balance as on March 31, 2010	Maximum outstanding during the year
MSSL Handels GmbH	100% Subsidiary	Loan	6.15	10.68
MSSL Global Wiring Ltd.	100% Subsidiary	Loan	239.60	239.60
MSSL GmbH	100% Subsidiary of MSSL Mideast (FZE)	Loan	187.70	187.70
MSSL (GB) Ltd.	100% Subsidiary of MSSL Mideast (FZE)	Loan	97.12	97.12
Motherson Sumi Wiring System Ltd. (FZC)	51% Subsidiary of MSSL Mideast (FZE)	Loan	77.32	137.83
MSSL Australia Pty Limited	80% Subsidiary of MSSL (S) Pte. Ltd.	Loan	38.05	394.85
Motherson Sumi Reiner GmbH	100% Subsidiary of MSSL GmbH	Loan	69.41	69.41
MSSL Advanced Polymer s.r.o.	100% Subsidiary of MSSL GmbH	Loan	282.31	282.31
SMR Automotive Systems India Ltd.	51% Subsidiary of SMR Automotive Technology Holding Cyprus Ltd.	Loan	61.20	61.20

## DISCLOSURES

- No transaction of material nature has been entered into by the Company with the Directors or Management and their relatives, etc. that may have a potential conflict with the interests of the Company.
- Transactions with the related parties are disclosed in Note No. B(21) of Schedule XIII to the Accounts in the Annual Report.

- No penalties or strictures were imposed by SEBI or the Stock Exchange.
- All mandatory requirements have been complied with and non mandatory requirements have not been complied with.

## MEANS OF COMMUNICATION

The annual, half-yearly and quarterly results are regularly posted by the Company on its website [www.motherson.com](http://www.motherson.com). These are

also submitted to the stock exchanges in accordance with the Listing Agreement and published in leading newspapers like The Economic Times.

Management discussion and analysis report forms a part of the Annual Report.

## SHAREHOLDERS' INFORMATION

### 1. Annual General Meeting to be held

- Date : 26.08.2010
- Day : Thursday
- Time : 11:30 A.M.
- Venue : FICCI Golden Jubilee Auditorium, Tansen Marg, New Delhi-110001

### 2. Financial Calendar (tentative and subject to change)

- Financial reporting for the first quarter ending June 30, 2010: July, 2010
- Financial reporting for the second quarter ending September 30, 2010: October 2010
- Financial reporting for the third quarter ending December 31, 2010: January, 2011
- Financial results for the year ending March 31, 2010: May, 2011

### 3. Book Closure date:

21.08.2010 to 26.08.2010 (both days inclusive)

### 4. Dividend payment date: on or after 26.08.2010

## 5. Listing on stock exchanges

### - Equity shares

Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai  
Code : 517334

National Stock Exchange of India Limited  
Exchange Plaza, 5th Floor  
Plot No. C/1, G Block  
Bandra - Kurla Complex  
Bandra (E), Mumbai  
Code: MOTHERSUMI

Delhi Stock Exchange Limited  
DSE House,  
3/1, Asaf Ali Road, Delhi

Ahmedabad Stock Exchange Limited  
Kamdhenu Complex, Opp. Sahajanand College  
Panjara Pole, Ambawadi, Ahmedabad

### - Bonds:

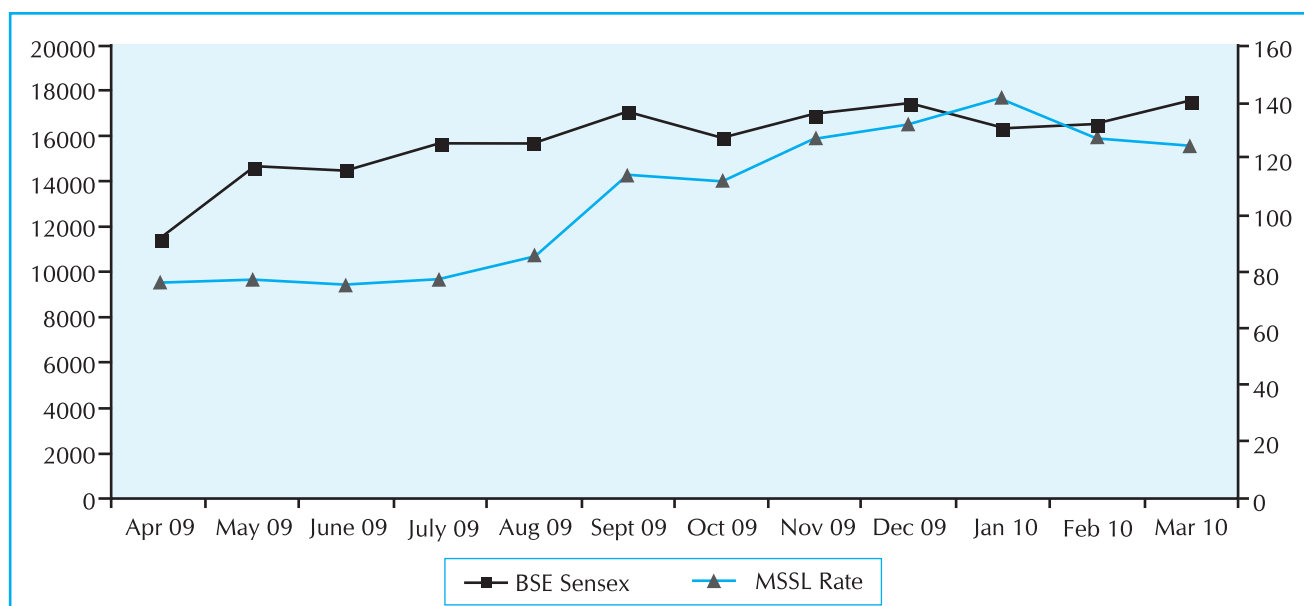
Singapore Exchange Securities Trading Ltd.  
2, Shenton Way  
# 19-00 SGX Centre I  
Singapore (FCCBs only)

Note - As on 30.06.2010, all the FCCBs are converted into equity shares.

## 6. MARKET PRICE DATA

Month	The Stock Exchange, Mumbai		National Stock Exchange of India	
	High	Low	High	Low
April - 2009	89.90	63.00	89.00	62.00
May - 2009	85.00	68.00	85.00	67.20
June - 2009	82.00	63.00	84.00	62.50
July - 2009	82.00	67.50	85.00	68.00
August - 2009	101.40	72.00	100.95	71.40
September-2009	130.50	82.90	130.85	82.25
October - 2009	118.90	105.50	118.90	105.50
November - 2009	143.70	102.00	143.50	102.10
December - 2009	135.35	122.00	135.00	123.05
January - 2010	155.40	127.00	155.50	126.05
February - 2010	144.00	120.25	144.00	118.00
March - 2010	145.80	123.50	148.75	122.00

## 7. Performance in comparison to broad based indices



## 8. Shareholding Pattern of the Company as on 31.03.2010

Category	No. of shares held	% of shareholding
Indian Promoters	155764924	41.58
Foreign Promoters	96891795	25.87
Financial Institutions, Mutual Funds & Banks	28727573	7.67
Foreign Institutional Investors	32221074	8.60
Bodies Corporate	22195441	5.93
General Public (Individuals)	32306822	8.63
NRIs/ Trusts	344727	0.09
Foreign Bodies	5720605	1.52
Clearing Members*	420839	0.11
<b>TOTAL</b>	<b>374593800</b>	<b>100.00</b>

\* These shares lying in pool account of NSDL/CDSL since buyers' identity are not established.

Note: As on 30.06.2010 No. of shares increased from 374593800 to 387543800 due to allotment of 12950000 shares upon conversion of FCCBs.

## 9. Registrar and Transfer Agents

The Registrar and Transfer Agent (RTA) of the Company is M/s

Karvy Computershare Pvt. Ltd. The investors can send their queries to:

M/s Karvy Computershare Pvt. Ltd.  
(Unit - Motherson Sumi Systems Ltd.)  
17-24, Vittal Rao Nagar,  
Madhapur, Hyderabad - 500 081  
Ph. No.- 040-23420815-28  
Fax No.- 040-23420814/ 23420857  
E-mail - mailmanager@karvy.com

## 10. Share Transfer System

To expedite the share transfer process in the physical segment, authority has been delegated to the Share Transfer Committee which comprises:

Mr. V.C. Sehgal  
Mr. Toshihiro Watanabe  
Mr. Pankaj Mital

Share transfer/ transmissions approved by the Committee are placed at the Board Meeting from time to time.

#### 11. Distribution of shareholding as on March 31, 2010

Range (Amount)	No. of shareholders	% of shareholders to total	No. of shares	% of shares to total
1 - 5000	10236	89.51	5970365	1.59
5001 - 10000	842	7.36	4711576	1.26
10001 - 20000	151	1.32	1922326	0.51
20001 - 30000	49	0.43	1169678	0.31
30001 - 40000	17	0.15	586894	0.16
40001 - 50000	12	0.10	494383	0.13
50001 - 100000	45	0.39	3019767	0.81
100001 and above	84	0.74	356718811	95.23
<b>TOTAL</b>	<b>11436</b>	<b>100.00</b>	<b>374593800</b>	<b>100.00</b>

#### 12. Dematerialization of shares and liquidity

Your Company's shares are tradable compulsorily in electronic form and your Company has established connectivity with both the depositories i.e. NSDL and CDSL. The members are requested to dematerialize their physical holding in view of the various advantages in dematerialized form.

Demat ISIN Number in NSDL and CDSL for equity shares: ISIN No. INE775A01035

#### 13. Plant Locations:

Noida (Uttar Pradesh)  
Faridabad (Haryana)  
Gurgaon (Haryana)  
Manesar (Haryana)

Pune (Maharashtra)  
Bangalore (Karnataka)  
Chennai (Tamilnadu)  
Pondicherry

#### Representative Office(s)

Sharjah  
Germany

#### 14. Investors' correspondence may be addressed to:

Mr. G.N. Gauba.  
Vice President (Finance) & Company Secretary  
2nd Floor, F-7, Block B-1,  
Mohan Co-operative Industrial Estate,  
Mathura Road, New Delhi - 110 044  
E-mail : investorrelations@mssl.motherson.com

The above Report has been placed before the Board at its meeting held on July 26, 2010 and the same was approved.

## Declaration

This is to confirm that the Company has adopted a Code of Conduct for Board of Directors and Senior Management and the same is available on the Company's website.

I confirm that the Company has in respect of the financial year March 31, 2010 received from the Board of Directors and Senior Management a declaration of compliance with the Code of Conduct.

For Motherson Sumi Systems Limited

Date: July 26, 2010  
Place: Noida

Pankaj Mital  
Chief Operating Officer





## Auditors' Certificate regarding Compliance of Conditions of Corporate Governance

To the Members of

Motherson Sumi Systems Limited

We have examined the compliance of conditions of Corporate Governance by Motherson Sumi Systems Limited, for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Price Waterhouse  
Firm Registration No. -FRN007568S  
Chartered Accountants

Place: Noida  
Date: July 26, 2010

Anupam Dhawan  
Partner  
Membership No: F084451

## Auditors' Report

To the Members of  
Motherson Sumi Systems Limited

1. We have audited the attached Balance Sheet of Motherson Sumi Systems Limited (the "Company") as at March 31, 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law

have been kept by the Company so far as appears from our examination of those books;

- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
- e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Balance Sheet, of the state of affairs of the company as at balance sheet date;
  - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse  
Firm Registration Number 007568S  
Chartered Accountants

Date : May 18, 2010  
Place : New Delhi

Anupam Dhawan  
Partner  
Membership Number 084551

## Annexure to Auditors' Report

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.  
c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.  
b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.  
b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.  
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including investor education and protection fund, employees' state insurance, income-tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues as applicable, with the appropriate authorities.

- b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, service-tax, excise duty and cess as at balance sheet date which have not been deposited on account of a dispute, are as follows:

Name of Statute	Nature of dues	Amount (Rs.)	Paid under protest (Rs.)	Period to the which relates amount	Forum where the dispute is pending
Central Excise Act, 1944	Central Excise	1,435,600	-	2000-01 & 2001-02	Customs, Excise and Service Tax Appellate Tribunal, Delhi
Central Excise Act, 1944	Central Excise	3,830,600	-	2001-02	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
Central Excise Act, 1944	Central Excise	2,198,740	-	2000-01 & 2003-04	Customs, Excise and Service Tax Appellate Tribunal, Chennai
Central Excise Act, 1944	Central Excise	200,000	-	1997-98	The Commissioner (Appeals) Central Excise Noida
Central Excise Act, 1944	Central Excise	197,000	-	2000-01	Hon'ble High Court, Chennai
Central Excise Act, 1944	Central Excise	19,000	-	2000-01 & 2003-04	Supreme Court of India
UP Tax on Entry of Goods Rules, 1999	Entry Tax	8,186,190	4,535,904	1999-00 to 2001-02	Hon'ble High Court, Allahabad
Income Tax Act, 1961	Income tax	2,184,862	1,209,610	2003-04	Income Tax Appellate Tribunal, New Delhi
Sales Tax	Sales Tax	3,379,769	2,779,642	2006-07 & 2008-09	Additional Commissioner (Appeals)
UP Trade Tax Act, 1948	Right to use & amortization	2,241,541	-	2005-06	Joint Commissioner (Appeal-3) Trade Tax
UP Trade Tax Act, 1948	Sales Tax	483,740	-	2006-07	Additional Commissioner (Appeals)
Central Excise Act, 1944	Service Tax	28,000	-	2008-09	The Assistant Commissioner Central Excise Gurgaon
Central Excise Act, 1944	Service Tax	128,340	-	-2007-08 & 2008-09	Central Excise Commissioner, Bangalore
Central Excise Act, 1944	Service Tax	2,785,850	-	1999-00 to 2001-02	Hon'ble High Court, Allahabad
Central Excise Act, 1944	Service Tax	311,000	-	1999-2000	Hon'ble High Court, Chennai

10. The Company has no accumulated losses as at balance sheet date and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial

institution or bank or debenture holders as at the balance sheet date.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The provisions of any special statute applicable to chit fund /

nidhi / mutual benefit fund/ societies are not applicable to the Company.

14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register

maintained under Section 301 of the Act during the year.

19. The Company has not created security or charge in respect of privately placed debentures aggregating Rs 150,000,000 issued and outstanding at the year-end.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For Price Waterhouse  
Firm Registration Number 007568S  
Chartered Accountants

Date : May 18, 2010  
Place : New Delhi

Anupam Dhawan  
Partner  
Membership Number 084551

# Balance Sheet

as at March 31, 2010

(Figures in Rs. Thousands)

	Schedule	As At March 31, 2010	As At March 31, 2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	I	374,594	355,554
Reserves & Surplus	II	6,790,898	3,802,798
		7,165,492	4,158,352
<b>Loan Funds</b>			
Secured Loans	III	2,727,770	2,233,959
Unsecured Loans	IV	1,401,870	3,147,585
Deferred tax liability (net) (Refer B (18) of Schedule XIII)		135,468	–
<b>TOTAL</b>		<b>11,430,600</b>	<b>9,539,896</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	V	10,319,466	7,801,270
Less: Depreciation		3,628,320	3,132,525
Net Block		6,691,146	4,668,745
Capital Work in Progress		837,265	1,476,994
		7,528,411	6,145,739
<b>Investments</b>			
Deferred tax assets (net) (Refer B (18) of Schedule XIII)	VI	2,354,739	2,763,601
		–	15,299
<b>Current Assets, Loans and Advances</b>			
Inventories	VII	2,352,981	1,602,671
Sundry Debtors		2,309,542	1,733,476
Cash & Bank Balances		365,324	179,322
Loans & Advances		1,775,829	1,165,229
		6,803,676	4,680,698
<b>Less: Current Liabilities &amp; Provisions</b>			
Current Liabilities	VIII	4,047,952	2,745,799
Provisions		1,226,126	1,584,904
		5,274,078	4,330,703
<b>NET CURRENT ASSETS</b>			
Miscellaneous Expenditure (To the extent not written off or adjusted)	IX	1,529,598	349,995
		17,852	265,262
<b>TOTAL</b>		<b>11,430,600</b>	<b>9,539,896</b>
Significant Accounting Policies and Notes forming part of the Accounts	XIII		

This is the Balance Sheet referred to in our report of even date

The schedules referred above form integral part of the Balance Sheet

for and on behalf of the Board

For Price Waterhouse  
Firm Registration Number: FRN 007568S  
Chartered Accountants

V.C. SEHGAL  
Vice Chairman

TOSHIHIRO WATANABE  
Whole Time Director

PANKAJ MITAL  
Chief Operating Officer

ANUPAM DHAWAN  
Partner  
M.No.: F084451

G.N. GAUBA  
Co. Secretary & V.P. Finance

Place : New Delhi  
Date : May 18, 2010



## Profit and Loss Account for the year ended March 31, 2010

(Figures in Rs. Thousands)

	Schedule	For the Year ended March 31, 2010	For the Year ended March 31, 2009
<b>INCOME</b>			
Sale of Finished Goods (Gross)		18,283,964	14,429,406
Less: Excise duty		1,235,225	1,479,977
Sale of Finished Goods (Net)		17,048,739	12,949,429
Other Income	X	1,234,556	372,440
<b>TOTAL</b>		<b>18,283,295</b>	<b>13,321,869</b>
<b>EXPENDITURE</b>			
Manufacturing and Other Expenses	XI	14,714,681	11,633,285
Depreciation and Impairment	V	645,747	545,144
Finance Cost (Net)	XII	252,400	290,984
<b>TOTAL</b>		<b>15,612,828</b>	<b>12,469,413</b>
Profit Before Taxation		2,670,467	852,456
<b>Tax Expense</b>			
Provision for Current Income Tax		814,032	175,730
Provision for Deferred Income Tax (Refer B (18) of Schedule XIII)		150,767	(38,045)
Provision for Fringe Benefit Tax		–	15,000
Provision for Wealth Tax		2,000	1,500
		1,703,668	698,271
Less : Income Tax for earlier years written back		(80,990)	2,862
Profit After Taxation		1,784,658	695,409
Add: Balance brought forward from previous year		1,630,915	1,597,081
Surplus Available For Appropriation		3,415,573	2,292,490
<b>APPROPRIATIONS</b>			
Transfer to General Reserve		200,000	100,000
Proposed Dividend		673,914	479,999
Tax on Dividend		111,937	81,576
Balance Carried to Balance Sheet		2,429,722	1,630,915
<b>TOTAL</b>		<b>3,415,573</b>	<b>2,292,490</b>
Earning per share of face value Re. 1/- each	Basic	4.76	1.96
(Refer A(11) & B(17) of Schedule XIII)	Diluted	4.41	1.96
Significant Accounting Policies and Notes forming part of the Accounts	XIII		

This is the Profit & Loss Account referred to in our report of even date

The schedules referred above form integral part of the Profit and Loss Account

for and on behalf of the Board

For Price Waterhouse  
Firm Registration Number: FRN 007568S  
Chartered Accountants

V.C. SEHGAL  
Vice Chairman

TOSHIHIRO WATANABE  
Whole Time Director

PANKAJ MITAL  
Chief Operating Officer

ANUPAM DHAWAN  
Partner  
M.No.: F084451

G.N. GAUBA  
Co. Secretary & V.P. Finance

Place : New Delhi  
Date : May 18, 2010

## Cash Flow Statement

for the year ended March 31, 2010

(Figures in Rs. Thousands)

	For the year ended March 31, 2010	For the year ended March 31, 2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax	2,670,467	852,456
Adjustments for:		
Depreciation and Impairment	645,747	545,144
Interest Expense	265,099	308,382
Interest Income	(11,824)	(17,398)
Income from Investment - Dividend Received	(94,075)	(46,691)
Lease Rent	4,492	5,902
Profit on Fixed Assets sold	(19,073)	(10,948)
Debts / Advances Written off	6,425	1,379
Provision for Bad & Doubtful Debts / Advances	(2,637)	(231)
Liability no longer required written back	(1,066)	(383)
Provision for Gratuity & Leave Encashment	6,419	20,416
Provision for diminution in value of Long Term Investments	200,000	110,000
Provision for diminution in value of Current Investment	(48)	187
Unrealised foreign exchange (gain) /loss	(348,166)	252,374
<b>Operating profit before working capital changes</b>	<b>3,321,760</b>	<b>2,020,589</b>
<b>Adjustments for changes in working capital:</b>		
- (Increase)/ Decrease in Sundry Debtors	(632,585)	326,643
- (Increase)/ Decrease in Other Receivables	(382,311)	567,880
- (Increase)/ Decrease in Inventories	(750,310)	(117,722)
- Increase/ (Decrease) in Trade and Other Payables	1,259,562	618,260
<b>Cash generated from operations</b>	<b>2,816,116</b>	<b>3,415,650</b>
- Taxes (Paid) / Received (net of TDS and refunds received)	(819,544)	(209,353)
<b>Net cash from operating activities</b>	<b>1,996,572</b>	<b>3,206,297</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets Including CWIP	(2,047,766)	(2,138,901)
Proceeds from sale of fixed assets	99,475	20,070
Purchase of investments (including advance against equity) (net)	208,908	(1,098,460)
Loan to Subsidiaries/Joint Venture (net)	(267,200)	—
Lease Rent Payment	(4,492)	(5,902)
Interest Received (Revenue)	11,145	35,018
Dividend Received	94,075	46,691
<b>Net cash used in investing activities</b>	<b>(1,905,855)</b>	<b>(3,141,484)</b>

## Cash Flow Statement

for the year ended March 31, 2010

(Figures in Rs. Thousands)

	For the year ended March 31, 2010	For the year ended March 31, 2009
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from long term borrowings		
- Receipts	525,749	1,058,957
- Payments	(277,420)	(79,941)
Proceeds from short term borrowings		
- Receipts	150,000	—
- Payments	—	(52,500)
Proceeds from working capital facilities (net)	388,782	(432,058)
Interest Paid	(131,344)	(146,332)
Dividend Paid	(478,851)	(478,704)
Dividend Tax Paid	(81,576)	(81,576)
<b>Net cash generated/ (used) in financing activities</b>	<b>95,340</b>	<b>(212,154)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	186,057	(147,341)
<b>Cash and cash equivalents Opening</b>	<b>179,322</b>	<b>326,610</b>
<b>Total Cash and cash equivalents as per cash flow statement</b>	<b>365,379</b>	<b>179,269</b>
Cash and cash equivalents comprise		
Cash in hand	6,434	3,271
Funds in transit /Cheque in hand	224,528	516
Balance with Scheduled Banks	131,502	171,405
Balance with Non - Scheduled Banks	2,860	4,130
Cash and cash equivalents as per Balance Sheet (restated)	365,324	179,322
Add: Net unrealised loss /(gain) on Foreign Currency Cash & Equivalents	55	(53)
<b>Cash and cash equivalents Closing</b>	<b>365,379</b>	<b>179,269</b>

- (i) The above Cash Flow Statement has been prepared under the Indirect method as set out in the Accounting Standard - 3 "Cash Flow Statement".
- (ii) Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.
- (iii) Following non cash transactions have not been considered in the cash flow statement:
- Tax deducted at source on income
- (iv) Figures in brackets indicate cash outgo.

This is the Cash Flow Statement referred to in our report of even date

For Price Waterhouse  
Firm Registration Number: FRN 007568S  
Chartered Accountants

**V.C. SEHGAL**  
Vice Chairman

for and on behalf of the Board

**TOSHIHIRO WATANABE**  
Whole Time Director

**PANKAJ MITAL**  
Chief Operating Officer

**ANUPAM DHAWAN**  
Partner  
M.No.: F084451

**G.N. GAUBA**  
Co. Secretary & V.P. Finance

Place : New Delhi  
Date : May 18, 2010

## Schedules forming part of the Balance Sheet

(Figures in Rs. Thousands)

	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE I – SHARE CAPITAL</b>		
<b>Authorised</b>		
803,000,000 Equity Shares of Re. 1/- each (Previous Year 803,000,000 Equity Shares of Re. 1/- each)	803,000	803,000
<b>Issued<sup>1</sup></b>		
374,597,000 Equity Shares of Re. 1/- each (Previous Year 355,557,000 Equity Shares of Re. 1/- each)	374,597	355,557
<b>Subscribed and Paid up<sup>1</sup></b>		
374,593,800 Equity Shares of Re. 1/- each (Previous Year 355,553,800 Equity Shares of Re. 1/- each)	374,594	355,554
<b>TOTAL</b>	<b>374,594</b>	<b>355,554</b>

(Of the above shares, 6,090,000 (Previous Year 6,090,000) shares are allotted as fully paid up pursuant to a contract for consideration other than cash)

(Of the above shares, 282,737,000 (Previous Year 282,737,000) shares are allotted as fully paid bonus shares by way of capitalisation of share premium & general reserve)

(Of the above shares, 22,260,000 (Previous Year 3,220,000) shares are allotted by way of conversion of Zero Coupon Foreign Currency Convertible Bonds)

<sup>1</sup>During the year the Company has allotted of 19,040,000 equity shares of Re. 1/- each pursuant to conversion of Zero Coupon Foreign Currency Convertible Bonds (Refer B (3) of Schedule XIII).

(Figures in Rs. Thousands)

	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE II – RESERVES &amp; SURPLUS</b>		
<b>Revaluation Reserve</b>	20,031	20,031
<b>Reserve on Amalgamation</b>	572,346	572,346
<b>Securities Premium Account</b>		
As per Last Balance Sheet	291,143	291,143
Additions during the year <sup>1</sup>	1,989,293	–
Deductions during the year	–	–
	2,280,436	291,143
<b>General Reserve</b>		
As per Last Balance Sheet	1,288,363	1,188,363
Transfer from Profit and Loss Account	200,000	100,000
Deductions during the year	–	–
	1,488,363	1,288,363
<b>Profit and Loss Account</b>		
As per Last Balance Sheet	1,630,915	1,597,081
Additions during the year	998,807	133,834
Transfer to General Reserve	200,000	100,000
	2,429,722	1,630,915
<b>TOTAL</b>	<b>6,790,898</b>	<b>3,802,798</b>

<sup>1</sup>On conversion of Zero Coupon Foreign Currency Convertible Bonds (Refer B (3) of Schedule XIII).

## Schedules forming part of the Balance Sheet

(Figures in Rs. Thousands)

	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE III – SECURED LOANS</b>		
<b>Working Capital Facilities<sup>1</sup></b>		
- Rupee Loan	957,869	579,284
- Foreign Currency Loan	279,480	273,720
<b>Long Term Loans</b>		
(i) From Banks		
- Foreign Currency Loan <sup>2,3</sup>	1,416,157	1,281,861
(ii) From Others		
- Rupee Loan <sup>4</sup>	64,776	77,983
- Vehicle Loan <sup>5</sup>	9,488	21,111
<b>TOTAL</b>	<b>2,727,770</b>	<b>2,233,959</b>

Secured Loans referred above are:

- <sup>1</sup> Secured by first charge by way of hypothecation of all present and future stocks, book debts and other specified moveable assets of the Company and second charge by way of hypothecation of all present and future immoveable property.
- <sup>2</sup> Long terms loans due within a year Rs. 276,217 thousand (Previous Year Rs. 270,113 thousand).
- <sup>3</sup> Secured by first pari-passu charge on entire fixed assets both moveable and immoveable of the Company present and future and second pari-passu charge on the entire current assets of the Company. These are also secured by way of deposit of title deeds of specified properties.
- <sup>4</sup> i) Secured against land acquired from Noida Authority under the instalment plan.  
ii) Long term loan due within a year Rs. 8,124 thousand (Previous Year Rs. 7,299 thousand).
- <sup>5</sup> i) Due within a year Rs 8,548 thousand (Previous Year Rs 8,478 thousand).  
ii) Secured by hypothecation of specific vehicles purchased against such loans.

(Figures in Rs. Thousands)

	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE IV – UNSECURED LOANS</b>		
<b>Short Term Loans<sup>1</sup></b>		
- Privately Placed Debentures	150,000	–
- Other than Banks	32,400	32,400
<b>Long Term Loans<sup>2</sup></b>		
- Zero Coupon Foreign Currency Convertible Bonds (Refer B (3) of Schedule XIII)	1,121,958	3,070,528
- Other than Banks <sup>3</sup>	97,512	44,657
<b>TOTAL</b>	<b>1,401,870</b>	<b>3,147,585</b>

- <sup>1</sup> Repayable on demand.
- <sup>2</sup> Long Term Loan due within a year Rs. 1,121,958 thousand (Previous Year Rs.Nil).
- <sup>3</sup> Tooling advances received from customers are repayable by way of amortisation on supply of components and hence cannot be distinguished between short term and long term.

