



25 years of valued relationships

This year also saw one of the greatest tragedies of the modern times, the Tsunami and earthquake followed by the fear of nuclear disaster in Japan. We feel one with the people of Japan in their moment of grief. The people of Japan have again shown their resilience by facing this calamity bravely and coming back towards normalcy sooner than the rest of the world could have expected.



# 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. Hideaki Ueshima  
*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  
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**Registrar and Transfer Agent**

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.  
The Hong Kong and Shanghai Banking Corp. Ltd.  
DBS Bank Ltd.  
Japan Bank for International Cooperation

## Contents

Corporate Information 01 | Introduction 02 | Samvardhana Motherson Group 04 | Samvardhana Motherson Finance Limited 05 | Sumitomo Wiring Systems, Ltd. 08 | Motherson Sumi Systems Limited 09 | Samvardhana Motherson Reflectec 12 | Vision, Mission & Values 14 | 25 Years of Motherson Sumi Systems Limited 15 | 25 Years of Valued Relationships 16 | 25 Years Milestones 22 | 25 Years of Growth: • Growing Global Footprint 24 • Organic & Inorganic Growth 26 • Products and Industries Served 27 • Growing Product Range 28 • Market Position 30 | Chairman's Letter 31 | From the Desk of Group Chairman 32 | New Acquisition – Peguform Group 36 | MSSL Financial Highlights 38 | Customer Recognition 40 | Management Discussion and Analysis 41 | Directors' Report 54 | Report on Corporate Governance 59 | Auditor's Report 67 | Balance Sheet 70 | Profit and Loss Account 71 | Cash Flow Statement 72 | Schedules 74 | Balance Sheet Abstract 106 | Consolidated Financial Statements 114



25 Years of Valued Relationships

Businesses are  
built on  
relationships.  
Relationships on  
trust.



“Motherhood” signifies the first and the most pious relationship in the world, the relationship of a mother and a child. The spirit of this relationship forms the basis of trust, commitment, belongingness and togetherness, all of which are reflected in the relationships that Motherhood Sumi Systems Limited (MSSL) has forged in the two and a half decades of its journey.

Since 25 years MSSL continues to be guided by the philosophy of “A Relationship Built on Trust”. These valued relationships are the real force propelling MSSL in new directions, growing, expanding and creating value for all. The journey of MSSL is a story of these precious relationships.

The MSSL family, that encompasses all the employees of the Company, epitomises the concept of “Vasudhaiva Kutumbakam” (the whole world is a family) binding people across five continents, binding different languages, nationalities, religions and beliefs into the one string of Motherhood DNA. Many of them have been with MSSL for all the 25 years, and there are new ones joining the globally growing MSSL family continuously.

MSSL has always valued its relationships, which in turn have made MSSL what it is today. MSSL’s customers have been its best mentors. They have supported MSSL in all its endeavours, guiding it to add new products, procure new technologies, add new partners, enter new geographies and make new acquisitions. In the process, MSSL has evolved as a full system solutions provider.

MSSL’s relationships with its collaborators have grown from strength to strength. With the oldest JV also completing 25 years, this has been a remarkable journey of mutual trust, understanding, sharing and growing together. Multiple JV partners and multiple JVs with same partners underline the growing strength and soundness of these associations.

Since the listing of MSSL in 1993, the Company’s continuous endeavour is to create more value for its shareholders. MSSL has always received a lot of support from its shareholders who have continuously reposed their confidence in the Company. This confidence of the shareholders has always inspired MSSL to set new benchmarks and enhance shareholders’ value.

**MSSL has always valued, and would continue to value these relationships that are an integral part of its business philosophy and the core of its business mantra.**

# Samvardhana Motherson Group

Building bonds of trust

Samvardhana Motherson Group (SMG) is a focused, dynamic and progressive global Group that is geared towards providing customers with innovative and value-added products, services and solutions. The Group has evolved as a trusted partner to its customers. With a presence in 23 countries, and a turnover of approximately USD 2.7 billion in 2010-11, the Group is supplying to all the major automobile

manufacturers across the world.

Designed to meet the continuously transforming needs of customers around the world, the Samvardhana Motherson Group is continuously expanding its diversified bouquet of verticals to include a wider choice of products and services for its expanding customer base. As a full-system solutions provider the Group offers

comprehensive solutions spanning a range of applications across diverse industries.

The unique competencies of the Group's constituent companies combine to develop integrated solutions for its diverse customers. The constituent companies also provide support through products and services that strengthen MSSL's position as a full-system solutions provider.

## BUSINESS PORTFOLIO

Wiring Harness Manufacturing	Rearview Mirrors	Polymer Processing & Tool Manufacturing	Modules	Elastomer Processing	IT & Design Engineering	Metal Working	Manufacturing Support	Other Business
Wiring Harnesses	Exterior Mirrors	Injection Molded Plastic Parts	HVAC Systems for Passenger & Commercial Vehicles	Rubber Injection Molding	Software Development	Cutting Tools	Air Compressors	Travel Services
High Tension Cords	Interior Mirrors	Plastic Blow Molded Parts	Bus Air-Conditioning	Liquid Silicon Injection Molding	Design Engineering	Bimetal Band Saw Blades	Paint Coating Equipment	Management Services
Battery Cables	Mirrors with Integrated Lighting	Post Molding Processes	Lighting & Air Intake Systems	Bonded Rubber Parts	CAE Services	Precision Metal Machined Components	Automotive Manufacturing Engineering	Agencies
Wires	Blind Spot Detection Systems	Assemblies	Refrigeration Systems - Transport & Stationary	Rubber Extrusion		Gear Cutting Tools	Auxiliary Equipment for Injection Molding Machines	
Connectors & Terminals	Telescopic Trailer Tow Mirrors	Tool Design & Analysis	Cabins for Off - Highway Vehicles	Rubber Compounding		Thin Film Coating Metals		
Wiring Harness Components		Tool Manufacturing	Environment Management Systems					
		Polymer Compounding						

# Samvardhana Motherson Finance Limited

Steering relationships through new alliances

Samvardhana Motherson Finance Limited (SMFL) is the principal holding company of the Samvardhana Motherson Group. With investments in Group companies, including Motherson Sumi Systems Limited (MSSL), SMFL acts as the central corporate body for managing the Group companies and for their overall co-ordination and providing central support.

The company has 36.34% stake in MSSL and holds 49% stake in Samvardhana Motherson Reflectec (SMR), a joint venture with MSSL which acquired the rearview mirror business of Visiocrp in March 2009.

Through a diversified product portfolio, encompassing the entire range of the Samvardhana Motherson Group products, SMFL ventures supplement and support MSSL products.

As the main vehicle for exploring new business areas and forming new joint ventures for the Group in diversified areas, it has played a pivotal role in the growth of Samvardhana Motherson Group and each of its members, building lasting global bonds through new alliances. 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.



# The SMFL Company Portfolio

## ■ WIRING HARNESS MANUFACTURING



- Motherson Sumi Systems Ltd.
- Kyungshin Industrial Motherson Ltd.
- 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.

## ■ REARVIEW MIRRORS



### Samvardhana Motherson Reflectec (SMR)

- |   |   |
|---|---|
| • SMR Automotive Systems India Limited                | • SMR Automotive Services UK Limited              |
| • SMR Automotive Australia Pty Limited                | • SMR Automotive Mirror Technology Hungary Bt     |
| • SMR Automotive Yancheng Co. Limited                 | • SMR Poong Jeong Automotive Mirrors Korea Ltd.   |
| • SMR Automotive Beijing Company Limited              | • SMR Hyosang Automotive Ltd.                     |
| • Ningbo SMR Huaxiang Automotive Mirrors Co., Limited | • SMR Automotive Patents S.à.r.l.                 |
| • SMR Automotive Systems France S.A.                  | • SMR Automotive Vision Systems Mexico S.A de C.V |
| • SMR Automotive Services GmbH                        | • SMR Automotive Systems Spain S.A.U.             |
| • SMR Grundbesitz GmbH & Co. KG                       | • SMR Automotive Mirrors UK Limited               |
| • SMR Automotive Mirrors Stuttgart GmbH               | • SMR Automotive Systems USA Inc.                 |

## ■ POLYMER PROCESSING & TOOL MANUFACTURING



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

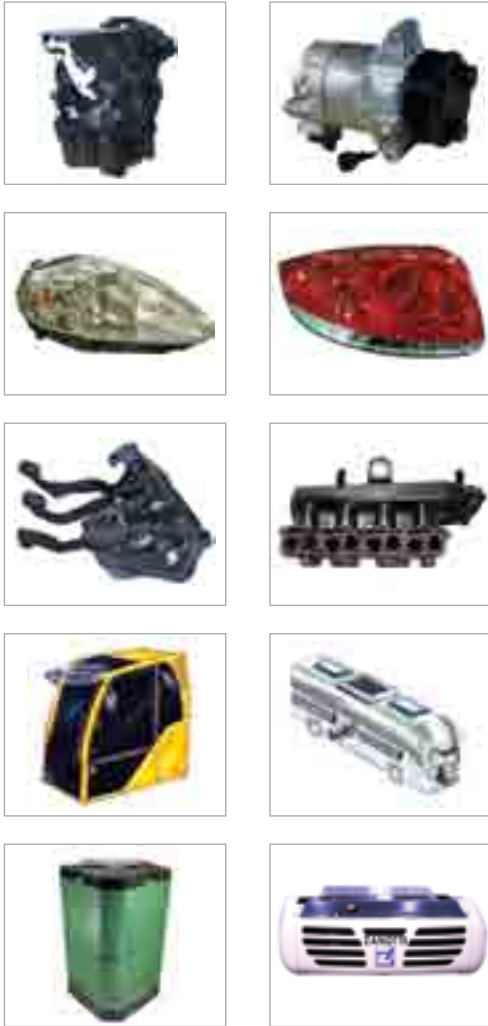
## ■ ELASTOMER PROCESSING



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



## ■ MODULES & SYSTEMS

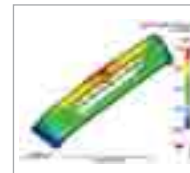
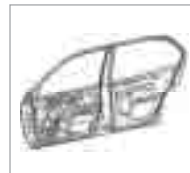


- Calsonic Kansei Motherson Auto Products Ltd.
- Fritzmeier Motherson Cabin Engineering Ltd.
- Global Environment Management (FZC)
- Magneti Marelli Motherson Auto System Ltd.
- Motherson Zanotti Refrigeration Systems Ltd.
- Spheros Motherson Thermal System Ltd.
- Motherson Climate Systems Ltd.
- Motherson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

## ■ IT & DESIGN ENGINEERING



- A Basic Concepts Designs Pty 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.
- Nachi Motherson Precision 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.





# Sumitomo Wiring Systems, Ltd.

Our principal partner

25 years of MSSL also represent 25 years of its joint venture with Sumitomo Wiring Systems (SWS). This valued relationship started in 1983 as a technical agreement which got strengthened with the formation of Motherson Sumi Systems Limited in 1986 as a joint venture with SWS. It is a relationship that has been nurtured to exceptional strength and that has evolved into a partnership rooted in trust and confidence.

One of the global leaders in wiring harnesses and a strong research oriented organization SWS has regularly introduced new components and technologies into

the market. As a part of Sumitomo Electric Industries, it has a strong technology base and capability to bring innovations in vehicle electronics and electricals.

MSSL has continuously drawn strength from this partnership to upgrade its technology and ensure a high degree of backward integration for wiring harnesses. As the principal partner of MSSL, SWS initially started supporting the Company with latest technologies for manufacturing wiring harnesses & wires, and gradually extended the relationship to provide technical support for wiring harnesses, components, injection molded parts, engineering design

and software development (through joint ventures).

SWS has played a pivotal role 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. It has been instrumental in helping the Company stay abreast with state-of-the-art technologies and enhancing product quality at competitive costs to deliver lasting value to its customers over the years.



# Motherson Sumi Systems Limited

25 years of value-creating relationships

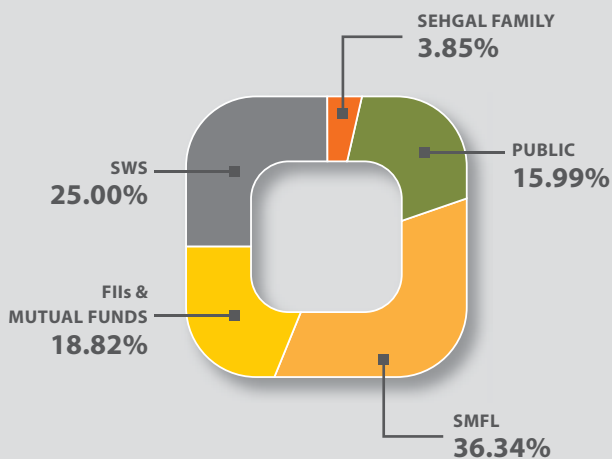
The flagship company of the Samvardhana Motherson Group, Motherson Sumi Systems Limited (MSSL) is a joint venture between Samvardhana Motherson Finance Limited and Sumitomo Wiring Systems, Ltd., Japan.

MSSL is built on a strong foundation of valued relationships, many of them spanning all the 25 years of the Company's growth trajectory.

MSSL has rooted its growth philosophy in the relationships that it has built with its customers and all stakeholders since the very inception of the Company. These precious ties are its strength and have helped MSSL realize its vision and achieve its objectives in the last 25 years.

They are the beacon of light that continue to show MSSL the way forward as it surges towards new frontiers of growth and progress.

MSSL has evolved as a joint venture specialist with capabilities that extend from establishing manufacturing companies to bringing new technologies to customers as per their specifications and requirements. The Company's bonding strength has enabled it to evolve into a customer-driven company and scale new heights with every passing year. MSSL and its joint ventures have invested in state-of-the-art technologies and infrastructure which ensure superior efficiencies and total customer satisfaction.



\* As on 31st March 2011

MSSL is today 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. The capacity to expand the product and service range in tandem with the expanding and divergent needs of the customers and to amalgamate multiple technologies to suit diverse needs of its customers around the world is a key strength of the Company, acquired through the years. It's the strength of these relationships that has positioned MSSL as a single-service interface for multiple customer needs.

MSSL has built lasting associations with its customers by proactively meeting their product and technology requirements. MSSL's present product range comprises of rearview 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's valued relationships with its partners has provided it with a high degree of backward integration, with in-house capabilities for critical inputs for

all its major product ranges, including tooling, molding, wiring harnesses, wires, connectors, terminals and fuse boxes for wiring harnesses; tooling support for polymer processing, assemblies and compounding; and mixing for molded rubber products.

MSSL has manufacturing bases across Asia, Europe, North America, South America, Australia & Africa to support its customers. MSSL's focus on relationships has enabled it to expand its network of manufacturing bases, design centres, logistics centers, marketing support and sourcing hubs across a diversified geographical base, enabling it to supply





from any of the alternative manufacturing bases and logistic models best suited to customer requirements.

The acquisition of Visiocrp, which led to the creation of a new entity - Samvardhana Motherson Reflectec (SMR) – was done on customer behest. The move, which has helped the Company evolve as one of the world's leading automotive mirror manufacturers, is the beginning of a new set of relationships with new customers, and one that MSSL looks forward to converting into strong bonds over the years like all its existing customers.

The Company's dexterity in relationship management is manifest in its diverse and expanding global customer base, which comprises of almost all the leading automobile manufacturers around the world. It is seen in every stage of its business process - right from product design to analysis, prototyping, tooling, molding, manufacture, assembly to supply of integrated modules. MSSL'S ability to provide end-to-end solutions in each product category, and to combine these solutions in the form of full system solutions has helped the Company evolve as a preferred supplier.





# Samvardhana Motherson Reflectec

“ SMR has registered the highest ever revenues in this fiscal. The company is on a high growth track focusing on new technologies and global expansion.”

– Laksh Vaaman Sehgal

Mr. V. C. Sehgal  
Group Chairman

Mr. Laksh Vaaman Sehgal  
CEO - SMR

Forging new relationships through new acquisitions and JVs has been a key to MSSL's growth and progress through the years. Samvardhana Motherson Reflectec (SMR) epitomizes MSSL's philosophy of trust and relationships. It was the relationship with SMR's customers that made this acquisition possible. They trusted MSSL and gave it an opportunity to acquire VisiCorp, extended their full support before the acquisition and then backed SMR with new orders and business support, which enabled the turnaround of SMR within the 1st year of acquisition.

A key factor in the turnaround was SMG's 13 - year old relationship with VisiCorp, a

relationship that already existed with the employees who with their experience, knowledge and commitment, played a pivotal role in turning around the company, and facilitated a seamless integration of SMR with SMG.

SMR's operational base extends across 17 production sites and 10 engineering centers in 14 countries across 5 continents - North America, Europe, Asia, South America 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, and two more being established in Brazil and Thailand, SMR

is covering all the major regions of the global automotive industry. SMR is "local" to more than 80% of the global automotive industry.

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, equalling a 22% global market share in passenger car segment.

The company develops, produces and distributes exterior mirrors, interior mirrors, blind spot detection systems and a wide range of other automotive components.

Its manufacturing plants specialize in polymer processing, manufacturing of electronic and electro-mechanical systems, glass processing and manufacturing, electric drive modules for application in automotive rear vision systems, automated painting and assembly of complete systems, demonstrating a high degree of backward integration.

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 has always worked closely with its customers to bring a new level of features, comfort, styling and cost optimization to the automotive market place. The company holds over 500 patents for various technologies in rearview mirrors and related products.

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. Its product portfolio is designed to help SMR extend its reach to new customers across new geographies, in order to build new relationships and continue to nurture the existing ones.







## 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



# 25 Years of MSSL



25 Years of Valued Relationships



# Working Together

25 Years is a long span of time for an organization. For a person, it's a major part of one's life. MSSL has the privilege of having employees who have dedicated long years in building this organization, and to whom it is like their own home. It is their sense of belongingness, passion for work, desire to excel, to be better than oneself day after day, to take ownership of every task they do, the feeling of being one of a family and of together making it happen that makes MSSL stand apart.

This silver jubilee is the occasion to recognize their contribution to the organization.

“MSSL is not just about products, processes and technology; it's about people.”





## Growing with Collaborations

MSSL believes in the power of collaborations. It believes in the unique capabilities of its partners to compliment and supplement each other. MSSL has collaborated with multiple partners for different products, technologies and customer requirements. MSSL considers its collaborators as great teachers since they bring with them specialised knowledge, new products, methodologies and also help it maintain its competitive edge with the latest technologies.

Over the years, MSSL has evolved as a JV specialist, having collaborations with global technology leaders to bring world-class technologies to serve its customers. The Company has multiple JVs which give MSSL ready access to different technologies and keep it updated with the latest technological developments. This has further helped the Company leverage its competencies in existing areas to create products fulfilling the emerging technical needs of its customers. MSSL and its joint venture companies have invested in state-of-the-art technologies and infrastructure to ensure superior efficiencies and total customer satisfaction.

MSSL as a JV with Sumitomo Wiring Systems completes 25 years this year. What started as a collaboration for wiring harnesses was extended to collaboration in wires, wiring harness components, injection molding processes and high precision injection molding tools. This collaboration has been instrumental in establishing MSSL as the leading Automotive Wiring Harnesses Manufacturer in India. Through MSSL, this collaboration has entered many products and business areas.

These JVs have helped MSSL serve its customers with the desired range of products and technologies and have been instrumental in the growth of the Company. MSSL continues to enter new technology areas with new partners to serve its customers better.



## Long-lasting Customer Relationships

MSSL is a customer-driven company, providing innovative and value-added products, services and solutions to customers. It has been MSSL's endeavour to constantly add new products in its product line, with the objective of emerging as a single-service interface for multiple customer needs. The philosophy of "customer first" flows right from the top management to the shop floors of MSSL. MSSL has always worked on the principles of QCDDMSES (Quality, Cost, Delivery, Development, Management, Safety, Environment and Sustainability) to serve its customers better in every aspect of a customer-supplier relationship.

25 years of MSSL also means completion of 25 years of association with some of the major customers. MSSL has, since the beginning, always striven to retain all its valued customers. The trust and confidence of existing customers has always translated into new orders for their new models as they continue to entrust the Company with their new businesses. At the same time, the Company also focuses on gaining the confidence of new customers in the form of new orders. The focus is always on building long-term relationships with customers at a global level. MSSL today caters to over 1100 customers worldwide a strong testimony to its growing core of customer relationships.

Most of the joint ventures of MSSL have been prompted and suggested by customers. The major acquisitions by the Company have also been done on customer behest. The trust and confidence of customers has played a pivotal role in the growth of MSSL and shall continue to be the backbone of its growth.





# Creating More Value for Investors

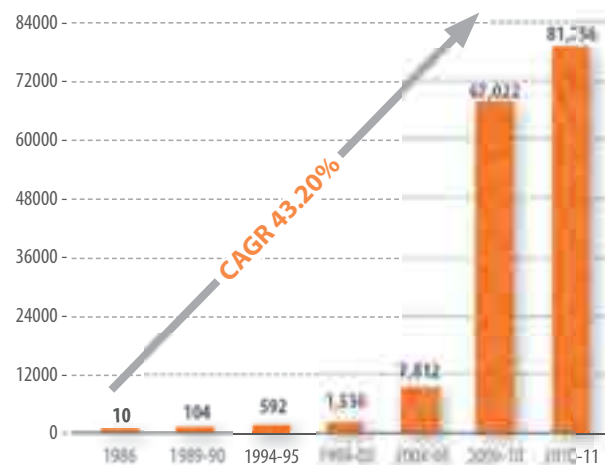
MSSL is guided by sustained and long term value-creating growth for all its stakeholders.

The CAGR of sales for the past 25 years is 43.20% and that over the last 5 years is 53.71%. MSSL has maintained its growth in India as well as outside the country. While the Company is making full use of the opportunities that are emerging in the Indian market, to meet its sales targets, major sales would be coming from the overseas market mainly because of the bigger size of the market overseas.

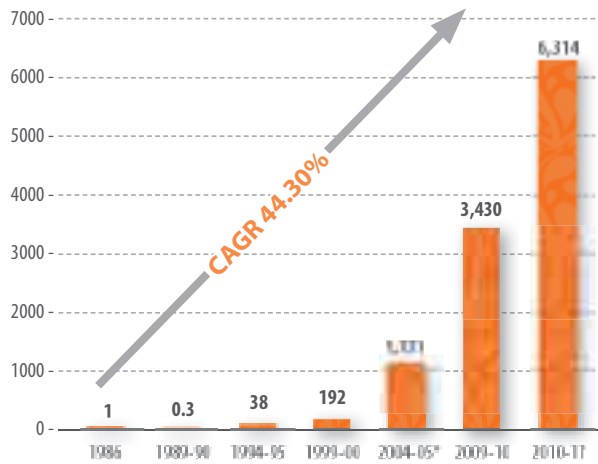
Since its listing in 1993, investors have always entrusted their confidence in MSSL. This trust also reflects in the fact that the entire FCCBs of 50.3 Million euros, that MSSL had issued in 2005, were converted into equity in 2010.

It is the continuous endeavour of MSSL to deliver more value to its investors. The success of this endeavour is manifest in the fact that an investor who invested Rs. 1,000 in MSSL in 1993 would have a value of Rs. 457,698 as on 31st March, 2011. The Company had a net worth of Rs. 6 Mn and total turnover of Rs. 10 Mn in the year 1986. In March 2011, the Net Worth has gone upto Rs. 13,435 Mn and total turnover is Rs. 81,756 Mn.

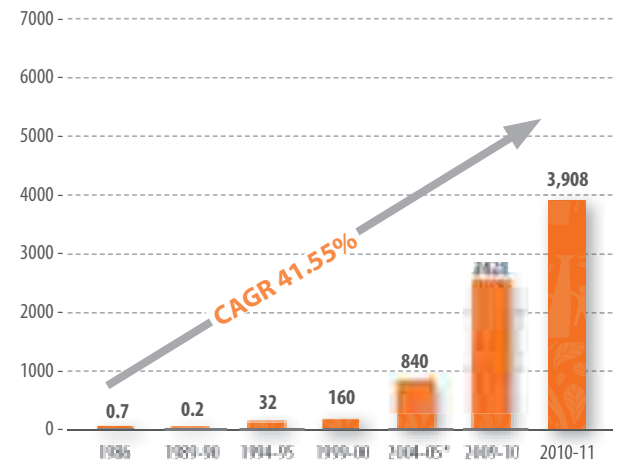
■ SALES (Rs. in Million)



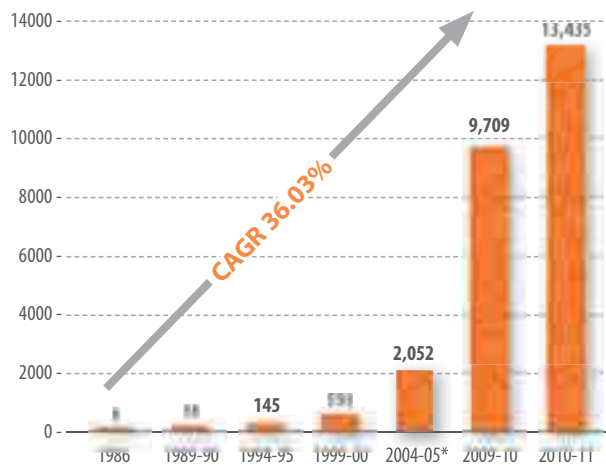
### PROFIT BEFORE TAX (Rs. in Million)



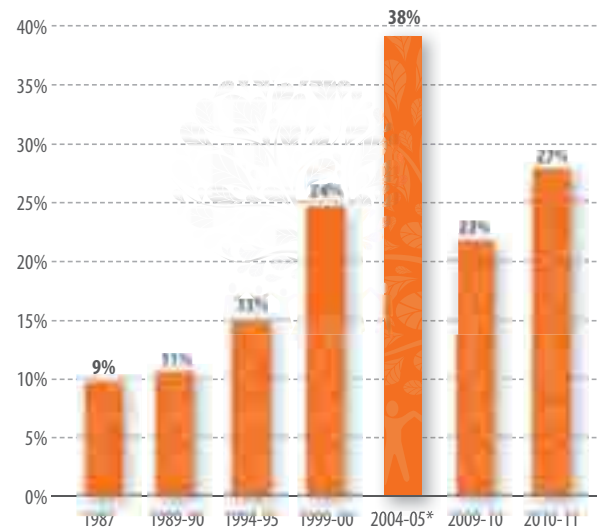
### PROFIT AFTER TAX (Rs. in Million)



### NET WORTH (Rs. in Million)



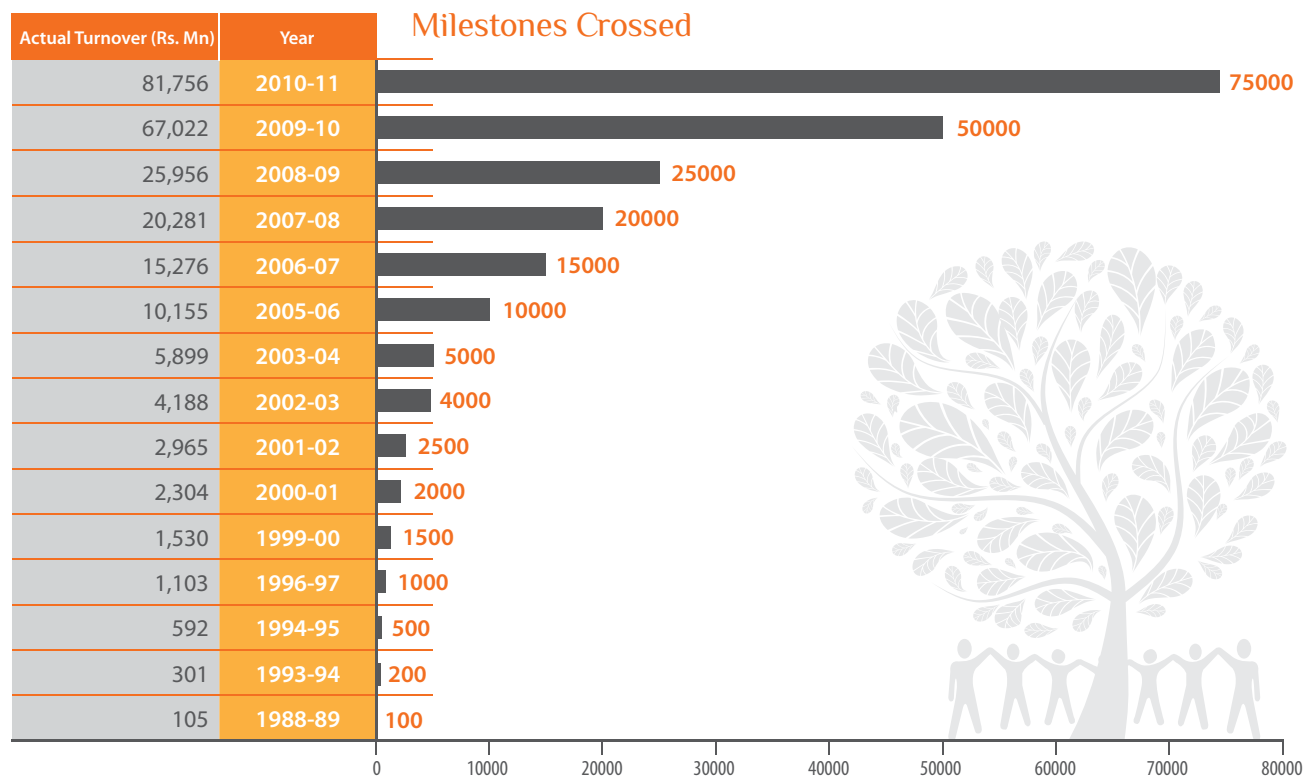
### RETURN ON CAPITAL EMPLOYED (%)



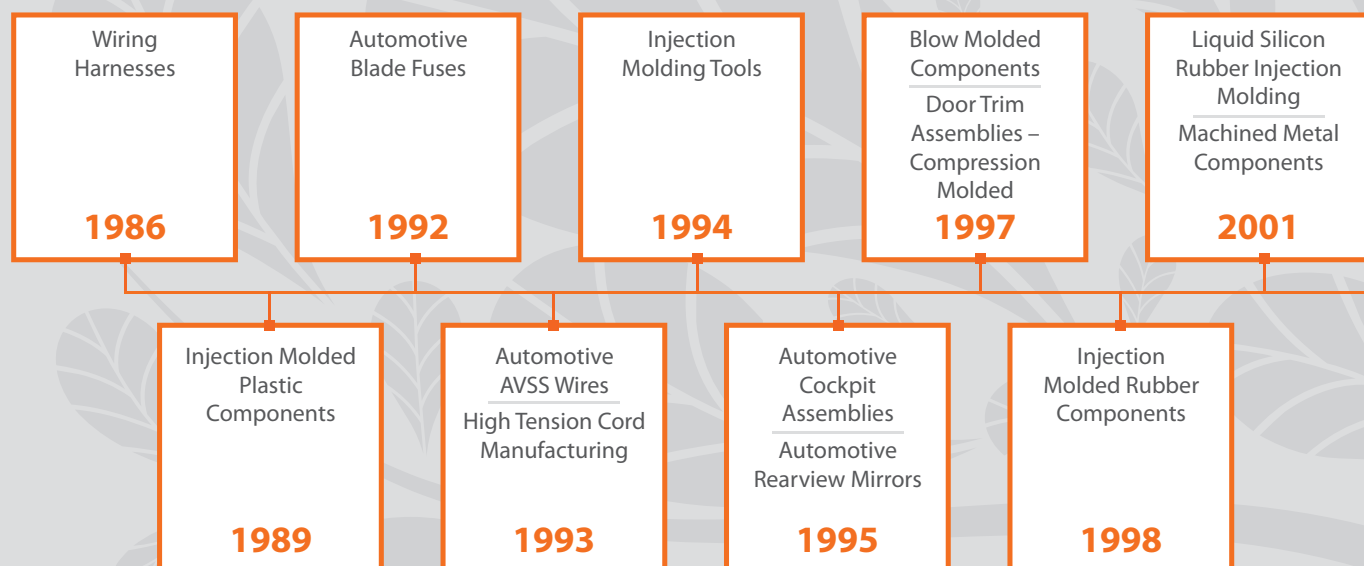
\* 2004-05 onwards all figures are consolidated.