## Schedules forming part of the Balance Sheet

### SCHEDULE V – FIXED ASSETS (Refer A(2), A(8) & A(12) of Schedule XIII)

(Figures in Rs. Thousands)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at March 31, 2009	Additions during the year	Deletions/ Sales/ Adjustments	Total as at March 31, 2010	Upto March 31, 2009	Depreciation for the year	Depreciation on Deletions/ Sales/ Adjustments	Upto March 31, 2010	As at March 31, 2010	As at March 31, 2009
<b>Tangible Assets</b>										
Leasehold Land	641,211	103,450	–	744,661	21,232	7,785	–	29,017	715,644	619,979
Freehold Land	361,898	66,404	–	428,302	–	–	–	–	428,302	361,898
Leasehold Improvements	35,750	–	–	35,750	3,146	–	–	3,146	32,604	32,604
Building	1,421,999	1,131,215	–	2,553,214	228,739	89,690	–	318,429	2,234,785	1,193,260
Plant & Machinery	4,766,817	1,325,084	175,660	5,916,241	2,494,550	455,130	100,657	2,849,023	3,067,218	2,272,267
Furniture, Fixtures & Office Equipments	134,999	20,847	9,429	146,417	105,805	10,994	9,023	107,776	38,641	29,194
Computers	182,284	32,387	8,323	206,348	146,453	24,797	8,281	162,969	43,379	35,831
Vehicles	250,242	69,163	36,942	282,463	132,094	55,328	31,991	155,431	127,032	118,148
<b>Intangible Assets</b>										
Technical Knowhow fees	6,070	–	–	6,070	506	2,023	–	2,529	3,541	5,564
<b>TOTAL</b>	<b>7,801,270</b>	<b>2,748,550</b>	<b>230,354</b>	<b>10,319,466</b>	<b>3,132,525</b>	<b>645,747</b>	<b>149,952</b>	<b>3,628,320</b>	<b>6,691,146</b>	<b>4,668,745</b>
Previous Year	6,790,514	1,099,770	89,014	7,801,270	2,667,273	545,144	79,892	3,132,525	4,668,745	
Capital Work in Progress <sup>1</sup>									837,265	1,476,994
Grand Total									7,528,411	6,145,739

<sup>1</sup> Includes capital advances of Rs 472,322 thousand (Previous Year Rs. 282,765 thousand)

(Figures in Rs. Thousands)

Particulars	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE VI – INVESTMENT (Refer A(3) on Schedule XIII)</b>		
<b>A. Unquoted (At Cost)</b>		
<b>In Subsidiaries (Long-term Investments)</b>		
<b>Motherson Tradings Ltd. (formerly Motherson PUDENZ WICKMANN Ltd.)<sup>1</sup></b>	27,057	9,045
2,500,000 equity shares (1,403,226) of Rs 10/- each fully paid up		
<b>MSSL Mauritius Holdings Ltd.<sup>1, 2</sup></b>		
525,000 equity shares (525,000) of 1 Euro each fully paid up	22,452	22,452
16,350,000 redeemable preference shares (15,699,790) of 1 Euro each fully paid up	1,046,044	1,002,906
<b>MSSL Mideast (FZE)<sup>1</sup></b>		
1 equity share (1) of AED 150,000 equivalent to Euro 46,875 each fully paid up	1,997	1,997
12,275,000 redeemable preference shares (12,275,000) of 1 Euro each fully paid up	708,071	708,071
<b>MSSL Handels GmbH<sup>1</sup></b>	1,835	1,835
1 equity share (1) of Euro 35,000		
<b>Motherson Electrical Wires Lanka Pvt. Ltd.<sup>1</sup></b>	6,857	6,857
1,456,202 equity shares (1,456,202) of Srilankan Rs. 10/- each fully paid up		



## Schedules forming part of the Balance Sheet

(Figures in Rs. Thousands)

Particulars	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE VI – INVESTMENT (Refer A(3) on Schedule XIII)</b>		
<b>MSSL (S) PTE Ltd.<sup>1</sup></b>		
100,000 equity shares (100,000) of S\$ 1/- each fully paid up	2,655	2,655
Nil preference shares (1,800,000) of S\$ 1/- each fully paid up	–	51,120
5,735,000 6% redeemable at par non convertible and non cumulative preference shares (11,200,000) of S\$ 1/- each fully paid up	156,741	306,263
Advance against preference share	–	9,149
<b>MSSL Global Wiring Ltd.<sup>1</sup></b>		
50,000 equity shares (50,000) of Rs 10/- each fully paid up	500	500
Advance against equity share	–	33,600
<b>In Others</b>		
<b>(Long-term Investments)</b>		
<b>Woco Motherson Elastomers Ltd.<sup>1</sup></b>	11,393	11,393
1,139,333 equity shares (1,139,333) of Rs 10/- each fully paid up		
<b>Woco Motherson Advanced Rubber Technologies Ltd.<sup>1</sup></b>		
666,667 equity shares (666,667) of Rs 10/- each fully paid up	6,667	6,667
1,756,200 6% redeemable convertible non-cumulative preference shares (4,422,867) of Rs 10/- each fully paid up	17,562	44,229
<b>Balda Motherson Solution India Ltd.<sup>1, 2</sup></b>		
18,419,156 equity shares (18,419,156) of Rs 10/- each fully paid up	184,192	184,192
22,958,000 7% optionally convertible redeemable cumulative preference shares (22,958,000) of Rs 10/- each fully paid up	229,580	229,580
<b>SMR Automotive Systems India Limited (formerly Visiocrp Motherson Ltd.)<sup>1</sup></b>	67,368	67,368
6,712,990 equity shares (6,712,990) of Rs 10/- each fully paid up		
<b>Saks Ancillaries Ltd.<sup>1</sup></b>	10,724	10,724
1,000,000 equity shares (1,000,000) of Rs 10/- each fully paid up		
<b>Kyungshin Industrial Motherson Ltd.<sup>1</sup></b>	86,080	86,080
8,600,000 equity shares (8,600,000) of Rs 10/- each fully paid up		
<b>Motherson Air Travel Agencies Ltd.<sup>1</sup></b>	1,206	1,206
120,000 equity shares (120,000) of Rs 10/- each fully paid up		
<b>Calsonic Kansei Motherson Auto Products Ltd.<sup>1</sup></b>	49,000	49,000
4,900,000 equity shares (4,900,000) of Rs 10/- each fully paid up		
<b>Motherson Sumi Infotech &amp; Designs Ltd.<sup>1</sup></b>		
1,250,000 7% preference shares (1,250,000) of Rs 10/- each fully paid up	12,500	12,500
1,200,000 equity shares (1,200,000) of Rs.10/- each fully paid up	13,800	13,800
<b>TOTAL (A)</b>	<b>2,664,281</b>	<b>2,873,189</b>

## Schedules forming part of the Balance Sheet

(Figures in Rs. Thousands)

Particulars	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE VI – INVESTMENT (Refer A(3) on Schedule XIII)</b>		
<b>B. Quoted</b>		
(Current Investments)		
<b>HDFC Bank Ltd.</b>	102	102
407 equity shares (407) of Rs 10/- each fully paid up		
<b>Balrampur Chinni Mills Ltd.</b>	10	10
1,200 equity shares (1,200) of Rs 10/- each fully paid up		
<b>Electrolux Kelvinator Ltd. (formerly Intron Ltd.)</b>	–	–
1,250 equity shares (1,250) of Rs 10/- each fully paid up		
<b>Jaysynth Dyechem Ltd.</b>	0	1
100 equity shares (100) of Rs 10/- each fully paid up		
<b>GIVO Ltd.</b>	131	88
28,475 equity shares (28,475) of Rs 10/- each fully paid up		
<b>Mahindra &amp; Mahindra Ltd.</b>	203	203
1,822 equity shares (1,822) of Rs 10/- each fully paid up		
<b>Pearl Engineering Polymers Ltd.</b>	12	8
3,160 equity shares (3,160) of Rs 10/- each fully paid up		
<b>Daewoo Motors Ltd.</b>	–	–
6,150 equity shares (6,150) of Rs 10/- each fully paid up		
<b>Inox Leasing &amp; Finance Ltd.</b>	–	–
100 equity shares (100) of Rs 10/- each fully paid up		
<b>Athena Financial Services Ltd. (formerly Kinetic Lease &amp; Finance Ltd.)</b>	–	–
66 equity shares (66) of Rs 10/- each fully paid up		
<b>TOTAL (B)</b>	<b>458</b>	<b>412</b>
<b>TOTAL (A + B)</b>	<b>2,664,739</b>	<b>2,873,601</b>
Less: Provision for Diminution <sup>2</sup>	310,000	110,000
<b>Net Total</b>	<b>2,354,739</b>	<b>2,763,601</b>

<sup>1</sup> Trade Investment

<sup>2</sup> Includes provision for diminution amounting to:

- Rs. 200,000 thousand (Previous Year Rs. 110,000 thousand) in respect of investment in Balda Motherson Solution India Ltd. (Refer B (5) (iii) on Schedule XIII)
- Rs. 110,000 thousand (Previous Year Rs. Nil) in respect of investment in MSSL Mauritius Holdings Ltd. (Refer B (5) (iii) on Schedule XIII)

Note:

<b>a) Market value of quoted investments</b>	2,027	1,251
(Based on last traded price available as at March 31, 2010)		
	No. of Shares	(Figures in Rs. Thousands)
<b>b) Investments made during the year</b>		
- Equity Shares		
Motherson Tradings Ltd. (formerly Motherson PUDENZ WICKMANN Ltd.)	1,096,774	18,012
- Preference Shares		
MSSL Mauritius Holdings Ltd.	650,210	43,138
<b>c) Investments redeemed during the year</b>		
- Preference Shares		
MSSL (S) PTE Ltd.	7,265,000	200,642
WOCO Motherson Advanced Rubber Technologies Ltd.	2,666,667	26,667
- Advance against Equity & Preference Shares		
MSSL (S) PTE Ltd.	–	9,149
MSSL Global Wiring Ltd.	–	33,600

## Schedules forming part of the Balance Sheet

(Figures in Rs. Thousands)

Particulars	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE VII – CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A. Current Assets</b>		
<b>Stock in Trade</b>		
(i) Finished Goods	408,575	177,361
(ii) Work in Progress	400,059	261,876
(iii) Raw Material & Components	1,100,887	871,790
(iv) Goods in Transit (Raw Material & Components)	438,758	287,533
(v) Tools, Store & Spares	4,702	4,111
(1)	<b>2,352,981</b>	<b>1,602,671</b>
<b>Sundry Debtors</b>		
(Unsecured, unless otherwise stated)		
(i) Outstanding for more than six months		
Considered Good <sup>1</sup>	24,116	55,405
Considered Doubtful	5,235	7,672
	29,351	63,077
Less Provision for doubtful debts	5,235	7,672
	24,116	55,405
(ii) Other Debts		
Considered good <sup>2</sup>	2,285,426	1,678,071
(2)	<b>2,309,542</b>	<b>1,733,476</b>
<b>Cash and Bank Balances</b>		
(i) Cash in hand	6,434	3,271
(ii) Funds in Transit including Cheques in hand	224,528	516
(iii) Balance with		
(a) Scheduled Banks in		
(i) Current Accounts	118,408	26,695
(ii) Deposit Account <sup>3</sup>	6,293	139,056
(iii) Dividend Account	6,801	5,654
(b) Non Scheduled Banks in <sup>4</sup>		
(i) Current Account with HSBC Bank Middle East Ltd.	2,059	2,043
(ii) Current Account with Commerz Bank Hanau Germany	801	2,087
(3)	<b>365,324</b>	<b>179,322</b>
<b>TOTAL A (1+2+3)</b>	<b>5,027,847</b>	<b>3,515,469</b>

## Schedules forming part of the Balance Sheet

(Figures in Rs. Thousands)

Particulars	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE VII – CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>B. Loans and Advances (Unsecured, unless otherwise stated)</b>		
(i) Advances recoverable in cash or in kind or for value to be received		
- Considered good <sup>5</sup>	486,953	410,387
- Considered doubtful	2,466	2,666
	489,419	413,053
Less Provision for doubtful advances	2,466	2,666
	486,953	410,387
(ii) Loan to Subsidiaries	306,950	10,683
(iii) Deposits with Excise, Customs & Govt Authorities	980,767	743,000
(iv) Advance Tax (Net) <sup>6</sup>	1,159	1,159
<b>TOTAL B</b>	<b>1,775,829</b>	<b>1,165,229</b>
<b>GRAND TOTAL (A + B)</b>	<b>6,803,676</b>	<b>4,680,698</b>

<sup>1</sup> Includes due from subsidiaries Rs. Nil (Previous Year Rs.12,153 thousand)

<sup>2</sup> Includes due from subsidiaries Rs. 123,546 thousand (Previous Year Rs. 95,787 thousand)

<sup>3</sup> i) Deposits pledged with Excise & Sales Tax authorities Rs. 23 thousand (Previous Year Rs. 23 thousand)

ii) Margin money Rs. 4,731 thousand (Previous Year Rs. 5,008 thousand)

<sup>4</sup> Maximum balance outstanding during the Year :

i) Bank Austria Rs. Nil (Previous Year Rs. 1,994 thousand)

ii) HSBC Bank Middle East Ltd. Rs. 7,281 thousand (Previous Year Rs. 23,917 thousand)

iii) Commerz Bank Hanau Germany Rs. 3,519 thousand (Previous Year Rs. 5,614 thousand)

<sup>5</sup> Includes due from subsidiaries Rs. 18,940 thousand (Previous Year Rs. 58,725 thousand)

<sup>6</sup> Net of Provision for Fringe Benefit Tax Rs. 42,300 thousand (Previous Year Rs. 42,300 thousand).

## Schedules forming part of the Balance Sheet

(Figures in Rs. Thousands)

	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE VIII – CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A. Current Liabilities</b>		
(i) Sundry Creditors <sup>1</sup>		
- Total outstanding dues of Micro & Small Enterprises <sup>2</sup>	9,610	2,403
- Total outstanding creditors other than Micro & Small Enterprises	3,243,060	2,312,006
(ii) Advance from Customers	577,736	337,623
(iii) Other Liabilities	206,817	76,475
(iv) Investor Education & Protection Fund shall be credited by the following amount:		
- Unpaid Dividend	6,801	5,654
(v) Interest Accrued but not due	3,928	11,638
	4,047,952	2,745,799
<b>B. Provisions</b>		
(i) Premium on Redemption of Zero Coupon Foreign Currency Convertible Bonds (Refer B(3) of Schedule XIII)	330,948	926,225
(ii) For Dividend (including tax thereon)	785,851	561,573
(iii) For Income Tax (net) <sup>3</sup>	38,270	31,690
(iv) For Wealth Tax	2,000	2,779
(v) For Employee benefit (Refer A(5) & B(20) of Schedule XIII)	67,057	60,637
(vi) For Warranty (Refer B(19) of Schedule XIII)	2,000	2,000
	1,226,126	1,584,904
<b>TOTAL</b>	<b>5,274,078</b>	<b>4,330,703</b>

<sup>1</sup> Includes due to subsidiaries Rs. 436,761 thousand (Previous Year Rs. 426,376 thousand)

<sup>2</sup> Refer B(4) of Schedule XIII

<sup>3</sup> Net of Advance Income Tax Rs. 1,827,484 thousand (Previous Year Rs. 1,025,389 thousand)

(Figures in Rs. Thousands)

	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE IX – MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted) (Refer B (3) of Schedule XIII)		
<b>Premium on Redemption/ Issue Expenditure of Zero Coupon Foreign Currency Convertible Bonds</b>		
Opening Balance	265,262	419,786
Less: Deletion during the year <sup>1</sup>	105,944	–
Less: Written off during the year	141,466	154,524
<b>TOTAL</b>	<b>17,852</b>	<b>265,262</b>

<sup>1</sup> On conversion of Zero Coupon Foreign Currency Convertible Bonds (Refer B (3) of Schedule XIII).

## Schedules forming part of the Profit and Loss Account

(Figures in Rs. Thousands)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
<b>SCHEDULE X – OTHER INCOME</b>		
(a) Dividend Received <sup>1</sup>		
- From other than Subsidiary Companies	94,075	46,691
(b) Rent	66,144	46,636
(c) Provision for diminution in investment written back	48	–
(d) Exchange Differences (net) on:		
- Foreign Currency Convertible Bonds	258,073	–
- Others	297,095	–
(e) Sundries written back	1,066	383
(f) Service Income	353,077	176,138
(g) Profit on sale of Other Fixed assets (net)	19,073	10,948
(h) Miscellaneous Income	145,905	91,644
<b>TOTAL</b>	<b>1,234,556</b>	<b>372,440</b>
Tax deducted at source		
(a) Rent	17,371	11,553
(b) Service and Miscellaneous Income	45,486	23,793
<sup>1</sup> Includes dividend from Short term Non- Trade investments	177	22

(Figures in Rs. Thousands)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
<b>SCHEDULE XI – COST OF MATERIALS AND MANUFACTURING AND OTHER EXPENSES</b>		
Materials consumed		
Opening Stock		
Raw materials	871,790	832,640
Work-in-progress	261,876	333,111
Finished goods	177,361	248,293
	1,311,027	1,414,044
Add : Purchases of Raw materials	10,820,291	7,691,450
Less: Closing Stock		
Raw materials	1,100,887	871,790
Work-in-progress	400,059	261,876
Finished goods	408,575	177,361
	1,909,521	1,311,027
<b>Total consumption for goods sold</b>	<b>10,221,797</b>	<b>7,794,467</b>



## Schedules forming part of the Profit and Loss Account

(Figures in Rs. Thousands)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
<b>SCHEDULE XI – COST OF MATERIALS AND MANUFACTURING AND OTHER EXPENSES</b>		
Salary, Wages & Bonus	1,382,820	1,133,573
Contribution to Provident & Other Funds	120,871	105,056
Staff Welfare	141,423	120,898
Electricity, Water and Fuel	317,624	247,499
Repairs and Maintenance		
Machinery	174,220	106,487
Building	151,178	72,839
Others	115,869	96,526
Consumption of Store and Spare parts	242,524	148,488
Conversion Charges	175,123	138,964
Lease Rent	4,492	5,902
Rent	56,141	72,700
Rates & Taxes	28,975	6,242
Insurance	25,904	28,595
Donation	4,003	7,538
Travelling	190,109	167,984
Freight & Forwarding	351,917	315,256
Royalty	88,505	59,421
Cash Discount	43,451	28,988
Commission	6,028	1,852
Provision for diminution in value of Long Term Investments	200,000	110,000
Provision for diminution in value of Current Investment	–	187
Bad Debts / Advances Written off	6,425	1,379
Legal & Professional Expenses	280,739	261,635
Exchange Fluctuation (net)		
Foreign Currency Convertible Bonds	–	249,239
Others	–	68,574
Miscellaneous Expenses	384,543	282,996
<b>TOTAL</b>	<b>14,714,681</b>	<b>11,633,285</b>

## Schedules forming part of the Profit and Loss Account

(Figures in Rs. Thousands)

	For the Year Ended March 31, 2010	For the Year Ended March 31, 2009
<b>SCHEDULE XII – FINANCE COST (NET)</b>		
Interest & Finance Expense		
- Subsidiaries	–	1,028
- Privately Placed Debentures	18,091	20,224
- Fixed Loans	34,290	26,957
- Amortisation of Premium / Issue Expenditure on Redemption of Zero Coupon Foreign Currency Convertible Bonds (Refer B (3) of Schedule XIII)	141,466	154,524
- Others	71,252	105,649
Less : Interest Income (Gross)		
- From Subsidiaries	567	12,064
- From Bank Deposits	4,820	3,740
- From Income Tax Refund	875	–
- From Others	6,437	1,594
<b>TOTAL</b>	<b>252,400</b>	<b>290,984</b>
Tax deducted at source		
Interest Income	1,253	831

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of the Accounts

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1. CONVENTION

The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211 (3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.

##### 2. FIXED ASSETS AND DEPRECIATION

###### FIXED ASSETS

- i) The fixed assets except as stated in (ii) below are stated at cost less accumulated depreciation. Cost of acquisition or construction is inclusive of inward freight, duties and taxes and other incidental expenses.
- ii) The fixed assets of the Component Division of erstwhile Motherson Auto Components Engineering Limited (MACE) have been stated at an amount inclusive of appreciation arising on revaluation of the assets by an approved valuer on December 31, 1998. The method adopted for revaluation of the assets are as under:
  - a) Land: Prevailing market rate of land as on the date of revaluation.
  - b) Buildings, Indigenous Plant and Machinery, Furniture and Fixtures, Moulds and Dies: Replacement value.

## Schedules forming part of the Accounts

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of the Accounts (Contd.)

The Company charges assets costing less than Rs 5,000 each to expense, which could otherwise have been included as Fixed Asset, because the amount is not material in accordance with Accounting Standard 10 - 'Accounting for Fixed Assets'.

#### DEPRECIATION

- i) Depreciation on fixed assets, except as stated in (ii) below, is provided from the month the asset is ready for commercial production, on a pro-rata basis at the SLM rates prescribed in schedule XIV to the Companies Act, 1956 or based on useful life, whichever is higher. In accordance with the above policy the following assets are depreciated, at rates higher than those prescribed in schedule XIV to the Companies Act, 1956:

	Rate (%)
Computers	33.33
Vehicles	25.00
Furniture, Fixtures & Office Equipments	16.67
Electrical Installations	10.00
Plant & Machinery	10.34
Specific Identified Plant & Machinery	25.00
Technical Knowhow	33.33

- ii) In respect of revalued assets, depreciation is being provided on the revalued amounts over the remaining useful life of the assets at the SLM rates. Leasehold land is amortized over the balance period of lease.

#### 3. INVESTMENTS

Investments are classified into long term and current investments. Long-term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments.

Current investments are carried at lower of cost and fair value. Fair value in the case of quoted investments refers to the market value of the investments arrived at on the basis of last traded prices as at the year-end.

#### 4. INVENTORIES

Stores and spares, loose tools are valued at cost or net realisable value, whichever is lower.

Raw materials, components, finished goods and work in progress are valued at cost or net realizable value, whichever is lower. The basis of determining cost for various categories of inventories is as follows:

i) Stores and Spares, Raw Materials and Components	First in First Out (FIFO) method
ii) Work in Progress and Finished Goods	Material cost plus appropriate share of labour and production overheads
iii) Tools	Cost less amortization based on useful life of the items ascertained on a technical estimate by the management

#### 5. EMPLOYEE BENEFITS

The Company makes regular contributions to the State administered Provident Fund which is charged against revenue. The Company provides for long term defined benefit schemes of gratuity and compensated absences on the basis of actuarial valuation on the balance sheet date based on the Projected Unit Credit Method. In respect of gratuity, the Company funds the benefits through annual contributions to Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme. The actuarial valuation

## Schedules forming part of the Accounts

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of the Accounts (Contd.)

of the liability towards the defined benefits of the employees is made on the basis of assumptions with respect to the variable elements affecting the computations including estimation of interest rate of earnings on contributions to LIC. The Company recognises the actuarial gains and losses in the profit and loss account in the period in which they occur.

#### 6. REVENUE RECOGNITION

Sales are recognised upon the transfer of significant risks and rewards of ownership to the customers.

Revenue from services is recognised as per the terms of the agreement, as the services are rendered and no significant uncertainty exists regarding the amount of consideration.

Interest Income is recognised on a proportion of time basis taking into account the principal outstanding and the rate applicable.

#### 7. FOREIGN EXCHANGE TRANSACTIONS

Transactions involving foreign currencies are recorded at the exchange rate prevailing on the transaction date. Foreign currency monetary items are translated at the exchange rate prevailing at the balance sheet date and the gain/loss arising on such translation is charged to the profit and loss account. Premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of contract.

#### 8. BORROWING COSTS

The borrowing costs on funds other than those directly attributable to the acquisition of a qualifying asset i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use, is charged to revenue in the period in which they are incurred.

The borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset.

#### 9. LEASES

Lease rentals in respect of operating lease arrangements are charged to expense when due as per the terms of the related agreement on a straight-line basis over the lease period.

Lease rentals in respect of finance lease transactions entered into prior to March 31, 2001 are charged to expense when due as per the terms of the related agreement. Finance lease transactions entered into after this date are considered as financing arrangements and the leased asset is capitalised at an amount equal to the present value of future lease payments and a corresponding amount is recognised as a liability. The lease payments made are apportioned between finance charge and reduction of outstanding liability in relation to leased asset.

#### 10. TAXATION

##### Current Tax

Current tax is provided on the basis of tax payable on estimated taxable income computed in accordance with the applicable provisions of Income tax Act, 1961 after considering the benefits available under the said Act.

##### Deferred Taxes

In accordance with Accounting Standard 22 - Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date.

## Schedules forming part of the Accounts

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of the Accounts (Contd.)

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

#### 11. EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax (and includes the post tax effect of any extra ordinary items) attributable to equity shareholders. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effect of potential dilutive equity shares.

#### 12. IMPAIRMENT OF ASSETS

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price, and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

#### 13. PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### 14. USE OF ESTIMATES

In the preparation of the financial statements, the management of the Company makes estimates and assumptions in conformity with the applicable accounting principles in India that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, the useful lives of fixed assets and intangible assets and estimates for recognising impairment losses.

These estimates could change from period to period and also the actual results could vary from the estimates. Appropriate changes are made to the estimates as the management becomes aware of changes in circumstances surrounding these estimates. The changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

## Schedules forming part of the Accounts

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of the Accounts (Contd.)

#### B. NOTES TO THE ACCOUNTS

##### 1. Contingent Liabilities

(Figures in Rs. Thousands)

	As at March 31, 2010	As at March 31, 2009
a) In respect of Excise <sup>1</sup>	8,842	13,803
b) In respect of Customs	-	444
c) In respect of Entry Tax	8,186	8,186
d) In respect of Sales Tax	18,781	13,505
e) In respect of Service Tax	6,240	4,581
f) In respect of Stamp Duty	4,754	4,754
g) In respect of Income Tax	2,185	3,557
h) In respect of Labour Cases	17,005	15,850
i) The Company has given corporate guarantee in respect of : - Subsidiary Companies	2,164,243	1,117,221
j) Bank Guarantees / Letter of Credit furnished by the Company	199,715	59,174

<sup>1</sup> Excludes interest

Further, in respect of certain subsidiary companies, the Company has furnished letter of support to enable the said companies continue the operations.

The amount shown in items "a to h" above represents the best possible estimates arrived at on the basis of available information. The uncertainty and possible reimbursement are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately.

##### 2. Outstanding Capital Commitments

(Figures in Rs. Thousands)

	As at March 31, 2010	As at March 31, 2009
Unexpired amount of the contracts on capital accounts and not provided for (net of advances)	426,466	375,704

##### 3. Issue of Zero Coupon Convertible Bonds

During the year ended March 31, 2006, the Company issued Euro 50,300,000 Zero Coupon Convertible Bonds due 2010 (the "Bonds"). These Bonds are listed in the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Bonds are convertible at the option of the holder at any time on or after August 24, 2005 (or such earlier date as is notified to the holders of the Bonds by the Company) upto July 6, 2010 into fully paid equity shares with full voting rights at par value of Re. 1.00 each of the Issuer ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the Bonds") of Rs. 74.3<sup>2</sup> per Share with a fixed rate of exchange on conversion of Rs. 52.01 = Euro 1.00. The Conversion Price is subject to adjustment in certain circumstances.

The Bonds may also otherwise be redeemed, in whole or in part, at the option of the Issuer, at any time on or after July 15, 2008 and prior to July 7, 2010 subject to satisfaction of certain conditions and at their "Early Redemption Amount" (as defined in the "Terms & Conditions of the Bonds") at the date fixed for such redemption if the "Closing Price" (as defined in the "Terms & Conditions of the Bonds") of the Shares translated into Euro at the "prevailing rate" (as defined in the "Terms & Conditions of the Bonds") for each of 20 consecutive "Trading Days" (as defined in the "Terms & Conditions of the Bonds") the last of which occurs not more than five days prior to the date upon which notice of such redemption is published, is greater than 130 per cent, of the "Conversion Price" (as defined in the "Terms & Conditions of the Bonds") then in effect translated into euro at the rate of Rs. 52.01 = Euro 1.00.



## Schedules forming part of the Accounts

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of the Accounts (Contd.)

The Bonds may also be redeemed, in whole, but not in part, at any time at the option of the Issuer at their Early Redemption Amount, if less than 10 per cent, in aggregate, principal amount of the Bonds originally issued is outstanding.

The Bonds may also be redeemed in whole, but not in part, at the option of the Issuer subject to satisfaction of certain conditions including obtaining Reserve Bank of India ("RBI") approval, at their Early Redemption Amount, on the date fixed for redemption in the event of certain changes relating to taxation in India.

Unless previously redeemed, converted or purchased and cancelled, the Bonds will be redeemed by the Issuer in Euros on July 16, 2010 at 126.77 per cent of its principal amount.

The issuer will, at the option of any holder of any Bonds, repurchase at the Early Redemption Amount such Bonds at such time as the Shares cease to be listed or admitted to trading on the BSE and the NSE (as defined in the "Terms & Conditions of the Bonds") in respect of the Issuer.

Consequent to the exercise of conversion option by holders of bonds of face value Euro 27.2 million, the Company has allotted 19,040,000 equity shares during the year. Accordingly, an amount of Rs. 1,989.29 million, being the excess of the liabilities (including amortised premium/ issue expenditure on such bonds upto the date of conversion) extinguished in respect of such bonds over the face value of shares issued, has been credited to securities premium account.

The outstanding balance of FCCB as on March 31, 2010 is Euro 18.5 million. Subsequent to the year end, the Company has received notices for exercise of conversion option by holders of bonds of face value Euro 13 million.

<sup>2</sup> Revised from Rs. 111.45, in accordance with the terms of issue, consequent to the issue of bonus shares by the Company.

4. As per information available with the management, the dues payable to enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" aggregate to Rs. 9,609 thousand (Previous year Rs. 2,403 thousand). This has been determined on the basis of responses received from vendors on specific confirmation sought by the Company in this regard.

Further, as determined by the management, there is no interest paid/ payable to such enterprises.

5. i) On June 29, 2009 The Company has purchased the minority interest of 43.87% in its subsidiary Motherson PUDENZ WICKMANN Limited for Rs. 18,011 thousand.
- ii) The Company, subsequent to the year end has entered into an agreement to acquire the 60% stake held by Balda AG, its joint venture partner, in Balda Motherson Solution India Limited (BMSI). Upon transfer of shares, BMSI will become a 100 % owned subsidiary, which will thereafter be merged with the Company in due course.
- iii) During the year the company has made a provision for diminution in the value of its investment amounting to Rs. 90,000 thousand and Rs. 110,000 thousand, in view of the continued losses incurred, on account of Balda Motherson Solution India Limited and MSSL Mauritius Holdings Limited, respectively.

6. The Company has the following unhedged foreign currency exposure:

	(Figures in Thousands)	
	As at March 31, 2010 Payable / (Receivable)	As at March 31, 2009 Payable / (Receivable)
EUR	13,247	42,250
GBP	(86)	(436)
JPY	721,427	305,900
USD	32,018	15,412
SGD	(3,678)	(3,720)
CHF	(27)	(17)
AUD	(255)	(547)
THB	160	2,923

## Schedules forming part of the Accounts

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of the Accounts (Contd.)

#### 7. Managerial Remuneration:

(Figures in Rs. Thousands)

	Year ended March 31, 2010 <sup>3</sup>	Year ended March 31, 2009
Salaries and other allowances	5,605	5,364
Contribution to provident and other funds	568	460
Perquisites	2,109	2,420
Directors Sitting Fees	980	500
<b>TOTAL</b>	<b>9,262</b>	<b>8,744</b>

<sup>3</sup> As the employee-wise break up of gratuity and leave encashment is not ascertainable, the amount related to one of the directors has not been included in the above particulars.

#### 8. Payment to Auditors

(Figures in Rs. Thousands)

	Year ended March 31, 2010	Year ended March 31, 2009
Statutory Audit Fees	5,650	3,225
Taxation Matters	-	300
Reimbursement of expenses	182	284
Others (certification charges and other services)	300	1,550
<b>TOTAL</b>	<b>6,132</b>	<b>5,359</b>

#### 9. Value of imports on CIF Basis in respect of

(Figures in Rs. Thousands)

	Year ended March 31, 2010	Year ended March 31, 2009
Raw Materials and Components	6,253,575	3,486,570
Capital Goods	363,779	387,864
Spare Parts	48,201	55,156

#### 10. Expenditure in foreign currency on account of: (Cash Basis) (Net of Taxes)

(Figures in Rs. Thousands)

	Year ended March 31, 2010	Year ended March 31, 2009
Royalty	54,867	61,732
Travelling	30,516	33,451
Interest	25,873	16,032
Professional Fee	52,470	89,583
Technical Assistance Fees	3,400	6,564
Rent	17,302	9,015
Salaries and other allowances	36,863	27,921
Computer and Software Expenses	1,388	2,016
Others (includes training, bank charges, reimbursements etc.)	70,641	65,725

## Schedules forming part of the Accounts

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of the Accounts (Contd.)

#### 11. Value of imported and indigenous consumed and percentage of each to total consumption:

##### A. Raw Materials and Components

Particulars	Year ended March 31, 2010		Year ended March 31, 2009	
	(%)	(Figures in Rs. Thousands)	(%)	(Figures in Rs. Thousands)
Imported	59	6,295,769	41	3,165,778
Indigenous	41	4,295,425	59	4,486,522
<b>TOTAL</b>	<b>100</b>	<b>10,591,194</b>	<b>100</b>	<b>7,652,300</b>

##### B. Stores and Spares

Particulars	Year ended March 31, 2010		Year ended March 31, 2009	
	(%)	(Figures in Rs. Thousands)	(%)	(Figures in Rs. Thousands)
Imported	16	39,397	16	22,998
Indigenous	84	203,127	84	125,490
<b>TOTAL</b>	<b>100</b>	<b>242,524</b>	<b>100</b>	<b>148,488</b>

#### 12. Actual production, opening stock, closing stock and sales:

##### A. Quantity

(Numbers in Thousands)

	Year ended March 31, 2010				Year ended March 31, 2009			
	Wiring Harness	High Tension Cords	Plastic Comp.	Wires	Wiring Harness	High Tension Cords	Plastic Comp.	Wires
	(Nos.)	(Nos.)	(Nos.)	(Kms.)	(Nos.)	(Nos.)	(Nos.)	(Kms.)
Opening Stock	346	4	458	9	496	-	716	10
Production	24,582	340	70,635	850	20,177	394	56,701	605
<b>TOTAL</b>	<b>24,928</b>	<b>344</b>	<b>71,093</b>	<b>859</b>	<b>20,673</b>	<b>394</b>	<b>57,417</b>	<b>615</b>
Sales / Consumption	24,434	343	70,379	849	20,327	390	56,959	606
Closing Stock	494	1	714	10	346	4	458	9

##### B. Value

(Figures in Rs. Thousands)

	Year ended March 31, 2010			Year ended March 31, 2009		
	Opening Stock	Sales (net)	Closing Stock	Opening Stock	Sales (net)	Closing Stock
Wiring Harness	94,710	11,645,202	171,892	151,679	8,962,231	94,710
High Tension Cords	350	83,080	149	-	77,753	350
Plastic Comp.	34,557	4,080,567	143,375	42,652	3,203,989	34,557
Wires	41,304	477,025	81,208	48,346	514,497	41,304
Others <sup>4</sup>	6,440	762,865	11,951	5,616	190,959	6,440
<b>TOTAL</b>	<b>177,361</b>	<b>17,048,739</b>	<b>408,575</b>	<b>248,293</b>	<b>12,949,429</b>	<b>177,361</b>

<sup>4</sup> Quantitative information in respect of value disclosed in others is not being given separately as the related revenue and costs are less than 10% of total revenue and cost of the Company.

## Schedules forming part of the Accounts

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of the Accounts (Contd.)

#### 13. Earnings in foreign currency during the year:

(Figures in Rs. Thousands)

	Year ended March 31, 2010	Year ended March 31, 2009
FOB Value of Exports <sup>5</sup>	2,147,760	2,346,551
Interest Received		
- from subsidiary	547	31,914
- from banks	-	787
Miscellaneous Income	5,222	8,559
Service Income	1,309	943

<sup>5</sup> Includes Deemed Exports of Rs. 54,396 thousand (Previous Year Rs 57,710 thousand)

#### 14. Remittance in foreign currency during the year on account of dividend:

	Year ended March 31, 2010	Year ended March 31, 2009
a) Amount remitted (Rs. in Thousands)	130,804	176,936
b) Number of non-resident shareholders	1	2
c) Number of shares held by them (in thousands)	96,892	131,064
d) Year to which dividend pertains	Year ended March 31, 2009	Year ended March 31, 2008

#### 15. Licensed and Installed Capacity:

(Numbers in Thousands)

	Year ended March 31, 2010	Year ended March 31, 2009
a) Licensed Capacity	N. A.	N. A.
b) Installed Capacity of <sup>6</sup>		
(i) Wiring Harness (Nos.)	N. A.	N. A.
(ii) High Tension Cords (Nos.)	N. A.	N. A.
(iii) Rubber Components (Nos.)	N. A.	N. A.
(iv) Plastic Components (Nos.)	N. A.	N. A.
(v) Wires (Km's)	N. A.	N. A.
c) Actual Production of		
(i) Wiring Harness (Nos.)	24,582	20,177
(ii) High Tension Cords (Nos.)	340	394
(iii) Plastic Components (Nos.)	70,635	56,701
(iv) Wires (Km's)	850	605

<sup>6</sup> Not ascertainable as the products manufactured by the Company are of variable size & technical complexities

## Schedules forming part of the Accounts

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of the Accounts (Contd.)

#### 16. Raw Materials and Components consumed during the year:

(Figures in Rs. Thousands)

Raw Materials and Components	Year ended March 31, 2010		Year ended March 31, 2009	
	Qty	Value	Qty	Value
a) Copper (MT)	6,742	2,153,659	4,830	1,570,803
b) Others <sup>7</sup>		8,437,535		6,081,497

<sup>7</sup> No single raw material or components account for more than 10% of total consumption.

#### 17. Earnings per share

	Year ended March 31, 2010	Year ended March 31, 2009 <sup>8</sup>
<b>a) Basic</b>		
Weighted Average number of Equity Shares of Re. 1 /- each (Previous Year Re 1/- each ) outstanding at the end of the year	374,593,800	355,553,800
Net profit after tax available for equity Shareholders (Rs in thousand)	1,784,658	695,409
Basic Earnings (in Rupees) Per Share of Re. 1/- each. (Previous Year Re 1/- each)	4.76	1.96
<b>b) Diluted</b>		
Number of Zero Coupon Convertible Bonds EUR 1,000 each	18,500	-
Adjustment for net premium & exchange loss / (gain) on Zero Coupon Convertible Bonds (net of Taxes) (Rs in thousand)	(76,972)	-
Adjusted Net Profit (Rs in thousand)	1,707,688	-
Number of equity shares resulting from conversion of Zero Coupon Convertible Bonds (18,500* 1,000* 52.01 / 74.3)	12,950,000	-
Weighted Average number of equity shares used to compute diluted earnings per share	387,543,800	-
Diluted Earnings (in Rupees) Per Share of Re. 1/- each. (Previous Year Re 1/- each )	4.41	-

<sup>8</sup> Potential conversion of Zero Coupon Currency Convertible Bonds issued is anti-dilutive and accordingly, has not been considered in the calculation of diluted earnings per share.

#### 18. Deferred Tax

(i) The break up and movement of net deferred tax liability for the year ended March 31, 2010 is as under:

(Figures in Rs. Thousands)

Timing differences on account of:	As at March 31, 2010	(Credit)/ Charge for the year	As at March 31, 2009
Expenses charged in the financial statements but allowable as deductions in future years under the Income Tax Act (to the extent considered realisable)	(97,535)	80,164	(177,699)
Difference between depreciation as per financial statements and depreciation as per Income Tax Act	233,003	70,603	162,400
<b>Net Deferred Tax Liability/ (Asset)</b>	<b>135,468</b>	<b>150,767</b>	<b>(15,299)</b>

## Schedules forming part of the Accounts

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of the Accounts (Contd.)

- (ii) In view of the Company's past financial performance and future profit projections, the Company expects to fully recover the Deferred Tax Assets.

#### 19. The Company has the following provision in the books of account as on March 31, 2010

(Figures in Rs. Thousands)

Description	Opening Balance	Additions during the year	Utilised / Reversed during the year	Closing Balance
Warranty				
Current Year	2,000	422	422	2,000
Previous Year	2,000	1,618	1,618	2,000

Warranty provision relates to the estimated outflow in respect of warranty for products sold by the Company. Due to the very nature of such costs, it is not possible to estimate the timing/ uncertainties relating to the outflows of economic benefits.

20. The details of liabilities recognised by the Company in respect of long term defined benefits and contribution schemes in accordance with Accounting Standard 15 (Revised 2005) for its employees are as under:

#### (A) Defined Benefit Schemes

##### (i) Gratuity

The employees are entitled to gratuity that is computed as half-month's salary, for every completed year of service and is payable on retirement/termination. The Company makes provision of such gratuity liability in the books of accounts on the basis of actuarial valuation. The Company pays contribution to Life Insurance Corporation of India to fund its plan.

##### (ii) Leave encashment /Compensated Absences

The employees are entitled for leave for each year of service and part thereof and subject to the limits specified, the un-availed portion of such leaves can be accumulated or encashed during / at the end of the service period. The plan is not funded.

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

(Figures in Rs. Thousands)

GRATUITY	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008
Obligations at year beginning	111,829	78,133	62,732
Service Cost - Current	14,925	16,361	7,298
Interest Cost	8,272	5,895	3,310
Actuarial (gain) / loss	4,638	14,939	8,929
Benefit Paid	(5,618)	(3,499)	(4,136)
Obligations at year end	134,046	111,829	78,133
<b>Change in plan assets</b>			
Plan assets at year beginning, at fair value	86,169	63,224	47,786
Expected return on plan assets	6,624	5,699	3,843
Actuarial gain / (loss)	1,050	1,174	1,688
Contributions	19,473	19,402	13,725
Benefits paid	(4,827)	(3,330)	(3,818)



## Schedules forming part of the Accounts

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of the Accounts (Contd.)

(Figures in Rs. Thousands)

GRATUITY	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008
<b>Plan assets at year end, at fair value</b>	108,490	86,169	63,224
Reconciliation of present value of the obligation and the fair value of plan assets:			
Present Value of the defined benefit obligations at the end of the year	134,046	111,829	78,133
Fair value of the plan assets at the end of the year	108,490	(86,169)	(63,224)
Liability recognised in the Balance Sheet	25,557	25,660	14,909
<b>Defined benefit obligations cost for the year</b>			
Service Cost - Current	14,925	16,361	7,298
Interest Cost	8,272	5,895	3,310
Expected return on plan assets	(6,624)	(5,699)	(3,843)
Actuarial (gain) / loss	3,588	13,765	7,241
<b>Net defined benefit obligations cost</b>	<b>20,161</b>	<b>30,322</b>	<b>14,006</b>

(Figures in Rs. Thousands)

LEAVE ENCASHMENT / COMPENSATED ABSENCES	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008
Obligations at year beginning	34,978	25,312	18,326
Service Cost - Current	8,190	6,183	5,101
Interest Cost	2,568	1,767	1,324
Actuarial (gain) / loss	(1,392)	3,807	8,688
Benefit Paid	(2,844)	(2,092)	(8,127)
Obligations at year end	41,500	34,977	25,312
Reconciliation of present value of the obligation and the fair value of plan assets:			
Present Value of the defined benefit obligations at the end of the year	41,500	34,977	25,312
Fair value of the plan assets at the end of the year			
Liability recognised in the Balance Sheet	41,500	34,977	25,312
<b>Defined benefit obligations cost for the year</b>	-		
Service Cost - Current	8,190	6,183	5,101
Interest Cost	2,568	1,767	1,324
Expected return on plan assets	-	-	-
Actuarial (gain) / loss	(1,391)	3,808	8,688
<b>Net defined benefit obligations cost</b>	<b>9,367</b>	<b>11,758</b>	<b>15,113</b>

#### Investment details of plan assets

100% of the plan assets are lying in the Gratuity fund administered through Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme.

## Schedules forming part of the Accounts

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of the Accounts (Contd.)

The principal assumptions used in determining post-employment benefit obligations are shown below:

	2010	2009	2008
Discount Rate	7.50 %	7.50 %	8.00 %
Future salary increases	6.25 %	6.25 %	5.50 %
Expected return on plan assets	9.30 %	9.25 %	8.00 %

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

#### (B) Defined Contribution Schemes

The Company deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident Fund and Employee State Insurance (ESI) for the benefit of the employees. Accordingly, the Company's contribution during the year that has been charged to revenue amounts to Rs. 98,535 thousand (Previous Year Rs. 82,123 thousand).

### 21. Related Party Disclosures

Related party disclosures, as required by AS18, "Related Party Disclosures", are given below:

#### I Relationships where control exists:

Subsidiaries of the Company:

MSSL Mideast (FZE)

MSSL Mauritius Holdings Limited

MSSL Ireland Private Limited

MSSL Handels GmbH

Motherhood Electrical Wires Lanka Private Limited

MSSL (S) Pte Limited

Motherhood Tradings Limited (formerly Motherhood PUDENZ WICKMANN Limited)

MSSL (GB) Limited

MSSL GmbH

Motherhood Sumi Wiring System Limited (FZC)

MSSL Tooling (FZE)

Global Environment Management (FZC)

MSSL Australia Pty Limited

Motherhood Elastomers Pty Limited

Motherhood Investments Pty Limited

Motherhoodsumi Reiner GmbH

MSSL Polymers GmbH

Global Environment Management Australia Pty. Limited

MSSL Advanced Polymers s.r.o

Motherhood Orca Precision Technology GmbH

MSSL Global Wiring Limited

MSSL s.r.l. Unipersonale

MSSL Global RSA Module Engineering Limited (formerly Golden Dividend 629 Limited)

Samvardhana Motherhood Global Holdings Ltd.

Samvardhana Motherhood Reflectec Group Holdings Limited (formerly Samvardhana Motherhood Visiocorp Solution Limited)

SMR Automotive Holding Hong Kong Limited (formerly Elemental Growth Limited)

## Schedules forming part of the Accounts

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of the Accounts (Contd.)

SMR Automotive Technology Holding Cyprus Ltd. (formerly Horizonfield Limited)  
SMR Automotive Mirror Systems Holding Deutschland GmbH (formerly VisiCorp Holding Germany GmbH)  
SMR Automotive Parts GmbH (formerly VisiCorp Automotive GmbH)  
SMR Poong Jeong Automotive Mirrors Korea Ltd. (formerly VisiCorp Poong Jeong Co Limited)  
SMR Hyosang Automotive Ltd. (formerly VisiCorp Hyosang Limited)  
SMR Holding Australia Pty Limited (formerly VisiCorp Holding Australia Pty Limited)  
SMR Automotive Australia Pty Limited (formerly VisiCorp Australia Pty Limited)  
SMR Automotive Taree Pty Limited (formerly VisiCorp Taree Pty Limited)  
SMR Automotive Mirror Technology Hungary Bt (formerly VisiCorp Hungary BT)  
SMR Grundbesitz GmbH & Co. KG (formerly VisiCorp Grundbesitz GmbH & Co. KG)  
SMR Automotive Services GmbH (formerly VisiCorp Group Services GmbH)  
SMR Automotive Mirror Parts and Holdings UK Ltd. (formerly VisiCorp Management UK Limited)  
Portchester Limited  
SMR Automotive Mirrors UK Limited (formerly VisiCorp UK Limited)  
VisiCorp Automotive Valencia S.A.U.  
SMR Automotive Services UK Ltd. (formerly VisiCorp Services UK Limited)  
SMR Automotive Technology Holdings USA Partners (formerly VisiCorp Holding USA LLP)  
SMR Automotive Mirror International USA Inc. (formerly VisiCorp International USA Inc.)  
SMR Automotive Systems USA Inc. (formerly VisiCorp USA Inc.)  
SMR Automotive Systems France S. A. (formerly VisiCorp France S.A.)  
SMR Automotive Systems India Limited (formerly VisiCorp Motherson Limited)  
SMR Automotive Yancheng Co. Limited (formerly VisiCorp Automotive Yancheng Co Limited)  
SMR Automotive Beijing Company Limited (formerly VisiCorp Automotive Beijing Co Limited)  
SMR Automotive Mirror Technology Holding Hungary Kft (formerly VisiCorp Holding Hungary KFT)  
SMR Automotive Systems Spain S.A.U. (formerly VisiCorp Espana S.A.U. )  
SMR Automotive Vision Systems Mexico S.A. de C.V. (formerly VisiCorp Mexico S.A. de C.V.)  
SMR Automotive Servicios Mexico S.A. de C.V. (formerly VisiCorp Servicios S.A. de C.V.)  
SMR Automotive Mirrors Stuttgart GmbH (formerly VisiCorp Verwaltungsgesellschaft GmbH)  
SMR Automotive Patents S.a.R.L. (formerly VisiCorp Patents SARL)  
SMR Automotive Beteiligungen Deutschland GmbH (formerly VisiCorp Beteiligungs GmbH)  
SMR Automotive Brasil Ltda.

## II. Other Related Parties

### a. Joint Ventures:

Kyungshin Industrial Motherson Limited  
Balda Motherson Solution India Limited  
Woco Motherson Elastomer Limited  
Woco Motherson Advanced Rubber Technologies Limited  
Woco Motherson Limited (FZC)  
Calsonic Kansei Motherson Auto Product Limited  
Ningbo VisiCorp Huaxiang Automotive Mirrors Co. Limited

## Schedules forming part of the Accounts

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of the Accounts (Contd.)

**b. Associate Companies:**

Saks Ancillaries Limited

**c. Key Management Personnel:**

**i) Board of Directors:**

Mr. V.C. Sehgal

Mr. Laksh Vaaman Sehgal (w.e.f. April 30, 2009)

Mr. Toshimi Shirakawa

Mr. Toshihiro Watanabe

Mr. M.S. Gujral

Mr. Bimal Dhar

Mr. H. Murai

Maj. Gen Amarjit Singh (Retd)

Mr. Pankaj Mital

Mr. Arjun Puri

Mr. Toshihide Ano

**ii) Other Key Management Personnel:**

Mr. Vivek Avasthi

Mr. Ravindra Mathur

Mr. G.N. Gauba

Mr. N Ramanathan

Mr. Sanjay Mehta

**iii) Relatives of Key Management Personnel:**

Ms. Renu Sehgal

Ms. Vidhi Sehgal

Ms. Geeta Soni

Ms. Neelu Mehra

Ms. Padma Avasthi

Mr. Harjit Singh

Ms. Upkar Gujral

Ms. Subina Avasthi

**d. Companies in which Key Managerial Personnel or their relatives have control/ significant influence:**

Motherson Auto Limited

Motherson Air Travel Agencies Limited

Ganpati Auto Industries

South City Motors Limited

ASI Motherson Communication Solution Limited

Motherson Techno Tools Limited

Motherson Techno Tools Mideast (FZE)

Sumi Motherson Innovative Engineering Limited

SWS India Management Support & Service (P) Limited

Vaaman Auto Industries

A Basic Concepts Design India Private Limited

Motherson Sumi Infotech and Designs Limited

Motherson Engineering Research and Integrated Technologies Limited

Moon Meadows Private Limited

## Schedules forming part of the Accounts

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of the Accounts (Contd.)

Sis Bro Motor and Workshop Private Limited  
Motoman Motherson Robotics Limited  
NACHI Motherson Tool Technology Limited  
Motherson  
Samvardhana Motherson Finance Limited  
A Basic Concepts Design Pty Limited  
ATAR Mauritius Private Limited  
Motherson Auto Solutions Private Limited  
Motherson Machinery and Automations Private Limited  
Spheros Motherson Thermal System Limited  
Matsui Technologies India Limited  
Motherson Moulds and Diecasting Limited  
Webasto Motherson Sunroofs Limited  
Anest Iwata Motherson Limited  
Field Motor Private Limited  
AES (India) Engineering Limited  
Miyazu Motherson Engineering Design Limited  
Anest Iwata Motherson Coating Equipment Limited  
Nissin Advance Coating Indo Company Limited  
Magnetti Marelli Motherson Holding India BV  
Magnetti Marelli Motherson Auto System Limited  
Samvardhana Motherson Finance Services Cyprus Limited  
Motherson Zanotti Refrigeration System Limited  
Samvardhana Motherson Virtual Analysis Ltd. (formerly Motherson Timetooth Technologies Ltd)  
Samvardhana Motherson Finance Services Inc.  
Motherson TimeTooth Technologies Inc.  
Tigers Connect Travel Systems and Solutions Limited  
Samvardhana Motherson Holding (M) Private Limited  
Motherson Advanced Tooling Solutions Limited  
Avon Hill Limited  
Fritzmeier Motherson Cabin Engineering Limited  
Air Factory Energy Limited  
CTM India Limited  
MSID U.S. Inc  
Motherson Climate System Ltd.  
Spirited Auto Cars (I) Limited  
Style Motors Limited

**e. Joint Venturer:**

Sumitomo Wiring Systems Limited, Japan  
Wilhelm Pudenz GmbH, Germany (Upto June 28, 2009)  
Kyungshin Industrial Co., Korea  
Woco Franz Josef Wolf Holding GmbH, Germany  
Balda AG, Germany  
Calsonic Kansei Corporation, Japan  
E-Compost Pty. Limited, Australia  
Dermotech GmbH, Germany

## Schedules forming part of the Accounts

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of Accounts (Contd.)

#### III. Details of transactions, in the ordinary course of business at commercial terms and balances with related parties as mentioned in I & II above:

(Figures in Rs. Thousands)

S. No.	Particulars	Parties mentioned in 21 (I) above		Parties mentioned in 21 (II) (a) above		Parties mentioned in 21 (II) (b) & (d) above		Parties mentioned in 21 (II) (e) above		Parties mentioned in 21 (II) (c) above	
		Current Year	Previous year	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
1	Sale of Goods	479,814	467,113	554,170	576,296	108,009	47,831	338,659	351,351	-	36
2	Rendering of Services	14,489	2,380	338,800	181,390	41,350	23,919	4	-	-	-
3	Sale of Fixed Assets	-	149	683	252	1,293	-	-	-	-	-
4	Purchase of Goods	623,196	475,927	33,449	35,327	648,496	353,112	245,066	238,574	-	-
5	Purchase of Fixed Assets	55,329	24,628	3,060	-	291,217	123,734	1,935	1,042	-	-
6	Purchase of Services	27,728	4,033	1,253	10,250	380,954	304,130	2,564	2,616	2,014 <sup>9</sup>	4,287
7	Reimbursement (Net)	47,769	38,682	797	26,967	26,666	24,093	314	8,759	-	-
8	Investments made during the year	61,150	2,017,740	-	39,886	-	-	-	-	-	-
9	Purchase of Shares	-	-	-	-	-	-	18,012	-	-	-
10	Sale of Shares	228,721	-	26,667	-	-	-	-	-	-	-
11	Royalty	-	-	-	-	-	-	85,830	61,561	-	-
12	Remuneration/ Sitting Fees of Directors & Key Management Personnels	-	-	-	-	-	-	-	-	20,368	20,499
13	Interest Income	567	12,051	961	442	3,971	-	-	-	-	-
14	Interest Expense	-	1,028	-	-	14	907	-	-	-	-
15	Dividend Paid	-	-	-	-	190,131	135,979	130,804	130,804	20,830 <sup>10</sup>	28,792
16	Dividend Received	-	-	93,024	45,793	875	875	-	-	-	-
17	Advance given against Equity / Preference Shares	-	42,749	-	-	-	-	-	-	-	-
18	Advances Given	-	-	-	-	100,000	-	-	-	-	-
19	Loans Received during the year	-	2,000	-	-	6,000	10,000	-	-	-	-
20	Loans Given during the year	300,800	-	-	10,000	-	-	-	-	-	-
21	Loans Repaid during the year	-	34,500	-	-	-	30,000	-	-	-	-
22	Loans Received back during the year	3,737	361,499	-	13,314	-	-	-	-	-	-
23	Security Deposits Received	2,152	-	5,523	1,547	47	8,492	-	-	-	-
24	Security Deposits Repaid	-	-	-	-	564	-	-	-	-	-
	<b>Balances as at year end</b>										
25	Investments	2,041,575	2,113,700	584,474	678,508	38,230	38,230	-	-	-	-
26	Advance given against Equity / Preference Shares	-	42,749	-	-	-	-	-	-	-	-
27	Loans Receivable (after reinstatement)	306,950	10,683	-	-	-	-	-	-	-	-
28	Advances Receivable	18,940	58,725	75,718	12,484	68,992	62,467	-	-	-	96
29	Security Deposit Received	-	-	48,550	11,082	2,162	8,492	-	-	-	-
30	Security Deposits Given	-	-	-	-	2,706	2,706	-	-	542	542
31	Guarantees Closing	2,400,400	1,027,989	-	-	-	-	-	-	-	-
32	Trade Payable	436,761	426,376	2,602	7,586	177,721	90,463	41,004	53,818	-	-
33	Trade Receivable	123,546	107,940	67,860	113,741	36,071	16,414	37,600	28,373	-	-

The Company has given letter of support to its subsidiaries MSSSL Mauritius Holdings Ltd, MSSSL Ireland Pvt. Ltd and MSSSL (GB) Ltd to enable them to continue their operations.

<sup>9</sup> Rent of Rs 2,014 thousand (Previous Year Rs. 4,287 thousand) paid to Mr. V.C Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, Ms. Vidhi Sehgal .

<sup>10</sup> Dividend of Rs. 20,830 thousand (Previous Year Rs. 28,792 thousand) paid to Mr. V. C. Sehgal, Ms. Neelu Mehra, Ms. Geeta Soni, Mr. Pankaj Mital, Mr. M.S. Gujral, Mr. G.N.Gauba, Mr. Vivek Avasthi, Ms. Subina Avasthi, Mr. Bimal Dhar.