# 25 Years Milestones

## Turnover



## Products (broad product categories only)



## Acquisitions

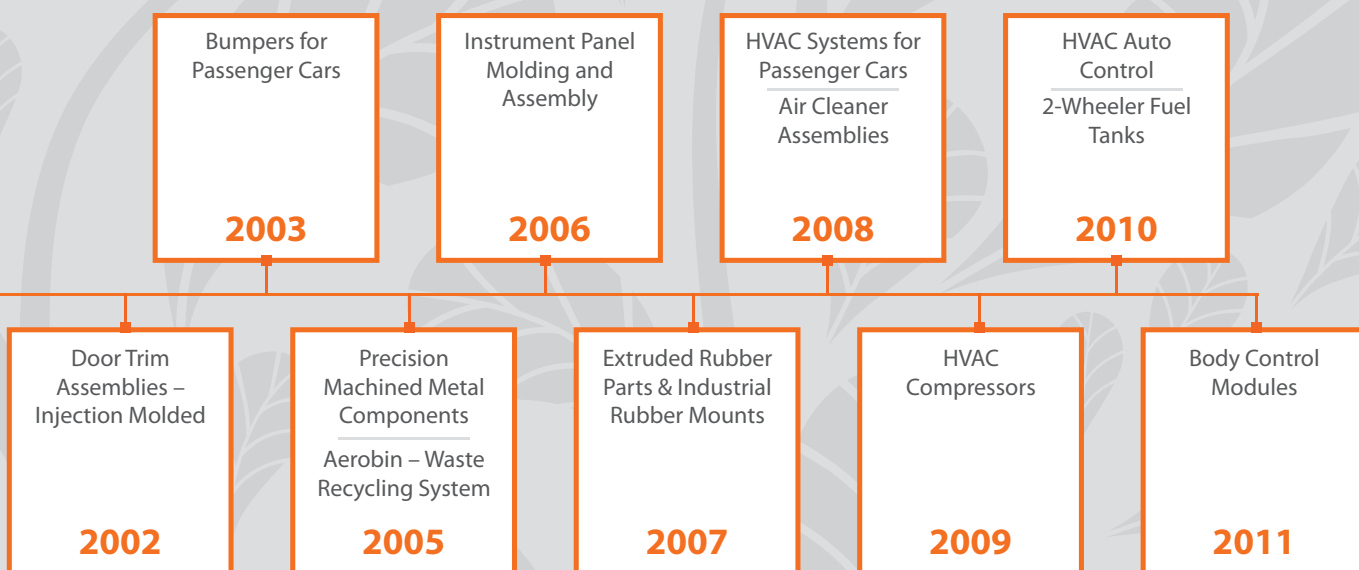
Year	Company	Product
2002	Wexford Electronix	Wiring Harness
2005	Reiner Präzision GmbH	Metal Machining Business
2005	G+S Kunststofftechnik	Plastic Molding Business
2006	ASL Systems	Wiring Harness & Module Business
2006	F.P Formagrau S.R.O.	Plastic Molding Business
2006	Doortrim Business (from Huan Corp.)	Plastic Molded Doortrims
2007	Empire Rubber	Rubber Molding Business
2009	Visiocrp plc.	Rearview Mirrors

## Issues

1986	Formation of MSSL
1993	Public Issue of shares
1998	First Bonus Issue of equity shares
2000	Second Bonus Issue of equity shares
2004	Third Bonus Issue of equity shares
2005	Launch of FCCB Issue
2007	Fourth Bonus Issue of equity shares
2010	FCCB fully converted into equity shares

## Split of Shares

2002-03	Rs. 10 share split into 2 shares of Rs. 5 each
2003-04	Rs. 5 share split into 5 shares of Re. 1 each





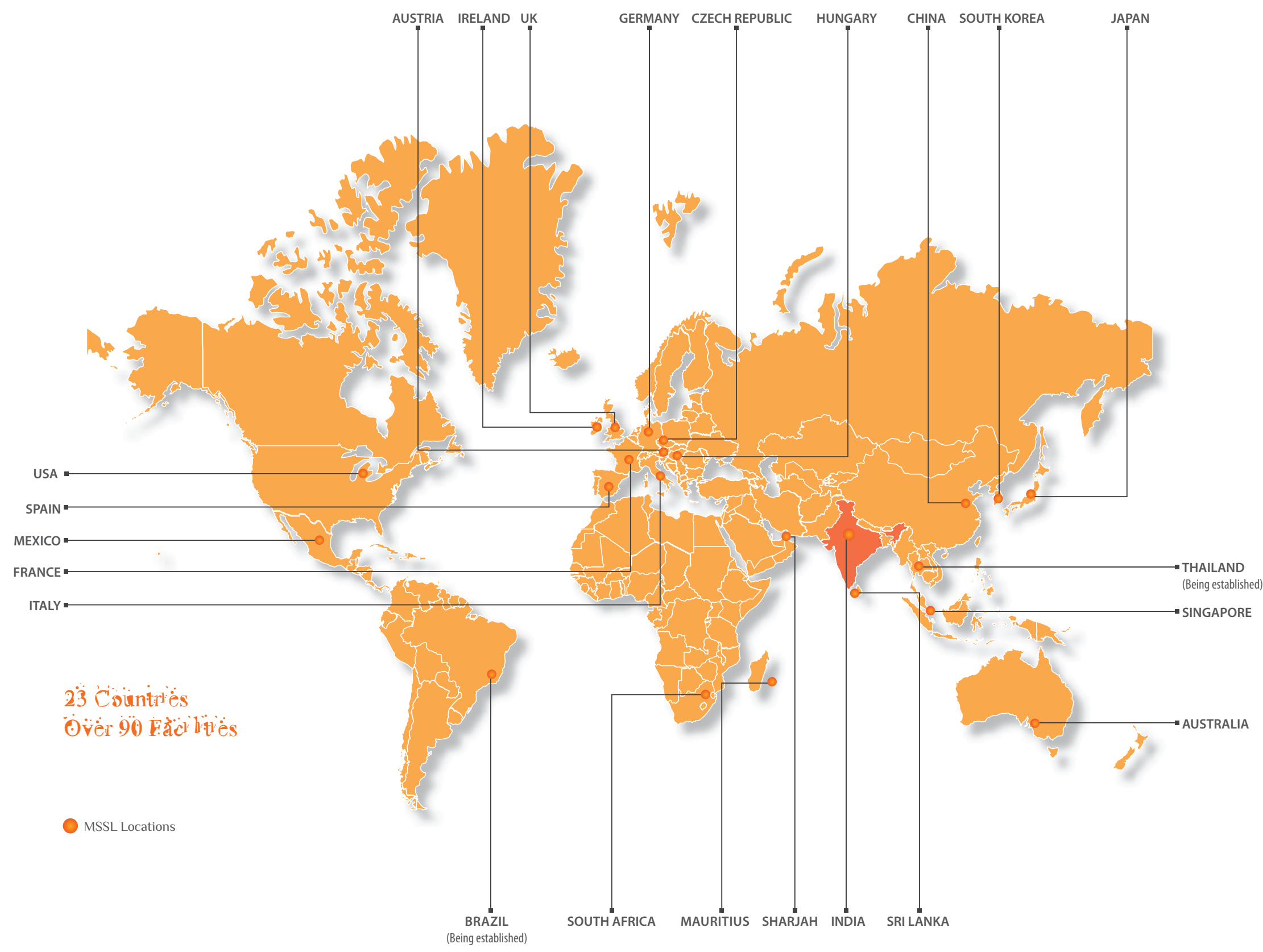
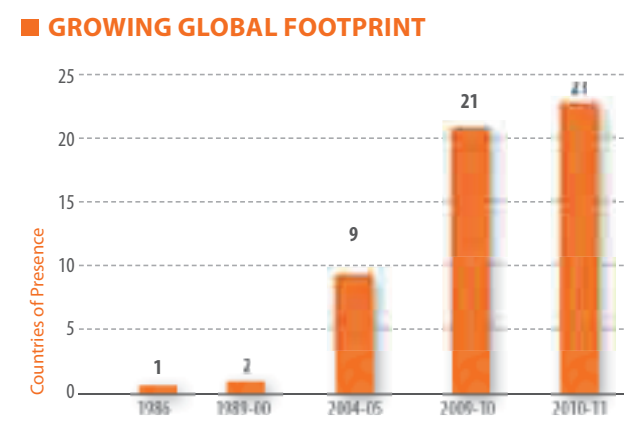
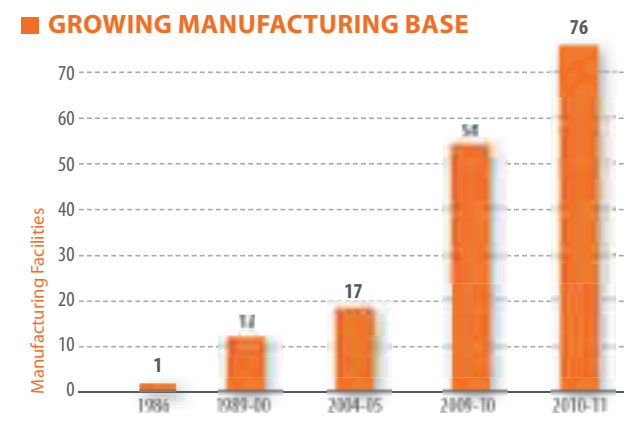
25 Years of Growth

# 25 Years of Growing Footprint

The approach and the value of MSSL towards its customers has remained focused and consistent throughout the 25 years. The "Customer First" philosophy of the Company has been the rationale behind its strategy of opening customer support and design centers near major customers. Currently, the Group has a global footprint to support its customers locally at various locations across the world. The Group has facilities near all the major global automobile manufacturing hubs. These facilities are supported by a network of representative offices, marketing, logistics support and global sourcing centres. MSSL has over 90 facilities, 15 design centres and 10 representative offices covering 23 countries across the globe.



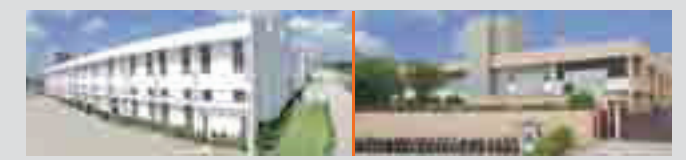
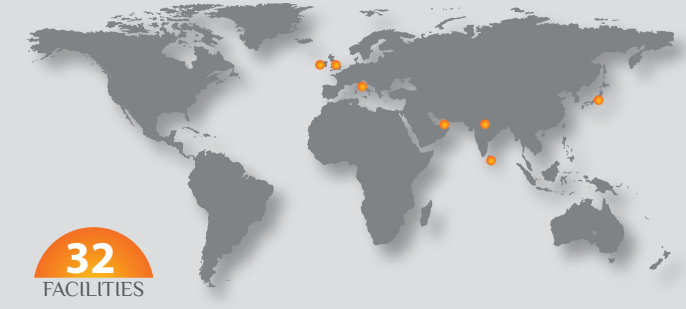
# Growing Global Footprint



## Rearview Mirrors



## Wiring Harnesses



## Polymer Processing



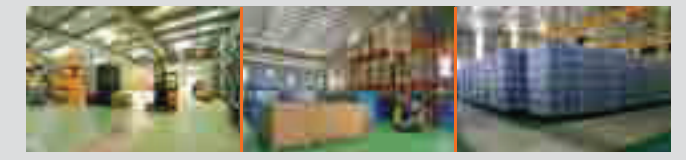
## Elastomer, Metal Machining & Others



## Global Design Network



## Representative & Support Centres





25 Years of Growth

# Growing with Balanced Organic & Inorganic Growth

MSSL's consistent growth has been founded in a judicious mix of organic and inorganic growth.

## Organic growth

MSSL has strong long term relationships with automotive OEMs. Some of them have completed 25 years of association with MSSL and are getting stronger year on year. While MSSL has consistently retained all its major customers, a sign of the bonds of trust it shares with its customer, it has also continuously expanded its customer base by supplying to new customers. With the strategy of increasing its content per car MSSL has followed the two pronged approach of supporting the existing customers with new products and also supplying the existing product range to the new customers.

## Inorganic growth

MSSL always looks for strategic acquisitions that offer tactical advantages to the Company. The entities that the Company has acquired over the years provide it with access to customers in new geographies, enhance technological capabilities and expand its product range. However, more importantly, they give MSSL the platform to build new relationships and forge new ties, which help it extrapolate its performance levels manifold, as 25 years since its inception the Company continues to move forward relentlessly in its growth odyssey. In the year 2002 the first acquisition took place for the Company and by 2010, eight successful acquisitions have already been added to the Company's portfolio. The most significant of these was the 2009 acquisition of Visiocrp, one of the world's largest manufacturer of automotive rearview mirrors, which elevated MSSL to the position of a global tier-1 supplier.



- 2002** Asset purchase of Wexford Electronics, Ireland (Wiring harnesses for material handling and earthmoving equipment – New technology and a global customer base)
- 2005** Acquired Machining business from Reiner Präzision GmbH, Germany (High precision machined metal components – new technology, new product range & new customers in Europe)
- 2005** Acquired injection molding business of G&S Kunststofftechnik GmbH, Germany (Plastic Injection Molding – Molding facility in Germany and a ready customer base)
- 2006** Asset purchase of ASL Systems, UK (Wiring Harnesses & electric/electronic control panels for buses & special purpose vehicles – Wiring harness manufacturing in UK, new products and new customer base)
- 2006** Door Trim Business from Huon Corporation, Australia (New technology & a manufacturing base in Australia)
- 2006** Acquisition of 100% shares of FP Formagrau s.r.o., (Plastic Injection Molding, manufacturing base in Czech Republic)
- 2007** Acquired business of Empire Rubber from Huon Corporation, Australia (New technology, new products, new customer base, the largest non tyre orbitread compounding facility in Australia, new customer base in Australia)
- 2009** Rearview Mirror business from Visiocrp Plc., UK (New technologies, global customer base, presence in 12 countries, own technology, status of an established global tier-1 supplier, doubled turnover)
- 2011** Announced acquisition of Peguform Group, Germany (Subject to regulatory approvals)



25 Years of Growth

## Products & Industries served

MSSL's collaborations with global technology leaders, coupled with its strength in leveraging its competence in existing areas, has enabled the Company to develop a diversified portfolio of products to reach out to customers across industries. The products find varied application and are designed to fulfil the needs of diverse customers across the globe.

Over the past 25 years, MSSL's collaborative strength has helped it

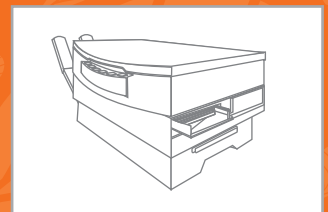
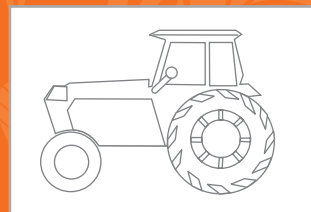
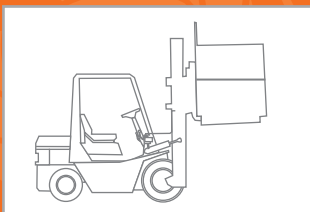
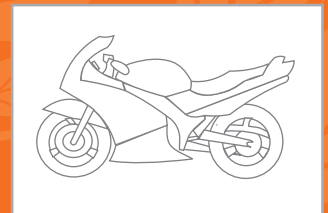
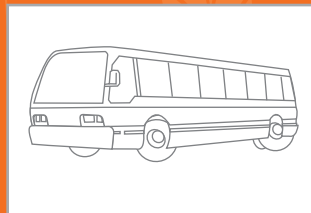
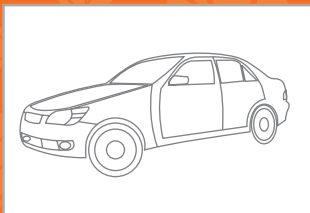
transform from a wiring harness manufacturer to a single-service interface for multiple customer needs. It has facilitated the growth of its content per car by continuously adding new products to its portfolio. It has resulted in building a comprehensive range of products within each segment, with each product portfolio extensively developed to suit customer needs across various industries in different parts of the world.

### ■ PRODUCTS

- Wiring Harnesses
- Automotive Rearview Mirrors
- Wires
- Injection Molded Products
- Blow Molded Products
- Injection Molded and Extruded Rubber Components
- Liquid Silicone Rubber Molded Components
- Polymer and Rubber Compounding
- Injection Molding Tools
- Precision Machined Metal Components
- Modules
- IP/Cockpit Assembly
- 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 Equipment
- Scientific Equipment
- Elevators
- Electrical Equipment
- Lawn Equipment
- White Goods
- Electronics
- Office Automation
- General Industrial Applications



25 Years of Growth

## Growing Product Range

Over the last 25 years, MSSL has regularly introduced new products, and in the process established itself as a diversified supplier of integrated full system solutions.

More significantly, MSSL has always been able to reinvent itself in a new dimension. It can aptly be called a "Not Yet Company". If there is a product required by a customer for which the requisite technology can be acquired, and if it makes economic sense, MSSL would be open to take-up manufacturing of that product.

25 years back, MSSL started with production of wiring harnesses. Initially it added products that provided backward integration for wiring harnesses. As a product strategy, each product range that started as a backward integration has grown into an independent stream. With-in each product range, MSSL has the capability to provide full system solutions, right from design to prototyping, tool making, molding, assembly, module integration and sequence in line supplies with logistics support. This capability has made MSSL one the most preferred suppliers among its customers.

By the year 2000 the product portfolio comprised of wiring harnesses, wires, blow molded products, cockpit modules, connectors and high tension cords. Through the years the Company expanded its product profile to add new product ranges and to add depth to the existing ones. In 2010-11 MSSL product portfolio comprises of wiring harnesses, rearview mirrors, polymer processing, elastomer processing, modules and systems, high precision machined metal products and injection molding tools. All these products are vehicle critical.

### ■ WIRING HARNESSES



### ■ WIRING HARNESS COMPONENTS



### ■ INJECTION MOLDING TOOLS



### ■ AEROBIN

### ■ MACHINED METAL PARTS



#### ■ REARVIEW MIRRORS



#### ■ HVAC SYSTEMS



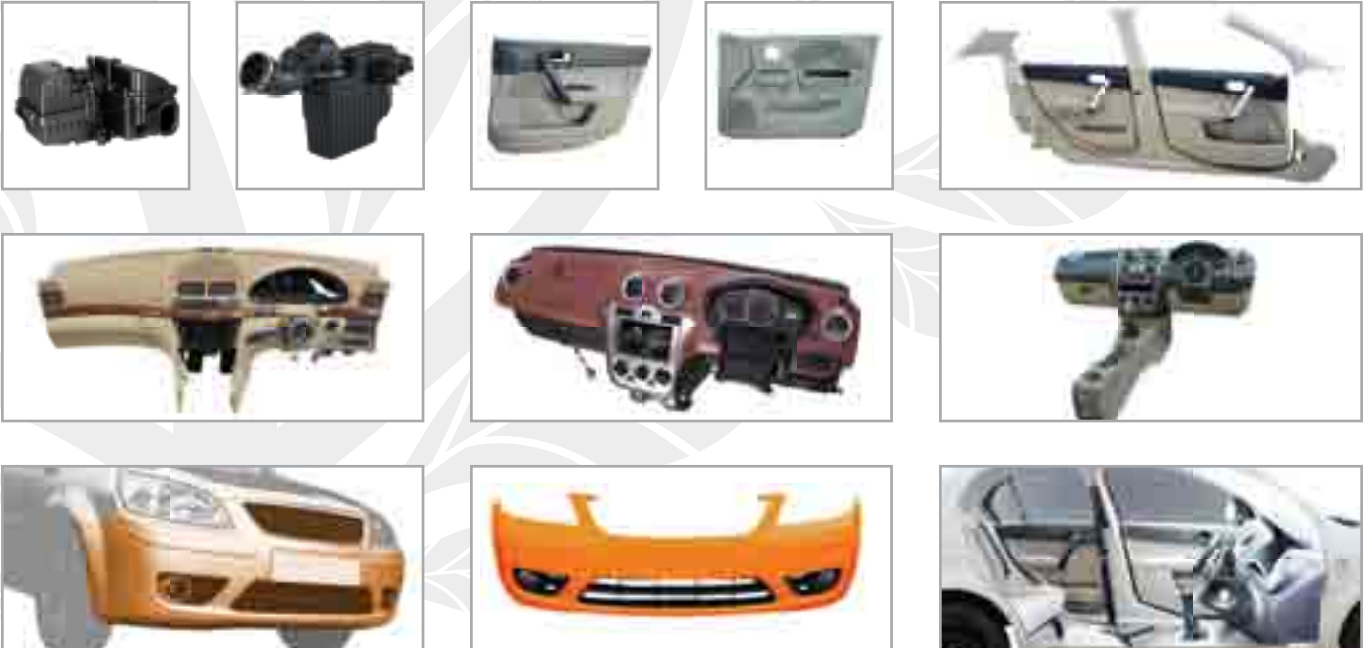
#### ■ MOLDED & EXTRUDED RUBBER COMPONENTS



#### ■ MOLDED PLASTIC COMPONENTS & ASSEMBLIES



#### ■ HIGHER LEVEL ASSEMBLIES & MODULES



25 Years of Growth

## Market Position

MSSL's growing network of relationships across a divergent customer base in diverse geographies has enabled it to build a leadership position across its entire range of products.

- One of the largest manufacturers of automotive rearview mirrors for passenger cars in the world
- Largest manufacturer of automotive wiring harnesses in India, with over 65 per cent market share in passenger car segment, serving the entire automotive industry
- Largest manufacturer of rearview mirrors for passenger cars and MUVs in India, with nearly 52 per cent share in the segment
- One of the largest manufacturers and suppliers of plastic components and modules to automotive industry
- One of the most diversified companies in the Indian automotive industry



### FACILITIES

Rearview Mirrors:

17

Wiring Harness  
Manufacturing:

27

Wire  
Manufacturing:

4

Tube  
Manufacturing:

1

Plastic Molding:

33

Rubber Molding:

4

Liquid Silicone  
Rubber Injection  
Molding:

1

Injection  
Molding Tool  
Manufacturing:

2

Design  
Engineering:

15

IP/ Cockpit  
Assembly:

2

Door Trim  
Manufacturing:

3

Metal Machining:

2

HVAC Systems:

2

Wiring Harness  
Components:

1



# Chairman's Letter



*“The Company is expanding globally and strengthening its capabilities to meet the future demands of its customers.”*

*Dear Shareholders,*

It gives me immense pleasure to share with you the silver jubilee year of Motherson Sumi Systems Limited. The results of 2010-11 provide a perfect start to this momentous year. It was another year of stellar performance by your company. Your Company has shown all-round growth across geographies and business divisions.

With a buoyant domestic market and improvement in major markets in Europe, America and Asia, the demand was good and your Company was ready to meet the demand globally through its global network and enhanced capacities.

Though the domestic market shows some trends of increasing fuel prices, material

costs and increasing interest rates the demand is still strong. The global market is improving very fast and we are well positioned to take on the opportunities. Considering our global spread and contribution of our global sales to the turnover we see good growth ahead.

While the Company has done phenomenally well on the top line, the performance on the bottom line has also been excellent. This could be achieved with better operations management, improved efficiencies and a good fiscal control. MSSL has always focused on delivering enhanced value to its stakeholders and would continue to do so.

The Company is expanding globally and

strengthening its capabilities to meet the future demands of its customers.

I wish to thank all our shareholders for their continued support. It is your confidence that inspires the Company to perform even better and surpass itself year after year. I am sure with your support, the Company will chart newer horizons and further strengthen its position as a global full systems solutions provider.

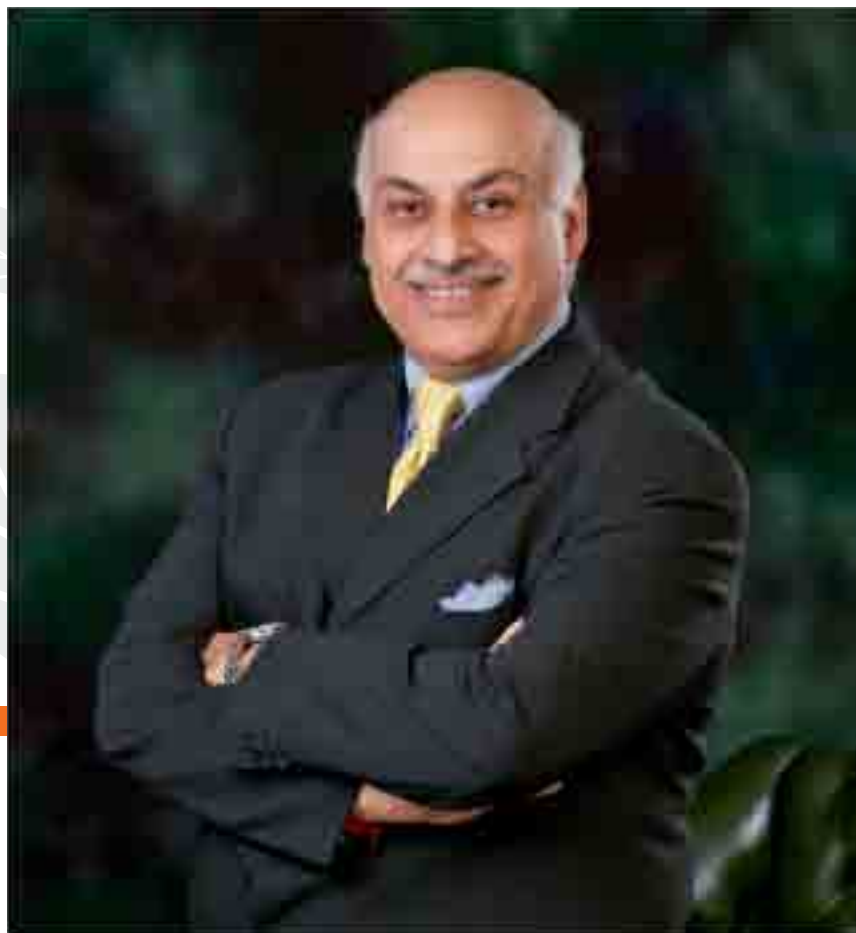


**Mohinder Singh Gujral**

Chairman, Motherson Sumi Systems Limited

From the desk of

## Group Chairman and MSSL Vice Chairman



*Dear Shareholders,*

I am pleased to present to you the Annual Report of your company for FY 2010-11.

This is a very special year as we enter the 25th Year of Motherson Sumi Systems Limited. These 25 years have witnessed a journey of growth, expansion and transformation. This has been a fantastic journey where each milestone achieved has been the cusp of a new beginning. Looking back in time I see relationships and trust as the foundation and the steering force behind the success of MSSL. It is the trust of all our stakeholders, customers, partners and employees that has made MSSL what it is today. Above all, I take this opportunity to thank you, all the shareholders, who have reposed trust in

MSSL and extended their constant support through the years.

In 2010-11, Motherson Sumi Systems Limited delivered yet another sterling performance across several operating indicators. A vision, strategic business initiatives, a proactive approach and the unstinted support of all our stakeholders have collectively resulted in the Company performing exceedingly well. Our consolidated total sales are up by 22%, the domestic sales are up by 59%. Standalone total sales are up by 63%, the domestic standalone sales are up by 68%.

Sales of SMR, the mirror company, are up by 22% in Euro terms and about 9% up in Rupee terms. This is the highest sales in the history of SMR (Mirror Business) including the pre-acquisition years. SMR profit is up by 1602% in Euro terms and the consolidated EPS of Motherson Sumi Systems Ltd. is Rs. 10.01 compared to Rs. 6.07 in the previous year.

“Looking back in time I see relationships and trust as the foundation and the steering force behind the success of MSSL. It is the trust of all our stakeholders, customers, partners and employees that has made MSSL what it is today.”

The Board has recommended a dividend of Rs. 2.75 per share, as compared to Rs. 1.75 per share during the financial year 2009-10.

The Indian Automotive Industry has shown double digit positive growth this Financial Year. It has grown by nearly 24 %. The global market too has shown robust growth with major markets like Europe, America, Asia and Australia showing positive performance, which aided our growth as majority of our customers base is from these regions. In the medium and long run we see a strong demand for automobiles.

The year under review saw good growth in all our customer segments and individually in all our business segments. For wiring harnesses we received new orders from Volkswagen, Maruti Suzuki, Renault Nissan, Toyota, General Motors and BMW. In the commercial vehicle segment we received orders from Mitsubishi Fuso, Daimler India

Commercial Vehicles, Tata Motors, Ashok Leyland and Ashok Leyland Nissan. In two-wheelers segment we received orders from Yamaha, Hero Honda, Honda Motorcycles & Scooter and other customers. In the non-automotive segment the company received new orders from Telcon, M&M, L&T Komatsu, JCB India, Caterpillar, Ashok Leyland John Deere Construction Equipment and GE Healthcare among others.

The Polymer Division received new orders from Daimler India Commercial Vehicles, Maruti Suzuki, Skoda, M&M, Mahindra Reva and Hyundai apart from regular orders.

Calsonic Kansei Motherson, in addition to HVAC systems, added new products including Auto and Manual Control Units, AC Compressors and Body Control Modules (BCM).

The capacities that we continued to build during the recession positioned us uniquely to meet the surge in customer demand


which has resulted in phenomenal growth in sales. We are glad that we could meet all the requirements of our customers.

Last year we challenged ourselves and set targets for 2015. Before every phase of growth, we prepare ourselves for the quantum jump by consolidating and streamlining our operations and building foundation for the growth. FY 2010-11 was the launch pad for the 2015 targets.

This was a year of consolidation. During the year the merger of Balda Motherson Solution India Limited (BMSI) & Motherson Tradings Limited with MSSL was completed. Sumi Motherson Innovative Engineering Limited (SMIEL), a group company in JV with SWS, engaged in the manufacture of components for wiring harnesses and other plastic components is being merged with MSSL. This brings strong backward integration to MSSL as SMIEL has been the backbone of wiring harness components



“ With the acquisition of Peguform we move very close to our 2015 sales target. Since this acquisition has been made in the 2nd year of our 5 year targets, we still have 3 years to improve the ROCE in line with our 2015 ROCE target. ”



supplies to MSSL. It also adds significantly to the polymer processing capabilities of MSSL and brings one of the most advanced tool rooms specializing in high precision tools to MSSL.

MSSL's wholly owned subsidiary, MSSL Global Wiring Limited, a company engaged in the manufacture of wiring harnesses at SEZ Kandla is being merged in the Company. This was with a view to bring better operational efficiencies in wiring harnesses by reducing the number of entities. India Nails Manufacturing Ltd., having mainly land and building, is also being merged with MSSL.

While we are consolidating, we have continued our focus on growth and expansion. We are expanding and building our capacities. Commercial production has commenced in new plants at Noida, Chennai, Haldwani, Bengaluru & Czech Republic. Wiring harness division has established new plants in Haldwani, Marunji (Pune), Urupakkam (Chennai) and Oragadam (Chennai). A new molding facility was established at Bengaluru.



We will continue to strengthen our capabilities and build and expand our facilities across geographies to support and facilitate our growth. MSSL Global RSA, a company into manufacturing of polymer products is constructing its plant in Pretoria, South Africa. SMR is setting up its second plant in Hungary where production will commence in the coming year, and is also setting up new plants in Brazil and Thailand. These new facilities will provide us the platform to meet our customers' requirements for the coming year and would contribute significantly to our growth targets.