## Schedules forming part of the Accounts

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of Accounts (Contd.)

#### Names of related Party with whom transactions exceeds 10% of the total related party transactions of the same type.

(Figures in Rs. Thousands)

Nature	2009-2010		2008-2009	
	Party Name	Amount	Party Name	Amount
Sale of Goods	SMR Automotive Systems India Limited	215,860	MSSL Mideast (FZE)	277,824
	Kyungshin Industrial Motherson Limited	506,438	Kyungshin Industrial Motherson Limited	459,764
	Sumitomo Wiring Systems Limited, Japan	338,659	Sumitomo Wiring Systems Limited, Japan	351,351
Rendering of Services	Kyungshin Industrial Motherson Limited	304,885	Kyungshin Industrial Motherson Limited	151,244
Sale of Fixed Assets	Calsonic Kansei Motherson Auto Products Ltd.	683	Calsonic Kansei Motherson Auto Products Ltd.	252
	Motherson Techno Tools Limited	1,196	MSSL (GB) Limited	149
Purchase of Goods	Sumi Motherson Innovative Engineering Limited	466,478	Sumi Motherson Innovative Engineering Limited	351,108
	Motherson Electricals Wires Lanka Pvt Limited	402,821	Motherson Electrical Wires Lanka Pvt Limited	381,943
			Sumitomo Wiring Systems Limited, Japan	229,625
Purchase of Fixed Assets	Motherson Sumi Infotech and Designs Limited	53,051	Motherson Elastomers Pty Limited	15,371
	AES ( India ) Engineering Limited	46,039	Sumi Motherson Innovative Engineering Limited	23,893
	CTM India Limited	123,593	Matsui Technologies India Limited	17,722
			CTM India Limited	66,581
Purchase of Services	Motherson Auto Limited	50,139	Saks Ancillaries Limited	74,250
	Motherson Air Travel Agencies Limited	71,254	Motherson Auto Limited	52,245
	Motherson Sumi Infotech and Designs Limited	129,169	Motherson Air Travel Agencies Limited	67,694
			Motherson Sumi Infotech and Designs Limited	101,295
Reimbursement (Net)	MSSL Handels GmbH	10,045	MSSL Handels GmbH	13,017
	MSSL (S) Pte Limited	13,287	MSSL (S) Pte Limited	12,581
	MSSL (GB) Limited	17,409	MSSL (GB) Limited	9,930
	Motherson Air Travel Agencies Limited	21,115	Motherson Air Travel Agencies Limited	15,215
			Balda Motherson Solution India Limited	22,560
Investment made during the year	MSSL Mauritius Holdings Limited	43,138	MSSL Mideast (FZE)	708,071
	Motherson Tradings Limited	18,012	MSSL (S) Pte Limited	306,263
	(formerly Motherson PUDENZ WICKMANN Limited)		MSSL Mauritius Holdings Limited	1,002,906
Purchase of Shares	Wilhelm Pudenz GmbH Germany	18,012		-
Sale of Shares/Redemption	MSSL (S) Pte Limited	228,721		
	Woco Motherson Advanced Rubber & Tech Limited	26,667		-
Royalty	Sumitomo Wiring Systems Limited, Japan	85,830	Sumitomo Wiring Systems Limited, Japan	61,561
Remuneration/Sitting Fees of Directors/ Key Management Personnel	Mr. Pankaj Mital	4,660	Mr. Pankaj Mital	4,603
	Mr. Toshihiro Watanabe	3,622	Mr. Toshihiro Watanabe	3,041
	Mr. G. N. Gauba	4,031	Mr. G.N. Gauba	3,622
	Mr. Vivek Avasthi	3,252	Mr. Vivek Avasthi	2,872
	Mr. Ravindra Mathur	2,549		
Interest Income	MSSL Handels GmbH	547	MSSL Mideast (FZE)	11,477
	Motherson Auto Limited	3,971		
Interest Expense	Saks Ancillaries Limited	14	Motherson PUDENZ WICKMANN Limited	1,028
			Saks Ancillaries Limited	907
Dividend Paid	Samvardhana Motherson Finance Limited	190,131	Samvardhana Motherson Finance Limited	102,850
	Sumitomo Wiring Systems Limited, Japan	103,804	Sumitomo Wiring Systems Limited, Japan	130,804
Dividend Received	Kyungshin Industrial Motherson Limited	86,000	Kyungshin Industrial Motherson Limited	34,400
			Woco Motherson Elastomer Limited	11,393
Advance given against Equity/ Preference Shares		-	MSSL (S) Pte Limited	9,149
			MSSL Global Wiring Limited	33,600

## Schedules forming part of the Accounts

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of Accounts (Contd.)

(Figures in Rs. thousands)

Nature	2009-2010		2008-2009	
	Party Name	Amount	Party Name	Amount
Loans Received during the year	Saks Ancillaries Limited	6,000	Motherson PUDENZ WICKMANN Limited Saks Ancillaries Limited	2,000 10,000
Loans Given during the year	SMR Automotive Systems India Limited MSSL Global Wiring Limited	61,200 239,600	Balda Motherson Solution India Limited	10,000
Loans Repaid during the year		-	Motherson PUDENZ WICKMANN Limited Saks Ancillaries Limited	34,500 30,000
Loans recd. back during the year	MSSL Handels GmbH	3,737	MSSL Mideast (FZE)	361,095
Security Deposits Received	SMR Automotive Systems India Limited Woco Motherson Elastomer Limited Calsonic Kansei Motherson Auto Products Limited	2,152 1,164 4,359	Calsonic Kansei Motherson Auto Products Ltd. Motherson Moulds and Diecasting Limited Magnetti Marelli Motherson Auto System Ltd. Motoman Motherson Robotics Limited	1,547 4,749 1,684 2,060
Security Deposit Repaid	Motherson Sumi Infotech Design Limited	564		-
Advance Given	Motherson Auto Limited	100,000		-
<b>Balances as at year end</b>				
Advance given against Equity/ Preference Shares			MSSL (S) Pte Limited MSSL Global Wiring Limited	9,149 33,600
Loans Payable	Saks Ancillaries Ltd	6,013		
Loan Receivable	MSSL Global Wiring Limited SMR Automotive Systems India Limited	239,600 61,200	MSSL Handels GmbH	10,683
Advances Receivable	Kyungshin Industrial Motherson Limited CTM India Limited Motherson Auto Limited	70,703 51,330 101,442	MSSL Global Wiring Limited CTM India Limited	47,381 47,449
Security Deposits Received	Kyungshin Industrial Motherson Limited Balda Motherson Solution India Limited	30,000 9,535	Motoman Motherson Robotics Limited Motherson Moulds and Diecasting Limited Balda Motherson Solution India Limited	2,060 4,749 9,535
Security Deposits Given	Motherson Auto Limited Laksh Vaaman Sehgal	2,626 542	Motherson Auto Limited Laksh Vaaman Sehgal	2,626 542
Guarantee Closing	Samvardhana Motherson Reflectec Group Holdings Limited	2,400,400	Samvardhana Motherson Reflectec Group Holdings Limited	1,027,989
Trade Payable	Motherson Electrical Wires Lanka Pvt. Ltd. Sumi Motherson Innovative Engineering Limited	397,948 99,003	Motherson Electrical Wires Lanka Pvt. Limited Sumi Motherson Innovative Engineering Limited	414,349 52,984
Trade Receivable	SMR Automotive Systems India Limited Kyungshin Industrial Motherson Limited Sumitomo Wiring Systems Limited, Japan	43,489 63,215 37,600	MSSL Mideast FZE MSSL (GB) Limited SMR Automotive Systems India Limited Kyungshin Industrial Motherson Limited Sumitomo Wiring Systems Limited, Japan	49,291 31,178 34,914 73,391 28,373

## Schedules forming part of the Accounts

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of Accounts (Contd.)

#### 22. SEGMENT INFORMATION

##### a) Information about Primary Business Segments

(Figures in Rs. Thousands)

	Automotive		Non automotive		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Segment Revenue</b>								
External	15,934,712	11,685,336	1,788,099	1,470,022	734,508	280,412	18,457,319	13,435,770
Inter-segment	174,024	113,901	-	-	-	-	174,024	113,901
<b>Total Revenue</b>	<b>15,760,688</b>	<b>11,571,435</b>	<b>1,788,099</b>	<b>1,470,022</b>	<b>734,508</b>	<b>280,412</b>	<b>18,283,295</b>	<b>13,321,869</b>
<b>Results</b>								
Segment result	2,097,594	1,079,659	290,767	124,273	-	-	2,388,361	1,203,932
Interest expense (net of Interest income)	-	-	-	-	252,400	290,984	252,400	290,984
Other Unallocable (net of Income)	-	-	-	-	(534,507)	60,492	(534,507)	60,492
<b>Profit Before Taxation</b>	-	-	-	-	-	-	2,670,467	852,456
Provision for Taxation (net)	-	-	-	-	885,809	157,047	885,809	157,047
<b>Net Profit After Tax</b>	-	-	-	-	-	-	1,784,658	695,409
<b>Other items</b>								
Segment assets	12,804,805	9,595,250	1,032,880	1,103,082	2,846,961	3,151,072	16,684,646	13,849,404
Segment liabilities	3,644,077	2,489,454	462,202	301,686	5,432,907	6,396,372 <sup>11</sup>	9,539,186	9,187,512
Capital expenditure	2,641,680	1,036,044	106,870	63,726	-	-	2,748,550	1,099,770
Depreciation & Impairment	585,468	480,761	60,279	64,383	-	-	645,747	545,144
Amortization of Premium on Redemption of Zero Coupon	-	-	-	-	-	-	-	-
Foreign Currency Convertible Bonds	-	-	-	-	141,466	154,525	141,466	154,525

<sup>11</sup>Does not include proposed dividend and tax thereon

##### b) Information about Secondary Business Segment

(Figures in Rs. Thousands)

	India		Outside India <sup>12</sup>		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Revenue by geographical markets</b>								
External	15,371,109	10,496,740	2,177,676	2,544,716	734,508	280,413	18,283,295	13,321,869
<b>Total</b>	<b>15,371,109</b>	<b>10,496,740</b>	<b>2,177,676</b>	<b>2,544,716</b>	<b>734,508</b>	<b>280,413</b>	<b>18,283,295</b>	<b>13,321,869</b>
Carrying amount of segment assets	13,335,261	10,134,084	502,424	564,249	2,846,961	3,151,071	16,684,646	13,849,404
Addition to fixed assets	2,748,550	1,091,413	-	8,357	-	-	2,748,550	1,099,770

<sup>12</sup> Includes Europe, America, Asia Pacific, Middle East and Australia

##### c) Composition of Business Segments

The Company is organized into two main business segments, namely:

Segments	Products categories in respective segments
Automotive	Wiring Harness, High Tension Cords, Wires, Plastic Components, Rubber Components, Cockpit Assembly
Non Automotive	Wiring Harness, Pen-Stamp Assembly, Plastic Components for white goods, Household Wires, Plates, Aerobin

##### d) Inter Segment Transfer Pricing

Inter Segment prices are normally negotiated amongst the segments with reference to the costs, market prices and business risks, with an overall optimisation objective for the Company.

## Schedules forming part of the Accounts

### SCHEDULE XIII - Significant Accounting Policies and Notes forming part of Accounts (Contd.)

#### 23. Interests in Joint Ventures:

The Company's interests, as a venture, in jointly controlled entities as at March 31, 2010 are:

Name of the Company	Country of Incorporation	% Voting power held as at March 31, 2010	% Voting power held as at March 31, 2009
Kyungshin Industrial Motherson Limited	India	50%	50%
Balda Motherson Solution India Limited	India	40%	40%
Woco Motherson Elastomer Limited	India	33.33%	33.33%
Woco Motherson Advanced Rubber Technologies Limited	India	33.33%	33.33%
Calsonic Kansei Motherson Auto Products Limited	India	49%	49%

The following amounts represent the Groups share of the assets and liabilities and revenue and expenses of the joint venture and are included in the consolidated balance sheet and consolidated profit & loss account:

(Figures in Rs. Thousands)

Particulars	March 31, 2010	March 31, 2009
<b>Assets</b>		
Fixed Assets	483,857	539,299
Capital Work in Progress	3,050	4,712
Current Assets	1,154,561	836,826
<b>Liabilities</b>		
Secured Loans	62,451	84,517
Unsecured Loans	58,181	34,153
Current Liabilities & Provisions	540,468	450,161
Deferred Tax (Net)	2,255	10,768
Reserves & Surplus	396,562	190,717
<b>Revenue</b>		
Sales	3,737,264	3,420,030
Other Income	73,612	33,095
Expenditure	3,288,962	3,175,034
Profit Before Tax	521,914	278,092
Provision for Tax	182,863	159,143
Profit After Tax	339,051	118,949
<b>Contingent Liabilities</b>		
- In respect of Excise, Sales tax & Service tax matters	7,650	4,673
- Bank Guarantees	14,928	79,411
Capital Commitment	13,313	11,668

24. The Company has a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company appoints independent consultants for conducting a Transfer Pricing Study to determine whether the transactions with associate enterprises are undertaken, during the financial year, on an "arms length basis". Adjustments, if any, arising from the transfer pricing study shall be accounted for as and when the study is completed for the current financial year. However the management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

25. The corresponding figures of previous year have been regrouped, rearranged wherever necessary to conform to the current year's classification.

for and on behalf of the Board

For Price Waterhouse  
Firm Registration Number: FRN 007568S  
Chartered Accountants

V.C. SEHGAL  
Vice Chairman

TOSHIHIRO WATANABE  
Whole Time Director

PANKAJ MITAL  
Chief Operating Officer

ANUPAM DHAWAN  
Partner  
M.No.: F084451

G.N. GAUBA  
Co. Secretary & V.P. Finance

Place : New Delhi  
Date : May 18, 2010

## Information pursuant to part IV of Schedule VI of the Companies Act, 1956

### Balance Sheet Abstract and Company's General Business Profile

#### I. Registration Details

Registration No.  State Code

Balance Sheet Date     
Day Month Year

#### II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue  Right Issue

Bonus Issue  Private Placement

#### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities  Total Assets

Sources of Funds

Paid-up Capital  Reserves & Surplus

Secured Loans  Unsecured Loans

Deferred Tax (Net)

Application of Funds

Net Fixed Assets  Investments

Net Current Assets  Misc. Expenditure

Accumulated Losses

#### IV. Performance of the Company (Amount in Rs. Thousands)

Turnover  Total Expenditure

Profit/Loss before Tax  Profit/Loss after Tax

Earning per share in Rs.  Dividend Rate %

#### V. Generic Names of three principal products/services of the Company (as per monetary terms)

Product Description	Item Code
Integrated Wiring Harness	<input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="0"/>
Rubber Components	<input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>
PVC Insulated Wire	<input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="0"/>

for and on behalf of the Board

**V.C. SEHGAL**  
Vice Chairman

**TOSHIHIRO WATANABE**  
Whole Time Director

**PANKAJ MITAL**  
Chief Operating Officer

**G.N. GAUBA**  
Co. Secretary & V.P. Finance

Place : New Delhi  
Date : May 18, 2010

# Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to Subsidiary Companies Name of the Subsidiary Companies

Particulars	MSSL Midcast (FZE)	March 31, 2010	Motherson Sumi Wiring System (FZC)	December 31, 2009	MSSL GmbH	December 31, 2009	MSSL Polymers GmbH	December 31, 2009	Motherson Reiner GmbH	December 31, 2009	MSSL Advanced Polymers s.r.o	December 31, 2009	Motherson Orca Precision Technology GmbH	December 31, 2009	MSSL s.r.l. Unipersonale	December 31, 2009	MSSL GB Ltd.	December 31, 2009	MSSL Mauritius Holdings Limited	December 31, 2010	MSSL Tooling (FZE)	March 31, 2010	MSSL Ireland Private Limited	December 31, 2009	Global Environment Management Australia Pty Limited	December 31, 2009	MSSL (S) Pte Ltd	March 31, 2010
The financial year of the Subsidiary Companies ended on	March 31, 2010	March 31, 2010	March 31, 2010	December 31, 2009	December 31, 2009	December 31, 2009	December 31, 2009	December 31, 2009	December 31, 2009	December 31, 2009	December 31, 2009	December 31, 2009	December 31, 2009	December 31, 2009	December 31, 2009	December 31, 2009	December 31, 2009	December 31, 2009	December 31, 2009	March 31, 2010	March 31, 2010	December 31, 2009	December 31, 2009	December 31, 2009	March 31, 2010	March 31, 2010		
Number of shares held in Subsidiary Company as on above date:	1 Equity Share of 150,000 equivalent to EUR 46,875 and 12,275,000 preference share of EUR 1 each	4,080,000 Equity shares of EUR 1 each held by MSSL Midcast (FZE)	1 Equity share of EUR 51,200 each held by MSSL GmbH	1 Equity shares of EUR 200,000 each held by MSSL GmbH	1 Equity shares of EUR 22,900 each held by MSSL GmbH	1 Equity shares of EUR 51,000 each held by MSSL GmbH	1 Equity shares of EUR 10,000 each held by MSSL GmbH	1,000 Equity shares of GBP 1 each held by MSSL Midcast (FZE)	525,000 Equity share of EUR 1 each and 16,350,000 preference share of EUR 1 each	1,500 Equity Shares of AED 100 each equivalent to EUR 3,25,004 held by MSSL Midcast (FZE)	5,000 Equity share of EUR 10 each held by MSSL Mauritius Holdings Limited	75,100 Equity shares of AED 1 each equivalent to AUD 27,265 and 6,041,542 Equity shares of AUD 1 each held by MSSL Mauritius Holdings Limited	2 Equity shares of AUD 1 each held by MSSL Australia Pty Limited	100,000 equity shares of SGD 1 each and 57,35,000 preference share of SGD 1 each														
- Equity (Nos.)	1	8,000,000	250,000	1	1	2	1	1,000	525,000	1,500	5,000	75,100	2	100,000														
- Extent of Holding (%)	100%	51%	100%	100%	100%	51%	100%	100%	100%	100%	100%	78.82%	100%	100%														
- Preference (Nos.)	12,275,000	-	-	-	-	-	-	-	-	-	-	-	-	-														
- Extent of Holding (%)	100%	-	-	-	-	-	-	-	-	-	-	-	-	-														
Net aggregate amounts of profits/ (losses) of the Subsidiary Companies so far as those profits are dealt with, or provision is made for those losses in the Accounts of the Holding Company																												
(Figures in Thousands)																												
- Profits/Losses of the Subsidiary Companies for the financial year ended March 31, 2010	EUR 2,444	EUR (2,875)	EUR (237)	EUR (640)	EUR -	EUR (799)	EUR (38)	GBP (292)	EUR (275)	EUR 303	EUR 98	AUD (86)	AUD (431)	SGD 1,834														
	Rs 148,200	Rs (174,387)	Rs (14,365)	Rs (38,802)	Rs -	Rs (48,460)	Rs (2,315)	Rs (19,883)	Rs (16,673)	Rs 18,347	Rs 5,638	Rs (3,535)	Rs (17,749)	Rs 58,858														
- Profits for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company	EUR 22,599	EUR (710)	EUR (8,927)	EUR 1,849	EUR -	EUR (333)	EUR (12)	GBP (389)	EUR (575)	EUR (2,398)	EUR (299)	AUD (2,517)	AUD (4,123)	SGD (162)														
	Rs 1,370,626	Rs (43,090)	Rs (541,435)	Rs 112,156	Rs -	Rs (20,225)	Rs (740)	Rs (26,536)	Rs (34,854)	Rs (145,418)	Rs (18,133)	Rs (103,580)	Rs (169,647)	Rs (5,204)														
Net aggregate amount of profits / (losses) of the Subsidiary Companies so far as it concerns the members of the Holding Company and is not dealt in the accounts of the Holding Company.																												
- Profits of the Subsidiary Companies for the financial year ended 31st March, 2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil														
- Profits for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil														
Changes in the interest of the Holding Company in the subsidiary between the end of the financial year of the subsidiary and that of the Holding Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA														
Material changes between the end of the financial year of the subsidiary and that of the Holding Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA														



**Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to Subsidiary Companies  
Name of the Subsidiary Companies**

Particulars	MSSL Australia Pty Limited	MSSL Handels GmbH	Motherson Electrical Wires Lanka (Pvt.) Ltd	MSSL Global Wiring Limited	Motherson Tradings Limited	Motherson Investments Pty Limited	Motherson Elastomers Pty Limited	MSSL Global Engineering Limited	Samvardhana Motherson Global Holdings Ltd.	Samvardhana Reflectec Group Holdings Limited	Samvardhana Automotive Technology Holding Cyprus Ltd.	SMR Automotive Holding Hong Kong Limited	SMR Automotive Mirror Systems Holding GmbH	SMR Automotive Parts GmbH	SMR Pong Jeong Automotive Mirrors Korea Ltd.
The financial year of the Subsidiary Companies ended on	December 31, 2009	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	December 31, 2009	December 31, 2009	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
Number of shares held in Subsidiary Company as on above date:	8,000 Equity shares of AUD 1 each and 2,792,000 preference shares of AUD 1 each held by MSSL (S) Pre Ltd.	1 Equity share of EUR 35,000 each	1,456,202 Equity Shares of SLR. 10 each	50,000 equity shares of Rs 10 each	2,500,000 equity shares of Rs 10 each	100 Equity shares of AUD 1 each held by MSSL Australia Pty Limited	100 Equity shares of AUD 1 each held by MSSL Australia Pty Limited	50,000 Equity share of ZAR 1 each held by MSSL Mauritius Holdings Ltd.	2,850,000,000 Equity share of EUR 0.01 each held by Samvardhana Motherson Global Holdings Ltd.	2,850,000,000 Equity share of EUR 0.01 each held by Samvardhana Motherson Global Holdings Ltd.	1,000,000 Equity shares of EUR 1 each held by Samvardhana Reflectec Group Holdings Limited	1 Equity share of HKD 1 each and 2,300,400 Equity shares of EUR 1 each held by Samvardhana Reflectec Group Holdings Ltd.	1 Equity share of EUR 25,000 each and 4 Equity shares of EUR 100 each held by SMR Automotive Mirror Parts and Holdings UK Limited	1 Equity share of EUR 25,000 each held by SMR Automotive Mirror Parts GmbH	724,820 Equity shares of KRW 5000 each held by SMR Automotive Mirror Systems Holding GmbH
- Equity (Nos.)	10,000	1	1,456,202	50,000	2,500,000	100	100	50,000	2,000,000	3,000,000,000	1,000,000	2,300,401	5	1	805,356
- Extent of Holding (%)	80%	100%	100%	100%	100%	100%	100%	100%	51%	95%	100%	100%	100%	100%	90%
- Preference (Nos.)	3,490,000	-	-	-	-	-	-	-	10,000	-	-	-	-	-	-
- Extent of Holding (%)	80%	-	-	-	-	-	-	-	51%	-	-	-	-	-	-
Net aggregate amounts of profits/ (losses) of the Subsidiary Companies so far as those profits are dealt with, or provision is made for those losses in the Accounts of the Holding Company															
(Figures in Thousands)															
- Profits/Losses of the Subsidiary Companies for the financial year ended March 31, 2010	AUD 593	EUR (10)	USD 5,486	Rs (25,114)	Rs 287	AUD (22)	AUD (97)	EUR (8)	EUR (509)	Rs 896,508	EUR -	EUR (7)	EUR (175)	EUR (667)	KRW 62,007
	Rs 24,395	Rs (632)	Rs 246,284	Rs (25,114)	Rs 287	Rs	Rs	Rs 7,412	Rs	Rs	Rs	Rs (444)	Rs (10,048)	Rs (40,460)	Rs 2,480
- Profits for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company	AUD 1,653	EUR (108)	USD 12,576	Rs (4,026)	Rs 36,460	AUD (88)	AUD (3,633)	Rs 0							
	Rs 68,019	Rs (6,567)	Rs 564,541	Rs (4,026)	Rs 36,460	Rs	Rs	Rs							
Net aggregate amount of profits/ (losses) of the Subsidiary Companies so far as those profits are dealt with, or provision is made for those losses in the accounts of the Holding Company.															
- Profits of the Subsidiary Companies for the financial year ended 31st March, 2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
- Profits for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Changes in the interest of the Holding Company in the subsidiary between the end of the financial year of the subsidiary and that of the Holding Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Material changes between the end of the financial year of the subsidiary and that of the Holding Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

## Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to Subsidiary Companies Name of the Subsidiary Companies

Particulars	SMR Hosing Automotive Ltd	SMR Holding Australia Pty Limited	SMR Automotive Taree Pty Limited	SMR Automotive Technology Hungary Bt	SMR Grunbestz GmbH & Co. KG	SMR Automotive Services GmbH	SMR Automotive Mirror Parts and Holdings UK Ltd.	Portchester Ltd	SMR Automotive Mirros UK Limited	Visicorp Automotive Valencia S.A.U.	SMR Automotive Services UK Ltd	SMR Automotive Technology Holdings USA Partners	SMR Automotive Mirror International USA Inc.	SMR Automotive Systems USA Inc.
The financial year of the Subsidiary Companies ended on	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
Number of shares held in Subsidiary Company as on above date:	90,000 Equity shares of KRW 5,000 each held by SMR Poong Jeong Automotive Mirros Korea Ltd.	15,296,248 Equity shares of AUD 1 each held by SMR Automotive Holding Pty. Ltd.	2,566,120 Equity shares of AUD 1.72 each and 464,684 equity shares of AUD 14.79 each held by SMR Holding Australia Pty. Ltd.	The Company is a Limited Partnership Company, EUR 672,029 contributed by SMR Automotive Holding Pty. Ltd.	1 Equity share of Euro 51,700 each held by SMR Automotive Holding Deutschland GmbH.	1 Equity share of EUR 25,000 each held by SMR Automotive Mirror Systems Holding GmbH.	102 Equity shares of GBP 1 each held by Samardhana Motherson Reflectec Group Holdings Ltd.	12,000,000 Equity shares of GBP 0.10 each held by SMR Automotive Mirror Parts and Holdings UK Ltd.	2 Equity shares of GBP 1 each held by SMR Automotive Mirror Parts and Holdings UK Ltd.	249,741 Equity shares of EUR 10 each held by SMR Automotive Mirror Parts and Holdings UK Ltd.	100 Equity shares of GBP 1 each held by SMR Automotive Mirror Parts and Holdings UK Ltd.	99 % Shares held by SMR Automotive Technology USA Partners and 1 % by SMR Automotive Services UK Ltd.	100 Equity shares of USD 0.1 each held by SMR Automotive Technology Holdings USA Partners	7,500 Equity shares of USD 10 each held by SMR Automotive Technology Holdings USA Partners
- Equity (Nos.)	90,000	15,296,248	3,030,804		2	1	102	15,600,000	2	249,741	100		100	
- Extent of Holding (%)	100%	100%	100%	100%	94%	100%	100%	76.90%	100%	100%	100%	100%	100%	100%
- Preference (Nos.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Extent of Holding (%)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net aggregate amounts of profits/ (losses) of the Subsidiary Companies so far as those profits are dealt with, or provision is made for those losses in the Accounts of the Holding Company														
(Figures in Thousands)														
- Profits/ Losses of the Subsidiary Companies for the financial year ended March 31, 2010	KRW 87,383	AUD (238)	AUD (15)	EUR (371)	EUR (88)	EUR (797)	EUR 314	GBP -	GBP 1,336	EUR (62)	GBP (1)	USD (406)	USD 97	USD (100)
- Profits for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company	Rs 3,495	Rs (9,809)	Rs (650)	Rs (22,537)	Rs (5,353)	Rs (48,383)	Rs 19,100	Rs -	Rs 9,103	Rs (3,788)	Rs (43)	Rs. (18,246)	Rs. 437	Rs. (4,565)
Net aggregate amount of profits/ (losses) of the Subsidiary Companies so far as those profits are dealt with, or provision is made for those losses in the Accounts of the Holding Company and is not dealt in the accounts of the Holding Company.														
- Profits of the Subsidiary Companies for the financial year ended 31st March, 2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
- Profits for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Changes in the interest of the Holding Company in the subsidiary between the end of the financial year of the subsidiary and that of the Holding Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Material changes between the end of the financial year of the subsidiary and that of the Holding Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

## Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to Subsidiary Companies Name of the Subsidiary Companies

Particulars	SMR Automotive Systems France S. A.	SMR Automotive Systems India Limited	SMR Automotive Yancheng Co. Limited	SMR Automotive Beijing Company Limited	SMR Automotive Mirror Technology Holding Hungary KFT	SMR Automotive Systems Spain S.A.U	SMR Automotive Vision Systems Mexico S.A. de C.V.	SMR Automotive Services Mexico S.A. de C.V.	SMR Automotive Mirrors Stuttgart GmbH	SMR Automotive Patents S.a.R.L.	SMR Automotive Beteiligungen Deutschland GmbH	SMR Automotive Brasil Ltda.
The financial year of the Subsidiary Companies ended on	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
Number of shares held in Subsidiary Company as on above date:	651,103 Equity shares of EUR 28,204 each held by SMR Automotive Technology Holding Cyprus Ltd.	6,712,990 Equity shares of Rs. 10 each by held by Motherson Sumi Systems Ltd. and 6,987,010 Equity shares held by SMR Automotive Technology Holding Cyprus Ltd.	100% Shares held by SMR Automotive Holding Hong Kong Limited	100% Shares held by SMR Automotive Holding Hong Kong Limited	100% Shares held by SMR Automotive Mirror Technology Holding Hungary KFT	194,000 Equity shares of EUR 6.01 each held by SMR Automotive Parts GmbH	64.68% Shares is held by SMR parts GmbH and 35.32% by SMR Automotive Systems Spain S.A.U (7,416,000 shares of USD 0.10 each and 7988,915 variable shares of USD 10 each)	49,995 Equity shares of USD 1 each held by SMR Automotive vision Systems Mexico S.A. de C.V	1 Equity share of EUR 25,000 each held by SMR Automotive Mirrors Stuttgart GmbH	500 Equity shares of EUR 25 each held by SMR Automotive Mirror Parts and Holdings UK Ltd.	1 Equity share of EUR 25,000 each held by SMR Automotive Holding Deutschland GmbH	-
- Equity (Nos.)	651,105	13,700,000				194,000	7,916,315	49,995	1	500	1	1
- Extent of Holding (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
- Preference (Nos.)	-	-	-	-	-	-	-	-	-	-	-	-
- Extent of Holding (%)	-	-	-	-	-	-	-	-	-	-	-	-
Net aggregate amounts of profits/ (losses) of the Subsidiary Companies for as much as profits are dealt with, or division is made for those losses in the Accounts of the Holding Company												
(Figures in Thousands)												
- Profits/Losses of the Subsidiary Companies for the financial year ended March 31, 2010	EUR (93) Rs (5,641)	Rs 13,789 CNY 13,789	CNY 301 Rs 1,981	CNY (163) Rs (1,075)	HUF (52) Rs (12)	EUR 199 USD 12,077	USD 277 Rs 12,477	USD - Rs -	EUR (559) Rs (33,904)	EUR (74) Rs (10,590)	EUR 3 Rs 188	EUR - Rs -
- Profits for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company												
Net aggregate amount of profits / (losses) of the Subsidiary Companies so far as it concerns the members of the Holding Company and is not dealt in the accounts of the Holding Company.												
- Profits of the Subsidiary Companies for the financial year ended 31st March, 2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
- Profits for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Changes in the interest of the Holding Company in the subsidiary between the end of the financial year of the subsidiary and that of the Holding Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Material changes between the end of the financial year of the subsidiary and that of the Holding Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

\* Indian Rupee figures have been arrived at by applying the year end interbank exchange rate, EUR 1 = Rs 60.65, SGD 1 = Rs 32.10, AUD 1 = Rs 41.15, GBP 1 = Rs 68.15, USD 1 = Rs 44.89, ZAR 1 = Rs 0.04, CNY 1 = Rs 6.58, HUF 1 = 0.23,

for and on behalf of the Board

**V.C. SEHGAL**  
Vice Chairman

**TOSHIHIRO WATANABE**  
Whole Time Director

**PANKAJ MITAL**  
Chief Operating Officer

Place: New Delhi  
Date : May 18, 2010

**G.N. Gauba**

Co. Secretary & V.P. Finance

**Statement pursuant to exemption received under Section 212 (8) of the Companies Act, 1956 relating to subsidiary companies**

(Figures in Rs.Thousands)

S. No.	Name of the Company	MSSL Holding as at 31/03/2010	Reporting Currency	Exchange Rate	Share Capital	Reserves and Surplus	Total Liabilities	Net Fixed Assets	Investment	Total Assets	Sales	PBT	Taxation	PAT
1	MSSL Mauritius Holdings Limited	100%	EUR	60.65	1,023,469	(51,527)	972,816	-	953,790	972,816	-	(16,673)	-	(16,673)
2	MSSL Mideast (FZE)	100%	EUR	60.65	747,322	1,520,248	2,353,060	56,109	1,229,622	2,353,060	655,490	148,200	-	148,200
3	Motherson Electrical Wires Lanka Pvt. Limited	100%	USD	44.89	6,815	867,334	887,292	84,179	-	887,292	1,164,644	246,278	(7)	246,284
4	MSSL Handels GmbH	100%	EUR	60.65	2,123	(7,199)	698	36	-	698	-	(37)	594	(632)
5	MSSL (S) Pte Ltd	100%	SGD	32.10	187,304	42,609	242,133	41,354	154,444	242,133	-	61,021	2,163	58,858
6	Motherson Tradings Limited	100%	INR	1.00	25,000	37,647	64,556	1,485	-	64,556	11,182	1,615	1,329	287
7	MSSL Global Wiring Limited	100%	INR	1.00	500	(29,140)	257,313	184,718	-	257,313	10,136	(23,127)	1,987	(25,114)
8	MSSL GmbH <sup>2</sup>	100%	EUR	60.65	15,163	166,541	345,116	64,632	194,644	345,116	84,442	(14,365)	-	(14,365)
9	MSSL (GB) Limited <sup>2</sup>	100%	GBP	68.15	68	(46,419)	102,954	4,413	-	102,954	265,258	(19,883)	-	(19,883)
10	Motherson Sumi Wiring System Limited (FZC) <sup>2</sup>	51%	EUR	60.65	485,200	(217,478)	591,994	177,434	-	591,994	1,392,355	(174,387)	-	(174,387)
11	MSSL Ireland Private Limited <sup>4</sup>	100%	EUR	60.65	3,033	(12,495)	130,281	263	-	130,281	8,094	5,638	-	5,638
12	MSSL Tooling (FZE) <sup>2</sup>	100%	EUR	60.65	244,571	(127,070)	170,909	32,963	-	170,909	226,211	18,347	-	18,347
13	Global Environment Management (FZC) <sup>4</sup>	78.82%	AUD	41.15	258,802	(107,114)	225,064	-	0	225,064	32,727	(3,535)	-	(3,535)
14	MSSL Australia Pty Limited <sup>5</sup>	80.00%	AUD	41.15	144,025	92,414	430,037	1,613	8	430,037	-	34,635	10,240	24,395
15	MSSL Polymers GmbH <sup>3</sup>	100%	EUR	60.65	3,105	85,484	202,840	43,998	-	202,840	413,080	(36,743)	2,059	(38,802)
16	Mothersonsumi Reiner GmbH <sup>3</sup>	100%	EUR	60.65	12,130	57,618	120,766	109,331	-	120,766	25,114	(80)	(80)	(0)
17	MSSL Advanced Polymers s.r.o. <sup>3</sup>	100%	CZK	2.38	4,760	45,703	487,207	369,838	-	487,207	264,480	(8,748)	(5,503)	(7,132)
18	Motherson Orca Precision Technology GmbH <sup>3</sup>	51%	EUR	60.65	6,065	52,614	131,485	11,999	-	131,485	249,196	(48,460)	-	(48,460)
19	MSSL s.r.l. Unipersonale <sup>3</sup>	100%	EUR	60.65	607	(3,055)	3,868	1,456	-	3,868	-	(2,315)	-	(2,315)
20	Global Environment Management Australia Pty Limited <sup>6</sup>	100%	AUD	41.15	0.1	(187,396)	13,362	129	-	13,362	32,144	(17,749)	-	(17,749)
21	Motherson Elastomers Pty Limited <sup>7</sup>	100%	AUD	41.15	4	104,730	512,476	148,910	-	512,476	1,073,995	13,559	6,146	7,412
22	Motherson Investments Pty Limited <sup>7</sup>	100%	AUD	41.15	4	(4,554)	188,007	183,513	-	188,007	-	(5,586)	(4,665)	(921)
23	MSSL Global RSA Module Engineering Limited (formerly Golden Dividend 629 Limited) <sup>4</sup>	100%	ZAR	6.13	307	(277)	120,164	55	-	120,164	-	(277)	-	(277)
24	Samvardhana Motherson Global Holdings Ltd. (SMGHL) <sup>4</sup>	51%	EUR	60.65	121,907	1,611,884	1,776,841	-	1,728,525	1,776,841	-	(3,105)	-	(3,105)
25	Samvardhana Motherson Reflectec Group Holdings Limited (SMR) (formerly Samvardhana Motherson VisiCorp Solution Limited) <sup>8</sup>	95%	EUR	60.65	2,001,450	1,300,827	6,476,279	-	1,710,509	6,476,279	-	404,318	-	404,318
26	SMR Automotive Holding Hong Kong Limited (formerly Elemental Growth Limited) <sup>8</sup>	100%	EUR	60.65	140,732	(11,716)	141,720	-	140,286	141,720	-	(11,284)	-	(11,284)

# Statement pursuant to exemption received under Section 212 (8) of the Companies Act, 1956 relating to subsidiary companies

(Figures in Rs. Thousands)

S. No.	Name of the Company	MSSL Holding as at 31/03/2010	Reporting Currency	Exchange Rate	Share Capital	Reserves and Surplus	Total Liabilities	Net Fixed Assets	Investment	Total Assets	Sales	PBT	Taxation	PAT
27	SMR Automotive Technology Holding Cyprus Ltd. (formerly Horizonfield Limited) <sup>8</sup>	100%	EUR	60.65	182,260	(12,555)	190,311	-	189,704	190,311	-	(12,046)	-	(12,046)
28	SMR Automotive Mirror Systems Holding Deutschland GmbH (formerly Visiocrp Holding Germany GmbH) <sup>8</sup>	100%	EUR	60.65	1,528	5,795,996	10,922,869	260	5,527,651	10,922,869	-	1,521,757	6,655	1,515,103
29	SMR Automotive Parts GmbH (formerly Visiocrp Automotive GmbH) <sup>8</sup>	100%	EUR	60.65	1,516	(1,444,933)	354,618	181,775	6,065	354,618	320,692	(330,292)	(544)	(329,747)
30	SMR Poong Jeong Automotive Mirrors Korea Ltd. (formerly Visiocrp Poong Jeong Co Limited) <sup>8</sup>	90%	KRW	0.04	161,071	1,011,901	2,838,805	920,764	123,395	2,838,805	8,077,003	211,227	(22,932)	234,160
31	SMR Hyosang Automotive Ltd. (formerly Visiocrp Hyosang Limited) <sup>8</sup>	90%	KRW	0.04	18,000	226,849	501,670	172,473	-	501,670	1,284,726	66,722	11,651	55,070
32	SMR Holding Australia Pty Limited (formerly Visiocrp Holding Australia Pty Limited) <sup>8</sup>	100%	AUD	41.15	1,396,368	(1,066,939)	4,458,104	-	1,331,932	4,458,104	-	54,188	(55,518)	109,706
33	SMR Automotive Australia Pty Limited (formerly Visiocrp Australia Pty Limited) <sup>8</sup>	100%	AUD	41.15	464,298	1,603,429	5,240,917	519,611	-	5,240,917	3,930,844	(1,006,594)	104,345	(1,110,938)
34	SMR Automotive Taree Pty Limited (formerly Visiocrp Taree Pty Limited) <sup>8</sup>	100%	AUD	41.15	481,468	(520,833)	347,701	-	-	347,701	910,319	(222,201)	(81,155)	(141,047)
35	SMR Automotive Mirror Technology Hungary Bt (formerly Visiocrp Hungary Bt) <sup>8</sup>	100%	EUR	60.65	53,210	(1,809,669)	5,042,854	1,471,769	-	5,042,854	9,084,363	(559,705)	20,984	(580,689)
36	SMR Grundbesitz GmbH & Co. KG (formerly Visiocrp Grundbesitz GmbH & Co. KG) <sup>8</sup>	94%	EUR	60.65	3,369	163,254	954,639	397,671	-	954,639	-	51,437	-	51,437
37	SMR Automotive Services GmbH (formerly Visiocrp Group Services GmbH) <sup>8</sup>	100%	EUR	60.65	1,577	(838,546)	969,034	29,896	-	969,034	-	(586,643)	(7,572)	(579,072)
38	SMR Automotive Mirror Parts and Holdings UK Ltd. (formerly Visiocrp Management UK Limited) <sup>8</sup>	100%	EUR	60.65	9	4,582,033	12,191,988	-	1,172,654	12,191,988	-	225,778	-	225,778
39	Portchester Ltd <sup>8</sup>	76.9%	GBP	68.15	106,314	(106,314)	-	-	-	-	-	-	-	-
40	SMR Automotive Mirrors UK Limited (formerly Visiocrp UK Limited) <sup>8</sup>	100%	GBP	68.15	0	2,266,491	3,823,469	389,714	-	3,823,469	5,115,160	189,784	(17,983)	207,766
41	Visiocrp Automotive Valencia S.A.U. <sup>8</sup>	100%	EUR	60.65	151,468	(221,395)	185,352	37,163	4,215	185,352	-	(14,800)	(7,625)	(7,175)
42	SMR Automotive Services UK Ltd. (formerly Visiocrp Services UK Limited) <sup>8</sup>	100%	GBP	68.15	7	48,370	49,167	-	1,723	49,167	-	1,457	(106)	1,562

# Statement pursuant to exemption received under Section 212 (8) of the Companies Act, 1956 relating to subsidiary companies

(Figures in Rs.Thousands)

S. No.	Name of the Company	MSSL Holding as at 31/03/2010	Reporting Currency	Exchange Rate	Share Capital	Reserves and Surplus	Total Liabilities	Net Fixed Assets	Investment	Total Assets	Sales	PBT	Taxation	PAT
43	SMR Automotive Technology Holdings USA Partners (formerly Visiocorp Holding USA LLP) <sup>8</sup>	100%	USD	44.89	983,140	(1,971,014)	3,900,990	-	3,900,990	3,900,990	-	(209,602)	-	(209,602)
44	SMR Automotive Mirror International USA Inc. (formerly Visiocorp International USA Inc.) <sup>8</sup>	100%	USD	44.89	3,900,986	(65,335)	4,646,255	-	3,716,889	4,646,255	-	(19,107)	-	(19,107)
45	SMR Automotive Systems USA Inc. (formerly Visiocorp USA Inc.) <sup>8</sup>	100%	USD	44.89	3,813,032	464,900	5,210,137	954,099	-	5,210,137	3,783,321	186,670	93,366	93,304
46	SMR Automotive Systems France S. A. (formerly Visiocorp France S.A.) <sup>8</sup>	100%	EUR	60.65	1,113,787	(586,699)	2,222,517	803,750	-	2,222,517	3,507,587	(279,856)	9,260	(289,117)
47	SMR Automotive Systems India Limited (formerly Visiocorp Motherson Limited) <sup>8</sup>	100%	INR	1.00	137,000	217,573	985,331	174,097	-	985,331	1,862,771	169,608	56,995	112,614
48	SMR Automotive Yancheng Co. Limited (formerly Visiocorp Automotive Yancheng Co Limited) <sup>8</sup>	100%	CNY	6.58	8,300	96,943	206,317	35,844	-	206,317	465,813	107,441	30,650	76,790
49	SMR Automotive Beijing Company Limited (formerly Visiocorp Automotive Beijing Co Limited) <sup>8</sup>	100%	CNY	6.58	22,112	140,468	332,262	67,681	-	332,262	985,844	36,334	11,586	24,748
50	SMR Automotive Mirror Technology Holding Hungary KFT (formerly Visiocorp Holding Hungary KFT) <sup>8</sup>	100%	HUF	0.23	690	235	1,646	-	230	1,646	158	24	2	22
51	SMR Automotive Systems Spain S.A.U. (formerly Visiocorp Espana S.A.U.) <sup>8</sup>	100%	EUR	60.65	70,716	42,363	1,361,440	224,691	-	1,361,440	1,668,759	204,779	30,790	173,988
52	SMR Automotive Vision Systems Mexico S.A. de C.V. (formerly Visiocorp Mexico S.A. de C.V.) <sup>8</sup>	100%	USD	44.89	324,993	(55,124)	1,521,549	260,256	15,642	1,521,549	1,152,541	149,110	41,865	107,245
53	SMR Automotive Servicios Mexico S.A. de C.V. (formerly Visiocorp Servicios S.A. de C.V.) <sup>8</sup>	100%	USD	44.89	2,245	298,756	610,728	-	-	610,728	1,863,583	48,207	49,628	(1,421)
54	SMR Automotive Mirrors Stuttgart GmbH (formerly Visiocorp Verwaltungsgesellschaft GmbH) <sup>8</sup>	100%	EUR	60.65	1,516	(56,189)	747,838	27,887	-	747,838	26,682	47,323	7	47,316
55	SMR Automotive Patents SaRL (formerly Visiocorp Patents SARL) <sup>8</sup>	100%	EUR	60.65	758	(240,162)	33,272	31,841	-	33,272	-	(92,287)	195	(92,482)
56	SMR Automotive Beteiligungen Deutschland GmbH (formerly Visiocorp Beteiligungs GmbH) <sup>8</sup>	100%	EUR	60.65	1,516	257,026	345,307	-	-	345,307	-	249,517	424	249,092

## Notes

- As required under Para VI of the approval dated May 20, 2010 - issued by Ministry of Company Affairs, Indian rupees equivalents of the figures in the foreign currencies in the accounts of subsidiary companies has been given based on year end interbank exchange rates.
- Subsidiary of MSSL Mideast (FZE)
- Subsidiary of MSSL GmbH
- Subsidiary of MSSL Mauritius Holdings Ltd
- Subsidiary of MSSL (S) Pte Ltd
- Subsidiary of Global Environment Management (FZC)
- Subsidiary of MSSL Australia Pty Limited
- Subsidiary of Samvardhana Motherson Global Holdings Ltd.



# Auditors' Report

The Board of Directors of Motherson Sumi Systems Limited

1. We have audited the attached consolidated balance sheet of Motherson Sumi Systems Limited (the "Company") and its subsidiaries, its jointly controlled entities and associate company; hereinafter referred to as the "Group" (refer Note B(3) on Schedule XIII to the attached consolidated financial statements) as at March 31, 2010, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of ten subsidiaries and three jointly controlled entities included in the consolidated financial statements, which constitute total assets of Rs 22,023,794 thousand and net assets of Rs 1,925,888 thousand as at March 31, 2010, total revenue of Rs. 48,040,418 thousand, net profit of Rs 495,864 thousand and net cash flows amounting to Rs 283,172 thousand for the year then ended; and one associate company which constitute net profit of Rs 2,122 thousand for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been

derived from such financial statements is based solely on the report of such other auditors.

4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, Accounting Standard (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements, and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures notified under sub-section 3C of Section 211 of the Companies Act, 1956.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010 ;
  - (b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date: and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For and on behalf of  
**Price Waterhouse**  
Firm Registration Number: 007568S  
*Chartered Accountants*

**Anupam Dhawan**  
Partner  
Place : New Delhi  
Date : May 18, 2010

**Anupam Dhawan**  
Partner  
Membership Number F-084451

# Consolidated Balance Sheet

as at March 31, 2010

(Figures in Rs. Thousands)

	Schedule	As At March 31, 2010	As At March 31, 2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	I	374,594	355,554
Reserves & Surplus	II	11,274,609	7,475,548
		11,649,203	7,831,102
<b>Minority Interest</b>			
Capital & Reserves		2,026,910	2,000,115
<b>Loan Funds</b>			
Secured Loans	III	6,518,884	5,590,611
Unsecured Loans	IV	1,660,196	3,360,316
Deferred Tax Liability (net) (Refer B (14) of Schedule XIII)		40,363	145,021
<b>TOTAL</b>		<b>21,895,556</b>	<b>18,927,165</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	V	31,820,665	29,473,825
Less: Depreciation		17,272,897	15,987,172
Net Block		14,547,768	13,486,653
Capital Work in Progress		1,808,375	1,763,523
		16,356,143	15,250,176
<b>Investments</b>			
	VI	470,876	547,084
<b>Current Assets, Loans and Advances</b>			
Inventories	VII	6,751,793	6,111,514
Sundry Debtors		7,687,647	6,132,272
Cash & Bank Balances		3,430,545	2,766,232
Loans & Advances		3,101,329	3,825,410
		20,971,314	18,835,428
<b>Less: Current Liabilities &amp; Provisions</b>			
Current Liabilities	VIII	13,059,530	12,385,089
Provisions		2,861,099	3,585,696
		15,920,629	15,970,785
<b>NET CURRENT ASSETS</b>		<b>5,050,685</b>	<b>2,864,643</b>
Miscellaneous Expenditure (To the extent not written off or adjusted)	IX	17,852	265,262
<b>TOTAL</b>		<b>21,895,556</b>	<b>18,927,165</b>
<b>Significant Accounting Policies and Notes forming part of the Accounts</b> XIII			

This is the Consolidated Balance Sheet referred to in our report of even date

The schedules referred above form integral part of the Consolidated Balance Sheet

for and on behalf of the Board

For Price Waterhouse  
Firm Registration Number: FRN 007568S  
Chartered Accountants

V.C. SEHGAL  
Vice Chairman

TOSHIHIRO WATANABE  
Whole Time Director

PANKAJ MITAL  
Chief Operating Officer

ANUPAM DHAWAN  
Partner  
M.No.: F084451

G.N. GAUBA  
Co. Secretary & V.P. Finance

Place : New Delhi  
Date : May 18, 2010

# Consolidated Profit and Loss Account

for the year ended March 31, 2010

(Figures in Rs. Thousands)

	Schedule	For the Year ended March 31, 2010	For the Year ended March 31, 2009
<b>INCOME</b>			
Sale of Finished Goods (Gross)		68,536,245	27,834,070
Less: Excise duty		1,514,357	1,877,689
Sale of Finished Goods (Net)		67,021,888	25,956,381
Other Income	X	3,330,617	1,609,711
<b>TOTAL</b>		<b>70,352,505</b>	<b>27,566,092</b>
<b>EXPENDITURE</b>			
Manufacturing and other Expenses	XI	63,750,409	23,561,398
Depreciation & Impairment		2,600,956	1,090,563
Finance Cost (net)	XII	573,231	354,349
<b>TOTAL</b>		<b>66,924,596</b>	<b>25,006,310</b>
Profit Before Taxation and adjustments		3,427,909	2,559,782
Share of Profit in Associate (Refer B (3) (B) of Schedule XIII)		2,122	871
<b>Profit Before Taxation</b>		<b>3,430,031</b>	<b>2,560,653</b>
<b>Tax Expense</b>			
Provision for Current Income Tax		1,237,278	366,320
Provision for Deferred Income Tax (Refer B (14) of Schedule XIII)		(83,921)	(42,080)
Provision for Wealth Tax		2,086	1,586
Provision for Fringe Benefit Tax		5,398	20,268
		2,269,190	2,214,559
Income Tax for earlier years written back		(67,089)	2,571
<b>Profit After Taxation</b>		<b>2,336,279</b>	<b>2,211,988</b>
- Concern share		2,427,707	1,762,523
- Minority		(91,428)	449,465
Add: Balance brought forward from previous years		3,932,601	2,863,017
<b>Surplus Available For Appropriation</b>		<b>6,360,308</b>	<b>4,625,540</b>
<b>APPROPRIATIONS</b>			
Transfer to General Reserve		231,167	123,583
Proposed Dividend		673,914	479,998
Tax on Dividend		111,937	81,576
Tax paid on Dividend by consolidated companies		15,809	7,782
Balance Carried to Balance Sheet		5,327,481	3,932,601
<b>TOTAL</b>		<b>6,360,308</b>	<b>4,625,540</b>
Earning per share of face value Re 1/- each	Basic	<b>6.48</b>	<b>4.96</b>
(Refer B (13) of Schedule XIII)	Diluted	<b>6.07</b>	<b>4.96</b>
Significant Accounting Policies and	XIII		
Notes forming part of the Accounts			

This is the Consolidated Profit and Loss Account referred to in our report of even date

The schedules referred above form integral part of the Consolidated Profit and Loss Account

for and on behalf of the Board

For Price Waterhouse  
Firm Registration Number: FRN 007568S  
Chartered Accountants

V.C. SEHGAL  
Vice Chairman

TOSHIHIRO WATANABE  
Whole Time Director

PANKAJ MITAL  
Chief Operating Officer

ANUPAM DHAWAN  
Partner  
M.No.: F084451

G.N. GAUBA  
Co. Secretary & V.P. Finance

Place : New Delhi  
Date : May 18, 2010

## Consolidated Cash Flow Statement

for the year ended March 31, 2010

(Figures in Rs. Thousands)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net (loss)/profit before tax	3,430,031	2,560,653
Share of Profit in Associate	(2,122)	(871)
Depreciation & Impairment	2,600,956	1,090,563
Interest Expense	634,824	383,419
Interest Income	(60,649)	(29,070)
Income from Investment - Dividends	(1,116)	(901)
Lease Rent	6,629	-
(Profit)/Loss on Fixed Assets sold	76,647	(12,796)
Provision for diminution in value of Short Term Investments created/(written back)	(48)	187
Debts / Advances Written off	193,902	24,195
Provision for Bad & Doubtful Debts / Advances	6,049	4,620
Liabilities no longer required written back	(299,644)	(9,024)
Provision for employee benefits	(262,424)	15,719
Unrealised foreign exchange (gain) /loss	(138,914)	410,393
Provision for warranty	41,519	6,581
Other Provision	(193,984)	53,999
Contribution from business stakeholders' consequent to acquisition	-	(1,119,103)
<b>Operating profit before working capital changes</b>	<b>6,031,656</b>	<b>3,378,564</b>
<b>Adjustments for changes in working capital:</b>		
- (Increase)/Decrease in Sundry Debtors	(1,773,023)	338,581
- (Increase)/Decrease in Other Receivables	945,739	215,131
- (Increase)/Decrease in Inventories	(550,830)	(14,017)
- Increase/(Decrease) in Trade and Other Payables	716,853	(910,465)
<b>Cash generated from operations</b>	<b>5,370,395</b>	<b>3,007,794</b>
- Taxes (Paid) / Received (Net of TDS)	(1,280,533)	(509,330)
<b>Net cash from operating activities</b>	<b>4,089,862</b>	<b>2,498,464</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets including capital work in progress		
- Addition During the year	(4,129,099)	(2,755,770)
Short Term Investment in Mutual Fund	(2,839)	-
Proceeds from Sale of fixed assets	349,010	128,512
Purchase of minority interest in subsidiary	(18,012)	-
Purchase of investments	(7,359)	-
Interest Received (Revenue)	49,275	27,071
Dividend Received	1,116	901
Consideration paid on acquisition of subsidiaries of Visiocorp Plc (in administration)	-	(1,691,820)
Investment in Joint Venture	-	(20,974)
<b>Net cash generated / (used) in investing activities</b>	<b>(3,757,908)</b>	<b>(4,312,080)</b>

# Consolidated Cash Flow Statement

for the year ended March 31, 2010

(Figures in Rs. Thousands)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Minority Shareholders	181,938	1,112,390
Proceeds from Joint Venturer	10,706	-
Proceeds from long term borrowings		
Receipts	2,244,486	1,065,209
Payments	(1,472,656)	(101,128)
Proceeds from short term borrowings		
Receipts	71,508	2,191,306
Payments	(79,415)	(145,946)
Proceeds from Cash Credits (net)	411,659	(391,686)
Finance Lease Rent (interest part only)	(6,629)	(8,700)
Interest Paid	(496,119)	(213,180)
Dividend Paid	(478,851)	(478,704)
Dividend Tax Paid	(81,576)	(81,576)
<b>Net cash generated / (used) in financing activities</b>	<b>305,051</b>	<b>2,947,985</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	637,005	1,134,369
<b>Cash and cash equivalents - Opening</b>	<b>2,766,232</b>	<b>953,550</b>
- Proportionate Cash and Cash Equivalents of the venturer transferred consequent to change in accounting treatment (Refer B (7) of Schedule XIII)	28,958	-
Cash and Cash Equivalents on acquisition of subsidiaries of Visiocrp Plc (in administration)	-	650,261
<b>Total Cash and Cash Equivalents as per cash flow statement</b>	<b>3,432,195</b>	<b>2,738,180</b>
<b>Cash and cash equivalents comprise</b>		
Cash In Hand	14,014	15,089
Cheques In Hand	231,628	637
Deposit Account	417,011	595,485
Balance with Banks	2,767,892	2,155,021
<b>Total Cash and cash equivalents</b>	<b>3,430,545</b>	<b>2,766,232</b>
Cash and Cash Equivalents include:		
Cash & bank balances as per Balance Sheet (restated)	3,430,545	2,766,232
Net Unrealised Loss on Foreign Currency Cash & Equivalents	1,650	(28,052)
<b>TOTAL</b>	<b>3,432,195</b>	<b>2,738,180</b>

## NOTES:

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 "Cash Flow Statement".
- Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.
- Following non cash transactions have not been considered in the cash flow statement:
  - Tax deducted at source on income.
- Figures in brackets indicate cash outgo.