We are investing in our engineering resources. SMR is focusing on new technologies and innovations and is further expanding its engineering and research base through two more centers in Australia and India in addition to its 10 existing engineering centers. Wiring Harnesses and Polymer Divisions are also expanding their engineering capabilities to meet the emerging requirements of the customers. MSSL now also has a government recognized in-house R&D center in Noida for wiring harnesses.

In a significant development the Board of Directors of the Company has approved a proposal to acquire 80% stake in Peguform Group, Germany. MSSL in a 51:49 JV with SMFL would acquire 80% stake in Peguform from Cross Industries AG who will continue to hold 20% stake. The statutory approvals would take a couple of months. Peguform is one of the largest manufacturers of Dash Boards, Bumpers, Door Trims and plastic modules to the major car manufacturers in Germany and Europe with a presence in seven countries. After the 2008 crisis, Cross industries had taken over Peguform, and turned it around to a profit making company. They were looking for a strategic partner which they found in MSSL. This acquisition would give MSSL a technological edge and a full product range to serve the high-end segments of the car industry.

With the acquisition of Peguform we move very close to our 2015 sales target. Since this acquisition has been made in the 2nd year of our 5 year targets, we still have 3 years to improve the ROCE in line with our 2015 ROCE target.

We have a clear focus on our targets for

2015. While we are gearing up for the top line growth we would always strive to achieve our ROCE target. With the performance of the year under review, we feel that we are moving in the right direction and have a better visibility of our targets.

For us all our stakeholders - our customers, collaborators, shareholders and employees are our partners. This approach has yielded rich dividends for the Company. Our customers have always supported and guided us in all our ventures and have been our guiding force from the very beginning. We would continue creating value for all our stakeholders and would like to thank all of them for their continuous support extended through the years and look forward to take these valued relationships to the next level.



**V.C. Sehgal**

Chairman, Samvardhana Motherson Group

Vice Chairman, Motherson Sumi Systems Limited

29th July, 2011

# New Acquisition – Peguform Group

At the meeting held on 13th July 2011 the Board of Directors of Motherson Sumi Systems Ltd., has in principle, approved the proposal to (jointly with Samvardhana Motherson Finance Limited) acquire 80% of the shareholding of Peguform Group, Germany, from Cross Industries AG. Cross Industries would continue to hold 20% shareholding. The acquisition would be made through a joint venture in which Motherson Sumi Systems Limited would hold 51% and Samvardhana Motherson Finance Limited would hold 49% share. This JV would also acquire 50% holding in Wethje Carbon Composite, which is a part of Cross Industries. The company has, through its subsidiary, executed binding agreement with Cross Industries for acquiring 80% stake in Peguform GmbH and Peguform Iberica, SL, together with 50% stake in Wethje Entwicklungs GmbH and Wethje Carbon Composite GmbH.

Peguform-Beteiligungs-GmbH, based in Austria is the parent company of Peguform Group. It is in turn owned by CROSS Industries AG, a holding company with strategic focus on the automotive sector.

These acquisitions are subject to regulatory and other approvals as may be necessary in this regard. The deal is expected to be completed by end of September 2011, by which time all closing conditions, including regulatory approvals as applicable, are expected to be received.

The total share consideration for this transaction is Euros 141.5 million, of which MSSL's share shall be Euro 72.17 million. MSSL proposes to raise loan overseas to

finance this transaction. The key financials of Peguform Group for the calendar year 2010 are: Revenues Euro 1,355.53 million, EBITDA Euro 66.87 million, Profit after tax Euro 6.80 million, and Net debt (as on 31-12-2010) Euro 166.50 million.

## ■ ABOUT PEGUFORM

Established in 1959 as Badische Plastikwerke, Peguform is a leading full service supplier of differentiated high quality interior and exterior products for the automotive and related industries. Peguform has a strong presence in Europe,

supplying to major premium German brands. The major customers include Volkswagen Group, BMW, Porsche, PSA Peugeot Citroën, Renault-Nissan, Daimler and GM.

## ■ MARKET POSITION

The company is one of the largest suppliers of Door Panels and Instrument Panels in Germany. The company is also one of the market leaders of Bumpers in Germany and holds a market leader position in Cockpit Assemblies in Spain.

## Product Range

- Bumper Systems
- Plastic Components for Vehicle Exteriors
- Vehicle Cockpits
- Dashboards
- Door Trims and Interior Trims



## ■ CAPABILITIES

- Peguform is headquartered at Bötzingen in Germany and has 22 facilities including 5 Module Centres and 17 production sites across the world: Germany (7), Spain (4), Portugal (1), Brazil (2), Mexico (1), China (1) and Slovakia (1)
- It has one of the largest state-of-the-art painting facilities in Europe. The company has over 200 injection molding machines and employs over 7000 employees.
- Strength of the company lies in creating new applications of plastics and engineering.
- The company has a strong history of innovations and many firsts in the European Automotive Plastics industry.

## ■ RATIONALE OF ACQUISITION

MSSL through its polymer division has been in the field of plastic molding, assemblies and module integration for more than a decade. Acquisition of Peguform business would be in line with the Company's existing business in India and would add significant value by integrating & consolidating the business in India & globally.

The product range of Peguform has strong synergies with the existing product range of MSSL in plastic injection molding, Door Panels, Instrument Panels and Bumpers. This acquisition would provide new technologies and depth to the polymer product range of MSSL.

The combined range of MSSL existing products and Peguform products provides the complete solutions right from entry level cars to the super luxury segment cars. It thus compliments and completes the MSSL product range.



# MSSL Financial Highlights

## CONSOLIDATED

Rs. in million

	2010-11	2009-10	% change
Sales – Net of Excise			
Within India	32,529	20,431	59 %
Outside India	49,227	46,591	6 %
Total Sales	81,756	67,022	22 %
PBIDT*	9,298	6,836	36 %
Profit Before Tax	6,312	3,428	84 %
Profit After Tax (net)	4,431	2,336	90 %
Diluted Earnings Per share (Rs. per share)	10.01	6.07	65 %
Reserve and Surplus#	13,047	9,353	39%
Loan Funds	12,635	8,179	54 %

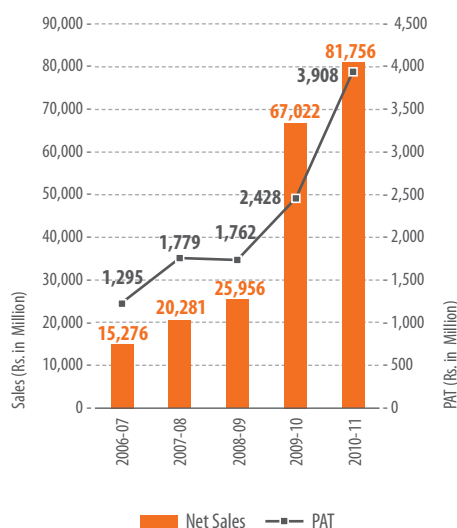
\*Excluding foreign exchange fluctuation on FCCB & exceptional income/expense.

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

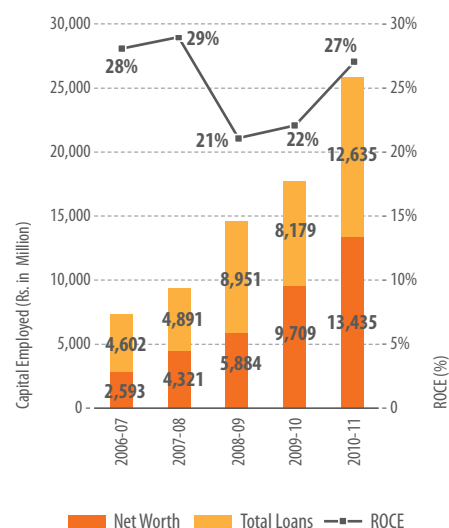
## Sales Break-up



## Net Sales & PAT



## Capital Employed & ROCE







## STANDALONE

Rs. in million

	2010-11	2009-10	% change
Sales – Net of Excise			
Within India	25,003	14,871	68 %
Outside India	2,776	2,178	27 %
Total Sales	27,779	17,049	63 %
PBIDT*	5,039	3,523	43 %
Profit Before Tax	3,945	2,670	48 %
Profit After Tax(net)	2,875	1,785	61 %
Equity Capital	388	375	4 %
Diluted Earning per share (Rs. Per share)	7.33	4.41	66 %
Reserve and Surplus#	8,452	6,199	36 %
Loan Funds	7,927	4,130	92 %

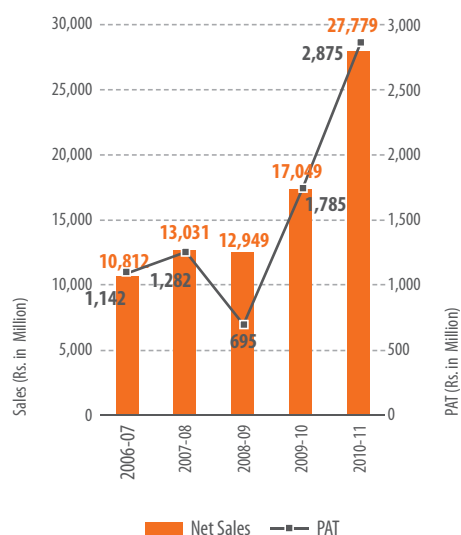
\*Excluding foreign exchange fluctuation on FCCB &amp; exceptional income/expense.

#Excluding reserve on amalgamation and revaluation reserve.

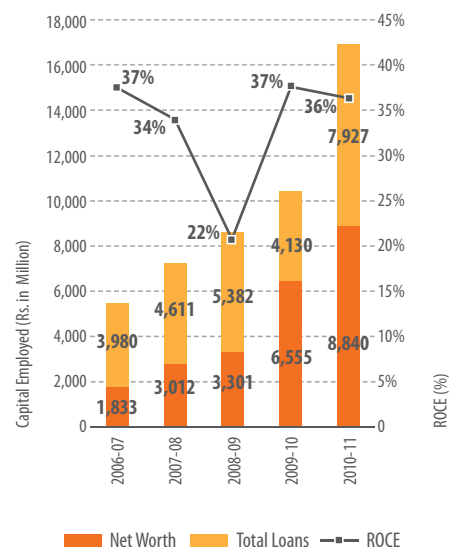
## Sales Break-up



## Net Sales &amp; PAT



## Capital Employed &amp; ROCE



# Customer Recognition

MSSL works very closely with its customers in its endeavour to provide best suited solutions and services to them. In its 25-year journey, the

Company has continuously focused on raising the bar, through its products and services, to win global appreciation. These efforts get encouragement in the

form of awards and recognitions that MSSL has regularly received from its customers.

## ASHOK LEYLAND



Best in Class Performance in Development

## ATLAS COPCO



Certificate of Appreciation

## HONDA SIEL CARS



Kaizen Competition - Winner

## HYUNDAI



Overall Best Performance

## JCB INDIA



Best Quality Award & Zero PPM

## KASEZ



Highest Export Award

## MARUTI SUZUKI



Overall Excellence Gold Award



Timely Capacity Enhancement

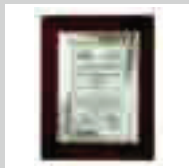


Incoming Quality

## MAHINDRA & MAHINDRA



Outstanding Performance Award



Best SCM Performance

## NEW HOLLAND



Best Supplier Award

## RENAULT NISSAN



Appreciation for Dedicated Support



Recognition for Special Contribution

## SWS



SWS Safety Award

## TOYOTA



Best Quality Supplier



Zero PPM

## YAMAHA



Silver Award in the category of Quality

# Management Discussions and Analysis

## OVERVIEW

MSSL has continued to deliver strong results and out-performed the Industry with record revenues and profitability.

The financial performance reflects the results of the strategic transformation of the SMR business and the strength of the Company's global model.

The Company has manufacturing presence in over 23 countries. Its balanced sales distribution and diversified global customer base provides an opportunity to leverage skills & experience across markets, reduces dependence on any particular geography and improves financial profile, thereby reducing the risk of variability of financial performance.

The Company has delivered another sterling performance this year and is moving in the right direction towards achieving its vision of 2015.

## HIGHLIGHTS

Some of the main highlights and key strategic accomplishments during 2010-11 are as follows:

1. The Company recorded consolidated sales of US\$ 1.8 billion.
2. Growth in sales of 22% on consolidated basis and 63% on standalone basis.
3. Consolidated EPS of ₹10.01 as compared to ₹6.07 in the previous year.
4. Profit before tax (PBT) rose significantly by 84% on consolidated basis and 48% on standalone basis.
5. Post-tax profits (PAT) registered consistent growth of 61% on both consolidated and standalone basis.
6. SMR has shown strong and consistent performance in the second year of its operations, registering growth in revenues by 22%, increase in PBT by 1602% and PAT by 1142% in euro terms.
7. MSSL continues to deliver consistent and progressive returns to

the shareholders, dividend recommended per share increased from ₹1.75/share to ₹2.75/share.

8. Capital expenditure incurred (on consolidated basis) of ₹7,860 million mainly for expansion of capacities.
9. MSSL is setting up a new plant in South Africa for Injection molding of Bumpers, Interior trims and painting of parts for supplies to major OEMs.
10. During the year, the Company has also added new facilities in Chennai, Bengaluru and Haldwani.
11. SMR is setting up its second plant in Hungary and is also setting up new plants in Brazil and Thailand, where production will commence in the coming year.

## SEGMENT PERFORMANCE - AUTOMOTIVE / NON AUTOMOTIVE

The company's revenues are categorized into two segments i.e. automotive and non – automotive, business growth for the year 2010-11 in both segments has been given in the table below.

In automotive segment the company supplies to all leading automobile manufacturers globally. The main products 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 and HVAC systems.

The growth in the automotive segment coupled with the variety of products offered by the Company has contributed to increase in sales by 21% on consolidated basis and 64% on standalone basis.

In non automotive segment, MSSL is one of the largest suppliers of wiring harness to manufacturers of material handling equipments and industrial forklifts. MSSL also manufactures and assembles water purifiers for HUL in India. The company offers variety of products to its customers from individual parts to full system solutions.

₹ in Million

	2010-2011	Percentage of Total	2009-2010	Percentage of Total	Growth in percentage
<b>Consolidated</b>					
Automotive	77,040	94%	63,856	95%	21%
Non Automotive	4,716	6%	3,166	5%	49%
<b>Total</b>	<b>81,756</b>	<b>100%</b>	<b>67,022</b>	<b>100%</b>	<b>22%</b>
<b>Standalone</b>					
Automotive	25,129	90%	15,303	90%	64%
Non Automotive	2,650	10%	1,746	10%	52%
<b>Total</b>	<b>27,779</b>	<b>100%</b>	<b>17,049</b>	<b>100%</b>	<b>63%</b>

After a stagnant performance during previous year, MSSL sales to this segment recorded a healthy increase in revenues by 49% on consolidated basis and 52% on standalone basis. This is mainly driven on strong recovery in demand from construction industry for material handling equipments and industrial forklifts.

### SALES PERFORMANCE

The sales performance of the company during the year 2010-11 on consolidated and standalone basis is as follows:

₹ in Million			
Consolidated	2010-11	2009-10	% change
Customers Within India	32,529	20,431	59%
Customers Outside India	49,227	46,591	6%
<b>Net Sales</b>	<b>81,756</b>	<b>67,022</b>	<b>22%</b>

₹ in Million			
Standalone	2010-11	2009-10	% change
Customers Within India	25,003	14,871	68%
Customers Outside India	2,776	2,178	27%
<b>Net Sales</b>	<b>27,779</b>	<b>17,049</b>	<b>63%</b>

As a global company, MSSL has presence in 23 countries and conducts its operations through more than 90 manufacturing and technical centers located globally. 2010-11 was a year of recovery in most of the export markets MSSL serves. The Company had planned sufficient capacities to meet customer requirements and was thus able to capitalize on the increased demand and grow its revenue outside India by 6% on consolidated basis while on standalone basis it grew by 27%.

On the domestic front, the company witnessed a strong growth of 59% on consolidated basis and 68% on standalone basis. The increase is driven primarily by robust growth in domestic automotive industry as major global players have set up their manufacturing facilities in India for the domestic market as well as for exports. While the company has new orders from its existing customers, it has also expanded its customer base substantially by supplying to new customers in India.

### GLOBAL CAR PRODUCTION

The global production of passenger cars and commercial vehicles reached the level of 72 million units in 2010-11. In passenger cars, the production of smaller vehicles continued to increase due to the

growing automotive production in the Asian emerging markets. However, the middle and premium vehicle segments also benefited from the global economic recovery. Automotive production in North America and Europe also grew, but still fell short of its pre-recession levels.

Overall, the automotive industry experienced a healthy recovery due to a general improvement in economic conditions and consumer demand.

### INDIAN VEHICLE & COMPONENT MARKET

A surging economy and new models saw passenger vehicle sales in India booming during 2010-11, making the country the world second fastest growing market. The industry also saw entry of major global players like Nissan, Volkswagen, Toyota and Ford in the mid size car segment in India with new models and significant capacity expansions making the country a global hub for compact cars.

The sale of commercial vehicles in the country grew at a rapid pace registering a robust growth at 33% during last fiscal at 753 thousand units, compared to 566 thousand units in 2009-10.

During 2010-11, Indian vehicle market posted an impressive growth in passenger vehicles, commercial vehicles & two wheelers segments.

Figures in thousands			
Segment	2010-11	2009-10	2008-09
<b>Passenger Vehicle</b>			
Numbers	2,987	2,351	1,846
Growth Rate	27%	27%	5%
<b>Commercial Vehicle</b>			
Numbers	753	566	417
Growth rate	33%	36%	(23%)
<b>Two Wheelers</b>			
Numbers	13,376	10,512	8,348
Growth Rate	27%	26%	4%

Source: SIAM

India has proven product-development capabilities and proximity to emerging markets. It is also turning out to be an attractive destination as a global outsourcing hub and manufacturing base for original equipment manufacturers (OEMs).

Vehicle Production: Region (in numbers)	FY 2010-11			
	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar
Europe	4,810,125	3,969,989	4,797,503	5,236,594
Greater China	3,444,996	3,072,122	4,113,790	4,026,100
Japan/Korea	3,239,863	3,239,489	3,318,888	2,803,300
Middle East/Africa	463,073	487,399	539,237	563,715
North America	3,068,289	2,950,076	2,976,102	3,375,472
South America	1,045,918	1,098,673	1,073,162	997,337
South Asia	1,596,787	1,743,292	1,781,806	1,899,993
<b>Grand Total</b>	<b>17,669,051</b>	<b>16,561,040</b>	<b>18,600,488</b>	<b>18,902,511</b>



Indian auto component industry is one of the front runners for grabbing the global auto component outsourcing market, estimated to be worth USD 700 billion by 2015.

India offers the advantage of low manufacturing costs due to economies of scale, low design, research and labour costs, and local sourcing of tools and components.

## FINANCIAL REVIEW

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

	₹ in Million		
Consolidated	2010-11	2009-10	% change
Sales	81,756	67,022	22%
Other Income	2,366	2,753	-14%
Cost of Goods Sold	51,454	41,659	24%
Employee Cost	12,588	11,319	11%
Other Expenses	10,782	9,961	8%
PBIDT (*)	9,298	6,836	36%
Exchange Fluctuation loss/ (gain) on FCCB	(56)	(258)	-78%
Exceptional Income / (Expenditure) Net	-	(430)	-100%
<b>PBT</b>	<b>6,312</b>	<b>3,428</b>	<b>84%</b>
<b>PAT</b>	<b>4,431</b>	<b>2,336</b>	<b>90%</b>
Concern Share after adjusting Minority Interest	3,908	2,428	61%
<b>Diluted EPS (₹)</b>	<b>10.01</b>	<b>6.07</b>	<b>65%</b>

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

During the year under review, the Company's consolidated sales hit a new record level of ₹81,756 million, registering an impressive growth of 22% in comparison to the previous year sales of ₹67,022 million. The Company's subsidiary Samvardhana Motherson Reflectec (SMR) posted impressive performance as reflected in the consolidated results.

The key raw material for the company's wiring harness business is copper. There is substantial increase in prices of copper. Average price for copper during 2010-11 has increased to USD 8,139 / MT in comparison with previous year average price of USD 6,100 /MT. However the company has arrangements with its major customers for passing on the price impact, therefore it does not have any absolute impact on its earnings but only has an impact on percentage to sales basis.

The main inputs for the company's mirror business is glass actuators, powerfolds, glass, electro-chromatic glass ("EC glass"), wiring harnesses, electronics, electrical parts, die casting, plastic parts and resins.

Other raw material / components used by the company are resins like PP, Nylons etc. for Polymer business.

Employee costs on aggregate comprise of second largest cost after raw materials. It includes salaries and wages, contribution to provident fund, gratuity funds, employee pension schemes and expenses

incurred on staff welfare. Though in absolute terms employee costs have increased by 11% in 2010-11 but is in line with growth in the sales volume of the company. In terms of percentage to sales, the employee cost has reduced to 15.4% during 2010-11 from 16.8% during 2009-10.

The Profit Before Interest Depreciation and Tax (PBIDT) increased to ₹9,298 million from ₹6,836 million during 2009-10, a significant growth of 36%.

Profit before Tax (PBT) amounted to ₹6,312 million as against ₹3,428 million during previous year, recording an increase of 84%.

During the year, the company has earned exchange fluctuation gain of ₹56 million on account of FCCB (Previous year exchange gain of ₹258 million).

	₹ in Million		
Standalone	2010-11	2009-10	% change
Sales	27,779	17,049	63%
Other Income	1,193	989	21%
Cost of Goods Sold	17,269	10,222	69%
Employee Cost	2,573	1,645	56%
Other Expenses	4,091	2,648	55%
PBIDT (*)	5,039	3,523	43%
Exchange Fluctuation loss/ (gain) on FCCB	(56)	(258)	-78%
Exceptional Income / (Expenditure) Net	-	(200)	-100%
<b>PBT</b>	<b>3,945</b>	<b>2,670</b>	<b>48%</b>
<b>PAT</b>	<b>2,875</b>	<b>1,785</b>	<b>61%</b>
<b>Diluted EPS (₹)</b>	<b>7.33</b>	<b>4.41</b>	<b>66%</b>

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

During the period, the company standalone revenue grew by 63% to ₹27,779 million.

PBIDT increased to ₹5,039 million from ₹3,523 million, up by 43%.

PBT amounted to ₹3,945 million, up from ₹2,670 million during previous year, recording a substantial growth of 48%.

During the year, the company has earned exchange fluctuation gain of ₹56 million on account of FCCB (Previous year exchange gain of ₹258 million).

## FINANCIAL POSITION

The financial position and other highlights are as follows:

	₹ in Million		
Consolidated	2010-11	2009-10	% change
Capital Expenditure (Net of disposals)	7,554	3,780	100%
Net Fixed Assets	22,258	16,356	36%
Cash & Bank Balance	3,565	3,431	4%
Net Current Assets	8,296	5,051	64%
Net Worth	16,087	11,611	38%
Loans (including FCCB)	12,635	8,179	54%

Standalone	₹ in Million		
	2010-11	2009-10	% change
Capital Expenditure (Net of disposals)	3,619	1,948	86%
Net Fixed Assets	10,584	7,528	41%
Cash & Bank Balances	381	365	4%
Net Current Assets	4,242	1,530	177%
Net Worth	10,102	7,128	41%
Loans (including FCCB)	7,927	4,130	92%

#### 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 millions of which an amount of Euro 18.50 millions was outstanding as on March 31, 2010. The conversion price of these bonds was ₹74.30 per share at fixed exchange rate of ₹52.01 = Euro 1.

During the year, the Company has allotted 12,950,000 equity shares on exercise of conversion option by holders of bonds of face value Euro 18.5 million. After this allotment, the FCCB stands fully converted.

#### CAPITAL EXPENDITURE

During the year, the Company incurred capital expenditure of ₹7,860 million and ₹3,730 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 ₹6,500 million to ₹7,000 million, excluding acquisitions, if any.

#### REVENUES

MSSL is one of the leading global suppliers of rearview mirrors to the automotive industry and also the largest manufacturers of automotive wiring harnesses for passenger cars 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 increased by 22% to ₹81,756 million and on a standalone basis, the revenues increased by 63% to ₹27,779 million.

Consolidated	₹ in Million		
	2010-11	2009-10	Growth %
Mirrors	45,386	41,529	9%
Wiring Harness	24,882	18,102	37%
Polymer Components	8,891	5,609	59%
Rubber/Metal machined & other products	2,597	1,782	46%
<b>Total</b>	<b>81,756</b>	<b>67,022</b>	<b>22%</b>
Standalone	₹ in Million		
	2010-11	2009-10	Growth %
Wiring Harness	19,951	12,376	61%
Polymer Components	7,625	4,578	67%
Rubber/Metal machined & other products	203	95	112%
<b>Total</b>	<b>27,779</b>	<b>17,049</b>	<b>63%</b>

#### AUTOMOTIVE MIRRORS

Samvardhana Motherson Reflectec (SMR), the mirror division of

the company constitutes 56% share of the total business portfolio of MSSL. SMR is a subsidiary of Motherson Sumi Systems Ltd and specializes in the manufacturing of automotive mirrors. SMR is a global, Tier I supplier of rear view vision systems to all the leading automobile OEMs, including Ford, General Motors, Hyundai Kia, PSA, Renault/Nissan, Suzuki, Fiat, Toyota and Volkswagen. In 2010, SMR had a market share of 22% of total global exterior mirror sales by volume (Source: Frost & Sullivan). Principal business activities of SMR include designing, manufacturing, producing and supplying exterior and interior mirrors for the international automotive industry. SMR develops and produces a wide range of exterior mirrors from basic, manually adjusted mirrors to high-value mirrors with integrated systems such as camera-based detection systems, side turn indicator lamps and assist system signal lights. SMR's interior mirrors product line consists mainly of prismatic mirrors and it also develops high-value interior mirrors with features such as integrated displays and microphones and garage door openers.

SMR has presence in 14 countries with 17 production facilities and 4,260 full-time employees as on March 31, 2011. Focus on technology and innovation has enabled SMR to maintain a leadership position in exterior mirrors and to expand its product portfolio to interior mirrors of various types and blind spot detection cameras, as well as enabling further expansion into new product segments.

SMR has a sustained focus on research and development, with more than 300 personnel employed in research and development functions. SMR has 545 granted patents and 200 pending applications for patents and its innovations include several industry firsts, such as the first turn signal in exterior mirrors for Mercedes Benz in 1998; the first interior mirror with multiple functions for Mercedes Benz in 1999; the first LIN-bus system in exterior mirrors for Jaguar in 2001; the first camera-based blind spot detection system for Volvo in 2004; the first LED light guide style turn signal for Audi Q7 in 2005; the first side-looker LED turn signal for Hyundai in 2005; a combined unique power telescopic and power folding mirror for Ford in 2007; the first lamps in exterior mirrors to project logos on the ground for European SUVs in 2011; and the first one-piece exterior mirror glass reflector with an integrated blind spot detector section for North-American SUVs in 2011.

Mirrors*	₹ in Million		
	2010-11	2009-10	Growth %
<b>Consolidated</b>			
Customers Within India	3,262	1,593	105%
Customers Outside India	42,124	39,936	5%
<b>Total</b>	<b>45,386</b>	<b>41,529</b>	<b>9%</b>

\*SMR performance has been discussed in detail in the "Performance of Companies" Section.

#### 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 32 manufacturing facilities & 7 design centers 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 wiring harness division constitutes 30% of the Company's consolidated revenues during 2010-11. The Company is a leading supplier of wiring harnesses to most of the OEMs in India and together with its Joint Ventures also enjoys 69% 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. Many critical inputs like wires, connectors, terminals and fuse boxes, tube clamps and binders, grommets and seals, caps and sleeves etc are 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 and support spread across India, Sharjah, Ireland, Sri Lanka, Italy, Japan and the United Kingdom. These locations have been strategically selected to give logistical support to serve major customer destinations. The combination of design, range, quality, infrastructure, technology and proximity helps MSSL emerge as a complete service provider in the field of wiring harness.

The Board of Directors of the Company approved the merger of Sumi Motherson Innovative Engineering Limited (SMIEL) with the company with effect from April 1, 2011, subject to necessary approvals. SMIEL engages in manufacture of high precision, plastic parts, as well as has an excellent tool room. It also develops molds for a wide range of applications from high precision components to complicated automobile parts with specialization in wiring harness components. Merger of SMIEL with the Company will further strengthen the company capabilities for development and manufacturing of components for wiring harness.

₹ in Million

Wiring Harness	2010-11	2009-10	Growth %
<b>Consolidated</b>			
Customers Within India	21,677	14,563	49%
Customers Outside India	3,205	3,539	-9%
<b>Total</b>	<b>24,882</b>	<b>18,102</b>	<b>37%</b>
<b>Standalone</b>			
Customers Within India	17,825	10,718	66%
Customers Outside India	2,126	1,658	28%
<b>Total</b>	<b>19,951</b>	<b>12,376</b>	<b>61%</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 66% on standalone basis and 49% on consolidated basis. The wiring harness division continues 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.

### Outside India

The exports from India registered a strong growth of 28% at ₹2.13 billion, on standalone basis mainly on account of recovery in global markets. However, the total sale outside India of wiring harness on consolidated basis registered a negative growth of 9% because of discontinuation of business by a subsidiary, Motherson Sumi Wiring System Limited (MSWS) during the year, due to its customer shifting its business base back to Europe. The facilities of MSWS are henceforth utilized for making wiring harness for the mirror business of the company and it will start reaping benefits from current year.

### 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 2010-11.

- Four new plants in Haldwani, Pune and Chennai (Oorapakkam and Vadakkupattu) started commercial production in 2011-12 to meet the requirements of domestic and export market.
- Six new plants are being set up at Lucknow, Noida, Jamshedpur, Pune, Bengaluru and Pathredi for serving increasing customer base and demand.
- New plant for manufacturing wires with capacity of 50,000 kms per month at Noida started commercial production exclusively for the manufacturing of Japanese specification wires (JASO) with technical support of SWS.
- Plant being set up at Noida for further increasing production capacity of wires by 50,000 kms per month.

### POLYMER

With 17 manufacturing units across India, Sharjah, Germany and Czech Republic, the polymer division contributed 11% to the Company's consolidated revenues in 2010-11. 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-molded components, assemblies, blow molded components and integrated modules, registered a remarkable growth of 59% on consolidated basis and 67% on standalone basis during 2010-11.

MATE is continuously upgrading and expanding its facilities for

increasing customer requirements. New facility at Bengaluru started supplies during 2010-11 to Toyota for the new vehicle "Etios".

MATE has 12 manufacturing facilities in India spread over Noida, Manesar, Pune, Bengaluru, Chennai and Puducherry.

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.

₹ in Million			
Polymer	2010-11	2009-10	Growth In Percentage
<b>Consolidated</b>			
Customers Within India	7,520	4,244	77%
Customers Outside India	1,371	1,365	0%
<b>Total</b>	<b>8,891</b>	<b>5,609</b>	<b>59%</b>
<b>Standalone</b>			
Customers Within India	7,120	4,134	72%
Customers Outside India	505	444	14%
<b>Total</b>	<b>7,625</b>	<b>4,578</b>	<b>67%</b>

#### Domestic

During the year, Polymer Division achieved an increase of 77% 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 ₹1.3 billion. 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), MSSL Advanced Polymers s.r.o. (MSP - CZ) and MSSL Global RSA Module Engineering Ltd.

#### Outlook

- New unit is coming up at Chennai for supplying to Ford. Commercial production for nearly 200K cars will start in coming fiscal year.
- MATE is also setting up new facility at Tapukara in Rajasthan for catering new businesses from Honda and other customers.
- New business won during 2010-11 from Skoda and Mahindra among several others will start showing results in 2011-12.
- MSSL Global RSA Module Engineering Ltd. has incurred major capital expenditure of ZAR 120 million to set up a new facility at Automotive Supplier Park, South Africa. The commercial production and supplies will begin during 2011-12.
- The Company is acquiring 51% shareholding in Vacuform 2000 (Pty) Ltd., South Africa. Vacuform is engaged in the manufacturing of thermo-formed products, polyurethane molded products and blow molding components for automotive industry. Its key customers include major OEMs like BMW, Ford and Nissan.