This is the Consolidated Cash Flow Statement referred to in our report of even date

For Price Waterhouse  
Firm Registration Number: FRN 007568S  
Chartered Accountants

V.C. SEHGAL  
Vice Chairman

for and on behalf of the Board

TOSHIHIRO WATANABE  
Whole Time Director

PANKAJ MITAL  
Chief Operating Officer

ANUPAM DHAWAN  
Partner  
M.No.: F084451

G.N. GAUBA  
Co. Secretary & V.P. Finance

Place : New Delhi  
Date : May 18, 2010

## Schedules forming part of the Consolidated Balance Sheet

(Figures in Rs. Thousands)

	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE I – SHARE CAPITAL</b>		
<b>Authorised</b>		
803,000,000 Equity Shares of Re. 1/- each (Previous Year 803,000,000 Equity Shares of Re. 1/- each)	803,000	803,000
<b>Issued<sup>1</sup></b>		
374,597,000 Equity Shares of Re. 1/- each (Previous Year 355,557,000 Equity Shares of Re. 1/- each)	374,597	355,557
<b>Subscribed and Paid up<sup>1</sup></b>		
374,593,800 Equity Shares of Re. 1/- each (Previous Year 355,553,800 Equity Shares of Re. 1/- each)	374,594	355,554
<b>TOTAL</b>	<b>374,594</b>	<b>355,554</b>

(Of the above shares 6,090,000 (Previous Year 6,090,000) shares are allotted as fully paid up pursuant to a contract for consideration other than cash)

(Of the above shares 282,737,000 (Previous Year 282,737,000) shares are allotted as fully paid bonus shares by way of capitalisation of share premium & general reserve)

(Of the above shares 22,260,000 (Previous Year 3,220,000) shares are allotted by way of conversion of Zero Coupon Foreign Currency Convertible Bonds)

<sup>1</sup>During the year the company has made allotment of 19,040,000 equity shares of Re. 1/- each pursuant to conversion of Zero Coupon Foreign Currency Convertible Bonds (Refer B (4) of Schedule XIII).

(Figures in Rs. Thousands)

	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE II – RESERVES &amp; SURPLUS</b>		
<b>Revaluation Reserve</b>	20,031	20,031
<b>Reserve on Amalgamation</b>	572,346	572,346
<b>Securities Premium Account</b>		
As per Last Balance Sheet	291,143	291,143
Additions during the year <sup>1</sup>	1,999,998	-
Deductions during the year	-	-
	2,291,141	291,143
<b>General Reserve</b>		
As per Last Balance Sheet	1,349,842	1,226,259
Transferred from Profit & Loss Account	231,167	123,583
Deductions during the year	-	-
	1,581,009	1,349,842
<b>Exchange Reserve on Consolidation</b> (Refer A (10) of Schedule XIII)		
As per Last Balance Sheet	219,736	4,870
Additions during the year	-	214,866
Deductions during the year	66,429	-
	153,307	219,736
<b>Capital Reserve on Consolidation</b> (Refer A (2) & B (8) of Schedule XIII)		

## Schedules forming part of the Consolidated Balance Sheet

(Figures in Rs. Thousands)

	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE II – RESERVES &amp; SURPLUS</b>		
As per Last Balance Sheet	1,089,849	25,487
Additions during the year	239,445	1,064,362
Deductions during the year	-	-
<b>Profit and Loss Account</b>		
As per Last Balance Sheet	3,932,601	2,863,017
Additions during the year	1,626,047	1,193,167
Transfer to General Reserve	231,167	123,583
Deductions during the year	-	-
<b>TOTAL</b>	<b>11,274,609</b>	<b>7,475,548</b>

<sup>1</sup>On conversion of Zero Coupon Foreign Currency Convertible Bonds (Refer B (4) of Schedule XIII).

(Figures in Rs. Thousands)

	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE III – SECURED LOANS</b>		
(i) <b>Working Capital Facilities</b>		
From Banks <sup>1</sup>		
- Rupee Loan	1,016,140	649,655
- Foreign Currency Loan	743,829	1,176,322
(ii) <b>Long Term Loans</b>		
From Banks <sup>2</sup>		
- Rupee Loan <sup>3</sup>	40,165	60,571
- Foreign Currency Loan <sup>4</sup>	4,507,517	3,405,249
From Others		
- Rupee Loan <sup>5</sup>	64,776	77,983
- Finance lease liabilities <sup>6</sup>	136,969	199,720
- Vehicle Loan <sup>7</sup>	9,488	21,111
<b>TOTAL</b>	<b>6,518,884</b>	<b>5,590,611</b>

<sup>1</sup> Includes:

- Rs.19,626 thousand (previous year Rs. 41,716 thousand) secured by first charge by way of hypothecation of stock & book debts and by second charge on plant & machinery and other immovable property both present and future of Kyungshin Industrial Motherison Limited.
- Rs.Nil thousand (previous year Rs.6,242 thousand) secured on primary mortgage over plant and machinery and additional security over stocks and debtors of Motherison Electrical Wires Lanka Private Limited.
- Rs.6,683 thousand (previous year Rs. 13,593 thousand) secured over machinery of Motherisonsumi Reiner GmbH.
- Rs.18,527 thousand (previous year Rs. 35,522 thousand) secured over assets (like Land & Building & sets of tangible fixed assets) of MSSSL Advanced Polymers s.r.o.
- Rs.13,611 thousand (Previous Year Rs. 518 thousand) secured by goods procured using buyers credit facility and all the primary/ collateral securities stipulated for fund based facilities will also be extended to cover buyer's credit facility of the Balda Motherison Solution India Limited.



## Schedules forming part of the Consolidated Balance Sheet

- Rs. 38,645 thousand (Previous Year Rs. 28,136 thousand) secured by first pari passu charge on all present and future stocks and books debt and collaterally secured by first pari-passu charge on entire moveable fixed assets (excluding tools & dies charged to customers, vehicles & leasehold improvements) of SMR Automotive Systems India Limited (formerly Visiocrp Motherson Limited).
- Rs.425,529 thousand (Previous Year Rs. 326,813 thousand), under factoring arrangements, secured against underlying receivables.
- Rs.Nil (Previous Year Rs. 468,197 thousand) secured by mortgage on plant and machinery of Visiocrp Poong Jeong Co Ltd. South Korea.
- Rs.NIL (Previous Year Rs. 52,237 thousand) secured by mortgage of the Lonsdale and Taree land and buildings, fixed and floating charge over all other assets of SMR Holding Australia Pty Limited (formerly Visiocrp Holding Australia Pty Ltd), SMR Automotive Australia Pty Limited (formerly Visiocrp Australia Pty Ltd), SMR Automotive Taree Pty Limited (formerly Visiocrp Taree Pty Ltd.) and equity cross guarantees between SMR Holding Australia Pty Limited (formerly Visiocrp Holding Australia Pty Ltd), SMR Automotive Australia Pty Limited (formerly Visiocrp Australia Pty Ltd), SMR Automotive Taree Pty Limited (formerly Visiocrp Taree Pty Ltd.).
- Balance secured by first charge by way of hypothecation of all present and future stocks, book debts and other specified moveable assets of the Company and second charge by way of hypothecation of all present and future immoveable property.
- <sup>2</sup> Due within a year are Rs. 306,357 thousand (Previous Year Rs. 320,098 thousand).
- <sup>3</sup> Rs.29,215 thousand (Previous Year Rs. 42,283 thousand) secured by first charge by way of equitable mortgage of land and building and hypothecation of plant & other assets and by second charge on current assets of Kyungshin Industrial Motherson Limited. Rs.10,950 thousand (Previous Year Rs. 18,288 thousand) secured by first pari passu charge on immovable fixed assets of the company purchased out of loan and plant and machinery of SMR Automotive Systems India Limited (formerly Visiocrp Motherson Limited).
- <sup>4</sup> Includes:
  - Rs.30,852 thousand (previous year Nil) secured over machinery of Mothersonsumi Reiner GmbH.
  - Rs.2,734 thousand (previous year Nil) secured over assets (like Land & Building & sets of tangible fixed assets) of MSSL Advanced Polymers s.r.o.
  - Rs.1,819,380 thousand (Previous Year 2,026,950 thousand) secured by first pari passu charge/assignment of all receivables, all the movable, intangible assets and immovable assets, of Samvardhana Motherson Reflectec Group Holdings Limited (SMR) (formerly Samvardhana Motherson Visiocrp Solution Limited (SMVSL)) and its subsidiaries. Further secured by pledge of shares of SMR (formerly SMVSL) and Samvardhana Motherson Global Holdings Limited (SMGHL) held by the Company and corporate guarantee of Samvardhana Motherson Finance Limited (joint venturer) and the Company.
  - Rs. 1,238,395 thousand (Previous Year Nil) secured by first pari passu charge/assignment of all receivables. Further secured by first pari passu charge on moveable assets, intangible assets and immovable assets of various entities of Samvardhana Motherson Reflectec Group Holdings Limited (formerly Samvardhana Motherson Visiocrp Solution Limited).
  - Balance secured by first pari-passu charge on entire fixed assets both moveable and immoveable of the Company present and future and second pari-passu charge on the entire current assets of the Company. These are also secured by way of deposit of title deeds of specified properties.
- <sup>5</sup> i) Secured against land acquired from Noida Authority under the instalment plan.  
ii) Long term loan due within a year Rs. 8,124 thousand (Previous Year Rs. 7,299 thousand).
- <sup>6</sup> i) Due within a year Rs. 35,945 thousand (Previous Year 61,204 thousand).  
ii) Secured by specified property, plant and machinery acquired under lease and hire purchase arrangements.
- <sup>7</sup> i) Due within a year Rs.8,548 thousand (Previous Year Rs 8,478 thousand).  
ii) Secured by hypothecation of specific vehicles purchased against such loans.

## Schedules forming part of the Consolidated Balance Sheet

(Figures in Rs. Thousands)

	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE IV – UNSECURED LOANS</b>		
<b>Short Term Loans</b>		
- From Banks	-	34,153
- Privately Placed Debentures <sup>1</sup>	150,000	-
- Other than Banks <sup>1</sup>	92,954	32,400
- Foreign Currency Loan	105,960	148,231
<b>Long Term Loans</b>		
From Other than Banks		
- Rupee Loan <sup>2</sup>	97,512	44,657
- Foreign Currency Loan	91,812	30,347
- Zero Coupon Foreign Currency Convertible Bonds (Refer B (4) of Schedule XIII) <sup>3</sup>	1,121,958	3,070,528
<b>TOTAL</b>	<b>1,660,196</b>	<b>3,360,316</b>

<sup>1</sup> Repayable on demand

<sup>2</sup> Tooling advances received from customers are repayable by way of amortisation on supply of components and hence cannot be distinguished between short term and long term.

<sup>3</sup> Long terms loans due within a year are Rs.1,121,958 thousand (Previous Year Rs. Nil).

# Schedules forming part of the Consolidated Balance Sheet

(Figures in Rs. Thousands)

## SCHEDULE V – FIXED ASSETS (Refer A(3) & A(4) of Schedule XIII)

Particulars	GROSS BLOCK					DEPRECIATION / AMORTIZATION					NET BLOCK			
	As at March 31, 2009 <sup>1</sup>	Additions consequent to change in accounting of JV <sup>2</sup>	Additions during the year	Deletions/ Sale/ Adjustments <sup>3</sup>	Exchange Translation Adjustment	Total as at March 31, 2010	Upto March, 31 2009 <sup>1</sup>	Additions consequent to change in accounting of JV <sup>2</sup>	Depreciation/ Amortization for the year	Depreciation/ Amortization on Deletions/ Sale/ Adjustments <sup>3</sup>	Exchange Translation Adjustment	Upto March 31, 2010	As at March 31, 2010	As at March 31, 2009
Tangible														
Leasehold Land	659,959	-	142,550	-	-	802,509	21,497	-	11,204	-	-	32,701	769,808	638,462
Freehold Land	843,605	23,629	21,785	41,068	(18,359)	829,592	27,117	399	-	22	(4,380)	23,114	806,478	816,488
Leasehold improvements	79,957	-	3,397	2,667	61,702	142,389	53,200	-	21,067	602	7,025	80,690	61,699	26,757
Buildings	5,573,242	105,923	1,372,427	167,014	(310,788)	6,573,790	1,220,422	2,649	355,801	133,678	(127,644)	1,317,550	5,256,240	4,352,820
Plant & Machinery	19,408,093	128,257	2,424,325	1,065,185	(398,292)	20,497,198	12,527,902	3,934	1,831,106	646,599	(118,461)	13,597,882	6,899,316	6,880,191
Furniture, fixtures & Office equipments	1,090,581	12,235	74,399	155,884	100,771	1,122,102	873,368	1,154	136,211	144,846	21,481	887,368	234,734	217,213
Computers	789,969	3,530	64,811	13,200	(62,687)	782,423	667,015	928	72,332	11,053	(45,401)	683,821	98,602	122,954
Vehicles	314,874	1,840	100,232	49,959	12,648	379,635	188,508	263	69,087	42,681	1,510	216,687	162,948	126,366
Intangible														
Goodwill on consolidation	7,100	-	-	-	(2,803)	4,297	-	-	-	-	-	-	4,297	7,100
Technical Knowhow fees	7,092	-	1,454	1,130	(1,347)	6,069	1,637	-	2,023	1,130	(1)	2,529	3,540	5,455
Customer Lists & relationships	223,024	84,191	520	819	(18,534)	288,382	86,382	11,140	60,294	2,303	(24,504)	131,008	157,374	136,642
Intellectual property rights	8,688	-	-	-	-	8,688	4,792	-	-	-	-	4,792	3,896	3,896
Software	467,641	-	19,496	59,472	(44,074)	383,591	315,332	-	41,831	28,881	(33,527)	294,755	88,836	152,309
<b>TOTAL</b>	<b>29,473,825</b>	<b>359,605</b>	<b>4,225,396</b>	<b>1,556,398</b>	<b>(681,763)</b>	<b>31,820,665</b>	<b>15,987,172</b>	<b>20,467</b>	<b>2,600,956</b>	<b>1,011,795</b>	<b>(323,902)</b>	<b>17,272,897</b>	<b>14,547,768</b>	<b>13,486,653</b>
Previous Year	9,491,662	18,571,265 <sup>#</sup>	1,576,000	229,701	766,220	29,473,825	3,460,338	11,412,969	1,090,563	119,897	431,718	15,987,172	13,486,653	6,031,324
Capital Work in Progress <sup>4</sup>													1,808,375	1,763,523
<b>GRAND TOTAL</b>	<b>29,473,825</b>	<b>359,605</b>	<b>4,225,396</b>	<b>1,556,398</b>	<b>(681,763)</b>	<b>31,820,665</b>	<b>15,987,172</b>	<b>20,467</b>	<b>2,600,956</b>	<b>1,011,795</b>	<b>(323,903)</b>	<b>17,272,897</b>	<b>16,356,143</b>	<b>15,250,176</b>

<sup>1</sup> Refer B (6) of Schedule XIII

<sup>2</sup> Refer B (7) of Schedule XIII

<sup>3</sup> Includes assets held for sale having Gross Block of Rs. 228,136 thousand, Accumulated Depreciation of Rs. 46,362 thousand. Refer B (5) of Schedule XIII.

<sup>4</sup> Includes capital advances of Rs 571,403 thousand (Previous Year Rs. 304,060 thousand)

<sup>#</sup> Additions consequent to acquisition of subsidiaries of Visiocorp Plc (in administration)

## Schedules forming part of the Consolidated Balance Sheet

(Figures in Rs. Thousands)

	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE VI – INVESTMENTS</b>		
Long-term Investments		
1. In Associate		
- Net Assets Value		
As at the beginning of the year	43,378	
Deletion during the year <sup>1</sup>	19,182	
Share of Profit in Associate	2,122	43,378
2. In Investment Properties <sup>2</sup>		397,645
3. In Others		43,616
Short Term Investment in Mutual Fund		2,839
Short Term Investments in Shares		458
<b>TOTAL</b>	<b>470,876</b>	<b>547,084</b>

<sup>1</sup> Refer B (7) of Schedule XIII

<sup>2</sup> Refer B (6) of Schedule XIII

(Figures in Rs. Thousands)

	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE VII – CURRENT ASSETS, LOANS AND ADVANCES</b>		
A. Current Assets		
1. Stock in Trade (Refer A (6) of Schedule XIII)		
(i) Finished Goods	1,852,920	1,490,928
(ii) Work in Progress	703,126	729,694
(iii) Raw Material & Components	2,923,133	2,627,543
(iv) Goods in Transit (Raw Material & Components)	553,909	469,661
(v) Store & Spares	718,705	793,688
<b>(1)</b>	<b>6,751,793</b>	<b>6,111,514</b>
2. Sundry Debtors (Unsecured, unless otherwise stated)		
(i) Outstanding for more than six months		
Considered Good	401,802	932,755
Considered Doubtful	213,664	198,332
	615,466	1,131,087
Less: Provision for doubtful debts	213,664	198,332
	401,802	932,755
(ii) Other Debts		
Considered good	7,285,845	5,199,517
Considered Doubtful	42,057	76,577
	7,327,902	5,276,094
Less: Provision for doubtful debts	42,057	76,577
<b>(2)</b>	<b>7,687,647</b>	<b>6,132,272</b>

## Schedules forming part of the Consolidated Balance Sheet

(Figures in Rs. Thousands)

	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE VII – CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>3. Cash and Bank Balances</b>		
(i) Cash in hand	14,014	15,089
(ii) Funds in Transit including Cheques in hand	231,628	637
(iii) Balance with Banks in		
(a) Current Accounts	2,761,091	2,149,367
(b) Deposit account <sup>1</sup>	417,011	595,485
(c) Dividend Account	6,801	5,654
<b>(3)</b>	<b>3,430,545</b>	<b>2,766,232</b>
<b>TOTAL A (1+2+3)</b>	<b>17,869,985</b>	<b>15,010,018</b>
<b>B. Loans and Advances (Unsecured, unless otherwise stated)</b>		
(i) Advances recoverable in cash or in kind or for value to be received		
Considered good	1,094,022	2,497,758
Considered doubtful	5,417	4,788
	1,099,439	2,502,546
Less: Provision for doubtful advances	5,417	4,788
	1,094,022	2,497,758
(ii) Assets Held for Sale (Refer B (5) of Schedule XIII)	181,774	-
(iii) Deposits with Excise, Customs & Govt Authorities	1,806,547	1,327,652
(iv) Advance Income Tax	18,986	-
<b>TOTAL B</b>	<b>3,101,329</b>	<b>3,825,410</b>
<b>GRAND TOTAL (A + B)</b>	<b>20,971,314</b>	<b>18,835,428</b>

- <sup>1</sup> i) Deposits pledged with Excise & Sales Tax authorities Rs. 4,653 thousand (Previous Year Rs.125 thousand)  
ii) Margin money Rs. 13,207 thousand (Previous Year Rs 11,833 thousand)

(Figures in Rs. Thousands)

	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE VIII – CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A. Current Liabilities</b>		
(i) Sundry Creditors	10,925,287	10,374,743
(ii) Advance from Customers	995,387	1,099,485
(iii) Other Liabilities	1,109,843	880,234
(iv) Investor Education & Protection Fund shall be credited by the following amount		
- Unpaid Dividend	6,801	5,654
(v) Interest Accrued but not due	22,212	24,973
	<b>13,059,530</b>	<b>12,385,089</b>

## Schedules forming part of the Consolidated Balance Sheet

(Figures in Rs. Thousands)

	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE VIII – CURRENT LIABILITIES AND PROVISIONS</b>		
B. Provisions		
(i) Premium on Redemption of Zero Coupon Foreign Currency Convertible Bonds	330,948	926,225
(ii) For Dividend (including tax thereon)	785,851	561,573
(iii) For Wealth Tax	2,008	2,797
(iv) For Income Tax (net)	467,408	407,846
(v) For Fringe Benefit Tax	6,121	3,596
(vi) For Employee Benefits (Refer A (7) & B (19) of Schedule XIII)	235,688	498,112
(vii) For Warranty (Refer B (15) of Schedule XIII)	327,701	286,190
(viii) For Onerous Contracts (Refer B (15) of Schedule XIII)	99,439	126,549
(ix) For Others (Refer B (15) of Schedule XIII)	605,935	772,808
	<b>2,861,099</b>	<b>3,585,696</b>
<b>TOTAL</b>	<b>15,920,629</b>	<b>15,970,785</b>

(Figures in Rs. Thousands)

	As At March 31, 2010	As At March 31, 2009
<b>SCHEDULE IX – MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted) (Refer B (4) of Schedule XIII)		
Premium on Redemption/ Issue Expenditure of Zero Coupon Foreign Currency Convertible Bonds		
Opening Balance	265,262	419,786
Less: Deletion during the year <sup>1</sup>	105,944	-
Less: Written off during the year	141,466	154,524
<b>TOTAL</b>	<b>17,852</b>	<b>265,262</b>

<sup>1</sup> On conversion of Zero Coupon Foreign Currency Convertible Bonds (Refer B (4) of Schedule XIII).

## Schedules forming part of the Consolidated Profit & Loss Account

(Figures in Rs. Thousands)

	For the year ended March 31, 2010	For the year ended March 31, 2009
<b>SCHEDULE X – OTHER INCOME</b>		
<b>Other Income</b>		
(a) Dividend Received		
- From Others <sup>1</sup>	1,116	901
(b) Rent	142,475	48,690
(c) Change in carrying amount of current investments	48	-
(d) Government Grants received	244,016	12,125
(e) Service Income	630,040	177,450
(f) Liabilities no longer required written back	299,644	9,024
(g) Exchange fluctuation (net)	649,273	-
(h) Profit on sale of other fixed assets	-	12,796
(i) Contribution received from business stakeholders on acquisition of subsidiaries of VisiCorp Plc (in administration)	730,511	1,119,103
(j) Miscellaneous Income (include prior period income of Rs. 32,650 thousand (Previous Year Nil))	633,494	229,622
<b>TOTAL</b>	<b>3,330,617</b>	<b>1,609,711</b>
<sup>1</sup> Includes dividend from Short term Non-Trade investments	241	22

(Figures in Rs. Thousands)

	For the year ended March 31, 2010	For the year ended March 31, 2009
<b>SCHEDULE XI – COST OF MATERIALS AND MANUFACTURING AND OTHER EXPENSES</b>		
<b>Materials consumed</b>		
Opening Stock		
Raw materials	2,627,543	1,391,972
Work-in-progress	729,694	498,439
Finished goods	1,490,928	726,658
Increase in opening stock on account of change in accounting treatment for reporting its interest in joint venture. (Refer B (7) of Schedule XIII)		
Raw materials	49,384	-
Work-in-progress	10,716	-
Finished goods	109,532	-
Increase in opening stock on acquisition of subsidiaries of VisiCorp Plc (in administration)		
Raw materials	-	1,119,643
Work-in-progress	-	260,101
Finished goods	-	913,221
	5,017,797	4,910,034
Add : Purchases of Raw materials	42,450,724	15,338,292
Less : Closing Stock		
Raw materials	2,923,133	2,627,543
Work-in-progress	703,126	729,694
Finished goods	1,852,920	1,490,928
	5,479,179	4,848,165
Translation adjustment on stocks taken to exchange reserve on consolidation	(330,576)	92,692
<b>Total consumption for goods sold</b>	<b>41,658,766</b>	<b>15,492,853</b>



## Schedules forming part of the Consolidated Profit & Loss Account

(Figures in Rs. Thousands)

	For the year ended March 31, 2010	For the year ended March 31, 2009
<b>SCHEDULE XI – COST OF MATERIALS AND MANUFACTURING AND OTHER EXPENSES</b>		
Salary, Wages, Bonus etc	9,904,668	2,883,380
Contribution to Provident & Other Funds	1,009,064	315,476
Staff Welfare	1,090,634	240,886
Electricity, Water and Fuel	1,027,737	455,452
Repairs and Maintenance:		
Machinery	628,532	217,355
Building	220,111	106,040
Others	334,772	167,780
Consumption of Stores and Spare parts	781,635	233,869
Conversion Charges	201,545	233,478
Lease Rent	683,171	177,422
Rent	141,239	172,844
Rates & Taxes	205,237	16,043
Insurance	165,487	83,564
Donation	5,797	8,485
Travelling	490,968	256,843
Freight & Forwarding	1,159,783	602,809
Royalty	189,304	103,284
Cash Discount	54,242	31,939
Commission	24,660	7,076
Loss on sale of fixed assets (net)	76,647	-
Provision for diminution in value of Short Term Investments	-	187
Exchange fluctuation (net)		
Foreign Currency Convertible Bonds	-	249,239
Others	-	81,909
Bad Debts / Advances written off	193,902	24,195
Provision for Doubtful Debts/ Advances	6,049	4,620
Legal & Professional Expenses	1,396,202	543,156
Amount paid to certain bussiness stakeholders on acquisition of subsidiaries of Visiocorp Plc (in administration)	-	110,745
Miscellaneous Expenses (Refer B (9) of Schedule XIII)	2,100,257	740,469
<b>TOTAL</b>	<b>63,750,409</b>	<b>23,561,398</b>

## Schedules forming part of the Consolidated Profit & Loss Account

(Figures in Rs. Thousands)

	For the year ended March 31, 2010	For the year ended March 31, 2009
<b>SCHEDULE XII – FINANCE COST (NET)</b>		
Interest and Finance Expense		
- Privately Placed Debentures	18,091	20,224
- Fixed loans	296,540	75,080
- Amortisation of Premium / Issue expenditure on Redemption of Zero Coupon Foreign Currency Convertible Bonds	141,466	154,524
- Others	178,726	133,591
Less : Interest Income (Gross)		
- From Bank Deposits	52,613	22,839
- From Income Tax Refund	943	389
- From Others	8,036	5,842
<b>TOTAL</b>	<b>573,231</b>	<b>354,349</b>

### SCHEDULE XIII - SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1. Basis of Accounting

The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211 (3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.

##### 2. Principles of Consolidation

The Consolidated Financial Statements relate to Financial Statements of Motherson Sumi Systems Limited ('the Company') and it's Subsidiary Companies, Joint Ventures and Associates ('the Group').

The consolidated financial statements have been prepared on the following basis:

##### a) Subsidiaries

- The subsidiaries have been consolidated by applying Accounting Standard 21 "Consolidated Financial Statements".
- Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal.
- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances & intra-group transactions resulting in unrealised profits or losses.
- The excess of the cost of acquisition over the Company's portion of equity and reserves of the subsidiary company at each time an investment is made in a subsidiary is recognised in the financial statements as goodwill. Negative goodwill is recognised as capital reserve.

##### b) Investment in business entities over which the Company exercises joint control and the Company does not hold majority voting

## Schedules forming part of the Consolidated Accounts

power are accounted for using proportionate consolidation in accordance with Accounting Standard 27 "Financial Reporting of Interest in Joint Venture".

- c) Investment in Associates (entity over which the Company exercises significant influence, which is neither a subsidiary nor a joint venture) are accounted for using the equity method in accordance with Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements".
- d) The Consolidated Financial Statements have been prepared using financial statements drawn upto same reporting dates to the extent practicable and where financial statements used are drawn up to different reporting dates adjustments are made for any significant transactions for events occurring between those dates and the date of this financial statement.
- e) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except as stated and are presented to the extent possible, in the same manner as the Company's separate financial statements. However, in respect of certain subsidiaries of the group, inventories are valued on a weighted average cost basis as against the group policy of valuing inventories on First in First Out ('FIFO') cost basis since it is not considered practical to do so by the management. The total value of inventories valued on weighted average basis amount to Rs. 1,218,373 thousand (Previous Year Rs. 670,497 thousand) as at March 31, 2010. Such inventories are 18% (Previous Year 11%) of the group's total inventories.

### 3. Fixed Assets

- i) The fixed assets except as stated in (ii) below are stated at cost less accumulated depreciation. Cost of acquisition or construction is inclusive of inward freight, duties and taxes and other incidental expenses.
- ii) The fixed assets of the Component Division of erstwhile Motherson Auto Components Engineering Limited (MACE) have been stated at an amount inclusive of appreciation arising on revaluation of the assets by an approved valuer on December 31, 1998. The method adopted for revaluation of the assets are as under:
  - a) Land: Prevailing market rate of land as on the date of revaluation.
  - b) Buildings, Indigenous Plant and Machinery, Furniture and Fixtures, Moulds and Dies: Replacement value.

The Group charges assets costing less than Rs 5,000 to Rs. 350,000 to expenditure based on limits identified by each entity, which could otherwise have been included as Fixed Asset, because the amount is not material in accordance with 'Accounting Standard 10' - Accounting for fixed Assets.

- iii) Fixed Assets which are retired from active use are classified as assets held for sale under current assets and are carried at lower of cost and net realizable value.