Vacuform revenue during 2010 was ZAR 15 million. The Company will be able to consolidate its position in upcoming markets in 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 facility at Bengaluru. In addition to this, the Company has a joint venture Motherson ORCA Precision Technologies GmbH at Donaueschngen, Germany.

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

₹ in Million			
Rubber/ Metal Machined Components	2010-11	2009-10	Growth In Percentage
<b>Consolidated</b>			
Customers Within India	70	32	122%
Customers Outside India	2,527	1,750	44%
<b>Total</b>	<b>2,597</b>	<b>1,782</b>	<b>46%</b>
<b>Standalone</b>			
Customers Within India	58	20	187%
Customers Outside India	145	75	93%
<b>Total</b>	<b>203</b>	<b>95</b>	<b>112%</b>

#### Domestic & Outside India

During the year, division achieved an increase of 122% in its domestic revenues and 44% in revenues outside India on consolidated basis.

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

#### Outlook

The facility for rubber compounding and rubber molding set up at Chennai during previous year has started commercial production; this is expected to increase competitiveness of the Company in the segment. During the year, Motherson Orca Precision Technology GmbH has acquired business of Badische Präzisionsteile GmbH to strengthen its customer base as well as new processes, machines and existing product offering.

#### 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 14 countries across the globe.



**Area of Business & Industry Segment:** It specializes in developing, producing and distributing rear vision systems for the global automotive market.

#### Financial Position

Euro in Million

SMR - Consolidated	2010-11	2009-10	% change
Capital Expenditure (Net of disposals)	42.8	10.7	302%
Net Fixed Assets	128.9	103.6	24%
Cash & Bank Balance	33.1	32.8	1%
Net Current Assets	20.9	29.6	-29%
Net Worth	86.2	74.1	16%
Loans	67.2	63.3	6%

#### Performance in 2010-11

Euro in Million

SMR - Consolidated	2010-11	2009-10	Growth in %
Sales	754.8	620.3	22%
PBIDT (*)	52.1	35.2	48%
Depreciation	21.6	22.4	-4%
Exceptional Income / (Expenditure) Net	-	(6.4)	-
PBT	27.2	1.6	1602%
PAT	16.1	1.3	1142%
MSSL share after adjusting Minority Interest	8.0	0.9	817%

\* Excludes exceptional income / expense

SMR revenue increased by 22% from € 620.3 million for the fiscal period ended March 31, 2010 to € 754.8 million for the fiscal year ended March 31, 2011. This increase was primarily due to increase in sales of rear view vision products. There is significant increase in sales across all geographical locations as a result of the overall improved economic environment and the launch of new customer programs in Korea, United States and India. Excluding a reduction in sales in France and the closure of Hattorf plant in Germany, SMR sales in Europe has exponentially increased, which was contributed largely by increased sales in the United Kingdom.

SMR profit has substantially improved during 2010-11, robust increase of 1602% in PBT to Euro 27.2 million in comparison with Euro 1.6 million during previous year. PAT has also increased to Euro 16.1 million in comparison with Euro 1.3 million during previous year, growing by 1142%. The increase in profits was driven primarily by increased volume and cost reductions achieved from restructuring actions implemented during previous year 2009-10. Interest expense (net) decreased by € 8 million for the year ended March 31, 2011 compared to the previous year, primarily as the result of restructuring of overall debt.

#### Outlook

SMR has focused and aggressive plans to explore more

geographical regions and increase the global footprint. SMR is also looking at backward integration to reduce its material cost. Glass, die casted products and wiring harnesses have been identified as high potential items for backward integration which can give cost advantage and competitive edge to the business.

- The Company has invested in 2nd plant at Hungary to increase the capacity for European OEMs. This facility would commence production towards 3rd Qtr of current fiscal year and would be servicing new orders which were won by the company post acquisition.
- SMR Greenfield plant at Brazil is scheduled to commence production towards end of current fiscal year. This would provide the footprint in South America which is a large automotive market.
- SMR is setting up a dedicated Glass plant at Thailand for in-house glass requirement. This plant is expected to be operational by end of the current fiscal year. The Company also has plans to establish mirror assembly facilities at Thailand once the glass plant becomes operational.

#### 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 equipment, construction equipment, agricultural machines, garbage handling trucks etc. The Company is strategically located for catering to the European & the U.S market.

During 2010-11, the company also started supplies of wiring harness for automotive mirrors to various locations of SMR.

#### Certifications: ISO/TS 16949:2009

**Performance in 2010-11:** The Company recorded revenue of Euro 15 million as compared to Euro 11 million of the previous year registering a growth of 38%. The Company witnessed a strong recovery in revenues during 2010-11 after a slow down phase during previous year. The Company is able to capitalize on the increasing demand from construction industry for material handling equipment and industrial forklifts.

#### MSSL (GB) LTD.

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

**Area of Business & Industry Segment:** MSSL (GB) supplies wiring harness and related modules to niche segments in UK.

**Performance in 2010:** The year 2010 brought a strong recovery for the Company, with improved global economic conditions the Company achieved revenue of GBP 6.5 million as compared to GBP 4 million during previous year recording dynamic growth

of 66%. The recovery was driven by the greatly improved global economic conditions.

#### **Motherson Sumi Wiring System Limited (FZE)**

**Introduction:** The Company is a 100% subsidiary of Motherson Sumi Systems Ltd. and is located in SAIF Zone, Sharjah, UAE. Earlier it was a joint venture between Motherson Sumi Systems Ltd and Sumitomo Wiring Systems Ltd, Japan. During current year, the Company has discontinued business due to its customer shifting its business base back to Europe. Subsequently MSSL Mideast FZE (a wholly owned subsidiary of the Company), has purchased the remaining 49 % equity shares in MSWS. The facilities of MSWS are henceforth utilized for making wiring harness for the mirror business of the Group.

**Certifications:** ISO/TS-16949:2009.

**Performance in 2010-11:** The Company recorded revenue of Euro 6 million as compared to Euro 23 million of the previous year. On discontinuation of business during the year, MSWS has received Euro 4.2 million from the customer towards past losses and the same has been included under Other Operative Income.

#### **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. It supplies wires to different manufacturing locations of the Group.

**Certifications:** ISO 9001:2008

**Performance in 2010-11:** MWL achieved revenue of US\$ 32 million as compared to US \$ 26 million of the previous year. The Company has expanded its capacity to meet the requirements of its customers.

#### **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 business in Europe. The Company serves the auto components, pharmaceuticals, construction-anchors industry.

**Certifications:** ISO/TS 16949:2009, ISO 9001:2008, ISO 14001:2004

**Performance in 2010-11:** The revenue of MTL moderately grew by 20% to Euro 4.5 million for the current period, as compared to Euro 3.8 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 company serves the automotive sector. The product range includes parts for steering columns, airbags, seat belts, reflectors and side rear view and tail lamps etc.

**Certifications:** ISO/TS 16949:2009, ISO 14001:2005

**Performance in 2010:** The revenue of the Company remained flat at Euro 7 million as compared to the previous year. The Company has generated positive EBITDA of Euro 119k during the current year as compared to negative EBITDA of Euro 91k during last year.

#### **MSSL Advanced Polymers s.r.o**

**Introduction:** The Company is a 100% subsidiary of Motherson Sumi Systems Ltd. and is located in Dolni Redice, 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:** ISO/TS 16949:2009, ISO 14001:2005

**Performance in 2010:** The Company has generated revenue of more than Euro 7 million as compared to Euro 4 million during previous year, recording a growth of 77%. The growth in revenue is driven by increase in production capacities that led to adding new customers with potential for future growth. The Company has been shifted to a new expanded facility in April 2010.

#### **Motherson Elastomer Pty Ltd.**

**Introduction:** The Company is a 80% 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 bushes, 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 industries. It is one of the largest non tyre related mixing plants in Australia.

**Certifications:** ISO/TS 16949:2002, ISO 9001:2008, ISO 14001:2004

**Performance in 2010-11:** During the year the company has changed its accounting year end from December to March. The

revenue of the company grew by 31% at AUD 34 million (for fifteen months) as compared to AUD 26 million during previous year.

#### **Motherson Orca Precision Technology GmbH**

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

**Area of Business & Industry Segment:** The Company serves automobile and auto component manufacturers and tier 1 customers. The product range includes precision turned parts for fuel injection, fuel pump, emission controls, pressure sensors, air condition systems etc.

**Certifications:** ISO /TS 16949, ISO 9001

**Performance in 2010:** During 2010, the Company has acquired business of Badische Präzisionsteile GmbH to strengthen its customer base as well as new processes, machines and existing product offering. The revenue for the company grew by 128% at Euro 9 million as compared to Euro 4 million of the previous 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. The Aerobin is now available in Europe, USA, Japan and Australia.

**Performance in 2010:** The revenue of the Company remains same at AUD 1 million as compared to the last year. The company is foraying into new markets with the launch of 200 Litre Aerobin and expecting good future prospects with a growing awareness of the environmental benefits of home composting verses the more traditional waste disposal solutions.

#### **MSSL Global Wiring Ltd.**

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

**Certifications:** ISO /TS 16949:2009

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

**Performance in 2010-11:** In second year of its operation, the Company recorded revenue of ₹303 million as compared to ₹10 million of the previous year registering an energetic growth.

#### **MSSL Global RSA Module Engineering Ltd.**

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

**Area of Business & Industry Segment:** The Company has incurred major capital expenditure of ZAR 120 million to set up a new facility at Automotive Supplier Park which is located in Rosslyn, North of Pretoria in the heart of Gauteng's automotive industry for manufacturing of molded parts like Bumpers, Interior Trims and fully robotic paint shop for painting body colour matched parts for leading OEM's. The commercial production and supplies will begin during 2011-12.

South Africa's automotive industry is a source for the manufacture and export of vehicles and components to the global automotive industry. The sector accounts for about 10% of South Africa's manufacturing export. It is the second biggest industry in South Africa, and one of its fastest-growing sectors. Locally, the automotive sector is a giant, contributing about 7.5% to the country's gross domestic product (GDP). The component industry contributes approximately 2% of the country's GDP, and is looking to strong growth as export potential continues to increase. The Company expects to reap the full benefits of existing opportunities and future growth.

#### **MSSL Japan Limited**

**Introduction:** The Company is a 100% subsidiary of Motherson Sumi Systems Limited and is located in Nagoya-Shi, Japan.

**Area of Business & Industry Segment:** It supplies wiring harness for heavy commercial vehicles.

**Performance in 2010-11:** This is the first year of operations for the Company, the revenue stands at JPY 139 million.

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

₹ in Million

	MSSL Holding	Capital Employed		Net Sales		Profit after tax		Capital Expenditure	
	2010-11	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Kyungshin Industrial Motherson Ltd.	50%	1,404.18	1,366.67	6,120.64	6,058.28	462.92	589.97	16.43	76.71
Woco Motherson Ltd. (FZC)	33.33%#	122.47	95.08	303.90	259.04	67.54	58.83	2.32	0.92
Woco Motherson Elastomer Ltd.	33.33%	215.76	191.00	290.26	312.84	24.76	43.70	12.17	1.90
Woco Motherson Advanced Rubber Technologies Ltd.	33.33%	355.89	348.62	528.36	475.15	154.16	127.60	37.00	3.49
Calsonic Kansei Motherson Auto Products Ltd.	49%	357.54	176.48	1,436.94	610.44	42.01	13.87	17.60	110.67
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	50%*	970.74	744.65	1,713.49	966.67	106.89	32.32	65.69	49.54

\*Held by Company through its subsidiary Samvardhana Motherson Reflectec (SMR)

#Held by Company through its subsidiary MSSL Mauritius Holdings Limited

#### Kyungshin Industrial Motherson Limited

**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 conveyorised mass production of wiring harness.

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

**Performance in 2010-11:** KIML recorded a turnover of ₹6,120 million as compared to ₹6,058 million in the previous year. KIML is the 100% supplier of wiring harnesses to Hyundai Motors India Ltd. since the inception. The Company has been awarded "Overall Best Performance for the year 2010" by Hyundai Motor India Ltd. for excellent performance in engineering, delivery, quality and service.

#### 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 16949:2009

**Performance in 2010:** WML achieved a turnover of Euro 5.04 million as compared to Euro 3.86 million in the previous year registering a significant growth of 31%. In calendar year 2010, the company distributed a total dividend of Euro 0.75 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:** ISO/TS 16949- 2009, ISO 14001- 2004

**Performance in 2010-11:** The revenue of the Company is ₹290 million as compared to ₹313 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, Gujarat.

**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, ISO 14001- 2004

**Performance in 2010-11:** The revenue of the Company stands at ₹528 million as compared to ₹475 million of the previous year. The Company has been awarded "Top Exporter Award for 2009-10" for fourth time in a row by the KASEZ authority.



### Calsonic Kansei Motherson Auto Products Limited

**Introduction:** The Company is a joint venture between Motherson Sumi Systems Ltd. and Calsonic Kansei, 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 2010-11:** The Company achieved revenue of ₹1,437 million as against ₹610 million in the previous year recording a growth rate of 135%. New manufacturing unit set up at Chennai for supplies to Nissan have started mass production and new business awarded by Maruti added to the growth of the Company. Maruti Suzuki India Limited has awarded the Company for the sincere efforts and superior performance in the field of "Kaizen".

### SUPPORT SUBSIDIARIES

#### MSSL GmbH, Germany

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

#### MSSL Mauritius Holding 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), MSSL Ireland Pvt. Limited, Global Environment Management (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 and Japan.

#### 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. The Company is looking at various options to restructure the operations of MSSL Handels GmbH with other companies within the group.

#### MSSL Australia Pty. Ltd., Australia

MSSL Australia is an 80% subsidiary of Motherson Sumi Systems Ltd. The Company is functioning as the corporate office and holding company for the group investments in Australia.

### MSSL Investment Pty. Ltd., Australia

The company is an 80% subsidiary of Motherson Sumi Systems Ltd. through MSSL Australia Pty. Ltd. The Company's principal activities consist of providing land and building on lease at Bendigo to its fellow subsidiary Motherson Elastomers Pty Ltd.

### INTERNAL CONTROL SYSTEMS

The Company maintains adequate internal control systems to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and that all transactions are authorized, recorded and reported correctly. The Company uses an Enterprise Resource Planning ("ERP") package, which enhances the internal control mechanism. The Company has a strong and independent internal audit function. The internal control system is supplemented by an extensive program of internal audits and reviews by management.

The Company has an audit committee, the details of which have been provided in the Corporate Governance Report. The audit committee reviews audit reports submitted by the internal auditors. Suggestions for improvement are considered and the audit committee follows up on the implementation of corrective actions and keeps the Board of Directors informed of its major observations from time to time.

### HUMAN RESOURCE

The greatest asset of any organization is its human capital - its employees. Employee's commitment to the organization has always enhanced the overall performance of the Company and is the biggest factor for placing MSSL where it is today. The Company focuses on recruiting and retaining the best talent in the industry. Proper induction and development of new and existing employees 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 stressed upon and is an ongoing process. Employees assess and are given the opportunity to upgrade their existing skills as per the requirement and for effective implementation of their jobs. The focus is on Skill-up and Multiskilling programs for the employees. 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. Thus a sense of ownership is built in each employee at every level.

In MSSL the potential of people is utilized for the improvement of product quality and productivity of employees. Quality Circle is one of the most important employee participation methods in MSSL. MSSL has 239 quality circles operating within the Company, its subsidiaries and joint ventures. Quality Circle Teams of MSSL also participate in external competition and win accolades. It was a moment of pride when Disha Quality Circle won 'Gold Award' and Chetna Quality Circle won 'Bronze Award' in QCFI (Delhi Chapter). Disha Quality Circle also won the First Runners Up in the QC competition held by Maruti Suzuki. Prerna Quality Circle from Noida was adjudged among the Top four in

North Zone QC Convention organized by HSCI. Similarly Pragati Quality Circle was adjudged at 5th rank at Toyota Kirloskar Suppliers Association- Northern Region.

The organization adopts various welfare measures for employees to enhance their sense of belongingness to the organization. Employees and their families are given insurance against disease/accident. The Company arranges for extra-curricular activities which involve employee's participation outside the ambit of their jobs. There are cultural programmes and competitions, annual day celebrations, painting competition for the children of employees, picnics, cultural activities and quality circles, where maximum employee participation is solicited. Teams are also identified to participate in the global skill Olympics organized by SWS, a collaborator. Such programs help in uniting employees and strengthening the "WE" feeling.

MSSL today has more than 90 facilities spread across 23 countries in six different continents. The diverse workforce of the Group is its strength. The exposure to different methodologies of work across the globe has helped MSSL adopt the best practices from each area and incorporate the same in its work culture. Employees thus are better equipped with the global exposure they get and this in turn facilitates in serving customers across the globe better.

#### ENVIRONMENT, HEALTH AND SAFETY (EHS)

Employees are the life line of MSSL. Health and Safety of employees is of utmost importance and a major area of focus for the company. Safety of self and of others is everyone's responsibility. In MSSL the overall responsibility of employee health and safety falls on Human Resource Management.

Educating employees about safety programs, making them aware about the health and safety policy of the Company, conducting formal safety training for all is part of the EHS Program. For each department and unit there is a departmental head or supervisor who is overall responsible for maintaining safe working conditions of the area under his purview.

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.

A Safety Week was observed from 4th March 2011 - 10th March 2011 across the MSSL units. Main objective of the week was to "Make the workplace Safe, Secure & Injury Free". To achieve this many programs were conducted across the units & activity areas. Trainings are imparted 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. Contractors of different activities are also given a brief on the safety norms. In addition to these, Advanced Fire Fighting Technique cylinders are made available for the units.

Safety audits are carried out at regular intervals in all the units. A training module, designed for new employees gives an insight to the safety norms to be followed and to be aware of. Work permits to employees are also issued which covers all the aspects related to safety before starting of the work, after completion of work and also during the work.

MSSL develops products that help in improving the environment. Its subsidiary, Global Environment Management, is dedicated towards developing products for improving the environment. The 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 aerobically 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 ensures less pollution. A special team called the 'Green Team' has been deputed at our units who take initiatives like using environmental friendly products etc. There is also a movement in units for tree plantation with the objective of promoting 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. MSSL will continuously enhance its environmental, occupational health and safety performance in its activities, products and services through a structured MSSL management framework.

#### OPPORTUNITIES AND FUTURE PROSPECTS

As the economies continue to rebound from the global financial crisis, the automotive industry has regained its footing and is firmly routed to the growth mode. Now the focus of companies across the globe is on strategies to grow and prosper rather than to just survive. The formation of strategic alliances and partnerships is expected to be the most favored mode for consolidation in the global automotive industry. The significant drivers for consolidation in the next few years are likely to be technology acquisition, establishment of a robust global footprint and acquisition of brands that have high recognition and strong relationships with customers.

Global original equipment manufacturers (OEMs) are eyeing India as it provides huge growth opportunity on account of fast growing economy. India is uniquely positioned to become the new production base for the global automotive industry as it has large untapped automotive markets, a deep talent pool and low cost of production. New car makers are making substantial investments in India and setting up factories here. With a slew of new players entering the Indian car market, there will be new product launches from the new as well as the existing players. Moreover, the local supplier base is also well developed and quality conscious. This makes it an ideal export hub and in addition enables it to serve the Asian domestic markets.

According to the SIAM annual car sales are projected to increase upto 5 million vehicles by 2015 and more than 9 million by 2020, the Indian automobile industry is expected to grow at an annual average rate of 10-15%. According to experts, the currently low vehicle penetration of 15 vehicles per 1,000 population, compared to an average of 120 vehicles per 1,000 population for the world also suggests that there are significant growth opportunities for the industry. As a result, the Indian automobile industry is expected to remain one of the fastest growing markets in the world over several years.

MSSL is continuing to build its capacities for growth and is in a simultaneous phase of consolidation. MSSL's facilities have always stood the company in good stead. The Company is in a position to meet the increased demand of its customers at all times. The Company would continue to make investments in expanding and upgrading its facilities across the globe.

MSSL has over 90 facilities spread across 23 countries. These include a network of manufacturing bases, design centers, logistics centers, marketing support and sourcing hubs across diversified geographical base. The facilities are in strategic locations, near the main customer clusters. This enables the Company 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 at all times to come.

#### CORPORATE SOCIAL RESPONSIBILITY – CSR

MSSL believes that it is not only accountable to its shareholders but it is also accountable to the society in which it operates. With a true corporate vision, the Company embraces a wider community rather than just its shareholders, customers and suppliers.

The Company provides aid to several organizations working for the betterment of underprivileged children. This is a major area of focus in CSR activities in MSSL. The Company is associated with NGOs and institutions dedicated to primary education and over all development of underprivileged children. Support is provided to organizations that take care of children without

paternal care and children of families in difficult circumstances.

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. MSSL also supports institutions that take care of underprivileged girl child specially.

Various programs have been incorporated in-house where employees are encouraged to come forward directly or indirectly in - aid of these children. The company represents the cause of underprivileged children through its greeting cards and a certain amount is set aside for organizations catering to Child Relief.

The Company in partnership with an NGO participated in a program where 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.

The Company tries to integrate business, environment and social factors in its day to day functioning and make it a continuous process in making a positive difference in the society where it operates.

# Directors' Report

## *To the members,*

Your Directors have the pleasure in presenting the 24th Annual Report together with the audited accounts of the Company for the financial year ended 31st March, 2011.

### FINANCIAL RESULTS

The summarized financial results for the year ended 31st March, 2011 and for the previous year ended 31st March, 2010 are as follows:

(₹ in Million)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2011	Year ended 31.03.2010
Gross sales	30,383	18,284	84,670	68,536
Net sales	27,779	17,049	81,756	67,022
Other Income	1,213	1,235	2,341	3,331
Profit before depreciation, interest and tax	5,059	3,569	9,276	6,604
Less: Depreciation	830	646	2,465	2,601
Less: Interest (net)	284	252	497	573
Profit before tax	3,945	2,670	6,314	3,430
Less: Provision for taxation	1,070	886	1,883	1,094
Less: Minority	--	--	523	(91)
<b>Profit after tax</b>	<b>2,875</b>	<b>1,785</b>	<b>3,908</b>	<b>2,427</b>
Add: Balance brought forward	1,766	1,631	4,724	3,933
Profit available for appropriation	4,641	3,416	8,632	6,360

### OPERATIONS AND PERFORMANCE

Financial Year 2010-11 registered a strong broad based sequential growth across all key sectors and resulted in a record performance during the year under review. The Company has scaled new heights and set new benchmarks in terms of sales and profit.

On consolidated basis for the year 2010-11, your company achieved a turnover of ₹81,756 million resulting in a growth of about 22% over its turnover of ₹67,022 million of the previous financial year ended March, 2010. Net profit for the year at ₹3,908 million was higher by 61% over the previous year's net profit of ₹2,427 million.

On standalone basis, your company achieved a turnover of ₹27,779 million resulting in a growth of about 63% over its turnover of ₹17,049 million of the previous financial year ended March, 2010. The profit after tax for the year ended March, 2011 at ₹2,875 million was higher than 61% from the previous financial year ended March, 2010 at ₹1,785 million.

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

### DIVIDEND

Based on the Company's performance, the Directors have recommended payment of dividend of ₹2.75 per share of ₹1/- each for the financial year ended March 31, 2011 (previous year ₹1.75 per share of ₹1/- each). The dividend, if approved by the members will be paid on or after September 2, 2011 and the total cash outflow on account of dividend including dividend tax of ₹1,239 Million resulting in a payout of 43% of the standalone profits of the Company and 32% of the consolidated profits of the Company.

### SHARE CAPITAL

During the Financial Year 2010-11, your Company has allotted 12,950,000 equity shares of ₹1/- each on account of conversion of Foreign Currency Convertible Bonds (FCCBs) of Euro 18.5 million. After this allotment, the FCCB stands fully converted.

### CREDIT RATING

The Company continues to enjoy "A1+" rating by ICRA for its commercial paper / short-term debt program of ₹1,500 million and working capital facilities of ₹4,250 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.

## STRATEGIC ACQUISITIONS (Post Balance Sheet Events)

Board of Directors of the Company held on 13th July, 2011 have considered and accorded its in principle approval to a proposal to acquire an overseas entity as detailed hereunder :

- (i) The Board authorized to finalise acquisition of 80% of the shareholding of Peguform Group, Germany from Cross Industries AG., who would continue to hold 20% shareholding.
- (ii) This acquisition would also include 50% holding in Wethje Carbon Composite which is a part of Cross Industries.
- (iii) The acquisition would be made through a joint venture company in which Motherson Sumi Systems Limited would hold 51% and Samvardhana Motherson Finance Limited would hold 49% share.

These acquisitions are subject to the regulatory and other approvals as may be necessary in this regard.

## MERGER / AMALGAMATIONS

During the year, Motherson Tradings Limited and Balda Motherson Solution India Ltd., wholly owned subsidiaries have been merged with the Company pursuant to the Order of the Hon'ble High Court of Delhi dated 21st March, 2011.

Further, the Board of Directors of the Company at their meeting held on 28th April, 2011 has approved the merger of its wholly owned subsidiaries namely MSSL Global Wiring Limited and India Nails Manufacturing Limited and Board of Directors of the Company at their meeting held on 25th May, 2011 has approved the merger of Sumi Motherson Innovative Engineering Limited with the Company subject to the necessary approval including the approval of Hon'ble High Court of Delhi.

## DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Mr. Arjun Puri and Mr. Bimal Dhar, Directors of the Company retire by rotation and being eligible, offer themselves for reappointment.

Mr. Bimal Dhar, the retiring Director in forthcoming Annual general Meeting has expressed his unwillingness for re-appointment as Director due to other commitment. He will hold office as Director till the date of Annual general Meeting.

The Company has received a notice from a member of the Company alongwith requisite fee under section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Mr. Pankaj Mital to the office of Director.

Mr. Toshihiro Watanabe resigned from the Directorship of the Company

w.e.f. 25.04.2011, consequently he ceased to be a Whole-time Director of the Company.

M/s. Sumitomo Wiring Systems Ltd., Japan (SWS), Joint Venture of your Company has nominated Mr. Hideaki Ueshima on the Board of your company in place of Mr. Toshihiro Watanabe, who has deputed to another assignment by SWS. Therefore, Mr. Hideaki Ueshima has appointed as an Additional Director of the Company w.e.f. 28.04.2011.

Your Directors while welcoming Mr. Hideaki Ueshima on the Board of the Company, placed on record, their appreciation for the valuable services rendered by Mr. Toshihiro Watanabe during his tenure as a Director and Whole-time Director of the Company.

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 :-

- a) 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;
- b) 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;
- c) 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;
- d) That Directors have prepared the annual accounts on a going concern basis.

## AUDITORS AND AUDITORS' REPORT

The Auditors of the Company M/s. Price Waterhouse, Chartered Accountants (Registration No.-012754N), retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed

limit under section 224(1B) of the Companies Act 1956.

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 Accounting Standard -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.

### SUBSIDIARY COMPANIES

Pursuant to the provision of Section 212(8) of the Companies Act, 1956, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with the Balance Sheet of the Company. A Statement containing the desired details of the company's subsidiaries is enclosed in the Annual Report. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

The annual accounts of the subsidiary companies and the 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 a 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 and their performance are covered in Management discussion and analysis Report forming part of the Annual Report.

### EXPORTS

The Company's exports during the year were ₹2,605 million as against ₹2,148 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 2011-12 have been paid to the said Stock Exchanges.

### 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 thank all the stakeholders 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 29, 2011

**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.

- To use non conventional energy resources ,we have installed wind mill, light Pipe or solar tube and solar lights for security lights,
- Energy efficient lighting system across all units,
- Installation of auto switch-off timer in fans,
- Usage of LED lights in task lighting instead of conventional lights,
- Optimized Air cooling and air conditioned systems,
- Energy efficient air compressor systems,
- Daylight sensors on street lights,
- Changing the water circuit for optimizing the water cooling circulation,
- Timer based surface Lighting systems,
- New plants are designed to reduce the electricity consumption for light during the day time,

### b) Future Proposals for Consumption of energy:

The Company will take necessary measures as may be required from time to time for Consumption 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

- a) Capital : ₹21.20 Million
- b) Revenue : ₹101.01 Million
- c) Total : ₹122.21 Million
- d) Total R&D expenditure is 0.44% 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 it 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 ₹2,605 million.

2.	Total foreign exchange used and earned	(₹ in million)
a.	Total Foreign exchange earned	3,192
b.	Total Foreign exchange used	12,210

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 29, 2011

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 31.03.2011 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*	12	7	1
Mr. Toshimi Shirakawa	Non-executive Director®	2	1	-
Mr. Bimal Dhar	Non-executive Director*	9	4	-
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*	7	3	-
Mr. Futoshi Urai (Alternate Director to Mr. Hiroto Murai)	Non-Executive Director	-	-	-
Mr. Pankaj Mital (Alternate Director to Mr. Bimal Dhar)	Executive/Chief Operating Officer	2	1	-

\* Nominee Directors of Samvardhana Motherson Finance Ltd. (SMFL)

® Nominee Director of Sumitomo Wiring Systems Ltd. (SWS)

# resigned from the Directorship of the Company w.e.f. 25.04.2011; consequently, he ceased to be a Whole-time Director of the Company.

Note – Mr. Hideaki Ueshima appointed as an Additional Director of the Company w.e.f. 28.04.2011

## 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 five times during the financial year 2010-2011 : (i) May 18, 2010 (ii) July 26, 2010 (iii) August 10, 2010 (iv) October 29, 2010 and (v) February 3, 2011.

The necessary quorum was present for all the meetings.



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	5	Yes
Mr. V. C. Sehgal	5	Yes
Mr. Toshimi Shirakawa	3	Yes
Mr. Bimal Dhar	4	Yes
Mr. Hiroto Murai	-	-
Maj. Gen. Amarjit Singh (Retd.)	4	Yes
Mr. Arjun Puri	5	Yes
Mr. Toshihiro Watanabe #	5	Yes
Mr. Laksh Vaaman Sehgal	4	Yes
Mr. Pankaj Mital (Alternate Director to Mr. Bimal Dhar)	1	Yes
Mr. Futoshi Urai (Alternate Director to Mr. Hiroto Murai)	3	No

# resigned from the Directorship of the Company w.e.f. 25.04.2011

#### REMUNERATION OF DIRECTORS

The details of the payments made to the Directors during the financial year ended March 31, 2011 are as follows:

Name of the Director	Gross remuneration (₹)	Sitting fee* (₹)	Total (₹)
Mr. M. S. Gujral	Nil	2,80,000	2,80,000
Maj. Gen. Amarjit Singh (Retd.)	Nil	2,40,000	2,40,000
Mr. Arjun Puri	Nil	2,00,000	2,00,000

\*Includes sitting fees paid for committee meetings

Name of the Director	Salary	Amount (in ₹)
Mr. Toshihiro Watanabe	Basic salary	5,76,000
	Special Allowance	9,33,120
	Bonus	--
	Other benefits	23,06,831
	<b>Total</b>	<b>38,15,951</b>
Mr. Pankaj Mital	Basic salary	42,12,216
	Bonus	6,64,291
	Other benefits	11,74,280
	<b>Total</b>	<b>60,50,787</b>

#### AUDIT COMMITTEE

The Audit Committee of the Company comprises the majority of Independent Directors. The members of the Audit Committee met five times during the financial year 2010-11 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 17, 2010 (ii) May 18, 2010 (iii) August 10, 2010 (iv) October 29, 2010 and (v) February 3, 2011.

The necessary quorum was present for all the meetings.

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	5
Maj. Gen. Amarjit Singh (Retd.)	Member	Independent	4
Mr. Toshimi Shirakawa	Member	Non-executive	4
Mr. Arjun Puri	Member	Independent	5

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

# ceased to be a member from the Committee and was replaced by Mr. Hideaki Ueshima, nominated as member of the Committee.

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 2010-2011 was 50527 as compared to 11771 during 2009-2010.
- As on March 31, 2011, there are no equity shares pending for transfer.

#### INVESTOR RELATIONS

137 complaints relating to the non-receipt of share certificates, 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. Outstanding complaints as on March 31, 2011 were NIL.

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
21st	August 11, 2008	11:30 A.M.	FICCI Golden Jubilee Auditorium, New Delhi	<ul style="list-style-type: none"> <li>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.</li> <li>Appointment of Mr. Toshihiro Watanabe as Whole-time Director for a period of 3 years w.e.f. 02.06.2008.</li> </ul>
22nd	September 24, 2009	11:30 A.M.	FICCI Golden Jubilee Auditorium, New Delhi	Revision of the remuneration of Mr. Toshihiro Watanabe, Whole-time Director of the Company
23rd	August 26, 2010	11:30 A.M.	FICCI Golden Jubilee Auditorium, New Delhi	-

- No Extra ordinary General Meeting of the members was held during the year 2010-11.
- No special resolution was passed through Postal Ballot during the year 2010-11.
- None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing special resolutions through Postal Ballot.

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

(₹ in Million)

Name of Company	Status	Nature	Balance as on March 31, 2011	Maximum outstanding during the year
MSSL Mauritius Holdings Limited \$	100% Subsidiary	Loan	365.64	365.64
MSSL Handels GmbH	100% Subsidiary	Loan	6.49	6.49
India Nails Manufacturing Limited	100% Subsidiary	Loan	82.25	82.25
MSSL Global Wiring Ltd.	100% Subsidiary	Loan	468.94	468.94
MSSL GmbH ♦	100% Subsidiary of MSSL Mideast (FZE)	Loan	353.81	353.81
Samvardhana Motherson Invest Deutschland GmbH ♦	100% Subsidiary of MSSL GmbH	Loan	165.29	165.29
MSSL Advanced Polymers s.r.o ♦	100% Subsidiary of MSSL GmbH	Loan	404.82	404.82
MSSL (GB) Limited ♦	100% Subsidiary of MSSL Mideast (FZE)	Loan	107.85	109.54
Motherson Sumi Wiring System Ltd. (FZE) ♦	100% Subsidiary of MSSL Mideast (FZE)	Loan	161.92	161.92
MSSL Global RSA Module Engineering Ltd. Ω	100% Subsidiary of MSSL Mauritius Holdings Limited	Loan	1,059.45	1,059.45
MSSL Japan Ltd. #	100% Subsidiary of MSSL (S) Pte Ltd.	Loan	8.34	8.34
MSSL Australia Pty Limited	80% Subsidiary of MSSL (S) Pte Ltd	Loan	-	38.05
Samvardhana Motherson Reflectec Group Holdings Ltd. ♦	93.60% Subsidiary of Samvardhana Motherson Global Holdings Ltd.	Loan	-	94.74
SMR Automotive Systems India Limited	51% Subsidiary of SMR Automotive Technology Holding Cyprus Ltd.	Loan	-	61.20
SMR Automotive Systems USA Inc. \$	100% Subsidiary of SMR Automotive Mirror International USA Inc	Loan	-	111.48

♦ Loan through MSSL Mideast (FZE)

\$ Loan through Motherson Electrical Wire Lanka Private Limited

# Loan through MSSL (S) Pte Ltd

Ω Loan through MSSL Mauritius Holdings Limited

## 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(22) of Schedule XIII to the Accounts in the Annual Report.
- No penalties or strictures were imposed by SEBI or the Stock Exchange.
- Information pertaining to particulars of directors to be appointed and re-appointed at the forthcoming Annual General Meeting is being included in the Notice convening the Annual General Meeting.
- 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 : 02.09.2011
- Day : Friday
- Time : 11:30 A.M.
- Venue : MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi - 110054

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

- Financial reporting for the first quarter ending June 30, 2011: July, 2011
- Financial reporting for the second quarter ending September 30, 2011: October 2011
- Financial reporting for the third quarter ending December 31, 2011: January, 2012
- Financial results for the year ending March 31, 2012: May, 2012

### 3. Book Closure date

28.08.2011 to 02.09.2011 (both days inclusive)

### 4. Dividend payment date: on or after 02.09.2011

### 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

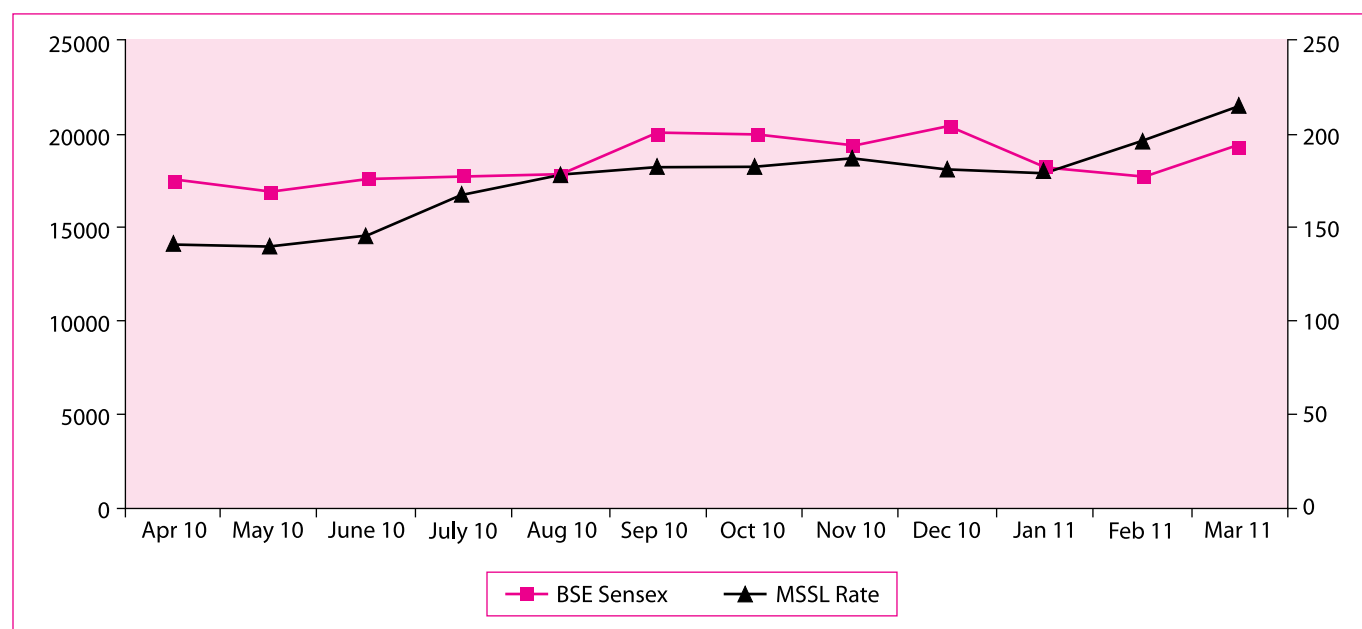
Ahmedabad Stock Exchange  
Kamdheni Complex,  
Near Polytechnic Panjara Pole  
Ahmedabad

## 6. MARKET PRICE DATA

(Figures in ₹)

Month	Bombay Stock Exchange		National Stock Exchange of India	
	High	Low	High	Low
April – 2010	157.00	122.55	156.50	122.05
May – 2010	140.85	122.10	146.00	118.75
June – 2010	150.75	133.90	150.50	134.40
July – 2010	172.30	143.50	172.40	140.35
August – 2010	187.95	165.00	188.00	164.30
September–2010	201.00	172.30	200.70	173.80
October – 2010	202.05	178.05	201.90	177.60
November – 2010	192.50	169.80	194.60	168.10
December – 2010	195.00	178.05	196.00	178.50
January – 2011	209.00	169.05	201.30	167.50
February – 2011	198.65	163.10	199.00	162.55
March – 2011	222.00	191.10	227.60	189.00

## 7. PERFORMANCE IN COMPARISON TO BROAD BASED INDICES



## 8. SHAREHOLDING PATTERN OF THE COMPANY AS ON 31.03.2011

Category	No. of shares held	% of shareholding
Indian Promoters	155764924	40.19
Foreign Promoters	96891795	25.00
Financial Institutions, Mutual Funds & Banks	36508930	9.42
Foreign Institutional Investors	39212809	10.12
Bodies Corporate	31552689	8.14
General Public (Individuals)	27224428	7.03
NRIs/ Trusts	355571	0.09
Clearing Members*	32654	0.01
<b>Total</b>	<b>387543800</b>	<b>100.00</b>

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

## 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

# ceased to be a member from the Committee and was replaced by Mr. Hideaki Ueshima, nominated as member of the Committee.

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, 2011

Range	No. of shareholders	% of shareholders to total	No. of shares	% of shares to total
1 - 5000	11339	90.54	5698812	1.47
5001 - 10000	795	6.35	4537624	1.17
10001 - 20000	149	1.19	1953640	0.05
20001 - 30000	52	0.42	1290093	0.33
30001 - 40000	16	0.13	561568	0.15
40001 - 50000	14	0.11	652211	0.17
50001 - 100000	35	0.28	2481474	0.64
100001 & Above	123	0.98	370368378	95.57
<b>Total</b>	<b>12523</b>	<b>100.00</b>	<b>387543800</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)  
Haldwani (Uttarakhand)  
Faridabad (Haryana)  
Gurgaon (Haryana)  
Manesar (Haryana)  
Pune (Maharashtra)

Bengaluru (Karnataka)  
Chennai (Tamil Nadu)  
Puducherry

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 29, 2011 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, 2011 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 29, 2011  
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, 2011, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s) 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 Agreement(s).

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.

**Anupam Dhawan**

Partner

Membership No. F-084451

Place: Noida

Date: July 29, 2011

For and on behalf of

**Price Waterhouse**

Chartered Accountants

FRN:012754N

# Auditors' Report

1. We have audited the attached Balance Sheet of Motherson Sumi Systems Limited (the "Company") as at March 31, 2011, 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, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2011 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 March 31, 2011;
  - (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: 012754N  
Chartered Accountants

Anupam Dhawan

Partner

Place: Noida  
Date: May 25, 2011

Membership Number: F-084451

# 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 off 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. Accordingly, clauses (iii) (a), (iii) (b), (iii) (c) and (iii) (d) of paragraph 4 of the Order are not applicable.
- (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. Accordingly, clauses (iii) (e), (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.
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 the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess 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, wealth-tax, service-tax, customs duty, excise duty and cess as at March 31, 2011 which have not been deposited on account of a dispute, are as follows:

Name of Statute	Nature of dues	Amount (₹ '000)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Central Excise	1,436	2000-01 & 2001-02	Customs, Excise and Service Tax Appellate Tribunal, Delhi
Central Excise Act, 1944	Central Excise	3,831	2001-02	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
Central Excise Act, 1944	Central Excise	27,292	2005-06 to 2008-09	Commissioner Central Excise, Noida
Central Excise Act, 1944	Central Excise	200.68	2008-09 to 2009-10	Deputy Commissioner Central Excise, Noida.
Customs Act, 1962	Custom Duty	244.40	2008-09	Deputy Commissioner of Customs, Bangalore.
Central Sales Tax Act, 1956	Central Sales Tax	3,564	2007-08	Joint Commissioner (Corporate Circle), Commercial Tax Department, Noida
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	15,561	2007-08	Joint Commissioner (Corporate Circle), Commercial Tax Department, Noida
Central Excise Act, 1944	Central Excise	2,199	2000-01 & 2003-04	Customs, Excise and Service Tax Appellate Tribunal, Chennai
Central Excise Act, 1944	Central Excise	197	2000-01	Hon'ble High Court, Chennai
UP Tax on Entry of Goods Rules, 1999	Entry Tax	3,650	1999-00 to 2001-02	Hon'ble High Court, Allahabad
Sales Tax	Sales Tax	600	2006-07 & 2008-09	Additional Commissioner (Appeals)
UP Trade Tax Act, 1948	Right to use & amortization	2,242	2005-06	Joint Commissioner (Appeal-3) Trade Tax
UP Trade Tax Act, 1948	Sales Tax	484	2006-07	Additional Commissioner (Appeals)
Central Excise Act, 1944	Service Tax	128	2007-08 & 2008-09	Central Excise Commissioner, Bangalore
Central Excise Act, 1944	Service Tax	2,786	1999-00 to 2001-02	Hon'ble High Court, Allahabad
Central Excise Act, 1944	Service Tax	311	1999-2000	Hon'ble High Court, Chennai

10. The Company has no accumulated losses as at March 31, 2011 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 issued, unsecured, short term debenture during the year, which have been repaid during the year. As per the terms, there is no requirement to create charge on these privately placed debentures.
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: 012754N  
Chartered Accountants

Anupam Dhawan  
Partner

Place: Noida  
Date: May 25, 2011

Membership Number: F-084451



# Balance Sheet

as at March 31, 2011

(Figures in ₹ Thousands)

	Schedule	As At March 31, 2011	As At March 31, 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	I	387,544	374,594
Reserves & Surplus	II	9,713,966	6,790,898
		<b>10,101,510</b>	<b>7,165,492</b>
<b>Loan Funds</b>			
Secured Loans	III	6,457,779	2,727,770
Unsecured Loans	IV	1,469,165	1,401,870
Deferred tax liability (net) (Refer B (19) of Schedule XIII)		225,124	135,468
<b>TOTAL</b>		<b>18,253,578</b>	<b>11,430,600</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	V	13,901,183	10,319,466
Less: Depreciation		4,914,815	3,628,320
Net Block		8,986,368	6,691,146
Capital Work in Progress		1,597,443	837,265
		<b>10,583,811</b>	<b>7,528,411</b>
<b>Investments</b>	VI	3,427,304	2,354,739
Deferred tax assets (net) (Refer B (19) of Schedule XIII)		-	-
<b>Current Assets, Loans and Advances</b>	VII		
Inventories		4,276,697	2,352,981
Sundry Debtors		3,506,247	2,309,542
Cash & Bank Balances		380,996	365,324
Loans & Advances		2,762,252	1,775,829
		<b>10,926,192</b>	<b>6,803,676</b>
<b>Less: Current Liabilities &amp; Provisions</b>	VIII		
Current Liabilities		5,165,660	4,047,952
Provisions		1,518,069	1,226,126
		<b>6,683,729</b>	<b>5,274,078</b>
<b>NET CURRENT ASSETS</b>		<b>4,242,463</b>	<b>1,529,598</b>
Miscellaneous Expenditure (To the extent not written off or adjusted)	IX	-	17,852
<b>TOTAL</b>		<b>18,253,578</b>	<b>11,430,600</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 012754N  
Chartered Accountants

V.C. SEHGAL  
Vice Chairman

HIDEAKI UESHIMA  
Director

PANKAJ MITAL  
Chief Operating Officer

ANUPAM DHAWAN  
Partner  
M.No.: F084451

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

Place: Noida  
Date : May 25, 2011

# Profit & Loss Account

for the year ended March 31, 2011

(Figures in ₹ Thousands)

	Schedule	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
<b>INCOME</b>			
Sale of Finished Goods (Gross)		30,383,259	18,283,964
Less: Excise duty		2,604,438	1,235,225
Sale of Finished Goods (Net)		27,778,821	17,048,739
Other Income	X	1,212,635	1,234,556
<b>TOTAL</b>		<b>28,991,456</b>	<b>18,283,295</b>
<b>EXPENDITURE</b>			
Manufacturing and Other Expenses	XI	23,932,254	14,714,681
Depreciation	V	829,570	645,747
Finance Cost (net)	XII	284,374	252,400
<b>TOTAL</b>		<b>25,046,198</b>	<b>15,612,828</b>
<b>Profit Before Taxation</b>		<b>3,945,258</b>	<b>2,670,467</b>
<b>Tax Expense</b>			
Provision for Current Income Tax		978,737	814,032
Provision for Deferred Income Tax (Refer B (19) of Schedule XIII)		89,657	150,767
Provision for Fringe Benefit Tax		-	-
Provision for Wealth Tax		2,000	2,000
		2,874,864	1,703,668
Less : Income Tax for earlier years written back		-	(80,990)
<b>Profit After Taxation</b>		<b>2,874,864</b>	<b>1,784,658</b>
Add: Balance brought forward from previous year		1,765,804	1,630,915
(Net of ₹663,918 thousand deduction consequent to amalgamation. Refer B (5) of Schedule XIII)			
<b>Surplus Available For Appropriation</b>		<b>4,640,668</b>	<b>3,415,573</b>
<b>APPROPRIATIONS</b>			
Transfer to General Reserve		300,000	200,000
Proposed Dividend		1,070,033	673,914
Tax on Dividend		173,595	111,937
Balance Carried to Balance Sheet		3,097,040	2,429,722
<b>TOTAL</b>		<b>4,640,668</b>	<b>3,415,573</b>
Earning per share of face value ₹1/- each	Basic	7.45	4.76
(Refer A(11) & B(18) of Schedule XIII)	Diluted	7.33	4.41
Significant Accounting Policies and	XIII		
Notes forming part of the Accounts			

This is the Profit and Loss Accounts 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 012754N  
Chartered Accountants

V.C. SEHGAL  
Vice Chairman

HIDEAKI UESHIMA  
Director

PANKAJ MITAL  
Chief Operating Officer

ANUPAM DHAWAN  
Partner  
M.No.: F084451

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

Place: Noida  
Date : May 25, 2011

# Cash Flow Statement

for the year ended March 31, 2011

(Figures in ₹ Thousands)

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
<b>A. Cash flow from operating activities:</b>		
Net profit before tax	3,945,258	2,670,467
Adjustments for:		
Depreciation and Impairment	829,570	645,747
Interest Expense	320,179	265,099
Interest Income	(35,805)	(11,824)
Income from Investment - Dividend Received	(202,159)	(94,075)
Profit on Fixed Assets sold	(26,290)	(19,073)
Debts / Advances Written off	16,859	6,425
Provision for Bad & Doubtful Debts / Advances	11,546	(2,637)
Liability no longer required written back	(119,478)	(1,066)
Provision for Gratuity & Leave Encashment	28,127	6,419
Provision for diminution in value of Long Term Investments	1,835	200,000
Provision for diminution in value of current investment	41	(48)
Unrealised foreign exchange (gain) /loss	(41,747)	(348,166)
<b>Operating profit before working capital changes</b>	<b>4,727,936</b>	<b>3,317,268</b>
<b>Adjustments for changes in working capital :</b>		
- (Increase)/ Decrease in Sundry Debtors	(1,135,833)	(632,585)
- (Increase)/ Decrease in Other Receivables	(586,916)	(382,311)
- (Increase)/ Decrease in Inventories	(1,901,573)	(750,310)
- Increase/ (Decrease) in Trade and Other Payables	1,126,153	1,259,562
<b>Cash generated from operations</b>	<b>2,229,767</b>	<b>2,811,624</b>
- Taxes (Paid) / Received (net of TDS and refunds received)	(903,426)	(819,544)
<b>Net cash from operating activities</b>	<b>1,326,341</b>	<b>1,992,080</b>
<b>B. Cash flow from Investing activities:</b>		
Purchase of fixed assets Including CWIP	(3,729,960)	(2,047,766)
Proceeds from Sale of fixed assets	110,757	99,475
Purchase of investments (including advance against equity) (net)	(1,457,173)	208,908
Loan to Subsidiaries/Joint Venture (net)	(344,767)	(267,200)
Lease Rent Payment	-	-
Interest Received (Revenue)	28,887	11,145
Dividend Received	202,159	94,075
<b>Net cash used in investing activities</b>	<b>(5,190,097)</b>	<b>(1,901,363)</b>

(Figures in ₹ Thousands)

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
<b>C. Cash flow from financing activities:</b>		
<b>Long term borrowings</b>		
- Receipts	2,736,550	525,749
- Payments	(394,062)	(277,420)
<b>Short term borrowings</b>		
- Receipts	185,000	150,000
- Payments	(184,026)	-
Proceeds from Working Capital Facilities (net)	2,553,724	388,782
Interest Paid	(308,990)	(131,344)
Dividend Paid	(676,821)	(478,851)
Dividend Tax Paid	(112,641)	(81,576)
<b>Net cash generated / (used) in financing activities</b>	<b>3,798,734</b>	<b>95,340</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	(65,022)	186,057
<b>Cash and cash equivalents Opening</b>	<b>365,324</b>	<b>179,322</b>
Cash and cash equivalents as at April 1, 2010 - acquired consequent to amalgamation of Balda Motherson Solution India Limited & Motherson Tradings Limited (Formerly Motherson PUDENZ WICKMANN Limited) (Refer B (1) of Schedule XIII)	93,319	-
<b>Total Cash and Cash Equivalents as per cash flow statement</b>	<b>393,621</b>	<b>365,379</b>
Cash and cash equivalents comprise		
Cash In Hand	9,067	6,434
Funds in transit / Cheques in Hand	9,202	224,528
Balance with Scheduled Banks	359,472	131,502
Balance with Non - Scheduled Banks	3,255	2,860
Cash and cash equivalents as per Balance Sheet (restated)	380,996	365,324
Add: Net unrealised loss / (gain) on Foreign Currency cash & Equivalents	12,625	55
Cash and cash equivalents Closing	<b>393,621</b>	<b>365,379</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) Cash and Cash equivalents include restricted balances for ₹13,597 thousand (Previous Year: ₹11,555 thousand) in relation to dividend accounts, deposits pledged with Excise & Sales Tax authorities and Margin money (Refer Schedule VII)
- (iv) Following non cash transactions have not been considered in the cash flow statement :
- Tax deducted at source on income
- (v) Figures in brackets indicate cash outgo.

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

for and on behalf of the Board

For Price Waterhouse

Firm Registration Number: FRN 012754N

Chartered Accountants

ANUPAM DHAWAN

Partner

M.No.: F084451

Place: Noida

Date : May 25, 2011

V.C. SEHGAL

Vice Chairman

G.N. GAUBA

Co. Secretary & V.P. Finance

HIDEAKI UESHIMA

Director

PANKAJ MITAL

Chief Operating Officer

# Schedules forming part of the Balance Sheet

(Figures in ₹ Thousands)

	As At March 31, 2011	As At March 31, 2010
<b>SCHEDULE I - SHARE CAPITAL</b>		
<b>Authorised</b> 1,923,000,000 Equity Shares of Re. 1/- each (Previous Year 803,000,000 Equity Shares of Re. 1/- each)	1,923,000	803,000
<b>Issued<sup>1</sup></b> 387,547,000 Equity Shares of Re. 1/- each (Previous Year 374,597,000 Equity Shares of Re. 1/- each)	387,547	374,597
<b>Subscribed and Paid up<sup>1</sup></b> 387,543,800 Equity Shares of Re. 1/- each (Previous Year 374,593,800 Equity Shares of Re. 1/- each)	387,544	374,594
<b>TOTAL</b>	<b>387,544</b>	<b>374,594</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, 35,210,000 (Previous Year 22,260,000) 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 12,950,000 equity shares of Re. 1/- each pursuant to conversion of Zero Coupon Foreign Currency Convertible Bonds (Refer B(3) of Schedule XIII).

(Figures in ₹ Thousands)

	As At March 31, 2011	As At March 31, 2010
<b>SCHEDULE II - RESERVES &amp; SURPLUS</b>		
<b>Revaluation Reserve</b>	20,031	20,031
<b>Reserve On Amalgamation</b>		
As Per Last Balance Sheet	572,346	572,346
Additions during the year <sup>2</sup>	669,600	-
Deductions during the year	-	-
	1,241,946	572,346
<b>Securities Premium Account</b>		
As per Last Balance Sheet	2,280,436	291,143
Additions during the year <sup>1</sup>	1,285,251	1,989,293
Deductions during the year	-	-
	3,565,687	2,280,436
<b>General Reserve</b>		
As per Last Balance Sheet	1,488,362	1,288,363
Transfer from Profit and Loss Account	300,000	200,000
Additions on Amalgamation <sup>2</sup>	900	-
Deductions during the year	-	-
	1,789,262	1,488,363
<b>Profit and Loss Account</b>		
As per Last Balance Sheet	2,429,722	1,630,915
Additions during the year	1,631,236	998,807
Additions on Amalgamation <sup>2</sup>	(663,918)	-
Transfer to General Reserve	300,000	200,000
	3,097,040	2,429,722
<b>TOTAL</b>	<b>9,713,966</b>	<b>6,790,898</b>

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

<sup>2</sup> Consequent to amalgamation of erstwhile Motherson Tradings Limited and Balda Motherson Solution India Limited with the Company. Refer B(5) of Schedule XIII.



# Schedules forming part of the Balance Sheet

(Figures in ₹ Thousands)

	As At March 31, 2011	As At March 31, 2010
<b>SCHEDULE III - SECURED LOANS</b>		
<b>Working Capital Facilities from Banks<sup>1</sup></b>		
- Rupee Loan	2,717,909	957,869
- Foreign currency Loan	715,634	279,480
<b>LONG TERM LOANS</b>		
(I) From Banks		
- Foreign currency Loan <sup>2,3</sup>	2,966,949	1,416,157
(II) From Others		
- Rupee Loan <sup>4</sup>	56,652	64,776
- Vehicle Loan <sup>5</sup>	635	9,488
<b>TOTAL</b>	<b>6,457,779</b>	<b>2,727,770</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 movable assets of the Company and second charge by way of hypothecation of all present and future immovable property.
- <sup>2</sup> Long term loans due within a year ₹459,430 thousand (Previous Year ₹276,217 thousand).
- <sup>3</sup> Secured by first pari-passu charge on entire fixed assets both movable and immovable 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 loans due within a year ₹9,042 thousand (Previous Year ₹8,124 thousand).
- <sup>5</sup> i) Due within a year ₹635 thousand (Previous Year ₹8,548 thousand).  
ii) Secured by hypothecation of specific vehicles purchased against such loans.

(Figures in ₹ Thousands)

	As At March 31, 2011	As At March 31, 2010
<b>SCHEDULE IV - UNSECURED LOANS</b>		
<b>Short term loans <sup>1</sup></b>		
- Privately Placed Debentures	-	150,000
- From Bank	350,000	-
- Other than Banks <sup>2</sup>	185,000	32,400
<b>Long term loans <sup>3</sup></b>		
- Zero Coupon Foreign Currency Convertible Bonds (Refer B (3) of Schedule XIII)	-	1,121,958
- From Banks - Foreign currency <sup>4</sup>	902,800	-
- Other than Banks <sup>5</sup>	31,365	97,512
<b>TOTAL</b>	<b>1,469,165</b>	<b>1,401,870</b>

- <sup>1</sup> Repayable on demand.
- <sup>2</sup> Includes due to an associate company ₹35,000 thousand.
- <sup>3</sup> Long term loans due within a Year ₹NIL (Previous Year ₹1,121,958 thousand).
- <sup>4</sup> Company has given a negative lien on the assets purchased out of the said facility.
- <sup>5</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(7), A(8) & A(12) of Schedule XIII)

(Figures in ₹ Thousands)

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK				
	As at March 31, 2010	Addition as at April 1, 2010 consequent to amalgamation <sup>1</sup>	Additions during the year	Deletions / Sales/ Adjustments	Total as at March 31, 2011	Upto March 31, 2010	Addition as at April 1, 2010 consequent to amalgamation <sup>1</sup>	Depreciation for the year	Depreciation on Deletions / Sales/ Adjustments	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
Tangible Assets												
Leasehold Land	744,661	-	142,163	-	886,824	29,017	-	9,319	-	38,336	848,488	715,644
Freehold Land	428,302	182,443	292,283	-	903,028	-	-	-	-	-	903,028	428,302
Leasehold Improvements	35,750	-	-	-	35,750	3,146	-	-	-	3,146	32,604	32,604
Building	2,553,214	87,699	833,168	28,994	3,445,087	318,429	76,569	104,922	28,994	470,926	2,974,161	2,234,785
Plant & machinery	5,916,241	522,731	1,514,128	137,266	7,815,834	2,849,023	478,546	599,071	60,391	3,866,249	3,949,585	3,067,218
Furniture, Fixtures & Office equipments	146,417	9,752	30,777	2,036	184,910	107,776	8,720	14,443	3,539	127,400	57,510	38,641
Computers	206,348	16,820	56,592	4,960	274,800	162,969	16,816	32,341	4,272	207,854	66,946	43,379
Vehicles	282,463	8,644	100,671	42,898	348,880	155,431	7,962	67,451	34,492	196,352	152,528	127,032
Intangible Assets												
Technical Knowhow fees	6,070	-	-	-	6,070	2,529	-	2,023	-	4,552	1,518	3,541
TOTAL	10,319,466	828,089	2,969,782	216,154	13,901,183	3,628,320	588,613	829,570	131,688	4,914,815	8,986,368	6,691,146
Previous Year	7,801,270	-	2,748,550	230,354	10,319,463	3,132,525	-	645,746	149,952	3,628,319	6,691,146	4,668,745
Capital Work in Progress <sup>2</sup>											1,597,443	837,265
											10,583,811	7,528,411

<sup>1</sup> Consequent to amalgamation of erstwhile Motherson Tradings Limited and Balda Motherson Solution India Ltd. with the Company. Refer B(5) of Schedule XIII.