### 4. Depreciation

- i) Depreciation on fixed assets, except as stated in (ii) to (v) below, is provided from the month the asset is ready for commercial production on a pro-rata basis based on useful life or where applicable, at the SLM rates prescribed in schedule XIV to the Companies Act, 1956 whichever is higher. Accordingly the assets are amortised, on the straight line method as per the rates below:

	Indian Entities Rates %	Overseas Entities Rates %
Building -Residential	1.63	2.5-5
Building - Factory	3.34	1.52-20.00
Plant & Machinery	4.75-25	5-25
Plant & Machinery (Racks Stands & Trolleys)	100	8.00-100
Furniture, Fixtures & Office Equipment	16.67	7.69-33.33
Computers	33.33	9.86-33.33
Vehicles	25	9.86-33.33

## Schedules forming part of the Consolidated Accounts

- ii) In respect of revalued assets, depreciation is being provided on the revalued amounts over the remaining useful life of the assets at the SLM rates. Leasehold Land is amortised over the balance period of lease.
- iii) Goodwill generated on consolidation in respect of subsidiaries is being carried at cost.
- iv) Technical know-how fees paid to a foreign collaborator by one of the consolidating company is being depreciated on SLM basis @ 50%.
- v) Intangible Assets are amortised over a period of 2 to 5 years based on their useful lives.

### 5. Investments

Investments other than in subsidiaries, joint ventures and associates, which are accounted for separately as per Note 2 above, are classified into long term and current investments. Long term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments.

Current investments are carried at lower of cost and fair value. Fair value in the case of quoted investments refers to the market value of the investments arrived at on the basis of last traded prices as at the year-end.

Investment properties are stated at amortized cost.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of derecognition. Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

### 6. Inventory

Stores and spares, loose tools are valued at cost or net realisable value, whichever is lower.

Raw materials, components, finished goods and work in progress are valued at cost or net realisable value, whichever is lower. The basis of determining cost for various categories of inventories is as follows:

i)	Stores and Spares, Raw Materials and Components	First in First Out (FIFO) method other than in respect of certain subsidiaries where costs are determined on a weighted average basis.
ii)	Work in Progress and Finished Goods	Material cost plus appropriate share of labour and production overheads.
iii)	Tools	Cost less amortisation based on useful life of the items ascertained on a technical estimate by the management.

### 7. Employee Benefits

- a) In respect of the companies incorporated in India

The Group makes regular contributions to the State administered Provident Fund which is charged against revenue. The Group provides for long term defined benefit schemes of gratuity and compensated absences on the basis of actuarial valuation on the balance sheet date based on the Projected Unit Credit Method. In respect of gratuity, the Group funds the benefits through annual

## Schedules forming part of the Consolidated Accounts

contributions to Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme. The actuarial valuation of the liability towards the defined benefits of the employees is made on the basis of assumptions with respect to the variable elements affecting the computations including estimation of interest rate of earnings on contributions to LIC. The Group recognises the actuarial gains and losses in the profit and loss account in the period in which they occur.

- b) In respect of the companies incorporated outside India

### Pensions

The Group operates various defined benefit pension plans, certain of which require contributions to be made to separately administered funds whereas others are not funded.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method and is based on actuarial advice. The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year.

The defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less any past service cost not yet recognised and the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price.

The value of a net pension benefit asset is restricted to the sum of any unrecognised past service costs and the present value of any amount the Group expects to recover by way of refund from the plan or reduction in the future contributions. An economic benefit, in the form of a refund or a reduction in future contributions, is available if the Group can realise it at some point during the life of the plan or when the plan liabilities are settled. In particular, such an economic benefit may be available even if it is not realisable immediately at the balance sheet date. The economic benefit available does not depend on how the Group intends to use the surplus. The Group determines the maximum economic benefit that is available from refund, reduction in future contributions or a combination of both. Legal or contractual minimum funding requirements in general stipulate a minimum amount or level of contributions that must be made to a plan over a given period. Therefore, a minimum funding requirement may limit the ability of the entity to reduce future contributions and considered respectively in determining the economic benefit from the plan.

Contributions to defined contribution schemes are recognised in the income statement in the period in which they become payable.

### Other Long term benefits

The Group recognises as an expenditure the present value of long term retention bonuses, where applicable based on the expected amounts to pay by considering expectancies of employee fluctuation. The level of fluctuation significantly impacts the amount to be paid in the future.

## 8. Revenue Recognition

Sales are recognised upon the transfer of significant risks and rewards of ownership to the customers.

Revenue from services is recognised as per the terms of the agreement, as the services are rendered and no significant uncertainty exists regarding the amount of consideration.

Interest Income is recognised on a proportion of time basis taking into account the principal outstanding and the rate applicable.

## Schedules forming part of the Consolidated Accounts

### 9. Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment. Government grants in respect of capital expenditure are credited to the acquisition costs of the respective fixed asset and thus are released as income over the expected useful lives of the relevant assets. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

### 10. Foreign Currency Transactions

Transactions involving foreign currencies are recorded at the exchange rate prevailing on the transaction date. Foreign currency monetary items are translated at the exchange rate prevailing at the balance sheet date and the gain/loss arising on such translation is credited / charged to profit and loss account. Premium or discount arising at the inception of a forward exchange contract is amortised as expense or income over the life of contract.

For the purpose of consolidation, the Company has translated Assets and Liabilities of subsidiaries outside India, whose operations are classified as non-integral, at the year-end exchange rate and Income and Expenditure items at an average exchange rate that approximates to the exchange rate prevailing on the date of transaction. The resultant translation adjustment is reflected as a separate component of Shareholders' funds as "Exchange Reserve on Consolidation".

### 11. Borrowing Costs

The borrowing costs on funds other than those directly attributable to the acquisition of a qualifying asset i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use, is charged to revenue in the period in which they are incurred.

The borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset.

### 12. Leases

Lease rentals in respect of assets under operating lease arrangements are charged to expense when due as per the terms of the related agreement on a straight line basis over the term of lease.

Lease rental in respect of assets under finance lease transactions considered as financing arrangements in accordance with Accounting Standard 19 - "Leases" and the leased asset is capitalised at an amount equal to the present value of future lease payments and a corresponding amount is recognised as a liability. The lease payments made are apportioned between finance charge and reduction of outstanding liability in relation to leased asset.

In respect of assets leased out under operating lease rental income is recognized as income on accrual basis over the lease term.

### 13. Taxation

#### Current Tax

Current tax is provided on the basis of tax payable on estimated taxable income computed in accordance with the applicable provisions after considering the tax allowances and exemptions.

#### Deferred Taxes

In accordance with Accounting Standard 22 - "Accounting for Taxes on Income", the deferred tax for timing differences between

## Schedules forming part of the Consolidated Accounts

the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date.

Deferred Tax Assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

### Fringe Benefit Tax

Fringe benefit tax is determined based on the liability computed in accordance with relevant tax rates and tax laws.

### 14. Earnings Per Share (EPS)

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax (and includes the post tax effect of any extra ordinary items) attributable to equity shareholders. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effect of potential dilutive equity shares.

### 15. Impairment of assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price, and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

### 16. Provisions and Contingent Liabilities

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 17. Use of Estimates

In the preparation of the financial statements, the management of the Company makes estimates and assumptions in conformity with the applicable accounting principles in India that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, the useful lives of fixed assets and intangible assets and estimates for recognising impairment losses.

These estimates could change from period to period and also the actual results could vary from the estimates. Appropriate changes are made to the estimates as the management becomes aware of changes in circumstances surrounding these estimates. The changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.



## Schedules forming part of the Consolidated Accounts

### B. NOTES TO THE ACCOUNTS

#### 1. Contingent Liabilities:

(Figures in Rs. Thousands)

	As at March 31, 2010	As at March 31, 2009
a) In respect of Excise <sup>1</sup>	10,508	15,550
b) In respect of Entry Tax	8,186	8,186
c) In respect of Sales Tax	33,049	13,558
d) In respect of Service Tax	11,393	7,535
e) In respect of Custom Duty	-	615
f) In respect of Stamp Duty	4,754	4,754
g) In respect of Income Tax	9,388	3,557
h) In respect of Labour Cases	17,005	15,850
i) Bank Guarantees furnished by the Company	214,643	138,585

<sup>1</sup> Excludes interest

#### 2. Outstanding Capital Commitments:

(Figures in Rs. Thousands)

	As at March 31, 2010	As at March 31, 2009
Unexpired amount of the contracts on capital accounts and not provided for (net of advances)	697,280	526,707

#### 3. Consolidation:

##### A. Details of subsidiaries which have been considered in these consolidated accounts are as follows:

Name of the Company	Country of Incorporation	% voting power held as at March 31, 2010	Reporting Dates used for Consolidation
MSSL Mauritius Holdings Limited	Mauritius	100%	December 31, 2009
MSSL Mideast (FZE)	UAE	100%	March 31, 2010
Motherson Electrical Wires Lanka Pvt. Limited	Sri Lanka	100%	March 31, 2010
MSSL Handels GmbH	Austria	100%	March 31, 2010
MSSL (S) Pte Ltd.	Singapore	100%	March 31, 2010
Motherson Tradings Limited (formerly Motherson PUDENZ WICKMANN Limited)	India	100%	March 31, 2010
MSSL Global Wiring Limited	India	100%	March 31, 2010
MSSL GmbH (held by MSSL Mideast (FZE))	Germany	100%	December 31, 2009
MSSL (GB) Limited (held by MSSL Mideast (FZE))	UK	100%	December 31, 2009
Motherson Sumi Wiring System Limited (FZC) (held by MSSL Mideast (FZE))	UAE	51%	March 31, 2010 <sup>2</sup>
MSSL Tooling (FZE) (held by MSSL Mideast (FZE))	UAE	100%	March 31, 2010 <sup>2</sup>

## Schedules forming part of the Consolidated Accounts

Name of the Company	Country of Incorporation	% voting power held as at March 31, 2010	Reporting Dates used for Consolidation
MSSL Ireland Private Limited (held by MSSL Mauritius Holdings Limited)	Ireland	100%	December 31, 2009
Global Environment Management (FZC) (held by MSSL Mauritius Holdings Limited)	UAE	78.82%	December 31, 2009
MSSL Australia Pty Limited (held by MSSL (S) Pte. Ltd)	Australia	80.00%	December 31, 2009
MSSL Polymers GmbH (held by MSSL GmbH)	Germany	100%	December 31, 2009
Mothersonsumi Reiner GmbH (held by MSSL GmbH)	Germany	100%	December 31, 2009
MSSL Advanced Polymers s.r.o (held by MSSL GmbH)	Czech Republic	100%	December 31, 2009
Motherson Orca Precision Technology GmbH (held by MSSL GmbH)	Germany	51%	December 31, 2009
MSSL s.r.l. Unipersonale (held by MSSL GmbH)	Italy	100%	December 31, 2009
Global Environment Management Australia Pty Limited (held by Global Environment Management (FZC))	Australia	100%	December 31, 2009
Motherson Elastomers Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	December 31, 2009
Motherson Investments Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	December 31, 2009
MSSL Global RSA Module Engineering Limited (formerly Golden Dividend 629 Limited) (held by MSSL Mauritius Holdings Limited)	South Africa	100%	March 31, 2010
Samvardhana Motherson Global Holdings Ltd. (SMGHL) (formerly Samvardhana Motherson Global Holding Limited) (held by MSSL Mauritius Holdings Limited)	Cyprus	51%	March 31, 2010
Samvardhana Motherson Reflectec Group Holdings Limited (SMR) (formerly Samvardhana Motherson VisiCorp Solution Limited) (held by SMGHL)	Jersey	95%	March 31, 2010
SMR Automotive Holding Hong Kong Limited (formerly known as Elemental Growth Limited) (held by SMR)	Hong Kong	100%	March 31, 2010
SMR Automotive Technology Holding Cyprus Ltd. (formerly known as Horizonfield Limited) (held by SMR)	Cyprus	100%	March 31, 2010
SMR Automotive Mirror Systems Holding Deutschland GmbH (formerly known as VisiCorp Holding Germany GmbH) (held by SMR)	Germany	100%	March 31, 2010
SMR Automotive Parts GmbH (formerly known as VisiCorp Automotive GmbH) (held by SMR)	Germany	100%	March 31, 2010
SMR Poong Jeong Automotive Mirrors Korea Ltd. (formerly VisiCorp Poong Jeong Co Limited) (held by SMR)	South Korea	90%	March 31, 2010
SMR Hyosang Automotive Ltd.(formerly VisiCorp Hyosang Limited) (held by SMR)	South Korea	90%	March 31, 2010

## Schedules forming part of the Consolidated Accounts

Name of the Company	Country of Incorporation	% voting power held as at March 31, 2010	Reporting Dates used for Consolidation
SMR Holding Australia Pty Limited (formerly VisiCorp Holding Australia Pty Limited) (held by SMR)	Australia	100%	March 31, 2010
SMR Automotive Australia Pty Limited (formerly VisiCorp Australia Pty Limited) (held by SMR)	Australia	100%	March 31, 2010
SMR Automotive Taree Pty Limited (formerly VisiCorp Taree Pty Limited ) (held by SMR)	Australia	100%	March 31, 2010
SMR Automotive Mirror Technology Hungary Bt (formerly VisiCorp Hungary BT) (held by SMR)	Hungary	100%	March 31, 2010
SMR Grundbesitz GmbH & Co. KG (formerly VisiCorp Grundbesitz GmbH & Co. KG) (held by SMR)	Germany	94%	March 31, 2010
SMR Automotive Services GmbH (formerly VisiCorp Group Services GmbH) (held by SMR)	Germany	100%	March 31, 2010
SMR Automotive Mirror Parts and Holdings UK Ltd. (formerly VisiCorp Management UK Limited) (held by SMR)	UK	100%	March 31, 2010
Portchester Ltd (held by SMR)	UK	76.9%	March 31, 2010
SMR Automotive Mirrors UK Limited (formerly VisiCorp UK Limited) (held by SMR)	UK	100%	March 31, 2010
VisiCorp Automotive Valencia S.A.U. (held by SMR)	Spain	100%	March 31, 2010
SMR Automotive Services UK Ltd. (formerly VisiCorp Services UK Limited) (held by SMR)	UK	100%	March 31, 2010
SMR Automotive Technology Holdings USA Partners (formerly VisiCorp Holding USA LLP) (held by SMR)	USA	100%	March 31, 2010
SMR Automotive Mirror International USA Inc. (formerly VisiCorp International USA Inc.) (held by SMR)	USA	100%	March 31, 2010
SMR Automotive Systems USA Inc. (formerly VisiCorp USA Inc.) (held by SMR)	USA	100%	March 31, 2010
SMR Automotive Systems France S.A. (formerly VisiCorp France S.A.) (held by SMR)	France	100%	March 31, 2010
SMR Automotive Systems India Limited (formerly VisiCorp Motherson Limited) (held by SMR)	India	100%	March 31, 2010
SMR Automotive Yancheng Co. Limited (formerly VisiCorp Automotive Yancheng Co Limited) (held by SMR)	China	100%	March 31, 2010
SMR Automotive Beijing Company Limited (formerly VisiCorp Automotive Beijing Co Limited) (held by SMR)	China	100%	March 31, 2010
SMR Automotive Mirror Technology Holding Hungary KFT (formerly VisiCorp Holding Hungary KFT) (held by SMR)	Hungary	100%	March 31, 2010
SMR Automotive Systems Spain S.A.U. (formerly VisiCorp Espana S.A.U.) (held by SMR)	Spain	100%	March 31, 2010

## Schedules forming part of the Consolidated Accounts

Name of the Company	Country of Incorporation	% voting power held as at March 31, 2010	Reporting Dates used for Consolidation
SMR Automotive Vision Systems Mexico S.A. de C.V. (formerly VisiCorp Mexico S.A. de C.V.) (held by SMR)	Mexico	100%	March 31, 2010
SMR Automotive Servicios Mexico S.A. de C.V. (formerly VisiCorp Servicios S.A. de C.V.) (held by SMR)	Mexico	100%	March 31, 2010
SMR Automotive Mirrors Stuttgart GmbH (formerly VisiCorp Verwaltungsgesellschaft GmbH) (held by SMR)	Germany	100%	March 31, 2010
SMR Automotive Patents S.a.R.L. (formerly VisiCorp Patents SARL) (held by SMR)	Luxembourg	100%	March 31, 2010
SMR Automotive Beteiligungen Deutschland GmbH (formerly VisiCorp Beteiligungs GmbH) (held by SMR)	Germany	100%	March 31, 2010
SMR Automotive Brasil Ltda. (held by SMR)	Brazil	100%	March 31, 2010

<sup>2</sup> During the year there is a change in accounting period from December 31, 2009 to March 31, 2010. Consequently the Company has consolidated financials for fifteen months from January 1, 2009 to March 31, 2010. The change does not have any significant impact on these consolidated financial statements.

### B. Details of Associate Company are as follows:

Name of the Company	Country of Incorporation	% voting power held as at March 31, 2010	Reporting Dates used for Consolidation
SAKS Ancillaries Limited	India	40.01%	March 31, 2010

### C. Details of Joint Venture Companies which have been considered in these consolidated accounts are as follows:

Name of the Company	Country of Incorporation	% voting power held as at March 31, 2010	Reporting Dates used for Consolidation
Kyungshin Industrial Motherson Limited	India	50%	March 31, 2010
Woco Motherson Limited (FZC) (held by MSSL Mauritius Holdings Limited)	U.A.E	33.33%	December 31, 2009
Woco Motherson Elastomers Limited	India	33.33%	March 31, 2010
Woco Motherson Advanced Rubber Technologies Limited	India	33.33%	March 31, 2010
Balda Motherson Solution India Limited	India	40%	March 31, 2010
Calsonic Kansei Motherson Auto Products Limited	India	49%	March 31, 2010
Ningbo VisiCorp Huaxiang Automotive Mirrors Co. Ltd.	China	50%	March 31, 2010

### 4. Issue of Zero Coupon Foreign Currency Convertible Bonds

During the year ended March 31, 2006, the Company issued Euro 50,300,000 Zero Coupon Convertible Bonds due 2010 (the "Bonds"). These Bonds are listed in the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Bonds are convertible either at the option of the holder at any time on or after August 24, 2005 (or such earlier date as is notified to the holders of the Bonds by the Company) upto July 6, 2010 by holders into fully paid equity shares with full voting rights at par value of Re. 1.00 each of the Issuer ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the Bonds") of Rs. 74.3<sup>3</sup> per Share with

## Schedules forming part of the Consolidated Accounts

a fixed rate of exchange on conversion of Rs. 52.01 = Euro 1.00. The Conversion Price is subject to adjustment in certain circumstances.

The Bonds may otherwise be redeemed, in whole or in part, at the option of the Issuer, at any time on or after July 15, 2008 and prior to July 7, 2010 subject to satisfaction of certain conditions and at their "Early Redemption Amount" (as defined in the "Terms & Conditions of the Bonds") at the date fixed for such redemption if the "Closing Price" (as defined in the "Terms & Conditions of the Bonds") of the Shares translated into Euro at the "prevailing rate" (as defined in the "Terms & Conditions of the Bonds") for each of 20 consecutive "Trading Days" (as defined in the "Terms & Conditions of the Bonds") the last of which occurs not more than five days prior to the date upon which notice of such redemption is published, is greater than 130 per cent, of the "Conversion Price" (as defined in the "Terms & Conditions of the Bonds") then in effect translated into euro at the rate of Rs. 52.01 = Euro 1.00.

The Bonds may also be redeemed, in whole, but not in part, at any time at the option of the Issuer at their Early Redemption Amount, if less than 10 per cent, in aggregate principal amount of the Bonds originally issued is outstanding.

The Bonds may also be redeemed in whole, but not in part, at the option of the Issuer subject to satisfaction of certain conditions including obtaining Reserve Bank of India ("RBI") approval, at their Early Redemption Amount, on the date fixed for redemption in the event of certain changes relating to taxation in India.

Unless previously redeemed, converted or purchased and cancelled, the Bonds will be redeemed by the Issuer in Euros on July 16, 2010 at 126.77 per cent of its principal amount.

The issuer will, at the option of any holder of any Bonds, repurchase at the Early Redemption Amount such Bonds at such time as the Shares cease to be listed or admitted to trading on the BSE and the NSE (as defined in the "Terms & Conditions of the Bonds") in respect of the Issuer.

Consequent to the exercise of conversion option by holders of bonds of face value Euro 27.2 million, the Company has allotted 19,040,000 equity shares during the year. Accordingly, an amount of Rs. 2,031.43 million, being the excess of the liabilities (including amortised premium/ issue expenditure on such bonds upto the date of conversion) extinguished in respect of such bonds over the face value of shares issued, has been credited to securities premium account.

Consequent to the allotment of shares, the outstanding balance of FCCB as on March 31, 2010 is Euro 18.5 million.

Subsequent to the year end, the Company has received notices for exercise of conversion option by holders of bonds of face value Euro 13 million.

<sup>3</sup> Revised from Rs. 111.45, in accordance with the terms of issue, consequent to the issue of bonus shares by the Company.

### 5. Assets Held for Sale

Pursuant to closure of SMR Hattorf plant, factory land and building, machinery, technical equipment and office equipment has been reclassified as asset held for sale. The carrying value of the net assets so classified aggregates to Rs. 181,774 thousand (previous year Nil). The management believes that the carrying value approximates the net realisable value, thus no write down is necessary.

### 6. Investment Properties

During the current year, the group has reclassified the fixed assets held for the purposes of earning rental income and capital appreciation as Investment Properties as required by Accounting Standard 13. Accordingly, these assets having a net block

## Schedules forming part of the Consolidated Accounts

amounting to Rs. 397,645 thousand (Previous year Rs. 465,878 thousand) have been reclassified as per details below. The market value of these properties is considered higher than the respective net depreciated costs.

(Figures in Rs. Thousands)

	As at March 31, 2010	As at March 31, 2009
Gross Block	678,214	678,214
Less: Accumulated Depreciation	301,583	278,894
Net Block	376,631	399,320
Capital work in progress	51,015	51,015
Exchange Translation Adjustment	(30,001)	15,543
Net Investment Property	397,645	465,878

7. During the current year, the group has changed the accounting treatment for reporting its interest in joint venture, Ningbo SMR Huaxiang Automotive Mirrors Company Limited from equity method to proportionate consolidation method. However, this change does not have any impact on the profits of the group for the year ended March 31, 2010 or the net assets of the group as at March 31, 2010.

### 8. Prior Period Adjustments

During the current year the group has accounted for the following adjustments that have been identified in the opening balances of the assets and liabilities of the erstwhile subsidiaries of Visiocrp Plc. (in administration) acquired on March 6, 2009.

(Figures in Rs. Thousands)

Particulars	Impact on Capital Reserve
a) Impairment in the investment in Ningbo Visiocrp Huaxiang Automotive Mirrors Co. Ltd. incorrectly recorded earlier now rectified	236,410
b) Impairment in the land and buildings of Visiocrp Automotive Valencia S.A.U. incorrectly recorded earlier now rectified	115,227
c) Increase in provision for employee benefits due to change in the discount rates as earlier the Group had used corporate bond rates for discounting	(115,020)
d) Others (increase in liabilities)	(6,716)
Net increase in Capital Reserve	229,901

9. a) Miscellaneous expense under Schedule XI of the consolidated financial statements include an amount of Rs. 184,771 thousand (net) (€ 2,756 thousand) written off in respect of unreconciled intercompany balances of the subsidiaries of Samvardhana Motherson Reflectec Group Holdings Limited (SMR).
- b) During the year, Samvardhana Motherson Reflectec Group Holdings Limited (SMR) has incurred expenses amounting to Rs. 832,408 thousand (equivalent €12,416 thousand) on restructuring activities announced and completed at their manufacturing locations in Germany, Australia and France. The breakup of expenditure is as below:

(Figures in Rs. Thousands)

Particulars	Amount
Salary, Wages, Bonus etc.	685,368
Lease Rent	8,787
Repairs & Maintenance	23,411
Other Expenses	114,842
<b>Total</b>	<b>832,408</b>

## Schedules forming part of the Consolidated Accounts

10. a) On June 29, 2009 the Company has purchased the minority interest of 43.87% in its subsidiary Motherson PUDENZ WICKMANN Limited for Rs. 18,011 thousand. The resultant gain arising on the acquisition amounting to Rs. 9,544 thousand has been accounted for as capital reserve in these consolidated financial statements.
- b) The Company, subsequent to the year end, has entered into an agreement to acquire the 60% stake held by Balda AG, its joint venture partner, in Balda Motherson Solutions India Limited (BMSI). Upon transfer of shares, BMSI will become a 100 % owned subsidiary, which will thereafter be merged with the Company in due course.
11. The Company has the following unhedged foreign currency exposure:

(Amount in thousands)	
Currency	As at March 31, 2010 Payable / (Receivable)
EUR	10,046
GBP	(640)
JPY	863,802
USD	45,052
SGD	(3,554)
CHF	(27)
AUD	(219)
HKD	(1)
KRW	(3,556)
MXN	(373)
THB	160
LKR	(14,888)
INR	16,361
AED	(697)

The comparative figures for previous year have not been disclosed since they are not readily available.

### 12. Payment to the Group's Auditors:

(Figures in Rs. Thousands)		
	Year ended March 31, 2010	Year ended March 31, 2009
a) Statutory Audit Fees	10,743	6,626
b) Taxation Matters	47	337
c) Reimbursement of expenses	1,158	362
d) Others (certification charges and other services)	1,508	813
<b>TOTAL</b>	<b>13,456</b>	<b>8,138</b>

### 13. Earnings per share

	Year ended March 31, 2010	Year ended March 31, 2009 <sup>4</sup>
a) Basic		
Weighted Average number of Equity Shares of Re. 1/- each (Previous Year Re 1/- each) outstanding at the end of the year	374,593,800	355,553,800
Net profit after tax available for equity Shareholders (Rs. in thousands)	2,427,707	1,762,523
Basic Earnings (in Rupees) Per Share of Re. 1/- each. (Previous Year Re. 1/- each)	6.48	4.96



## Schedules forming part of the Consolidated Accounts

	Year ended March 31, 2010	Year ended March 31, 2009 <sup>4</sup>
b) Diluted		
Number of Zero Coupon Convertible Bonds	18,500	-
Net Premium & Exchange Loss / (Gain) on Zero Coupon Convertible Bonds (net of Taxes) (Rs. in thousands)	(76,972)	-
Adjusted Net Profit (Rs. in thousands)	2,350,735	-
Number of equity shares resulting from conversion of Zero Coupon Convertible Bonds	12,950,000	-
Number of equity shares used to compute diluted earnings per share	387,543,800	-
Diluted Earnings (in Rupees) Per Share of Re. 1/- each. (Previous Year Re. 1/- each)	6.07	-

<sup>4</sup> Potential conversion of Zero Coupon Currency Convertible Bonds issued is anti-dilutive and accordingly, has not been considered in the calculation of diluted earnings per share.

### 14. Deferred Tax

- (i) The break up of net deferred tax liability as at March 31, 2010 is as under:

(Figures in Rs. Thousands)

Timing differences on account of:	As at March 31, 2009	Exchange fluctuation	Credit/ (Charge) for the year	As at March 31, 2010
Expenses charged in the financial statements but allowable as deductions in future years under the Income Tax Act (to the extent considered realisable)	(276,651)	(5,958)	(40,476)	(323,085)
Difference between depreciation as per financial statement and depreciation as per Income Tax Return	421,672	(14,779)	(43,445)	363,448
Net Deferred Tax Liability/ (Asset)	145,021	(20,737)	(83,921)	40,363

- (ii) In view of the Group's past financial performance and future profit projections, the Group expects to fully recover the deferred tax assets.

### 15. The group has the following provisions in the books of account as on March 31, 2010

(Figures in Rs. Thousands)

	Warranty	Onerous Contracts	Other	Total
Opening Balance	286,190	126,549	772,808	1,185,547
Additions during the year	393,692	-	705,695	1,099,387
Utilised / Reversed during the year	(369,605)	(15,644)	(833,094)	(1,218,343)
Exchange translation adjustment	17,424	(11,466)	(39,474)	(33,516)
Closing Balance	327,701	99,439	605,935	1,033,075

#### Warranty

A provision is recognised for expected warranty claims on products sold during the last year, based on past experience of the level of repairs and returns. It is expected that most of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the warranty period for all products sold.

## Schedules forming part of the Consolidated Accounts

### Onerous Contracts

The provision for onerous contracts comprise for expected losses from customer contracts for the next one year. After this period no provision is recorded as the Group is expecting to turn this customer contracts profitable by cost reductions and renegotiations with the customers.

### Other Provisions

Other provisions mainly comprises of the following

- Provision for obligation concerning transfer of losses due to a profit and loss transfer agreement of former fully consolidated subsidiary of Visiocrp Plc. (in administration) sold prior to the acquisition by the Group, Visiocrp Deutschland GmbH (formerly Schefenacker Mirrors GmbH) Rs. 240,027 thousand (Previous Year Rs. 445,929 thousand).
- Provision for Potential tax threats of the erstwhile "Lighting" Division of Visiocrp Plc. (in administration) that the Group had taken over consequent to the acquisition of subsidiaries of Visiocrp Plc. (in administration) Rs. 151,615 thousand (Previous Year Rs. 168,913 thousand).
- Provision for claim for infringement of patents/ breach of contracts Rs. 224,450 thousand (Previous Year Nil).