<sup>2</sup> Includes capital advances of ₹418,929 thousand (Previous Year ₹472,322 thousand)

# Schedules forming part of the Balance Sheet

(Figures in ₹ Thousands)

Particulars	As At March 31, 2011	As At March 31, 2010
<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>1,2</sup></b>	-	27,057
Nil equity shares (2,500,000) of ₹10/- each fully paid up		
<b>MSSL Mauritius Holdings Ltd. <sup>1,3</sup></b>		
33,593,100 equity shares (525,000) of 1 Euro each fully paid up	2,090,506	22,452
Nil redeemable preference shares (16,350,000) of 1 Euro each fully paid up	-	1,046,044
<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
14,275,000 equity share (Nil) of Euro 1 each fully paid up	828,986	-
Nil redeemable preference shares (12,275,000) of 1 Euro each fully paid up	-	708,071
<b>MSSL Handels GmbH <sup>1,4</sup></b>		
1 equity share (1) of Euro 35,000	1,835	1,835
<b>Motherson Electrical Wires Lanka Pvt. Ltd. <sup>1</sup></b>		
1,456,202 equity shares (1,456,202) of Sri Lankan Rs.10/- each fully paid up	6,857	6,857
<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
4,500,000 6% redeemable (at par) non convertible and non cumulative preference shares (5,735,000) of S\$ 1/- each fully paid up	122,970	156,741
<b>MSSL Global Wiring Ltd. <sup>1</sup></b>		
50,000 equity shares (50,000) of ₹10/- each fully paid up	500	500
<b>India Nails Manufacturing Ltd. (formerly India Nails Manufacturing Pvt. Ltd.)<sup>1</sup></b>		
32,755,766 equity shares (Nil) of ₹10/- each fully paid up	153,608	-
<b>In Others</b>		
<b>(Long-term Investments)</b>		
<b>Woco Motherson Elastomers Ltd. <sup>1</sup></b>		
1,139,333 equity shares (1,139,333) of ₹10/- each fully paid up	11,393	11,393
<b>Woco Motherson Advanced Rubber Technologies Ltd. <sup>1</sup></b>		
666,667 equity shares (666,667) of ₹10/- each fully paid up	6,667	6,667
Nil 6% redeemable convertible non-cumulative preference shares (1,756,200) of ₹10/- each fully paid up	-	17,562
<b>Balda Motherson Solution India Ltd. <sup>1,2</sup></b>		
Nil equity shares (18,419,156) of ₹10/- each fully paid up	-	184,192
Nil 7% optionally convertible redeemable cumulative preference shares (22,958,000) of ₹10/- each fully paid up	-	229,580
<b>SMR Automotive Systems India Limited <sup>1</sup></b>		
6,712,990 equity shares (6,712,990) of ₹10/- each fully paid up	67,368	67,368
<b>Saks Ancillaries Ltd. <sup>1</sup></b>		
1,000,000 equity shares (1,000,000) of ₹10/- each fully paid up	10,724	10,724
<b>Kyungshin Industrial Motherson Ltd. <sup>1</sup></b>		
8,600,000 equity shares (8,600,000) of ₹10/- each fully paid up	86,080	86,080
<b>Motherson Air Travel Agencies Ltd. <sup>1</sup></b>		
120,000 equity shares (120,000) of ₹10/- each fully paid up	1,206	1,206
<b>Calsonic Kansei Motherson Auto Products Ltd. <sup>1</sup></b>		
11,907,000 equity shares (4,900,000) of ₹10/- each fully paid up	119,070	49,000
<b>Motherson Sumi Infotech &amp; Designs Ltd. <sup>1</sup></b>		
1,250,000 7% preference shares (1,250,000) of ₹10/- each fully paid up	12,500	12,500
<b>Motherson Sumi Infotech &amp; Designs Ltd. <sup>1</sup></b>		
1,200,000 Equity shares (1,200,000) of ₹10/- each fully paid up	13,800	13,800
<b>Total (A)</b>	<b>3,538,722</b>	<b>2,664,281</b>

# Schedules forming part of the Balance Sheet

(Figures in ₹ Thousands)

Particulars	As At March 31, 2011	As At March 31, 2010
<b>SCHEDULE VI - INVESTMENT (Refer A(3) on Schedule XIII)</b>		
<b>B. Quoted</b>		
(Current Investments)		
HDFC Bank Ltd. 407 equity shares (407) of ₹10/- each fully paid up	102	102
Balrampur Chinni Mills Ltd. 1,200 equity shares (1,200) of ₹1/- each fully paid up	10	10
Electrolux Kelvinator Ltd. (Formerly Intron Ltd.) 1,250 equity shares (1,250) of ₹10/- each fully paid up	-	-
Jaysynth Dyechem Ltd. 100 equity shares (100) of ₹10/- each fully paid up	1	-
GIVO Ltd. 28,475 equity shares (28,475) of ₹10/- each fully paid up	93	131
Mahindra & Mahindra Ltd. 3,644 equity shares (3,644) of ₹5/- each fully paid up	203	203
Pearl Engineering Polymers Ltd. 3,160 equity shares (3,160) of ₹10/- each fully paid up	8	12
Daewoo Motors Ltd. 6,150 equity shares (6,150) of ₹10/- each fully paid up	-	-
Inox Leasing & Finance Ltd. 100 equity shares (100) of ₹10/- each fully paid up	-	-
Athena Financial Services Ltd. (earlier Kinetic Lease & Finance Ltd.) 66 equity shares (66) of ₹10/- each fully paid up	-	-
<b>Total (B)</b>	<b>417</b>	<b>458</b>
<b>Total (A+B)</b>	<b>3,539,139</b>	<b>2,664,739</b>
Less: Provision for Diminution <sup>3,4</sup>	111,835	310,000
<b>Net Total</b>	<b>3,427,304</b>	<b>2,354,739</b>

<sup>1</sup> Trade Investment

<sup>2</sup> Cancelled during the year consequent to amalgamation of erstwhile Motherson Tradings Limited and Balda Motherson Solution India Ltd. with the company Refer B(5) of Schedule XIII.

<sup>3</sup> Provision for Diminution for ₹110,000 thousand is in respect of investment in MSSL Mauritius Holdings Ltd.

<sup>4</sup> Provision for Diminution for ₹1,835 thousand is in respect of investment in MSSL Handels GmbH

<b>Note:</b>		
a) Market value of quoted investments (Based on last traded price available as at March 31, 2011)	2,413	2,027
	<b>No. of Shares</b>	<b>(Figures in ₹ Thousands)</b>
<b>b) Investments made during the year</b>		
- Equity Shares		
Balda Motherson Solution India Ltd. <sup>2</sup>	27,628,734	1
Calsonic Kansei Motherson Auto Products Ltd.	7,007,000	70,070
India Nails Manufacturing Pvt. Ltd.	32,755,766	153,608
MSSL Mauritius Holdings Ltd.	16,718,100	1,022,010
MSSL Mideast FZE	2,000,000	120,915
- Preference Shares		
Balda Motherson Solution India Ltd. <sup>2</sup>	34,437,000	149,000
<b>c) Investments redeemed during the year</b>		
- Preference Shares		
MSSL (S) PTE Ltd.	6,703,000	33,771
Woco Motherson Advanced Rubber Technologies Ltd.	1,756,200	17,562
<b>d) Investments converted during the year</b>		
- Preference Shares to Equity Shares		
MSSL Mauritius Holdings Ltd.	163,500,000	1,046,044
MSSL Mideast FZE	122,750,000	708,071

# Schedules forming part of the Balance Sheet

(Figures in ₹ Thousands)

	As At March 31, 2011	As At March 31, 2010
<b>SCHEDULE VII - CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A. Current Assets</b>		
Stock in Trade (Refer A(4) of Schedule XIII)		
(i) Finished Goods	529,307	408,575
(ii) Work in Progress	922,445	400,059
(iii) Raw Material & Components	2,279,533	1,100,887
(iv) Goods in Transit (Raw Material & Components)	535,595	438,758
(v) Tools, Store & Spares	9,817	4,702
(1)	<b>4,276,697</b>	<b>2,352,981</b>
<b>Sundry Debtors</b>		
(Unsecured, unless otherwise stated)		
(i) Outstanding for more than six months		
Considered Good <sup>1</sup>	87,710	24,116
Considered Doubtful	11,019	5,235
	98,729	29,352
Less: Provision for doubtful debts	11,019	5,235
	87,710	24,116
(ii) Other Debts		
Considered good <sup>2</sup>	3,418,537	2,285,426
(2)	<b>3,506,247</b>	<b>2,309,542</b>
<b>Cash and Bank Balances</b>		
(i) Cash in hand	9,067	6,434
(ii) Funds in Transit including Cheques in hand	9,202	224,528
(iii) Balance with		
(a) Scheduled Banks in		
(i) Current Accounts	328,142	118,408
(ii) Deposit Accounts <sup>3</sup>	23,149	6,293
(iii) Dividend Accounts	8,181	6,801
(b) Non Scheduled Banks in <sup>4</sup>		
(i) Current Account with HSBC Bank Middle East Ltd.	2,095	2,059
(ii) Current Account with Commerz Bank Hanau Germany	1,160	801
(3)	<b>380,996</b>	<b>365,324</b>
<b>TOTAL A (1+2+3)</b>	<b>8,163,939</b>	<b>5,027,847</b>



# Schedules forming part of the Balance Sheet

(Figures in ₹ Thousands)

	As At March 31, 2011	As At March 31, 2010
<b>SCHEDULE VII - CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>B. Loans and Advances</b>		
<b>(Unsecured, unless otherwise stated)</b>		
(i) Advances recoverable in cash or in kind or for value to be received		
- Considered good <sup>5</sup>	1,004,427	486,953
- Considered doubtful <sup>6</sup>	8,229	2,466
	1,012,656	489,419
Less: Provision for doubtful advances	8,229	2,466
	1,004,427	486,953
(ii) Loan to Subsidiaries	551,972	306,950
(iii) Deposits with Excise, Customs & Govt Authorities	1,204,694	980,767
(iv) Advance Tax (Net) <sup>7</sup>	1,159	1,159
<b>TOTAL B</b>	<b>2,762,252</b>	<b>1,775,829</b>
<b>GRAND TOTAL (A+B)</b>	<b>10,926,191</b>	<b>6,803,676</b>

<sup>1</sup> Includes due from subsidiaries ₹46,623 thousand (Previous Year ₹Nil)

<sup>2</sup> Includes due from subsidiaries ₹483,354 thousand (Previous Year ₹123,546 thousand)

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

ii) Margin money ₹5,393 thousand (Previous Year ₹4,731 thousand)

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

i) HSBC Bank Middle East Ltd. ₹9,943 thousand (Previous Year ₹7,281 thousand)

ii) Commerz Bank Hanau Germany ₹9,160 thousand (Previous Year ₹3,519 thousand)

<sup>5</sup> Includes due from subsidiaries ₹54,234 thousand (Previous Year ₹18,940 thousand)

<sup>6</sup> Includes due from subsidiaries ₹5,762 thousand (Previous Year ₹Nil)

<sup>7</sup> Net of Provision for Fringe Benefit Tax ₹42,300 thousand (Previous Year ₹42,300 thousand)

# Schedules forming part of the Balance Sheet

(Figures in ₹ Thousands)

	As At March 31, 2011	As At March 31, 2010
<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>	5,646	9,610
Total Outstanding creditors other than Micro & Small Enterprises	4,330,185	3,243,060
(ii) Advance from Customers	588,003	577,736
(iii) Other Liabilities	221,509	206,817
(iv) Investor Education & Protection Fund shall be credited by the following amount:		
- Unpaid Dividend	8,181	6,801
(v) Interest Accrued but not due	12,136	3,928
	5,165,660	4,047,952
<b>B. Provisions</b>		
(i) Premium on Redemption of Zero Coupon Foreign Currency Convertible Bonds (Refer B(3) of Schedule XIII)	-	330,948
(ii) For Dividend (including tax thereon)	1,238,636	785,851
(iii) For Income Tax (net) <sup>3</sup>	178,384	38,270
(iv) For Wealth Tax	2,000	2,000
(v) For Employee Benefit (Refer A(5) & B(21) of Schedule XIII)	97,049	67,057
(vi) For Warranty (Refer B(20) of Schedule XIII)	2,000	2,000
	1,518,069	1,226,126
<b>TOTAL</b>	<b>6,683,729</b>	<b>5,274,078</b>

<sup>1</sup> Includes due to subsidiaries ₹352,233 thousand (Previous Year ₹436,761 thousand)<sup>2</sup> Refer B(4) of Schedule XIII<sup>3</sup> Net of Advance Income Tax ₹2,717,068 thousand (Previous Year ₹1,827,484 thousand)

(Figures in ₹ Thousands)

	As At March 31, 2011	As At March 31, 2010
<b>SCHEDULE IX - MISCELLANEOUS EXPENDITURE</b>		
<b>(To the extent not written off or adjusted)</b>		
(Refer B (3) of Schedule XIII)		
Premium on Redemption/ Issue Expenditure of Zero Coupon Foreign Currency Convertible Bonds		
Opening Balance	17,852	265,262
Less: Deletion during the year <sup>1</sup>	14,870	105,944
Less: Written off during the year	2,982	141,466
<b>TOTAL</b>	<b>-</b>	<b>17,852</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 ₹ Thousands)

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
<b>SCHEDULE X - OTHER INCOME</b>		
(a) Dividend Received <sup>1</sup>		
- From other than subsidiary companies	202,159	94,075
(b) Rent	64,013	66,144
(c) Provision for diminution in investment written back	-	48
(d) Exchange Differences(net) on:		
Foreign Currency Convertible Bonds	55,739	258,073
Others	154,665	297,095
(e) Liabilities no longer required written back	87,078	1,066
(f) Service Income	521,921	377,617
(g) Profit on sale of Other Fixed assets (net)	26,290	19,073
(h) Miscellaneous Income	100,770	121,364
<b>TOTAL</b>	<b>1,212,635</b>	<b>1,234,556</b>
Tax deducted on source		
(a) Rent	15,064	17,371
(b) Service and Miscellaneous Income	60,184	45,486
<sup>1</sup> Includes dividend from Short term Non- Trade investments	352	177

(Figures in ₹ Thousands)

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
<b>SCHEDULE XI - COST OF MATERIALS AND MANUFACTURING AND OTHER EXPENSES</b>		
<b>Materials consumed</b>		
Opening Stock		
Raw materials	1,100,887	871,790
Work-in-progress	400,059	261,876
Finished goods	408,575	177,361
Additions consequent to amalgamation (Refer B(5) of Schedule XIII)		
Raw materials	3,185	-
Work-in-progress	807	-
Finished goods	3,431	-
	1,916,944	1,311,027
Add : Purchases of Raw materials	19,082,879	10,820,291
Less: Closing Stock		
Raw materials	(2,279,533)	(1,100,887)
Work-in-progress	(922,445)	(400,059)
Finished goods	(529,307)	(408,575)
	(3,731,285)	(1,909,521)
<b>Total consumption for goods sold</b>	<b>17,268,538</b>	<b>10,221,797</b>

# Schedules forming part of the Profit and Loss Account

(Figures in ₹ Thousands)

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
<b>SCHEDULE XI - COST OF MATERIALS AND MANUFACTURING AND OTHER EXPENSES</b>		
Salary, Wages & Bonus	2,158,304	1,382,820
Contribution to Provident & Other Fund	175,189	120,871
Staff Welfare	238,975	141,423
Electricity, Water and Fuel	517,780	317,624
Repairs and Maintenance		
Machinery	295,469	174,220
Building	230,363	151,178
Others	136,280	115,869
Consumption of Store and Spare parts	373,481	242,524
Conversion charges	253,550	175,123
Lease Rent	4,398	4,492
Rent	78,509	56,141
Rates & Taxes	48,948	28,975
Insurance	35,612	25,904
Donation	11,423	4,003
Travelling	344,878	190,109
Freight & Forwarding	572,739	351,917
Royalty	134,792	88,505
Cash Discount	102,976	43,451
Commission	5,641	6,028
Provision for diminution in value of Long Term Investments	1,835	200,000
Provision for diminution in value of Current Investment	41	-
Bad Debts / Advances Written off	16,859	6,425
Legal & Professional Expenses	328,109	280,739
Exchange Fluctuation(net)		
Foreign Currency Convertible Bonds	-	-
Others	-	-
Miscellaneous Expenses	597,564	384,543
<b>TOTAL</b>	<b>23,932,254</b>	<b>14,714,681</b>

# Schedules forming part of the Profit and Loss Account

(Figures in ₹ Thousands)

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
<b>SCHEDULE XII - FINANCE COST (NET)</b>		
Interest & Finance Expense		
- Subsidiaries	-	-
- Privately Placed Debentures	13,913	18,091
- Fixed loans	51,139	34,290
- Amortisation of Premium / Issue Expenditure on Redemption of Zero Coupon Foreign Currency Convertible Bonds (Refer B (3) of Schedule XIII)	2,982	141,466
- Others	252,145	71,252
Less : Interest Income (Gross)		
- From Subsidiaries	420	567
- From Bank Deposits	10,235	4,820
- On Income Tax Refund	14,491	875
- From Others	10,659	6,437
<b>TOTAL</b>	<b>284,374</b>	<b>252,400</b>
Tax deducted on source Interest Income	2,524	1,253

## 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 recognizes 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.

The Company charges assets costing less than ₹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.



# Schedules forming part of the Accounts

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

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 recognize 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 realizable 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 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 recognizes 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 recognized 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 recognized on a proportion of time basis taking into account the principal outstanding and the rate applicable.

# Schedules forming part of the Accounts

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

### 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 capitalized as part of the cost of that asset.

### 9. LEASES

Lease rental 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 capitalized at an amount equal to the present value of future lease payments and a corresponding amount is recognized 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.

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

# Schedules forming part of the Accounts

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

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 recognized 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 recognizing 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.

## B. NOTES TO THE ACCOUNTS

### 1. Contingent Liabilities

(Figures in ₹ Thousands)

	As at March 31, 2011	As at March 31, 2010
a) In respect of Excise <sup>1</sup>	36,134	8,842
b) In respect of Customs	32,304	-
c) In respect of Entry Tax	-	8,186
d) In respect of Sales Tax	21,233	18,781
e) In respect of Service Tax	5,925	6,240
f) In respect of Stamp Duty	4,754	4,754
g) In respect of Income Tax	-	2,185
h) In respect of Labour Cases	11,307	17,005
i) The Company has given corporate guarantees in respect of :		
i) Subsidiary Companies	2,559,600	2,164,243
j) Bank Guarantees / Letters of Credit furnished by the Company	287,784	199,715

<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.

# Schedules forming part of the Accounts

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

### 2. Outstanding Capital Commitments

(Figures in ₹ Thousands)

	As at March 31, 2011	As at March 31, 2010
Unexpired amount of the contracts on capital accounts and not provided for (net of advances)	1,021,849	426,466

### 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 were listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The bonds were convertible at the option of the holder at any time on or after August 24, 2005 (or such earlier date as was 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 ₹74.3<sup>2</sup> per share with a fixed rate of exchange on conversion of ₹52.01 = Euro 1.00. The Conversion Price was subject to adjustment in certain circumstances.

The bonds also otherwise could 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 ₹52.01 = Euro 1.00.

The bonds also could 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 was outstanding.

The bonds also could 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 were to be redeemed by the Issuer in Euros on July 16, 2010 at 126.77 per cent of its principal amount.

The issuer had to, at the option of any holder of any bonds, repurchase at the Early Redemption Amount such bonds at such time as the shares ceased 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 18.5 million, the Company has allotted 12,950,000 equity shares during the year. Accordingly, an amount of ₹1,285.25 million, being the excess of the liabilities (including amortized premium/issue expenditure on such bonds up to 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 said allotment, bonds have been fully converted as at June 30, 2010.

<sup>2</sup> Revised from ₹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 ₹5,646 thousand (Previous year ₹9,609 thousand). This has been determined on the basis of responses received from vendors on specific confirmation sought by the Company in this regard.

# Schedules forming part of the Accounts

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

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

### 5. Amalgamation of Balda Motherson Solutions India Limited (BMSI) & Motherson Tradings Limited (MTL) with the Company

- The High Court of Judicature at Delhi has approved on March 21, 2011 the arrangement as embodied in the Scheme of Amalgamation ("the Scheme") of the erstwhile Balda Motherson Solutions India Limited (BMSI) & Motherson Tradings Limited (MTL), subsidiaries of the Company, the transferor Company with the Company (Motherson Sumi Systems Limited), the transferee Company. On complying with the requisite formalities by the Company, the Scheme became effective on April 28, 2011 ("the effective date"), operative retrospectively from April 1, 2010, the Appointed Date, as per the Scheme. Accordingly, the whole of the undertakings of BMSI and MTL have been transferred to and vested in the Company as a going concern and BMSI and MTL without any further act were dissolved without winding up.
- BMSI is in the business of manufacture and sale of injection moulded components and assemblies for mobile phones, electrical and electronic equipments. MTL is in the business of trading in fuse, fuse box and circuits.
- During the year, on May 18, 2010, the Company had, pursuant to an agreement with Balda AG & Balda Investment Mauritius Limited, purchased the 60% shareholding held by it, thereby making BMSI a 100% subsidiary of the Company. As per the Scheme, the said transaction is recorded in such a manner so that with effect from the appointed date, all assets and liabilities are vested in the Company. The amalgamation has been accounted for under the "pooling of interests" method as prescribed by Accounting Standard (AS-14) issued by the Institute of Chartered Accountants of India and the specific provisions of the Scheme. Accordingly, all the assets, liabilities and reserves of the transferor company as on April 1, 2010 have been recorded by the Company at their respective amounts.
- In view of the amalgamation of BMSI and MTL with the Company effective from April 1, 2010, the figures for the current year are not directly comparable to those of the previous year.

The Company's Fixed Assets for the current year include the following attributable to BMSI & MTL:

(Figures in ₹ Thousands)

Particulars	BMSI	MTL
Net Fixed Assets	237,990	1,485
Net Current Assets	122,702	61,162
(Dr)/ Cr Balance of P/L A/C	(700,665)	36,747
General Reserve	-	900
Excess of Liabilities over Assets	671,657	(2,057)

Being the excess of the value of assets over the value of the liabilities after adjusting for the aggregate value of the investments held in the transferee company and the adjustments mentioned in (d) above has been credited to the amalgamation reserve of the Company, in accordance with the scheme. The said investment by the company stands cancelled.

- On March 31, 2011, the Company has acquired 100% shares of India Nails Manufacturing Limited (formerly India Nails Manufacturing Private Limited). The total consideration paid amounted to ₹153,608 thousand as against negative net worth of India Nails Manufacturing Limited of ₹20,358 thousand. Accordingly, goodwill on consolidation of ₹173,966 thousand has been recognized in the consolidated financial statements.

Subsequently, the Board of Directors of the Company, at their meeting held on April 28, 2011, have approved merger of its wholly owned subsidiary companies namely, India Nails Manufacturing Limited and MSSL Global Wiring Limited (MGWL) with the Company, subject to requisite approvals.

- The Board of Directors of the Company at the meeting held on April 28, 2011, approved the merger of Sumi Motherson Innovative



# Schedules forming part of the Accounts

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

Engineering Limited (SMIEL) with the company with effect from April 1, 2011, subject to necessary approvals. Further, the Board at their meeting held on May 25, 2011 has recommended an exchange ratio of 10 shares of ₹1 each fully paid up for every 57 equity shares of ₹10 each held by shareholders of SMIEL. The Company will issue 4,420,360 new shares, thereby increasing its equity capital to ₹391,964 thousand.

6. During the year, the Company has made a provision for diminution in the value of its investment amounting to ₹1,835 thousand, in view of the continued losses incurred, on account of MSSL Handels GmbH.
7. The Company has the following unhedged foreign currency exposure:

(Figures in ₹ Thousands)

Currency	As at March 31, 2011 Payable / (Receivable)	As at March 31, 2010 Payable / (Receivable)
EUR	(3,623)	13,247
GBP	(461)	(86)
JPY	180,061	721,427
USD	87,045	32,018
SGD	6	(3,678)
CHF	(67)	(27)
AUD	(377)	(255)
THB	2,147	160
AED	(2)	-

8. Managerial Remuneration:

(Figures in ₹ Thousands)

	Year ended March 31, 2011 <sup>3</sup>	Year ended March 31, 2010 <sup>3</sup>
Salaries and other Allowances	6,560	5,605
Contribution to Provident and Other Funds	675	568
Estimated Value of Perquisites	2,633	2,109
Director's Sitting Fees	720	980
<b>TOTAL</b>	<b>10,588</b>	<b>9,262</b>

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

9. Payment to Auditors

(Figures in ₹ Thousands)

	Year ended March 31, 2011	Year ended March 31, 2010
Statutory Audit Fees (including Review of Quarterly Results)	11,950	5,650
Reimbursement of expenses	302	182
Fee for certification & other services	225	300
<b>TOTAL</b>	<b>12,477</b>	<b>6,132</b>

# Schedules forming part of the Accounts

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

### 10. Value of imports on CIF Basis in respect of:

(Figures in ₹ Thousands)

	Year ended March 31, 2011	Year ended March 31, 2010
Raw Materials and Components	10,469,944	6,253,575
Capital Goods	1,009,225	363,779
Spare Parts	113,631	48,201

### 11. Expenditure in foreign currency on account of: (On cash basis, net of tax)

(Figures in ₹ Thousands)

	Year ended March 31, 2011	Year ended March 31, 2010
Royalty	142,002	54,867
Travelling	41,060	30,516
Interest	25,380	25,873
Professional Fee	73,768	52,470
Technical Assistance Fees	15,965	3,400
Rent	19,385	17,302
Salaries and other Allowances	45,774	36,863
Computer and Software Expenses	1,170	1,388
Others (includes training, bank charges, reimbursements etc.)	83,629	70,641

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

#### A. Raw Materials and Components

Particulars	Year ended March 31, 2011		Year ended March 31, 2010	
	(%)	(Figures in ₹ Thousands)	(%)	(Figures in ₹ Thousands)
Imported	58	10,396,661	59	6,295,769
Indigenous	42	7,510,757	41	4,295,425
<b>TOTAL</b>	<b>100</b>	<b>17,907,418</b>	<b>100</b>	<b>10,591,194</b>

#### B. Stores and Spares

Particulars	Year ended March 31, 2011		Year ended March 31, 2010	
	(%)	(Figures in ₹ Thousands)	(%)	(Figures in ₹ Thousands)
Imported	22	81,621	16	39,397
Indigenous	78	291,860	84	203,127
<b>TOTAL</b>	<b>100</b>	<b>373,481</b>	<b>100</b>	<b>242,524</b>

# Schedules forming part of the Accounts

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

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

#### A Quantity

(Numbers in Thousands)

	Year ended March 31, 2011				Year ended March 31, 2010			
	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	494	1	714	10	346	4	458	09
Additions consequent to Amalgamation	-	-	804	-	-	-	-	-
Production	30,232	182	191,011	1,183	24,582	340	70,635	850
<b>TOTAL</b>	<b>30,726</b>	<b>183</b>	<b>192,529</b>	<b>1,193</b>	<b>24,928</b>	<b>344</b>	<b>71,093</b>	<b>859</b>
Sales / Consumption	30,103	182	188,541	1,181	24,434	343	70,379	849
Closing Stock	623	1	3,988	12	494	1	714	10

#### B Value

(Figures in ₹ Thousands)

	Year ended March 31, 2011				Year ended March 31, 2010		
	Opening Stock	Additions consequent to Amalgamation	Sales (net)	Closing Stock	Opening Stock	Sales (net)	Closing Stock
Wiring Harness	171,892	-	18,458,221	334,608	94,710	11,645,202	171,892
High Tension Cords	149	-	39,056	193	350	83,080	149
Plastic Comp.	143,375	3,431	6,578,137	76,030	34,557	4,080,567	143,375
Wires	81,208	-	642,859	92,702	41,304	477,025	81,208
Others <sup>4</sup>	11,951	-	2,060,548	25,774	6,440	762,865	11,951
<b>TOTAL</b>	<b>408,575</b>	<b>3,431</b>	<b>27,778,821</b>	<b>529,307</b>	<b>177,361</b>	<b>17,048,739</b>	<b>408,575</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.

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

(Figures in ₹ Thousands)

	Year ended March 31, 2011	Year ended March 31, 2010
FOB Value of Exports <sup>5</sup>	3,064,984	2,147,760
Interest Received		
- from subsidiary	339	547
Service Income	107,636	1,309
Miscellaneous Income	18,676	5,222

<sup>5</sup> Includes Deemed Exports of ₹459,819 thousand (Previous year ₹54,396 thousand)

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

	Year ended March 31, 2011	Year ended March 31, 2010
a) Amount remitted (Figures in ₹ Thousands)	169,561	130,804
b) No. of non-resident shareholders	1	1
c) No. of shares held by them (in thousands)	96,892	96,892
d) Year to which dividend pertains	Year ended March 31, 2010	Year ended March 31, 2009

# Schedules forming part of the Accounts

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

### 16. Licensed and Installed Capacity:

(Figures in Thousands)

	Year ended March 31, 2011	Year ended March 31, 2010
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 (M.T.)	N. A.	N. A.
(iv) Plastic Components (M.T.)	N. A.	N. A.
(v) Wires (Km's)	N. A.	N. A.

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

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

(Figures in Thousands)

	Year ended March 31, 2011		Year ended March 31, 2010	
Raw Materials and Components	Qty	Value	Qty	Value
a) Copper (MT)	9,666	3,986,053	6,742	2,153,659
b) Others <sup>7</sup>		13,921,365		8,437,535

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

### 18. Earnings per share

	Year ended March 31, 2011 <sup>8</sup>	Year ended March 31, 2010
<b>a) Basic</b>		
Weighted Average number of equity shares used to compute diluted earnings per share	386,056,540	374,593,800
Net profit after tax available for equity Shareholders (₹ in thousand)	2,874,864	1,784,658
Basic Earnings (in Rupees) Per Share of Re. 1/- each. (Previous Year Re 1/- each )	7.45	4.76
<b>b) Diluted</b>		
Number of Zero Coupon Convertible Bonds EUR 1000 each	-	18,500
Adjustment for net premium & exchange loss / (gain) on Zero Coupon Convertible Bonds (net of Taxes) (₹ in thousand)	(30,691)	(76,972)
Adjusted Net Profit (₹ in thousand)	2,844,173	1,707,688
Number of equity shares resulting from conversion of Zero Coupon Convertible Bonds (18,500 * 1000 * 52.01 / 74.3)	-	12,950,000
Weighted Average number of Equity Shares of Re. 1 /- each (Previous Year Re 1/- each ) outstanding at the end of the year	387,543,800	387,543,800
Diluted Earnings (in Rupees) Per Share of Re. 1/- each. (Previous Year Re 1/- each )	7.33	4.41

<sup>8</sup> Diluted EPS has been computed at fully diluted paid up capital of ₹387,543 thousand on conversion of Zero Coupon Foreign Currency Convertible bonds, which is dilutive during the period.

# Schedules forming part of the Accounts

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

### 19. Deferred Tax

- (i) The break up and movement of net deferred tax liability for the year ended March 31, 2011 is as under:

(Figures in ₹ Thousands)

Timing differences on account of:	As at March 31, 2011	(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 realizable)	(22,354)	75,181	(97,535)
Difference between depreciation as per financial statements and depreciation as per Income Tax Act	247,478	14,475	233,003
<b>Net Deferred Tax Liability/ (Asset)</b>	<b>225,124</b>	<b>89,656</b>	<b>135,468</b>

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

### 20. The Company has the following provision in the books of account as on March 31, 2011:

(Figures in ₹ Thousands)

Description	Opening Balance	Additions during the year	Utilized / Reversed during the year	Closing Balance
<b>Warranty</b>				
Current Year	2,000	1,332	1,332	2,000
Previous Year	2,000	422	422	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.

### 21. 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 ₹ Thousands)

GRATUITY	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009
Obligations at year beginning	134,046	111,829	78,133
Obligations at year beginning consequent to Amalgamation	1,148	-	-
Service Cost - Current	23,574	14,925	16,361
Interest Cost	11,257	8,272	5,895
Actuarial (gain) / loss	19,586	4,638	14,939
Benefit Paid	(6,387)	(5,618)	(3,499)

# Schedules forming part of the Accounts

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

(Figures in ₹ Thousands)

GRATUITY	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009
<b>Obligations at year end</b>	<b>183,224</b>	<b>134,046</b>	<b>111,829</b>
<b>Change in plan assets</b>			
<b>Plan assets at year beginning, at fair value</b>	<b>108,489</b>	<b>86,169</b>	<b>63,224</b>
Plan assets at year beginning consequent to Amalgamation	686	-	-
Expected return on plan assets	10,121	6,624	5,699
Actuarial gain / (loss)	1,141	1,050	1,174
Contributions	29,787	19,473	19,402
Benefits paid	(6,056)	(4,827)	(3,330)
<b>Plan assets at year end, at fair value</b>	<b>144,168</b>	<b>108,489</b>	<b>86,169</b>
<b>Reconciliation of present value of the obligation and the fair value of plan assets:</b>			
Present Value of the defined benefit obligations at the end of the year	183,224	134,046	111,829
Fair value of the plan assets at the end of the year	(144,168)	(108,489)	(86,169)
Liability recognised in the Balance Sheet	39,056	25,557	25,660
<b>Defined benefit obligations cost for the year</b>			
Service Cost - Current	23,574	14,925	16,361
Interest Cost	11,257	8,272	5,895
Expected return on plan assets	(10,021)	(6,624)	(5,699)
Actuarial (gain) / loss	18,445	3,588	13,765
<b>Net defined benefit obligations cost</b>	<b>43,155</b>	<b>20,161</b>	<b>30,322</b>

(Figures in ₹ Thousands)

LEAVE ENCASHMENT / COMPENSATED ABSENCES	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009
<b>Obligations at year beginning</b>	<b>41,500</b>	<b>34,978</b>	<b>25,312</b>
Obligations at year beginning consequent to Amalgamation	1,372	-	-
Service Cost - Current	10,639	8,190	6,184
Interest Cost	3,495	2,568	1,767
Actuarial (gain) / loss	6,456	(1,392)	3,807
Benefit Paid	(5,468)	(2,844)	(2,092)
<b>Obligations at year end</b>	<b>57,994</b>	<b>41,500</b>	<b>34,978</b>
<b>Reconciliation of present value of the obligation and the fair value of plan assets:</b>			
Present Value of the defined benefit obligations at the end of the year	57,994	41,500	34,978
Fair value of the plan assets at the end of the year	-	-	-
<b>Liability recognised in the Balance Sheet</b>	<b>57,994</b>	<b>41,500</b>	<b>34,978</b>
<b>Defined benefit obligations cost for the year</b>			
Service Cost - Current	10,639	8,190	6,184
Interest Cost	3,495	2,568	1,767
Expected return on plan assets	-	-	-
Actuarial (gain) / loss	6,456	(1,391)	3,807
<b>Net defined benefit obligations cost</b>	<b>20,590</b>	<b>9,367</b>	<b>11,758</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

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

	2011	2010	2009
Discount Rate	8.35 %	7.50 %	7.50 %
Future salary increases	7.50 %	6.25 %	6.25 %
Expected return on plan assets	9.30 %	9.30 %	9.25 %

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 ₹130,834 thousand (Previous Year ₹98,535 thousand).

## 22. 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 Mauritius Holdings Limited  
MSSL Mideast (FZE)  
MSSL Ireland Pvt. Limited  
MSSL Handels GmbH  
Motherson Electrical Wires Lanka Pvt. Ltd.  
MSSL Tooling (FZE)  
MSSL (S) Pte Ltd.  
MSSL GmbH  
MSSL Polymers GmbH  
Samvardhana Motherson Invest Deutschland GmbH (formerly Mothersonsumi Reiner GmbH)  
MSSL Advanced Polymers s.r.o.  
MSSL (GB) Limited  
Global Environment Management (FZC)  
Global Environment Management Australia Pty Limited  
Motherson Sumi Wiring System Ltd. (FZE)  
MSSL Australia Pty Ltd.  
Motherson Elastomers Pty Limited  
Motherson Investments Pty Limited  
Motherson Orca Precision Technology GmbH  
MSSL Global Wiring Limited  
MSSL s.r.l Unipersonale  
MSSL Global RSA Module Engineering Limited  
MSSL Japan Limited  
Samvardhana Motherson Global Holdings Ltd.  
Samvardhana Motherson Reflectec Group Holdings Limited  
SMR Automotive Holding Hong Kong Limited  
SMR Automotive Technology Holding Cyprus Ltd.

# Schedules forming part of the Accounts

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

SMR Automotive Mirror Systems Holding Deutschland GmbH  
 SMR Automotive Parts GmbH  
 SMR Poong Jeong Automotive Mirrors Korea Ltd.  
 SMR Hyosang Automotive Ltd.  
 SMR Holding Australia Pty Limited  
 SMR Automotive Australia Pty Limited  
 SMR Automotive Taree Pty Limited  
 SMR Automotive Mirror Technology Hungary Bt  
 SMR Grundbesitz GmbH & Co. KG  
 SMR Automotive Services GmbH  
 SMR Automotive Mirror Parts and Holdings UK Ltd.  
 Portchester Limited  
 SMR Automotive Mirrors UK Limited  
 SMR Automotive Technology Valencia S.A.U. (formerly Visiocorp 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.  
 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 Servicios 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.  
 SMR Automotive System (Thailand) Limited  
 India Nails Manufacturing Limited (Formerly India Nails Manufacturing Private Limited)

## II. Other Related Parties

### a. Joint Ventures:

Kyungshin Industrial Motherson Limited  
 Woco Motherson Elastomer Limited  
 Woco Motherson Advanced Rubber & Technologies Limited  
 Woco Motherson Limited (FZC)  
 Calsonic Kansei Motherson Auto Products Limited  
 Ningbo SMR Huaxiang Automotive Mirrors Co. Limited

### b. Associate Companies:

Saks Ancillaries Limited

# Schedules forming part of the Accounts

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

### c. Key Management Personnel:

#### i) Board of Directors:

Mr. M. S. Gujral  
Mr. V. C. Sehgal  
Mr. Laksh Vaaman Sehgal  
Mr. Toshimi Shirakawa  
Mr. Toshihiro Watanabe  
Mr. Bimal Dhar  
Mr. Hiroto Murai  
Maj. Gen. Amarjit Singh (Retd.)  
Mr. Pankaj Mital  
Mr. Arjun Puri  
Mr. Futoshi Urai

#### ii) Other Key Management Personnel:

Mr. Vivek Avasthi  
Mr. Ravindra Mathur  
Mr. G.N. Gauba  
Mr. N. Ramanathan  
Mr. Sanjay Mehta  
Mr. Ramesh Dhar

#### 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 Solutions 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  
Sis Bro Motor and Workshop Private Limited  
Motoman Motherson Robotics Limited (up to February 1, 2011)

# Schedules forming part of the Accounts

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

NACHI Motherson Tool Technology Limited  
 Motherson  
 Samvardhana Motherson Finance Limited  
 A Basic Concepts Design Pty Limited  
 ATAR Mauritius Private Limited  
 Motherson Auto Solutions Limited  
 Motherson Machinery and Automations Limited  
 Spheros Motherson Thermal Systems Limited  
 Matsui Technologies India Limited  
 Motherson Moulds and Diecasting Limited  
 Webasto Motherson Sunroofs Limited  
 Anest Iwata Motherson Limited  
 Field Motor Limited  
 AES (India) Engineering Limited  
 Motherson Auto Eng. Service Ltd. (formely Miyazu Motherson Eng. Design Ltd.)  
 Anest Iwata Motherson Coating Equipment Limited  
 Nissin Advance Coating Indo Company Limited  
 Magnetti Marelli Motherson Holding India B.V.  
 Magnetti Marelli Motherson Auto System Limited  
 Samvardhana Motherson Finance Services Cyprus Limited  
 Motherson Zanotti Refrigeration System Limited  
 Samvardhana Motherson Virtual Analysis Ltd.  
 Samvardhana Motherson Finance services Inc.  
 Motherson Time Tooth 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  
 Systematic Conscom Limited  
 MAS Middle East Ltd. (FZE)  
 Motherson Bergstrom HVAC Solutions Pvt. Ltd.  
 NACHI Motherson Precision Ltd.

**e. Joint Venturer:**

Sumitomo Wiring Systems Limited, Japan  
 Kyungshin Corporation, Korea  
 Woco Franz Josef Wolf Holding GmbH, Germany  
 Balda AG, Germany (up to May 17, 2010)  
 Calsonic Kansei Corporation, Japan  
 E-Compost Pty. Limited, Australia  
 Dremotech GmbH & Co. KG., Germany

# Schedules forming part of the Accounts

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

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 ₹ Thousands)

S. No	Particulars	Parties mentioned in 22 (I) above		Parties mentioned in 22 (II) (a) above		Parties mentioned in 22 (II) (b) & (d) above		Parties mentioned in 22 (II) (e) above		Parties mentioned in 22 (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	789,977	479,814	877,259	554,170	224,479	108,009	412,296	338,659	-	-
2	Rendering of Services	20,596	14,489	327,918	338,800	36,422	46,034	-	4	-	-
3	Sale of Fixed Assets	-	-	8,730	683	344	3,665	-	-	-	-
4	Purchase of Goods	895,926	623,196	34,372	33,449	1,106,171	648,496	299,755	245,066	-	-
5	Purchase of Fixed Assets	144,238	55,329	-	3,060	1,851,532	388,246	4,089	1,935	-	-
6	Purchase of Services	16,776	27,728	-	1,253	483,898	1,162,543	13,200	2,564	2,445 <sup>9</sup>	2,014
7	Reimbursement (Net)	70,627	47,769	-	797	206,024	46,461	6,321	314	-	-
8	Investments made during the year	1,296,534	61,150	70,070	-	-	158,787	-	-	-	-
9	Purchase of Shares	-	-	-	-	-	-	149,001	18,012	-	-
10	Investment Redeemed	33,771	228,721	17,562	26,667	-	-	-	-	-	-
11	Royalty	-	-	-	-	-	-	138,089	85,830	-	-
12	Remuneration/ Sitting Fees of Directors & Key Management Persons	-	-	-	-	-	-	-	-	25,607	20,368
13	Interest Income	420	567	-	961	6,500	3,971	-	-	-	-
14	Interest Expense	-	-	-	-	2,296	14	-	-	-	-
15	Dividend Paid	-	-	-	-	246,467	190,131	169,561	130,804	27,006 <sup>10</sup>	20,830
16	Dividend Received	-	-	199,457	93,024	2,350	875	-	-	-	-
17	Advances Given	-	-	-	-	-	100,000	-	-	-	-
18	Loans Received during the year	-	-	-	-	29,000	6,000	-	-	-	-
19	Loans Given during the year	412,554	300,800	-	-	50,000	-	-	-	-	-
20	Loans Repaid during the year	-	-	-	-	35,000	-	-	-	-	-
21	Loans Received back during the year	161,771	3,737	-	-	50,000	-	-	-	-	-
22	Security Deposits Received	-	2,152	-	5,523	1,470	47	-	-	-	-
23	Security Deposits Repaid	-	-	702	-	763	564	-	-	-	-
24	Investments	3,277,281	2,041,575	223,210	584,474	38,230	38,230	-	-	-	-
25	Loans Receivable (after reinstatement)	557,733	306,950	-	-	-	-	-	-	-	-
26	Advances Receivable	54,234	18,940	1,211	75,718	140,882	68,992	-	-	-	-
27	Security Deposit Received	2,152	-	39,860	48,550	12,540	2,162	-	-	-	-
28	Security Deposits Given	-	-	-	-	843	2,706	-	-	542	542
29	Guarantees Closing	2,559,600	2,400,400	-	-	-	-	-	-	-	-
30	Trade Payable	350,081	436,761	1,604	2,602	350,900	177,721	66,828	41,004	-	-
31	Trade Receivable	529,977	123,546	154,743	67,860	52,765	269,155	47,069	37,600	-	-

The Company has given letters of support to its subsidiaries MSSL Mauritius Holdings Ltd, MSSL Ireland Pvt. Limited, MSSL (GB) Ltd. and MSSL Global Wiring Limited (MGWL) to enable them to continue their operations.

<sup>9</sup> Rent of ₹2,445 thousand (Previous Year ₹2,014 thousand) paid to Mr. V. C. Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, Ms. Vidhi Sehgal.

<sup>10</sup> Dividend of ₹27,006 thousand (Previous Year ₹20,830 thousand) paid to Mr. V. C. Sehgal, Ms. Neelu Mehra, Ms. Geeta Soni, Mr. Bimal Dhar, Mr. Pankaj Mital, Mr. M.S. Gujral, Mr. G.N. Gauba, Mr. Vivek Avasthi, Ms. Subina Avasthi.

# Schedules forming part of the Accounts

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

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

(Figures in ₹Thousands)

Nature	2010-11		2009-10	
	Party Name	Amount	Party Name	Amount
Sale of Goods	SMR Automotive Systems India Limited	304,946	SMR Automotive Systems India Limited	215,860
	Kyungshin Industrial Motherson Limited	774,463	Kyungshin Industrial Motherson Limited	506,438
	Sumitomo Wiring Systems Limited, Japan	412,296	Sumitomo Wiring Systems Limited, Japan	338,659
Rendering of Services	Kyungshin Industrial Motherson Limited	306,515	Kyungshin Industrial Motherson Limited	304,885
Sale of Fixed Assets	Calsonic Kansei Motherson Auto Products Ltd.	8,730	Calsonic Kansei Motherson Auto Products Ltd.	683
			Motherson Techno Tools Limited	1,196
Purchase of Goods	Motherson Electrical Wires Lanka Pvt. Ltd.	578,422	Motherson Electricals Wires Lanka Pvt Limited	402,821
	Sumi Motherson Innovative Engineering Limited	673,407	Sumi Motherson Innovative Engineering Limited	466,478
	CTM India Limited	269,680		
	Sumitomo Wiring Systems Limited, Japan	298,107		
Purchase of Fixed Assets	Systematic Conscom Ltd.	1,699,901	Systematic Conscom Ltd.	781,588
			Motherson Sumi Infotech & Designs Limited	53,051
			AES ( India ) Engineering Limited	46,039
			CTM India Limited	123,593
Purchase of Services	Motherson Auto Limited	61,744	Motherson Auto Limited	50,139
	Motherson Air Travel Agencies Limited	76,974	Motherson Air Travel Agencies Limited	71,254
	Motherson Sumi Infotech & Designs Limited	140,607	Motherson Sumi Infotech & Designs Limited	129,169
	Saks Ancillaries Ltd.	138,100		
Reimbursement (Net)	Motherson Air Travel Agencies Limited	33,062	Motherson Air Travel Agencies Limited	21,115
	Systematic Conscom Limited	159,496	Systematic Conscom Limited	158,787
			MSSL (GB) Limited	17,409
			MSSL (S) Pte Limited	13,287
Investment made during the year	MSSL Mauritius Holdings Limited	1,022,010	MSSL Mauritius Holdings Limited	43,138
	India Nails Manufacturing Limited (Formerly India Nails Manufacturing Private Limited)	153,068	Motherson Tradings Limited	18,012
	Balda AG, Germany	149,001	Wilhelm Pudenz GmbH Germany	18,012
	MSSL (S) Pte Limited	33,771	MSSL (S) Pte Limited	228,721
Purchase of Shares	Woco Motherson Advanced Rubber & Tech Limited	17,562	Woco Motherson Advanced Rubber & Tech Limited	26,667
Sale of Shares/Redemption	Sumitomo Wiring Systems Limited, Japan	138,089	Sumitomo Wiring Systems Limited, Japan	85,830
Royalty	Mr. Pankaj Mital	6,051	Mr. Pankaj Mital	4,660
Remuneration / Sitting Fees of Directors & Key Management Personnel	Mr. Toshihiro Watanabe	3,816	Mr. Toshihiro Watanabe	3,622
	Mr. G. N. Gauba	5,641	Mr. G. N. Gauba	4,031
	Mr. Vivek Avasthi	4,374	Mr. Vivek Avasthi	3,252
	Mr. Sanjay Mehtha	2,900	Mr. Ravindra Mathur	2,549
Interest Income	Motherson Auto Limited	6,500	Motherson Auto Limited	3,971
			MSSL Handels GmbH	547
Interest Expense	Saks Ancillaries Limited	2,296	Saks Ancillaries Limited	14
Dividend Paid	Samvardhana Motherson Finance Limited	246,467	Samvardhana Motherson Finance Limited	190,131
	Sumitomo Wiring Systems Limited, Japan	169,561	Sumitomo Wiring Systems Limited, Japan	103,804
Dividend Received	Kyungshin Industrial Motherson Limited	172,000	Kyungshin Industrial Motherson Limited	86,000
	WOCO Motherson Advanced Rubber & Tech. Ltd.	27,457		
Loans Received during the year	Saks Ancillaries Limited	29,000	Saks Ancillaries Limited	6,000
Loans Given during the year	India Nails Manufacturing Limited (Formerly India Nails Manufacturing Private Limited)	82,250	SMR Automotive Systems India Limited	61,200
	MSSL Global Wiring Limited	330,304	MSSL Global Wiring Limited	239,600
	Sumi Motherson Innovative Engineering Ltd.	50,000		
	Saks Ancillaries Ltd.	35,000		
Loans Repaid during the year	MSSL Global Wiring Limited	100,571	MSSL Handels GmbH	3,737
Loans rec. back during the year	SMR Automotive Systems India Limited	61,200		
	Sumi Motherson Innovative Engineering Limited	50,000		



# Schedules forming part of the Accounts

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

(Figures in ₹ Thousands)

Nature	2010-11		2009-10	
	Party Name	Amount	Party Name	Amount
Security Deposits Received	CTM India Limited	1,470	SMR Automotive Systems India Limited	2,152
			Woco Motherson Elastomer Limited	1,164
			Calsonic Kansei Motherson Auto Products Limited	4,359
Security Deposit Repaid/ Given	Calsonic Kansei Motherson Auto Products Limited	702	Motherson Sumi Infotech & Designs Limited	564
	Motherson Auto Limited	763		
Advance Given		-	Motherson Auto Limited	100,000
<b>Balances as at year end</b>				
Advance given against Equity/ Preference Shares				
Loans Payable		-	Saks Ancillaries Ltd.	6,013
Loan Receivable	MSSL Global Wiring Limited	469,333	MSSL Global Wiring Limited	239,600
	India Nails Manufacturing Limited (Formerly India Nails Manufacturing Private Limited)	82,250	SMR Automotive Systems India Limited	61,200
Advances Receivable	Systematic Conscom Limited	36,992	Kyungshin Industrial Motherson Limited	70,703
	CTM India Limited	99,118	CTM India Limited	51,330
	Motherson Auto Limited	102,917	Motherson Auto Limited	101,442
Security Deposits Received	Kyungshin Industrial Motherson Limited	30,000	Kyungshin Industrial Motherson Limited	30,000
			Balda Motherson Solution India Limited	9,535
Security Deposits Given	Motherson Auto Limited	763	Motherson Auto Limited	2,626
	Laksh Vaaman Sehgal	542	Laksh Vaaman Sehgal	542
Guarantee Closing	Samvardhana Motherson Reflectec Group Holdings Limited	2,559,600	Samvardhana Motherson Reflectec Group Holdings Limited	2,400,400
Trade Payable	Motherson Electrical Wires Lanka Pvt. Ltd.	306,677	Motherson Electrical Wires Lanka Pvt. Ltd.	397,948
	Systematic Conscom Limited	336,671	Systematic Conscom Limited	215,428
			Sumi Motherson Innovative Engineering Limited	99,003
Trade Receivable	Kyungshin Industrial Motherson Limited	129,355	SMR Automotive Systems India Limited	43,489
	MSSL Japan Limited	220,250	Kyungshin Industrial Motherson Limited	63,215
			Sumitomo Wiring Systems Limited, Japan	37,600

## 23. SEGMENT INFORMATION

### a) Information about Primary Business Segments

(Figures in ₹ 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	26,476,405	15,934,712	2,711,105	1,788,099	292,462	734,508	29,479,972	18,457,319
Inter-segment	488,515	174,024	-	-	-	-	488,515	174,024
<b>Total revenue</b>	<b>25,987,890</b>	<b>15,760,688</b>	<b>2,711,105</b>	<b>1,788,099</b>	<b>292,462</b>	<b>734,508</b>	<b>28,991,457</b>	<b>18,283,295</b>
<b>Results</b>								
Segment result	3,648,280	2,097,594	290,725	290,767	-	-	3,939,006	2,388,361
Interest expense (net of Interest income)	-	-	-	-	284,375	252,400	284,375	252,400
Other Unallocable (net of Income)	-	-	-	-	(290,627)	(534,507)	(290,627)	(534,507)
<b>Profit Before Taxation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,945,258</b>	<b>2,670,468</b>
Provision for taxation (net)	-	-	-	-	1,070,394	885,809	1,070,394	885,809
<b>Net profit after tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,874,864</b>	<b>1,784,658</b>
<b>Other items</b>								
Segment assets	18,890,747	12,804,805	1,853,903	1,032,880	4,172,623	2,846,961	24,917,273	16,684,646
Segment liabilities	4,375,161	3,644,077	869,225	462,202	9,591,406	5,432,907 <sup>11</sup>	14,835,793	9,539,186
Capital expenditure	2,779,267	2,641,680	190,516	106,870	-	-	2,969,783	2,748,550
Depreciation & Impairment	746,870	585,468	82,700	60,279	-	-	829,570	645,747
Amortization of Premium on Redemption of Zero Coupon Foreign currency convertible bonds	-	-	-	-	2,982	141,466	2,982	141,466

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

# Schedules forming part of the Accounts

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

### b) Information about Secondary Business Segment

	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	25,908,180	15,371,109	2,790,814	2,177,676	292,462	734,508	28,991,456	18,283,295
<b>Total</b>	<b>25,908,180</b>	<b>15,371,109</b>	<b>2,790,814</b>	<b>2,177,676</b>	<b>292,462</b>	<b>734,508</b>	<b>28,991,456</b>	<b>18,283,295</b>
Carrying amount of segment assets	20,039,102	13,335,261	705,548	502,424	4,172,623	2,846,961	24,917,273	16,684,646
Addition to fixed assets	3,729,960	2,748,550	-	-	-	-	3,729,960	2,748,550

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

### c) Composition of Business Segments

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

<u>Segments</u>	<u>Products categories in respective segments</u>
Automotive	Wiring Harness, High Tension Cords, Wire, 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.

## 24. Interests in Joint Ventures:

The Company's interests, as a venture, in jointly controlled entities as at March 31, 2011 are:

Name of the Company	Country of Incorporation	% Voting power held as at March 31, 2011	% Voting power held as at March 31, 2010
Kyungshin Industrial Motherson Limited	India	50%	50%
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 Group's share of the assets and liabilities and revenue and expenses of the Joint Ventures and are included in the consolidated balance sheet and consolidated profit & loss account:

(Figures in ₹ Thousands)

Particulars	March 31, 2011	March 31, 2010
<b>Assets</b>		
Fixed Assets	339,065	483,857
Capital Work in Progress	3,185	3,050
Current Assets	1,499,403	1,154,561
<b>Liabilities</b>		
Secured Loans	36,805	62,451
Unsecured Loans	56,242	58,181
Current Liabilities & Provisions	779,485	540,468
Deferred Tax (Net)	-5,647	2,255
<b>Reserves &amp; Surplus</b>	<b>751,639</b>	<b>396,562</b>

# Schedules forming part of the Accounts

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

(Figures in ₹ Thousands)

Particulars	March 31, 2011	March 31, 2010
<b>Revenue</b>		
Sales	4,037,270	3,737,264
Other Income	47,850	73,612
Expenditure	3,657,576	3,288,962
<b>Profit before Tax</b>	427,543	521,914
Provision for Tax	115,865	182,863
<b>Profit after Tax</b>	311,678	339,051
<b>Contingent Liabilities</b>		
- In respect of Excise, Sales tax & Service tax matters	8,946	7,650
- Bank Guarantees	0	14,928
<b>Capital Commitment</b>	5,334	13,313

25. 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.
26. 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 012754N  
Chartered Accountants

V.C. SEHGAL  
Vice Chairman

HIDEAKI UESHIMA  
Director

PANKAJ MITAL  
Chief Operating Officer

ANUPAM DHAWAN  
Partner  
M.No.: F084451

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

Place: Noida  
Date : May 25, 2011

## 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.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	State Code	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Balance Sheet Date	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Day			Month				Year									

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

Public Issue	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Bonus Issue	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

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

Total Liabilities	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Total Assets	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Sources of Funds																	
Paid-up Capital	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Reserves & Surplus	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Secured Loans	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Unsecured Loans	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Deferred Tax (Net)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>								
Application of Funds																	
Net Fixed Assets	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Investments	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Net Current Assets	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Misc. Expenditure	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

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

Turnover	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Total Expenditure	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Profit/Loss before Tax	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Profit/Loss after Tax	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Earning per share in ₹	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Dividend Rate %	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

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

Product Description	Item Code							
Integrated Wiring Harness		8	5	4	4	.	9	0
Rubber Components	4	0	1	6	0	0	0	0
PVC Insulated Wire		8	5	4	4	.	9	0

for and on behalf of the Board

V.C. SEHGAL  
Vice Chairman

HIDEAKI UESHIMA  
Director

PANKAJ MITAL  
Chief Operating Officer

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

Place: Noida  
Date : May 25, 2011

## Statement Pursuant To Section 212 Of The Companies Act, 1956 Relating To Subsidiary Companies Name of the Subsidiary Companies

Particulars	MSSL MidEast (FZE)	Motherison Sumi Wiring System Ltd. (FZE)	MSSL GmbH	MSSL Polymers GmbH	MSSL Samvardhana Motherison Invest Deutschland GmbH	MSSL Advanced Polymers s.r.o	Motherison Orca Precision Technology GmbH	MSSL s.r.l. Unipersonale	MSSL GB Ltd.	MSSL Mauritius Holdings Limited	MSSL Tooling (FZE)	MSSL Ireland Private Limited	Global Environment Management Australia Pty Limited	MSSL (S) Pre Ltd
The financial year of the Subsidiary Companies ended on	March 31, 2011	March 31, 2011	December 31, 2010	December 31, 2010	December 31, 2010	December 31, 2010	December 31, 2010	December 31, 2010	December 31, 2010	December 31, 2010	March 31, 2011	December 31, 2010	December 31, 2010	March 31, 2011
Number of shares held in Subsidiary Company as on above date:	1 Equity Share of AED 150,000 equivalent to EUR 46,875 and 14,275,000 Equity share (Nil) of EUR 1 each	32,100 Equity shares of EUR 1 each held by MSSL MidEast (FZE)	250,000 Equity shares of EUR 1 each held by MSSL MidEast (FZE)	1 Equity share of EUR 51,200 each held by MSSL GmbH	1 Equity share of EUR 72,900 each held by MSSL GmbH	1 Equity share of EUR 51,000 each held by MSSL GmbH	1 Equity share of EUR 10,000 each held by MSSL GmbH	1,000 Equity shares of GBP 1 each held by MSSL MidEast (FZE)	52,500 Equity share of EUR 1 each and 16,350,000 preference share of EUR 1 each	1500 Equity Shares of AED 100 each equivalent to EUR 32,504 held by MSSL MidEast (FZE)	5000 Equity share of EUR 10 each held by MSSL Holdings Limited	75,100 Equity shares of AED 1 each equivalent to EUR 27,265 and 6,041,542 Equity shares of AUD 1 each held by MSSL Holdings Limited	2 Equity shares of AUD 1 each held by Global Environment Management (FZE)	100,000 equity shares of SGD 1 each preference share of SGD 1 each
- Equity (Nos.)	14,275,001	32,100	250,000	1	1	1	2	1	1,000	525,000	1,500	5,000	77,000,000	2
- Extent of Holding (%)	100%	100%	100%	100%	100%	100%	51%	100%	100%	100%	100%	100%	100%	100%
- Preference (Nos.)	-	-	-	-	-	-	-	-	-	16,350,000	-	-	-	-
- 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														
- Profits of the Subsidiary Companies for the financial year ended 31st March, 2011	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
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.														
(Figures in Thousands)	EUR 4,180	EUR 3,260	EUR (954)	EUR (62)	EUR -	EUR 242	EUR (1,620)	EUR (71)	GBP 210	EUR 1,069	EUR 956	EUR 243	AUD (207)	SGD (675)
- Profits/Losses of the Subsidiary Companies for the financial year ended March 31, 2011	₹ 264,027	₹ 205,903	₹ (60,252)	₹ (3,932)	₹ 0	₹ 15,263	₹ (102,340)	₹ (4,453)	₹ 15,001	₹ 67,489	₹ 60,376	₹ 15,319	₹ (9,542)	₹ (23,883)
- Profits for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company	EUR 25,042	EUR (3,590)	EUR (9,164)	EUR 1,209	EUR 0	EUR 674	EUR (1,132)	EUR (50)	GBP (681)	EUR (850)	EUR (2,095)	EUR (206)	AUD (2,682)	SGD 1,327
	₹ 1,581,683	₹ (226,729)	₹ (578,802)	₹ 76,390	₹ 0	₹ 42,575	₹ (71,528)	₹ (3,182)	₹ (48,687)	₹ (53,686)	₹ (132,329)	₹ (130,12)	₹ (123,495)	₹ (209,711)
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

\* Indian Rupee figures have been arrived at by applying the year end interbank exchange rate. EUR 1 = ₹63.16, SGD 1 = ₹35.38, AUD 1 = ₹46.05, GBP 1 = ₹71.48, USD 1 = ₹44.59, ZAR 1 = ₹6.59, KRW 1 = ₹0.04, CNY 1 = ₹6.81, HUF 1 = ₹0.23

Statement Pursuant To Section 212 Of The Companies Act, 1956 Relating To Subsidiary Companies (Contd.)  
Name of the Subsidiary Companies

Particulars	MSSL Australia Pty Limited	MSSL MSSL Handels GmbH	Motherson Electrical Wires Lanka (Pvt.) Ltd	MSSL Global Winding Limited	MSSL Japan Limited	India Natis Manufacturing Ltd.	Motherson Investments Pty Limited	Motherson Elastomers Pty Limited	MSSL Global Engineering Limited	Samvardhana Reflectec Group Holdings Ltd.	Samvardhana Reflectec Group Holdings Ltd.	SMR Automotive Technology Holding Cyprus Ltd.	SMR Automotive Holding Hong Kong Limited	SMR Automotive Systems GmbH Deutschland	SMR Automotive Parts GmbH	SMR Poong Jeong Automotive Mirrors Korea Ltd.
The financial year of the Subsidiary Companies ended on	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	December 31, 2010	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011
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) Pty 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	350 equity shares of JPY 50,000 each held by MSSL (S)Pte Ltd.	32,755,766 equity shares of ₹ 10 each	100 Equity shares of AUD 1 each held by MSSL Australia Pty Ltd	100 Equity shares of AUD 1 each held by MSSL Australia Pty Ltd	34,050,070 Equity share of ZAR 1 each held by MSSL Mauritius Holdings Limited	2,850,000,000 Equity share of EUR 0.01 each held by Samvardhana Reflectec Group Holdings (Cyprus) Ltd.	1,684,980 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 Parts GmbH, UK Ltd.	1 Equity share of HKD 1 each and 2,300,401 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 Parts GmbH, UK Ltd.	1 Equity share of EUR 25,000 each and 4 Equity shares of EUR 100 each held by SMR Automotive Parts GmbH, UK Ltd.	723,820 Equity shares of KRW 500 each held by SMR Automotive Parts GmbH, UK Ltd.
- Equity (Nos.)	10,000	1	1,456,202	50,000	350	35,000,000	100	100	34,050,070	2,850,000,000	1,684,980	5	2,300,401	5	1	803,356
- Extent of Holding (%)	80%	100%	100%	100%	100%	100%	100%	100%	100%	51%	100.00%	100%	100%	100%	100%	90%
- Preference (Nos.)	3,490,000	-	-	-	-	-	-	-	-	93.60%	-	-	-	-	-	-
- 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																
- Profits of the Subsidiary Companies for the financial year ended 31st March, 2011	Nil	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	Nil
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																
(Figures in Thousands)	AUD 315	EUR 0.80	USD 6,147	₹ (9,914)	JPY (53,066)	₹	0 AUD (97)	758 AUD	10,314 EUR	(673) EUR	(1,778) EUR	(709) EUR	(29) EUR	EUR (15,930)	EUR 17,344	KRW 7,604,575
- Profits/Losses of the Subsidiary Companies for the financial year ended March 31, 2011	₹ 14,491	₹ 51	₹ 274,115	₹ (9,914)	₹ (28,656)	₹ 0	₹ (4,459)	₹ 34,922	₹ 67,970	₹ (112,298)	₹ (44,780)	₹ (1,832)	₹ (1,832)	₹ (1,006,139)	₹ 1,095,447	₹ 304,183
- Profits for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	AUD 2,246	EUR (119)	USD 18,062	₹ (28,944)	JPY 0	₹ 0	0 AUD (111)	AUD 2,345	ZAR -	EUR 13,004	EUR (717)	EUR (36)	EUR (36)	EUR (16,105)	EUR 16,677	KRW 7,666,582
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	₹ 103,418	₹ (7,497)	₹ 805,406	₹ (28,944)	₹ 0	₹ 0	₹ (5,096)	₹ 117,201	₹ 0	₹ (3,252)	₹ (45,286)	₹ (2,274)	₹ (2,274)	₹ (1,017,192)	₹ 1,053,319	₹ 306,663
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	NA

\* Indian Rupee figures have been arrived at by applying the year end Interbank exchange rate; EUR 1 = ₹63.16, SGD 1 = ₹35.38, AUD 1 = ₹46.05, GBP 1 = ₹71.48, USD 1 = ₹44.59, ZAR 1 = ₹6.59, KRW 1 = ₹0.04, CNY 1 = ₹6.81, HUF 1 = ₹0.23