### 16. Leases Obligation Disclosures

#### Finance Leases:

Assets acquired on finance lease and hire purchase contract comprise property and plant & machinery. These leases are generally have terms of renewal but no purchase option and escalation clauses. Renewals are at the option of the lessee. Future minimum lease payment under finance leases and hire purchase contracts are as follows:

(Figures in Rs. Thousands)

	Year ended March 31, 2010	Year ended March 31, 2009
Payable not later than one year	39,419	58,309
Payable later than 1 year and not later than 5 years	97,022	139,860
Payable later than 5 years	29,139	114,658
<b>TOTAL</b>	<b>165,580</b>	<b>312,827</b>
Less: Future finance charges	27,650	113,104
Present value in respect of above	137,930	199,723

#### Operating Leases:

The Company has taken various commercial premises, motor vehicles, plant and machinery under non-cancellable operating leases. The future minimum lease payments as at March 31, 2010 are as follows:

(Figures in Rs. Thousands)

Payable not later than 1 year	91,678
Payable later than 1 year and not later than 5 years	182,753
Payable later than 5 years	-

Lease rental expenses in respect of operating lease is Rs 625,350 thousand.

## Schedules forming part of the Consolidated Accounts

### 17. Related Party Disclosures

Related party disclosures, as required by Accounting Standard 18, "Related Party Disclosures", are given below:

#### **I) Relationships where control exists:**

##### **a) Joint Ventures:**

Kyungshin Industrial Motherson Limited  
Balda Motherson Solution India Limited  
Woco Motherson Elastomer Limited  
Woco Motherson Advanced Rubber Technologies Limited  
Woco Motherson Limited (FZC)  
Calsonic Kansei Motherson Auto Product Limited  
Ningbo Visiocorp Huaxiang Automotive Mirrors Co. Limited

##### **b) Associate Companies:**

Saks Ancillaries Limited

##### **c) Key Management Personnel:**

##### **i) Board of Directors:**

Mr. V.C. Sehgal  
Mr. Laksh Vaaman Sehgal (w.e.f. April 30, 2009)  
Mr. Toshimi Shirakawa  
Mr. Toshihiro Watanabe  
Mr. M.S. Gujral  
Mr. Bimal Dhar  
Mr. H. Murai  
Maj. Gen Amarjit Singh (Retd)  
Mr. Pankaj Mital  
Mr. Arjun Puri  
Mr. Toshihide Ano

##### **ii) Other Key Management Personnel:**

Mr. Vivek Avasthi  
Mr. Ravindra Mathur  
Mr. G.N. Gauba  
Mr. N Ramanathan  
Mr. Sanjay Mehta

##### **iii) Relatives of Key Management Personnel:**

Ms. Renu Sehgal  
Ms. Vidhi Sehgal  
Ms. Geeta Soni  
Ms. Neelu Mehra  
Ms. Padma Avasthi  
Mr. Harjit Singh  
Ms. Upkar Gujral  
Ms. Subina Avasthi

##### **d. Companies in which Key Managerial Personnel or their relatives have control/ significant influence:**

Motherson Auto Limited  
Motherson Air Travel Agencies Limited  
Ganpati Auto Industries  
South City Motors Limited  
ASI Motherson Communication Solution Limited  
Motherson Techno Tools Limited  
Motherson Techno Tools Mideast (FZE)  
Sumi Motherson Innovative Engineering Limited

## Schedules forming part of the Consolidated Accounts

SWS India Management Support & Service (P) Limited  
Vaaman Auto Industries  
A Basic Concepts Design India Private Limited  
Motherson Sumi Infotech and Designs Limited  
Motherson Engineering Research and Integrated Technologies Limited  
Moon Meadows Private Limited  
Sis Bro Motor and Workshop Private Limited  
Motoman Motherson Robotics Limited  
NACHI Motherson Tool Technology Limited  
Motherson  
Samvardhana Motherson Finance Limited  
A Basic Concepts Design Pty Limited  
ATAR Mauritius Private Limited  
Motherson Auto Solutions Private Limited  
Motherson Machinery and Automations Private Limited  
Spheros Motherson Thermal System Limited  
Matsui Technologies India Limited  
Motherson Moulds and Diecasting Limited  
Webasto Motherson Sunroofs Limited  
Anest Iwata Motherson Limited  
Field Motor Private Limited  
AES (India) Engineering Limited  
Miyazu Motherson Engineering Design Limited  
Anest Iwata Motherson Coating Equipment Limited  
Nissin Advance Coating Indo Company Limited  
Magnetti Marelli Motherson Holding India BV  
Magnetti Marelli Motherson Auto System Limited  
Samvardhana Motherson Finance Services Cyprus Limited  
Motherson Zanotti Refrigeration System Limited  
Samvardhana Motherson Virtual Analysis Ltd. (formerly Motherson Timetooth Technologies Ltd.)  
Samvardhana Motherson Finance Services Inc.  
Motherson TimeTooth Technologies Inc.  
Tigers Connect Travel Systems and Solutions Limited  
Samvardhana Motherson Holding (M) Private Limited  
Motherson Advanced Tooling Solutions Limited  
Avon Hill Limited  
Fritzmeier Motherson Cabin Engineering Limited  
Air Factory Energy Limited  
CTM India Limited  
MSID U.S. Inc  
Motherson Climate System Ltd.  
Spirited Auto Cars (I) Limited  
Style Motors Limited

**e. Joint Venturer:**

Sumitomo Wiring Systems Limited, Japan  
Wilhelm Pudenz GmbH, Germany (Upto 28th June 2009)  
Kyungshin Industrial Co., Korea  
Woco Franz Josef Wolf Holding GmbH, Germany  
Balda AG, Germany  
Calsonic Kansei Corporation, Japan  
E-Compost Pty. Limited, Australia  
Dermotech GmbH, Germany

## Schedules forming part of the Consolidated Accounts

### II. Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 17 (I) above:

(Figures in Rs. Thousands)

S. No.	Particulars	Parties mentioned in 17 (I) (a) above		Parties mentioned in 17 (I) (b) & (d) above		Parties mentioned in 17 (I) (e) above		Parties mentioned in 17 (I) (c) above	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Sale of Goods	1,398,308	1,346,216	113,185	48,819	1,939,097	364,410	-	36
2	Rendering of Services	348,992	190,211	55,013	24,379	7,731	75	-	-
3	Sale of Fixed Assets	683	252	2,709	-	-	-	-	-
4	Purchase of Goods	41,519	47,340	715,744	356,212	1,566,608	1,694,322	177,303	-
5	Purchase of Fixed Assets	3,060	-	341,069	133,631	3,444	25,817	-	-
6	Purchase of Services	2,746	11,608	663,320	406,588	12,742	12,857	2,016	4,707 <sup>5</sup>
7	Reimbursement (Net)	809	26,974	26,361	54,581	314	8,759	-	-
8	Investments made during the year	-	39,886	-	-	-	-	-	-
9	Purchase of Shares	-	-	-	-	18,012	-	-	-
10	Sale of Shares / Redemption	26,667	-	-	19,957	-	139,555	-	-
11	Royalty	8,813	7,862	185	179	138,718	97,152	1,324	-
12	Remuneration/Sitting Fees of Directors & Key Mgmt. Personnel	-	-	-	-	-	-	24,770	21,259
13	Interest Income	961	2,076	16,092	3,409	181	-	-	-
14	Interest Expense	-	-	14	-	-	-	-	-
15	Dividend Paid	-	-	190,131	135,979	192,248	199,404	20,830	28,792 <sup>6</sup>
16	Dividend Received	113,136	76,198	875	875	-	-	-	-
17	Advance Given against equity / Preference Share	-	-	-	-	-	-	-	-
18	Loans Received during the year	-	17,500	100,000	17,350	-	-	-	-
19	Loans Given during the year	-	10,000	140,501	75,083	-	-	-	-
20	Loans Repaid during the year	-	17,500	41,609	42,250	-	-	-	-
21	Loans Received back during the year	-	13,314	-	-	-	-	-	-
22	Security Deposits Received	5,623	1,547	1,033	8,492	-	-	-	-
23	Security Deposits Repaid	-	-	25,564	-	-	-	-	-
	<b>Balances as at year end</b>								
24	Investments	585,389	679,490	38,230	38,230	-	-	-	-
25	Advance Given against equity / Preference Share	-	-	-	-	-	-	-	-
26	Loans Payable	-	-	53,433	128,182	-	-	-	-
27	Loans Receivable	-	-	718	-	7,347	-	-	-
28	Advances Receivable	75,718	12,484	191,837	64,621	-	3,112	-	-
29	Security Deposit Received	48,550	11,082	2,162	8,492	-	-	-	96
30	Security Deposits Given	-	-	2,706	71,488	-	-	542	-
31	Trade Payable	3,998	13,775	227,339	110,626	129,596	75,834	-	-
32	Trade Receivable	137,732	253,835	124,382	67,552	37,640	28,573	-	-

The corresponding figures of the previous year have been regrouped and reclassified, wherever necessary.

<sup>5</sup> Rent of Rs. 2,014 thousand (previous year Rs. 4,707 thousand) paid to Mr. V.C Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, Ms. Vidhi Sehgal.

<sup>6</sup> Dividend of Rs. 20,830 thousand (previous year Rs. 28,792 thousand) paid to Mr. V. C. Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Neelu Mehra, Ms. Geeta Soni, Ms. Vidhi Sehgal, Mr. Pankaj Mital, Mr. M.S. Gujral, Mr. G.N.Gauba, Mr. Vivek Avasthi, Ms. Renu Sehgal, Ms. Padma Avasthi, Ms. Subina Avasthi, Mr. Harjit Singh.

## Schedules forming part of the Consolidated Accounts

### III. Related parties with whom transactions, the amount of which is in excess of 10% of the total related party transactions of the same type.

(Figures in Rs. Thousands)

S. No.	Particulars	2009-2010		2008-2009	
		Name of Related Party	Amount	Name of Related Party	Amount
1	Sale of Goods	Kyungshin Industrial Motherson Ltd.	1,350,214	Kyungshin Industrial Motherson Ltd.	1,212,851
2	Rendering of Services	Sumitomo Wiring Systems Ltd., Japan	1,856,718	Sumitomo Wiring Systems Ltd., Japan	351,979
		Kyungshin Industrial Motherson Ltd.	304,885	Kyungshin Industrial Motherson Ltd.	151,244
3	Sale of Fixed Assets	Calsonic Kansei Motherson Auto Products Ltd.	683	Calsonic Kansei Motherson Auto Products Ltd.	252
		Motherson	1,416		
4	Purchase of Goods	Motherson Techno Tools Ltd.	1,196	Sumi Motherson Innovative Engineering Ltd.	353,254
		Sumi Motherson Innovative Engineering Ltd.	471,249	Sumitomo Wiring Systems Ltd., Japan	858,693
		Sumitomo Wiring Systems Ltd., Japan	604,855	Kyungshin Industrial Company Ltd., Korea	835,629
		Kyungshin Industrial Company Ltd., Korea	939,633		
5	Purchase of Fixed Assets	Motherson Sumi Infotech & Designs Ltd.	90,364	Matsui Technologies India Ltd.	21,227
		AES(India) Engineering Ltd.	46,039	CTM India Ltd.	70,570
		CTM India Ltd.	123,593	Sumi Motherson Innovative Engineering Ltd.	25,864
6	Purchase of Services	Saks Ancillaries Ltd.	107,877	Saks Ancillaries Ltd.	75,395
		Motherson Auto Ltd.	91,047	Motherson Auto Ltd.	79,009
		Motherson Air Travel Agencies Ltd.	205,712	Motherson Air Travel Agencies Ltd.	110,424
		Motherson Sumi Infotech & Designs Ltd.	169,961	Motherson Sumi Infotech & Designs Ltd.	130,883
7	Reimbursement (Net)	Motherson Air Travel Agencies Ltd.	28,515	Balda Motherson Solution India Ltd.	22,560
				Motherson Air Travel Agencies Ltd.	15,215
				A Basic Concepts Design Pty Ltd.	29,661
8	Investments made during the year			Balda Motherson Solution India Ltd.	39,886
9	Purchase of Shares	Wilhelm Pudenz GmbH, Germany	18,012		
10	Sale of Shares	WOCO Motherson Advanced Rubber & Tech. Ltd.	26,667	ASI Motherson Communication Solutions Ltd.	19,957
				Sumitomo Wiring Systems Ltd., Japan	95,667
				Balda AG	23,931
				E-Compost Pty. Ltd.	19,957
11	Royalty	Sumitomo Wiring Systems Ltd., Japan	88,455	Sumitomo Wiring Systems Ltd., Japan	64,134
		Kyungshin Industrial Company Ltd., Korea	42,671	Kyungshin Industrial Company Ltd., Korea	33,018
12	Remuneration / Sitting Fees of Directors and Key Management Personnels	Mr. Pankaj Mital	4,660	Mr. Pankaj Mital	4,603
		Mr. Toshihiro Watanabe	3,622	Mr. G.N. Gauba	3,622
		Mr. N Ramanathan	4,401	Mr. N Ramanathan	2,200
		Mr. G. N. Gauba	4,031	Mr. Toshihiro Watanabe	3,041
		Mr. Vivek Avasthi	3,252	Mr. Vivek Avasthi	2,872
13	Interest Income	Motherson Auto Ltd.	12,578	WOCO Motherson Elastomer Ltd.	817
		Samvardhana Motherson Finance Ltd.	3,763	WOCO Motherson Advanced Rubber Tech. Ltd.	817
		Magnetti Marelli Motherson Holding India B.V.	2,336	Motherson Auto Ltd.	631
				Samvardhana Motherson Finance Ltd	2,067
14	Interest Expense	Saks Ancillaries Ltd.	14		
15	Dividend Paid	Samvardhana Motherson Finance Ltd.	190,131	Samvardhana Motherson Holding (M) Pvt. Ltd.	102,850
		Sumitomo Wiring Systems Ltd., Japan	130,804	Sumitomo Wiring Systems Ltd., Japan	130,804
		Kyungshin Industrial Company Ltd., Korea	43,002	Kyungshin Industrial Company Ltd., Korea	43,000
16	Dividend Received	Kyungshin Industrial Motherson Ltd.	86,000	Kyungshin Industrial Motherson Ltd.	34,400
		WOCO Motherson Ltd.(FZC)	20,113	WOCO Motherson Ltd.(FZC)	30,404
				WOCO Motherson Elastomer Ltd.	11,393
17	Advance Given	Motherson Auto Ltd.	100,000		-

## Schedules forming part of the Consolidated Accounts

(Figures in Rs. Thousands)

S. No.	Particulars	2009-2010		2008-2009	
		Name of Related Party	Amount	Name of Related Party	Amount
18	Loans Received during the year	Samvardhana Motherson Finance Ltd. Motherson Auto Solutions Ltd.	65,105 13,333	WOCO Motherson Advanced Rubber Tech. Ltd. Saks Ancillaries Ltd. Motherson Techno Tools Ltd.	17,500 10,000 7,350
19	Loans Given during the year	Motherson Auto Ltd. Motherson Auto Solutions Ltd.	115,501 25,000	Balda Motherson Solution India Ltd. Samvardhana Motherson Finance Ltd. Motherson Auto Solutions Ltd.	10,000 49,500 13,333
20	Loans Repaid during the year	Motherson Techno Tools Ltd. Motherson Auto Solutions Ltd.	16,609 25,000	WOCO Motherson Elastomer Ltd. Saks Ancillaries Ltd.	17,500 30,000
21	Loans Received back during the year		-	Balda Motherson Solution India Ltd.	13,314
22	Security Deposits Received	WOCO Motherson Elastomer Ltd. Calsonic Kansei Motherson Auto Products Ltd. Motherson Moulds and Diecasting Ltd.	1,164 4,459 986	Calsonic Kansei Motherson Auto Products Ltd. Motoman Motherson Robotics Ltd. Magnetti Marelli Motherson Holding India B.V. Motherson Moulds and Diecasting Ltd.	1,547 2,060 1,684 4,749
23	Security Deposits Repaid	Motherson Auto Ltd.	25,000		
	<b>Balances as at year end</b>				
24	Loans Payable	Saks Ancillaries Ltd Samvardhana Motherson Finance Ltd A Basic Concepts Design India Pvt Ltd.	6,013 108,393 18,153	Motherson Auto Ltd.	65,349
25	Loans Receivable (after reinstatement)	WOCO Franz Josef Wolf Holding GmbH, Germany Samvardhana Motherson Finance Ltd	7,347 49,500	Balda Motherson Solution India Ltd. Samvardhana Motherson Finance Ltd.	10,864 49,500
26	Advances and other Receivable	Kyungshin Industrial Motherson Ltd. Motherson Moulds and Diecasting Ltd. CTM India Ltd. Motherson Auto Ltd.	70,703 21,988 51,330 101,442	CTM India Ltd. Sumi Motherson Innovative Engineering Ltd.	47,449 9,449
27	Security Deposit Received	Kyungshin Industrial Motherson Ltd. Balda Motherson Solution India Ltd.	30,000 9,535	Balda Motherson Solution India Ltd. Motoman Motherson Robotics Ltd. Motherson Moulds and Diecasting Ltd.	9,535 2,060 4,749
28	Security Deposits Given	Motherson Auto Ltd. Mr. Laksh Vaaman Sehgal	2,626 542	Motherson Auto Ltd.	70,246
29	Trade Payable	Sumi Motherson Innovative Engineering Ltd. Motherson Sumi Infotech & Designs Ltd. Sumitomo Wiring Systems Ltd., Japan	102,937 38,348 84,707	Sumi Motherson Innovative Engineering Ltd. Motherson Sumi Infotech & Designs Ltd. Kyungshin Industrial Company Ltd., Korea	52,984 24,595 66,190
30	Trade Receivable	Kyungshin Industrial Motherson Ltd. Sumitomo Wiring Systems Ltd., Japan	133,087 37,600	SMR Automotive Systems India Ltd. Kyungshin Industrial Motherson Ltd.	102,303 127,386



## Schedules forming part of the Consolidated Accounts

### 18. Segment Information

#### a) Information about Primary Business Segments

(Figures in Rs. Thousands)

	Automotive		Non automotive		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment revenue								
External	68,047,154	23,968,581	3,346,377	3,441,127	(867,001)	270,286	70,526,530	27,679,994
Inter segment	174,025	113,902	-	-	-	-	174,025	113,902
Total revenue	67,873,129	23,854,679	3,346,377	3,441,127	(867,001)	270,286	70,352,505	27,566,092
Results								
Segment result	4,795,755	2,877,462	73,594	(6,621)	-	-	4,869,349	2,870,841
Interest expense (net of Interest income)	-	-	-	-	573,231	354,349	573,231	354,349
Other Unallocable (net of Income)	-	-	-	-	868,209	(43,290)	868,209	(43,290)
Profit of Associate	-	-	-	-	2,122	871	2,122	871
Profit before taxation	-	-	-	-	-	-	3,430,031	2,560,653
Provision for taxation	-	-	-	-	1,093,752	348,665	1,093,752	348,665
Net profit after tax	-	-	-	-	-	-	2,336,279	2,211,988
- Concern Share	-	-	-	-	-	-	2,427,707	1,762,523
- Minority Share	-	-	-	-	-	-	(91,428)	449,465
Other items								
Segment assets	33,846,636	30,955,162	2,895,652	2,981,084	1,053,854	958,811	37,796,142	34,895,057
Segment liabilities	14,477,793	13,848,847	967,281	779,725	8,694,981	9,840,423 <sup>7</sup>	24,140,055	24,468,995 <sup>7</sup>
Capital expenditure	4,080,820	1,440,054	144,576	135,946	-	-	4,225,396	1,576,000
Depreciation	2,478,670	842,346	122,286	248,217	-	-	2,600,956	1,090,563
Amortisation of Premium on Redemption of Zero Coupon	-	-	-	-	-	-	-	-
Foreign currency convertible bonds	-	-	-	-	141,466	154,524	141,466	154,524

<sup>7</sup> Does not include proposed dividend and tax thereon

#### b) Information about Secondary Business Segments

(Figures in Rs. Thousands)

	India		Outside India <sup>8</sup>		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Revenue by geographical markets</b>								
External	67,845,630	14,425,482	1,346,190	12,870,323	1,161,863	270,287	70,353,683	27,566,092
<b>TOTAL</b>	<b>67,845,630</b>	<b>14,425,482</b>	<b>1,346,190</b>	<b>12,870,323</b>	<b>1,161,863</b>	<b>270,287</b>	<b>70,353,683</b>	<b>27,566,092</b>
Carrying amount of segment assets	12,880,576	9,155,921	23,861,712	24,763,181	1,053,854	958,811	37,796,142	34,877,913
Addition to fixed assets	3,078,072	1,220,047	1,147,324	355,953	-	-	4,225,396	1,576,000

<sup>8</sup> Includes Europe, America, Asia Pacific, Middle East and Australia

## Schedules forming part of the Consolidated Accounts

### c) Composition of Business Segments

The Group is organised into two main business segments, namely:

<b>Segments</b>	<b>Products categories in respective segments</b>
Automotive	Wiring Harness, High Tension Cords, Wire, Plastic Components, Rubber Components, Cockpit Assembly
Non Automotive	Wiring Harness, Pen-Stamp Assembly, Plastic Components, Household Wires, Plates, Aerobin

### d) Inter Segment Transfer Pricing

Inter Segment prices are normally negotiated amongst the segments with reference to the costs, market prices and business risks, with an overall optimisation objective for the Group.

### 19. The long term defined employee benefits and contribution schemes of the Group are as under:

#### A) Defined Benefit Schemes

##### (i) Gratuity / Pension Benefits

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

(Figures in Rs. Thousands)

<b>Gratuity</b>	<b>As at March 31, 2010</b>	<b>As at March 31, 2009</b>	<b>As at March 31, 2008</b>
Obligations at year beginning	778,621	750,677	70,292
Service Cost - Current	109,501	24,488	10,545
Interest Cost	227,685	11,272	3,769
Actuarial (gain) / loss	174,538	16,358	8,847
Benefit Paid	(51,927)	(10,046)	(5,647)
Effect of exchange rates changes	(124,187)	(17,481)	296
<b>Obligations at year end</b>	<b>1,114,230</b>	<b>775,268</b>	<b>88,102</b>
<b>Change in plan assets</b>			
Plan assets at year beginning, at fair value	912,784	906,155	52,232
Expected return on plan assets	28,750	10,534	4,218
Actuarial gain / (loss)	22,801	1,096	1,561
Contributions	106,843	24,907	14,231
Benefits paid	(52,433)	(6,370)	(4,167)
Effect of exchange rates changes	(52,926)	(23,538)	-
<b>Plan assets at year end, at fair value</b>	<b>965,819</b>	<b>912,784</b>	<b>68,075</b>
Reconciliation of present value of the obligation and the fair value of the plan assets:			
Present value of the defined benefit obligations at the end of the year	1,114,230	775,268	88,102
Fair value of the plan assets at the end of the year	965,819	912,784	68,075
<b>Liability recognised in the Balance Sheet</b>	<b>148,411</b>	<b>(137,516)</b>	<b>20,027</b>
Defined benefit obligations cost for the year			
Service Cost - Current	109,501	24,488	10,545
Interest Cost	227,685	11,272	3,769
Expected return on plan assets	(28,750)	(10,534)	(4,218)
Actuarial (gain) / loss	151,736	15,262	7,287
<b>Net defined benefit obligations cost</b>	<b>460,172</b>	<b>40,488</b>	<b>17,383</b>

## Schedules forming part of the Consolidated Accounts

(Figures in Rs. Thousands)

Leave encashment / compensated absences	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Obligations at year beginning	39,489	27,619	21,104
Service Cost - Current	10,031	7,726	6,492
Interest Cost	2,914	1,941	1,536
Actuarial (gain) / loss	(560)	5,115	9,594
Benefit Paid	(4,340)	(3,045)	(9,238)
Effect of exchange rates changes	-	-	-
Obligations at year end	<b>47,534</b>	<b>39,356</b>	<b>29,488</b>
Reconciliation of present value of the obligation and the fair value of the plan assets:			
Present value of the defined benefit obligations at the end of the year	47,534	39,356	29,488
Fair value of the plan assets at the end of the year	-	-	-
<b>Liability recognised in the Balance Sheet</b>	<b>47,534</b>	<b>39,356</b>	<b>29,488</b>
<b>Defined benefit obligations cost for the year</b>			
Service Cost - Current	10,031	7,726	6,492
Interest Cost	2,914	1,941	1,536
Expected return on plan assets	-	-	-
Actuarial (gain) / loss	(560)	5,115	9,594
<b>Net defined benefit obligations cost</b>	<b>12,385</b>	<b>14,782</b>	<b>17,622</b>

### Investment details of Plan Assets

100% of the plan assets are lying in the Gratuity fund administered through Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme.

The principal assumptions used in determining post-employment benefit obligations are shown below:

	2010		2009		2008
	Indian	Foreign	Indian	Foreign	Indian
Discount Rate	7.0% - 8.0%	4.7% - 10.0%	7.0% - 8.0%	4.7% - 17.0%	8%
Future salary increases	4.5% - 7.0%	5.0% - 14.0%	4.5% - 7.0%	5.0% - 15.0%	5.5%
Expected return on plan assets	8.0% - 9.25%	3%	8.0% - 9.25%	5%	8%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

### b) Defined Contribution Schemes

The Group deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident Fund, Employee State Insurance (ESI) and Social Insurance for the benefit of the employees. Accordingly, the Group's contribution during the year that has been charged to revenue amounts to Rs.226,061 thousand.

## Schedules forming part of the Consolidated Accounts

### 20. Interest in Joint Ventures

The Group's interests, as a venture, in jointly controlled entities as at March 31, 2010 are:

Name of the Company	Country of Incorporation	% voting power held as at March 31, 2010	% voting power held as at March 31, 2009
Kyungshin Industrial Motherson Limited	India	50%	50%
Woco Motherson Limited (FZC) (through MSSL Mauritius Holdings Limited)	UAE	33.33%	33.33%
Woco Motherson Elastomers Limited	India	33.33%	33.33%
Woco Motherson Advanced Rubber Technologies Limited	India	33.33%	33.33%
Balda Motherson Solution India Limited	India	40%	40%
Calsonic Kansei Motherson Auto Products Limited	India	49%	49%
Ningbo Visiocorp Huaxiang Automotive Mirrors Co. Limited	China	50%	50%

The following amounts represent the Groups share of the assets and liabilities and revenue and expenses of the joint venture and are included in the consolidated balance sheet and consolidated profit & loss account:

(Figures in Rs. Thousands)

Particulars	March 31, 2010	March 31, 2009
<b>Assets</b>		
Fixed Assets	1,078,285	934,481
Capital Work in Progress	7,818	4,712
Current Assets	1,693,864	836,826
<b>Liabilities</b>		
Secured Loans	88,757	84,517
Unsecured Loans	238,383	34,153
Current Liabilities & Provisions	902,632	450,161
Deferred Tax (Net)	2,255	9,215
<b>Reserves &amp; Surplus</b>	307,826	190,717
<b>Revenue</b>		
Sales	4,790,274	3,420,030
Other Income	64,018	29,334
Expenditure	4,280,455	3,171,272
<b>Profit before Tax</b>	573,837	278,092
Provision for Tax	182,863	159,143
<b>Profit after Tax</b>	390,973	118,949
<b>Contingent Liabilities</b>		
- In respect of Excise, Sales tax & Service tax matters	7,650	4,673
- Bank Guarantees	14,928	79,411
<b>Capital Commitment</b>	13,313	11,668

21. The Group is required to comply with the local transfer pricing regulations, which are contemporaneous in nature. The companies in the Group appoint independent consultants annually for conducting the transfer pricing study to determine whether the transactions with the associate enterprises are undertaken during the financial year on an arm's length basis. Adjustments, if any, arising from the transfer pricing study in the respective jurisdiction shall be accounted for as and when the study is completed for

## Schedules forming part of the Consolidated Accounts

the current financial year. The management is of the opinion that its international transactions are at arm's length so that aforesaid legislation will not have any impact on the financial statements.

22. The current year figures include the results of Samvardhana Motherson Reflectec Group Holdings Limited (SMRGHL), SMRGHL had acquired the subsidiaries from Visiocorp Plc. (in administration) on March 6, 2009. Hence the current year figures include the twelve month results of the acquired subsidiaries whereas the previous year figures include the results of the subsidiaries from the date of acquisition and hence are not comparable. The corresponding figures of previous year have been regrouped, rearranged, wherever necessary, to conform to the current year's classification.

**For Price Waterhouse**

Firm Registration No.: FRN 007568S  
Chartered Accountants

**ANUPAM DHAWAN**

Partner  
M.No.: F084451

Place : New Delhi  
Date : May 18, 2010

For and on behalf of the Board

**V.C. SEHGAL**  
Vice Chairman

**TOSHIHIRO WATANABE**  
Whole Time Director

**PANKAJ MITAL**  
Chief Operating Officer

**G.N. GAUBA**  
Co. Secretary & V.P. Finance



**Metherson Sumi Systems Limited**

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