## Statement Pursuant to Section 212 Of The Companies Act, 1956 Relating To Subsidiary Companies (Contd.) Name of the Subsidiary Companies

Particulars	SMR Hyosang Automotive Ltd	SMR Holding Australia Pty Limited	SMR Automotive Australia Pty Limited	SMR Automotive Taree Pty Limited	SMR Automotive Technology Hungary Bt	SMR Grundbesitz GmbH & Co. KG	SMR Automotive Services GmbH	SMR Automotive Mirror Parts and Holdings UK Ltd.	SMR Automotive Services Limited	SMR Automotive Mirrors UK Limited	SMR Automotive Technology Valencia SAU	SMR Automotive Services UK Ltd.	SMR Automotive 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, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011
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 Mirrors Korea Ltd.	15,296,248 Equity shares of AUD 1 each held by SMR Automotive Technology Holding Hungary Kft	1,450,880 Class A Equity shares and 1,115,240 Class B shares of AUD 1.72 each and 4,64,684 equity shares of AUD 14.79 each held by SMR Holding Australia Pty. Ltd.	4,500,160 Ordinary Equity shares and 1,350,000 Class A shares of AUD 2 each held by SMR Holding Australia Pty. Ltd.	The Company is a Limited Partnership Company, EUR 872,029 contributed by SMR Automotive Technology Holding Cyprus Ltd. and EUR 5,242 contributed by SMR Automotive Technology Holding Hungary Kft.	1 Equity share of Euro 51,700 each held by SMR Automotive Mirror Systems Holding Deutschland GmbH	1 Equity share of EUR 26,000 each held by SMR Automotive Mirror Systems Holding Deutschland GmbH	102 Equity shares of GBP 1 each held by SMR Samvardhana Motherson Reflectec Group Holdings Ltd.	12,000,000 Equity shares of GBP 1 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 Mirror Parts and Holdings UK Ltd. and 1% by SMR Automotive Services UK Ltd.	100 Equity shares of USD 0.01 each held by SMR Automotive Mirror International USA Inc.	7,500 Equity shares of USD 10 each held by SMR Automotive Mirror International USA Inc.
- Equity (Nos.)	90,000	15,296,248	3,030,804	5,850,160		2	1	102	15,600,000	2	249,741	100			
- Extent of Holding (%)	100%	100%	100%	100%	100%	94%	100%	100%	100%	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															
- Profits of the Subsidiary Companies for the financial year ended 31st March, 2011	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
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.															
(Figures in Thousands)	KRW 2,857,323	AUD 29,524	AUD (26,474)	AUD 964	EUR (8,942)	EUR 516	EUR 12,855	EUR (12,362)	GBP 0	GBP 1,486	EUR (55)	GBP 24	USD (3,917)	USD 9,370	USD (1,536)
- Profits/Losses of the Subsidiary Companies for the financial year ended March 31, 2011	₹ 114,293	₹ 1,359,580	₹ (1,219,128)	₹ 44,392	₹ (564,777)	₹ 32,591	₹ 811,922	₹ (780,784)	₹ 0	₹ 106,219	₹ (3,474)	₹ 1,716	₹ (174,659)	₹ 417,808	₹ (68,490)
- Profits for the previous financial years of the Subsidiary Companies since it became a subsidiary of the Holding Company	KRW 2,944,706	AUD 29,286	AUD (26,489)	AUD 886	EUR (9,313)	EUR 428	EUR 12,058	EUR (12,048)	GBP 0	GBP 2,822	EUR (117)	GBP 23	USD (4,323)	USD 9,467	USD (1,637)
	₹ 117,788	₹ 1,348,620	₹ (1,219,818)	₹ 40,800	₹ (588,209)	₹ 27,032	₹ 761,583	₹ (760,952)	₹ 0	₹ 201,717	₹ (7,390)	₹ 1,644	₹ (192,763)	₹ 422,134	₹ (72,994)
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

\* Indian Rupee figures have been arrived at by applying the year end Interbank exchange rate. EUR 1 = ₹63.16, SGD 1 = ₹35.38, AUD 1 = ₹46.05, GBP 1 = ₹71.48, USD 1 = ₹44.59, ZAR 1 = ₹6.59, KRW 1 = ₹0.04, CNY 1 = ₹6.81, HUF 1 = ₹0.23

Statement Pursuant To Section 212 Of The Companies Act, 1956 Relating To Subsidiary Companies (Contd.)  
Name of the Subsidiary Companies

Particulars	SMR Automotive Systems India Limited	SMR Automotive Systems France S.A.	SMR Automotive Systems India Limited	SMR Automotive Systems Yancheng Co. Limited	SMR Automotive Systems Beijing Company Limited	SMR Automotive Technology Holding Hungary KFT	SMR Automotive Systems Spain S.A.U	SMR Automotive Vision Systems Mexico S.A. de C.V.	SMR Automotive Servicios Mexico S.A. de C.V.	SMR Automotive Mirrors Stuttgart GmbH	SMR Patents S.A.R.L.	SMR Automotive Beteiligungen Deutschland GmbH	SMR Automotive Brasil Ltda.	SMR Automotive System (Thailand) Limited
The financial year of the Subsidiary Companies ended on	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011
Number of shares held in Subsidiary Company as on above date:	651,105 Equity shares of ₹10 each held by SMR Automotive Technology Holding Cyprus Ltd.	671,299 Equity shares of ₹10 each 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 Holding Hong Kong Limited	1 Equity share of HUF 3,000,000 held by SMR Automotive Technology Holding Cyprus Ltd.	194,000 Equity shares of EUR 6.01 each held by SMR Automotive Parts GmbH	64.68 % Shares is held by SMR Automotive Parts GmbH and 35.32 % by SMR Automotive Vision Systems Spain S.A.U (7,400 fixed shares of USD 10 each and 7,908,915 variable shares of USD 10 each)	49,999 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 Beteiligungen Deutschland GmbH	23,306,303 share of BRL 1 each held by SMR Automotive Technology Holding Hungary	10,000,000 ordinary share of THB 2.50 each held by SMR Automotive Technology Holding Cyprus Ltd.
- Equity (Nos.)	651,105	13,700,000	100%	100%	100%	1	194,000	791,631.5	50,000	1	500	1	23,306,303	10,000,000
- Extent of Holding (%)	100%	100%	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 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, 2011	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
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.														
(Figures in Thousands)	EUR (5,635)	168,589	7,132	CNY 4,990	HUF (14,818)	EUR 1,905	USD 4,795	MXP (464)	EUR 3,082	EUR (177)	EUR 1,918	BRL (1,789)	THB (2,656)	
- Profits/Losses of the Subsidiary Companies for the financial year ended March 31, 2011	₹ (355,907)	₹ 168,589	₹ 48,569	₹ 33,982	₹ (3,408)	₹ 120,320	₹ 213,809	₹ (1,740)	₹ 194,659	₹ (11,179)	₹ 121,141	₹ (48,893)	₹ (3,904)	
- Profits for the previous financial year of the Subsidiary Companies since it became a subsidiary of the Holding Company	₹ (5,728)	₹ 182,378	₹ 7,433	CNY 4,827	HUF (14,870)	EUR 2,104	USD 5,072	MXP (464)	₹ 2,523	₹ (351)	₹ 1,921	BRL (1,789)	THB (2,656)	
	₹ (361,780)	₹ 182,378	₹ 50,619	₹ 32,872	₹ (3,420)	₹ 132,889	₹ 226,160	₹ (1,740)	₹ 159,353	₹ (22,169)	₹ 121,330	₹ (48,893)	₹ (3,904)	
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

\* Indian Rupee figures have been arrived at by applying the year end interbank exchange rate; EUR 1 = ₹63.16, SGD 1 = ₹35.38, AUD 1 = ₹46.05, GBP 1 = ₹71.48, USD 1 = ₹44.59, ZAR 1 = ₹6.59, KRW 1 = ₹0.04, CNY 1 = ₹0.23

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

S. No	Name of the Company	Country of Incorporation	MSSL Holding as at 31/03/2011	Reporting Dates used for Consolidation	Reporting Currency	Exchange Rate	Share Capital	Reserve and Surplus	Total Liabilities	Net Fixed Assets	Investment	Total Assets	Sales	PBT	Taxation	PAT
1	MSSL Mauritius Holdings Limited	Mauritius	100%	31-Dec-10	EUR	63.16	1,425,220	(7,749)	1,809,683	-	1,176,669	1,809,683	-	68,337	847	67,489
2	MSSL Mideast (FZE)	UAE	100%	31-Mar-11	EUR	63.16	904,570	1,847,190	2,948,955	55,207	993,265	2,948,955	946,319	264,027	-	264,027
3	Motherson Electrical Wires Lanka Pvt. Limited	Sri Lanka	100%	31-Mar-11	USD	44.59	6,769	1,135,653	1,160,110	81,948	-	1,160,110	1,419,844	273,974	(141)	274,115
4	MSSL Handels GmbH	Austria	100%	31-Mar-11	EUR	63.16	2,211	(7,446)	982	27	-	982	-	51	-	51
5	MSSL (S) Pte Ltd	Singapore	100%	31-Mar-11	SGD	35.38	162,748	23,079	208,236	43,394	125,395	208,236	-	(14,817)	(487)	(14,331)
6	MSSL Global Wiring Limited	India	100%	31-Mar-11	INR	1.00	500	(38,858)	554,195	230,743	-	554,195	303,537	(11,709)	(1,991)	(9,718)
7	MSSL Japan Limited	Japan	100%	31-Mar-11	JPY	0.54	9,450	(24,606)	191,056	3,023	-	191,056	75,102	(28,499)	157	(28,656)
8	India Nails Manufacturing Limited	India	100%	31-Mar-11	INR	1.00	327,558	(271,920)	151,085	147,613	-	151,085	-	-	-	-
9	MSSL GmbH <sup>2</sup>	Germany	100%	31-Dec-10	EUR	63.16	15,790	113,181	128,971	64,230	242,175	306,405	60,346	60,346	-	60,346
10	MSSL (GB) Limited <sup>2</sup>	UK	100%	31-Dec-10	GBP	71.48	71	(33,685)	180,917	3,582	-	180,917	462,240	9,907	(5,695)	15,001
11	Motherson Sumi Wiring System Limited (FZE) <sup>2</sup>	UAE	100%	31-Mar-11	EUR	63.16	2,027	(20,825)	150,325	123,649	-	150,325	349,473	205,653	-	205,653
12	MSSL Ireland Private Limited <sup>4</sup>	Ireland	100%	31-Dec-10	EUR	63.16	3,158	2,306	7,529	114	-	7,529	-	15,983	665	15,319
13	MSSL Tooling Limited (FZE) <sup>2</sup>	UAE	100%	31-Mar-11	EUR	63.16	223,113	(71,954)	398,408	32,213	-	398,408	282,371	60,376	-	60,376
14	Global Environment Management (FZC) <sup>4</sup>	UAE	79%	31-Dec-10	AUD	46.05	289,619	(133,036)	235,314	820	0	235,314	36,735	(9,542)	-	(9,542)
15	MSSL Australia Pty Limited <sup>5</sup>	Australia	80%	31-Mar-11	AUD	46.05	161,175	117,909	458,988	850	9	458,988	-	21,347	6,821	14,525
16	MSSL Polymers GmbH <sup>3</sup>	Germany	100%	31-Dec-10	EUR	63.16	3,234	85,090	143,273	27,707	-	143,273	427,564	427,564	400	427,164
17	Samvardhana Motherson Invest Deutschland GmbH <sup>3</sup>	Germany	100%	31-Dec-10	EUR	63.16	12,632	60,002	257,794	242,194	-	257,794	35,924	35,924	(30)	35,954
18	MSSL Advanced Polymers sro <sup>3</sup>	Czech Republic	100%	31-Dec-10	CZK	2.38	4,760	60,264	65,024	502,378	-	502,378	447,723	(8,748)	(5,415)	(7,132)
19	Motherson Orca Precision Technology GmbH <sup>3</sup>	Germany	51%	31-Dec-10	EUR	63.16	6,316	(8,074)	(17,588)	37,786	-	37,786	591,082	591,082	-	591,082
20	MSSL srl Unipersonale <sup>3</sup>	Italy	100%	31-Dec-10	EUR	63.16	632	(7,635)	(7,003)	1,591	-	1,591	9,091	9,091	-	9,091
21	Global Environment Management Australia Pty Limited <sup>6</sup>	Australia	100%	31-Mar-11	AUD	46.05	0.1	(220,124)	10,450	45	-	10,450	25,835	(10,413)	-	(10,413)
22	Motherson Elastomers Pty Limited <sup>7</sup>	Australia	100%	31-Mar-11	AUD	46.05	5	152,123	625,131	147,025	-	625,131	1,576,925	47,946	13,210	34,736
23	Motherson Investments Pty Limited <sup>7</sup>	Australia	100%	31-Mar-11	AUD	46.05	5	(9,555)	203,119	198,159	-	203,119	-	(4,931)	(472)	(4,459)
24	MSSL Global RSA Module Engineering Limited (formerly Golden Dividend 629 Limited) <sup>4</sup>	South Africa	100%	31-Dec-10	ZAR	6.59	224,390	(91,096)	1,174,856	788,867	-	1,174,856	-	(90,798)	-	(90,798)
25	Samvardhana Motherson Global Holdings Ltd. (SMGHL) <sup>4</sup>	Cyprus	51%	31-Mar-11	EUR	63.16	126,952	1,636,587	1,802,959	-	1,800,060	1,802,959	-	(41,985)	19	(42,004)
26	Samvardhana Motherson Reflectec Group Holdings Limited (SMR) (formerly Samvardhana Motherson VisiCorp Solution Limited) <sup>8</sup>	Jersey	93.6%	31-Mar-11	EUR	63.16	1,923,275	1,242,371	7,137,181	-	2,404,522	7,137,181	-	(112,328)	-	(112,328)
27	SMR Automotive Holding Hong Kong Limited (formerly known as Elemental Growth Limited) <sup>8</sup>	Hong Kong	100%	31-Mar-11	EUR	63.16	145,297	(14,003)	147,173	-	146,095	147,173	-	(1,801)	-	(1,801)
28	SMR Automotive Technology Holding Cyprus Ltd. (formerly known as Horizonfield Limited) <sup>8</sup>	Cyprus	100%	31-Mar-11	EUR	63.16	814,247	(57,867)	1,403,123	-	1,397,752	1,403,123	-	(44,792)	-	(44,792)
29	SMR Automotive Mirror Systems Holding Deutschland GmbH (formerly known as VisiCorp Holding Germany GmbH) <sup>8</sup>	Germany	100%	31-Mar-11	EUR	63.16	1,604	(1,445,511)	10,051,922	-	5,516,173	10,051,922	-	(1,002,785)	3,395	(1,006,180)

(Figures in ₹ Thousand)

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

(Figures in ₹ Thousand)

S. No	Name of the Company	Country of Incorporation	MSSL Holding as at 31/03/2011	Reporting Dates used for Consolidation	Reporting Currency	Exchange Rate	Share Capital	Reserve and Surplus	Total Liabilities	Net Fixed Assets	Investment	Total Assets	Sales	PBT	Taxation	PAT
30	SMR Automotive Parts GmbH (formerly known as VisiCorp Automotive GmbH) <sup>a</sup>	Germany	100%	31-Mar-11	EUR	63.16	1,579	(409,283)	626,652	-	6,316	626,652	-	1,095,492	2	1,095,490
31	SMR Poong Jeong Automotive Mirros Korea Ltd. (formerly VisiCorp Poong Jeong Co Limited) <sup>a</sup>	South Korea	90%	31-Mar-11	KRW	0.04	130,993	1,349,478	3,732,171	949,055	113,356	3,732,171	9316,305	287,662	(28,610)	316,272
32	SMR Hyosang Automotive Ltd. (formerly VisiCorp Hyosang Limited) <sup>a</sup>	South Korea	90%	31-Mar-11	KRW	0.04	14,639	347,252	848,749	254,738	-	848,749	1,621,114	153,048	34,213	118,835
33	SMR Holding Australia Pty Limited (formerly VisiCorp Holding Australia Pty Limited) <sup>a</sup>	Australia	100%	31-Mar-11	AUD	46.05	1,082,481	206,039	2,047,015	-	1,490,472	2,047,015	-	1,264,238	(66,093)	1,330,331
34	SMR Automotive Australia Pty Limited (formerly VisiCorp Australia Pty Limited) <sup>a</sup>	Australia	100%	31-Mar-11	AUD	46.05	359,929	610,620	4,485,388	607,362	-	4,485,388	5,687,629	(994,400)	198,472	(1,192,872)
35	SMR Automotive Taree Pty Limited (formerly VisiCorp Taree Pty Limited) <sup>a</sup>	Australia	100%	31-Mar-11	AUD	46.05	373,240	(481,989)	322	-	-	322	7,249	43,419	-	43,419
36	SMR Automotive Mirror Technology Hungary Bt (formerly VisiCorp Hungary Bt) <sup>a</sup>	Hungary	100%	31-Mar-11	EUR	63.16	55,413	(2,457,194)	6,289,534	2,553,206	-	6,289,534	10,298,821	(510,117)	54,652	(564,769)
37	SMR Grundbesitz GmbH & Co. KG (formerly VisiCorp Grundbesitz GmbH & Co. KG) <sup>a</sup>	Germany	94%	31-Mar-11	EUR	63.16	3,509	239,495	1,053,877	384,841	-	1,053,877	-	42,536	9,943	32,593
38	SMR Automotive Services GmbH (formerly VisiCorp Group Services GmbH) <sup>a</sup>	Germany	100%	31-Mar-11	EUR	63.16	1,642	(75,342)	1,900,718	19,950	-	1,900,718	-	820,112	8,147	811,965
39	SMR Automotive Mirror Parts and Holdings UK Ltd. (formerly VisiCorp Management UK Limited) <sup>a</sup>	UK	100%	31-Mar-11	EUR	63.16	9	(7,224,693)	13,747,955	-	1,391,893	13,747,955	-	(780,833)	-	(780,833)
40	SMR Automotive Services Portchester Limited <sup>a</sup>	UK	100%	31-Mar-11	GBP	71.48	111,296	(110,727)	-	-	-	-	-	-	-	-
41	SMR Automotive Mirrors UK Limited (formerly VisiCorp UK Limited) <sup>a</sup>	UK	100%	31-Mar-11	GBP	71.48	-	2,631,618	4,290,542	247,357	-	4,290,542	7,103,130	118,563	8,144	110,419
42	SMR Automotive Technology Valencia S.A.U. (VisiCorp Automotive Valencia S.A.U.) <sup>a</sup>	Spain	100%	31-Mar-11	EUR	63.16	328,416	(234,018)	176,592	32,448	-	176,592	-	(4,164)	(710)	(3,454)
43	SMR Automotive Services UK Ltd. (formerly VisiCorp Services UK Limited) <sup>a</sup>	UK	100%	31-Mar-11	GBP	71.48	7	9,905	51,002	-	1,807	51,002	-	1,683	(89)	1,772
44	SMR Automotive Technology Holdings USA Partners (formerly VisiCorp Holding USA LLP) <sup>a</sup>	USA	100%	31-Mar-11	USD	44.59	1,091,973	(2,230,137)	3,874,920	-	3,874,920	3,874,920	-	(186,984)	-	(186,984)
45	SMR Automotive Mirror International USA Inc. (formerly VisiCorp International USA Inc.) <sup>a</sup>	USA	100%	31-Mar-11	USD	44.59	4,681,831	380,189	4,927,334	-	3,692,049	4,927,334	-	447,363	-	447,363
46	SMR Automotive Systems USA Inc. (formerly VisiCorp USA Inc.) <sup>a</sup>	USA	100%	31-Mar-11	USD	44.59	3,886,116	406,568	4,641,807	924,752	-	4,641,807	5,374,619	(5,136)	68,200	(73,336)
47	SMR Automotive Systems France S. A. (formerly VisiCorp France S.A.) <sup>a</sup>	France	100%	31-Mar-11	EUR	63.16	1,159,913	(1,364,832)	1,984,110	770,383	-	1,984,110	3,267,379	(322,387)	33,530	(355,917)
48	SMR Automotive Systems India Limited (formerly VisiCorp Motherson Limited) <sup>a</sup>	India	100%	31-Mar-11	INR	1.00	137,000	392,320	1,023,870	215,715	-	1,023,870	2,671,830	249,096	80,507	168,589

(Figures in ₹ Thousand)

S. No	Name of the Company	Country of Incorporation	MSSL Holding as at 31/03/2011	Reporting Dates used for Consolidation	Reporting Currency	Exchange Rate	Share Capital	Reserve and Surplus	Total Liabilities	Net Fixed Assets	Investment	Total Assets	Sales	PBT	Taxation	PAT
49	SMR Automotive Yancheng Co. Limited (formerly Visiocorp Automotive Yancheng Co Limited) <sup>a</sup>	China	100%	31-Mar-11	CNY	6.81	9,196	148,154	283,886	52,860	-	283,886	495,412	75,807	25,014	50,793
50	SMR Automotive Beijing Company Limited (formerly Visiocorp Automotive Beijing Co Limited) <sup>a</sup>	China	100%	31-Mar-11	CNY	6.81	24,498	180,613	420,996	81,859	-	420,996	1,175,463	59,420	23,879	35,541
51	SMR Automotive Mirror Technology Holding Hungary KFT (formerly Visiocorp Holding Hungary KFT) <sup>a</sup>	Hungary	100%	31-Mar-11	HUF	0.23	238,341	(3,316)	698,096	-	696,414	698,096	248	(3,394)	-	(3,394)
52	SMR Automotive Systems Spain S.A.U. (formerly Visiocorp Espana S.A.U.) <sup>a</sup>	Spain	100%	31-Mar-11	EUR	63.16	73,644	164,457	1,479,180	356,191	-	1,479,180	1,676,893	171,775	51,435	120,340
53	SMR Automotive Vision Systems Mexico S.A. de C.V. (formerly Visiocorp Mexico S.A. de C.V.) <sup>a</sup>	Mexico	100%	31-Mar-11	USD	44.59	360,969	199,710	1,479,248	351,748	16,132	1,479,248	1,375,251	212,915	(15,990)	228,905
54	SMR Automotive Servicios Mexico S.A. de C.V. (formerly Visiocorp Servicios S.A. de C.V.) <sup>a</sup>	Mexico	100%	31-Mar-11	MXP	3.75	192	32,522	54,663	-	-	54,663	192,576	5,687	7,467	(1,780)
55	SMR Automotive Mirrors Stuttgart GmbH (formerly Visiocorp Verwaltungsgesellschaft GmbH) <sup>a</sup>	Germany	100%	31-Mar-11	EUR	63.16	1,579	136,175	1,107,359	46,568	-	1,107,359	116,094	197,509	2,817	194,692
56	SMR Automotive Patents S.a.r.L. (formerly Visiocorp Patents SARL) <sup>a</sup>	Luxembourg	100%	31-Mar-11	EUR	63.16	790	(261,278)	1,373	-	-	1,373	-	(107,56)	414	(11,170)
57	SMR Automotive Beteiligungen Deutschland GmbH (formerly Visiocorp Beteiligungen GmbH) <sup>a</sup>	Germany	100%	31-Mar-11	EUR	63.16	1,579	388,833	547,653	-	-	547,653	-	124,643	3,480	121,163
58	SMR Automotive Brasil Ltda.	Brasil	100%	31-Mar-11	BRL	27.33	449,608	(49,540)	575,689	498,599	-	575,689	-	(49,540)	-	(49,540)
59	SMR Automotive System (Thailand) Limited	Thailand	100%	31-Mar-11	THB	1.47	36,863	(4,048)	37,994	34,232	-	37,994	-	(4,048)	-	(4,048)

**Notes:**

- As required under Para VI of the approval dated May 20, 2010 - issued by Ministry of Company Affairs, Indian rupee 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 Ltd.
- Subsidiary of Samvardhana Motherison Global Holdings Ltd.

# Auditor's 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, 2011, 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 nineteen subsidiaries and five jointly controlled entities included in the consolidated financial statements, which constitute total assets of Rs 23,157,408 thousand and net assets of Rs 11,687,312 thousand as at March 31, 2011, total revenue of Rs. 45,602,999 thousand, net profit of Rs 856,696 thousand and net cash flows amounting to Rs 312,605 thousand for the year then ended; and one associate company which constitute net profit of Rs 2,038 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, 2011;
  - (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 Price Waterhouse  
Firm Registration Number: 012754N  
Chartered Accountants

Anupam Dhawan  
Partner

Place: Noida  
Date: May 25, 2011

Membership Number F-084451



# Consolidated Balance Sheet

as at March 31, 2011

(Figures in ₹ Thousands)

	Schedule	As At March 31, 2011	As At March 31, 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	I	387,544	374,594
Reserves & Surplus	II	15,699,876	11,274,609
		16,087,420	11,649,203
<b>Minority Interest</b>			
Capital & Reserves		2,275,844	2,026,910
<b>Loan Funds</b>			
Secured Loans	III	10,817,732	6,518,884
Unsecured Loans	IV	1,816,770	1,660,196
Deferred tax liability (net) (Refer B (12) of Schedule XIII)		9,917	40,363
<b>TOTAL</b>		<b>31,007,683</b>	<b>21,895,556</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	V	38,210,476	31,820,665
Less: Depreciation		20,553,151	17,272,897
Net Block		17,657,325	14,547,768
Capital Work in Progress		4,600,479	1,808,375
		22,257,804	16,356,143
Investments	VI	453,429	470,876
<b>Current Assets, Loans and Advances</b>	VII		
Inventories		10,375,721	6,751,793
Sundry Debtors		9,556,505	7,687,647
Cash & Bank Balances		3,564,835	3,430,545
Loans & Advances		4,432,636	3,101,329
		27,929,697	20,971,314
<b>Less: Current Liabilities &amp; Provisions</b>	VIII		
Current Liabilities		16,290,899	13,059,530
Provisions		3,342,348	2,861,099
		19,633,247	15,920,629
<b>NET CURRENT ASSETS</b>		8,296,450	5,050,685
Miscellaneous Expenditure (To the extent not written off or adjusted)	IX	-	17,852
<b>TOTAL</b>		<b>31,007,683</b>	<b>21,895,556</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

For **Price Waterhouse**  
Firm Registration Number: FRN 012754N  
Chartered Accountants

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

Place: Noida  
Date : May 25, 2011

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

for and on behalf of the Board

**V.C. SEHGAL**  
Vice Chairman

**HIDEAKI UESHIMA**  
Director

**PANKAJ MITAL**  
Chief Operating Officer

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

# Consolidated Profit and Loss Account

for the year ended March 31, 2011

(Figures in ₹ Thousands)

	Schedule	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
<b>INCOME</b>			
Sale of Finished Goods (Gross)		84,670,274	68,536,245
Less: Excise duty		2,913,953	1,514,357
Sale of Finished Goods (Net)		81,756,321	67,021,888
Other Income	X	2,341,475	3,330,617
<b>TOTAL</b>		<b>84,097,796</b>	<b>70,352,505</b>
<b>EXPENDITURE</b>			
Manufacturing and Other Expenses	XI	74,823,940	63,750,409
Depreciation & Impairment		2,464,937	2,600,956
Finance Cost (net)	XII	496,525	573,231
<b>TOTAL</b>		<b>77,785,402</b>	<b>66,924,596</b>
<b>Profit Before Taxation and adjustments</b>		<b>6,312,394</b>	<b>3,427,909</b>
Share of Profit in Associate (Refer B (3) (B) of Schedule XIII)		2,038	2,122
<b>Profit Before Taxation</b>		<b>6,314,432</b>	<b>3,430,031</b>
<b>Tax Expense</b>			
Provision for Current Income Tax		1,858,866	1,237,278
Provision for Deferred IncomeTax (Refer B (12) of Schedule XIII)		(13,828)	(83,921)
Provision for Wealth Tax		2,085	2,086
Provision for Fringe Benefit Tax		40,655	5,398
		4,426,654	2,269,190
Less : Income Tax for earlier years written back		(4,634)	(67,089)
<b>Profit After Taxation</b>		<b>4,431,288</b>	<b>2,336,279</b>
– Concern share		3,908,119	2,427,707
– Minority		523,169	(91,428)
Add: Balance brought forward from previous year (Net of ₹603,810 thousand deduction consequent to acquisition. Refer B (5) of Schedule XIII)		4,723,671	3,932,601
<b>Surplus Available For Appropriation</b>		<b>8,631,790</b>	<b>6,360,308</b>
<b>APPROPRIATIONS</b>			
Transfer to General Reserve		323,500	231,167
Proposed Dividend		1,070,033	673,914
Tax on Dividend		173,595	111,937
Tax paid on Dividend by consolidated companies		33,124	15,809
Balance Carried to Balance Sheet		7,031,538	5,327,481
<b>TOTAL</b>		<b>8,631,790</b>	<b>6,360,308</b>
Earning per share of face value ₹1/- each	Basic	10.12	6.48
(Refer B (11) of Schedule XIII)	Diluted	10.01	6.07
<b>Significant Accounting Policies and Notes forming part of the Accounts</b>	XIII		

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 012754N  
Chartered Accountants

**V.C. SEHGAL**  
Vice Chairman

**HIDEAKI UESHIMA**  
Director

**PANKAJ MITAL**  
Chief Operating Officer

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

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

Place: Noida  
Date : May 25, 2011

# Consolidated Cash Flow Statement

for the year ended March 31, 2011

(Figures in ₹ Thousands)

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
<b>A. Cash flow from operating activities:</b>		
Net (loss)/Profit before Tax	6,314,432	3,430,031
Adjustments for:		
Share of Profit in Associate	(2,038)	(2,122)
Depreciation & Impairment	2,464,937	2,600,956
Interest Expense	576,418	634,824
Interest Income	(65,402)	(60,649)
Income from Investment - Dividends	(2,702)	(1,116)
Lease Rent	39,419	-
(Profit)/Loss on Fixed Assets sold	(98,998)	76,647
Provision for diminution in value of Short Term Investments created/(written back)	-	(48)
Debts / Advances Written off	68,478	193,902
Provision for Bad & Doubtful Debts / Advances	-	6,049
Liabilities no longer required written back	(356,429)	(299,644)
Provision for employee benefit	103,580	(262,424)
Unrealised foreign exchange (gain) /loss	112,837	(138,914)
Provision for warranty	14,959	41,519
Other Provision	(423,391)	(193,984)
<b>Operating profit before working capital changes</b>	<b>8,746,100</b>	<b>6,025,027</b>
<b>Adjustments for changes in working capital</b>		
- (Increase)/Decrease in Sundry Debtors	(1,895,986)	(1,773,023)
- (Increase)/Decrease in Other Receivables	(1,150,798)	945,739
- (Increase)/Decrease in Inventories	(3,623,930)	(550,830)
- (Increase)/Decrease in Trade and Other Payables	3,672,815	716,853
<b>Cash generated from operations</b>	<b>5,748,201</b>	<b>5,363,766</b>
- Taxes (Paid) / Received (Net of TDS)	(1,555,302)	(1,280,533)
<b>Net cash from operating activities</b>	<b>4,192,899</b>	<b>4,083,233</b>
<b>B. Cash flow from Investing activities:</b>		
Purchase of fixed assets including capital work in progress		
- Addition During the year	(7,860,533)	(4,129,099)
Sale of Investment in Mutual Fund	2,839	(2,839)
Proceeds from Sale of fixed assets	306,105	349,010
Purchase of minority interest in subsidiary	-	(18,012)
Sale /(Purchase) of investments	4,470	(7,359)
Interest Received (Revenue)	29,947	49,275
Dividend Received	2,702	1,116
Consideration paid on acquisition of subsidiaries	(540,342)	-
<b>Net cash used in investing activities</b>	<b>(8,054,812)</b>	<b>(3,757,908)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from Minority Shareholders	-	181,938
Proceeds from Joint Venturer	-	10,706
<b>Long term borrowings</b>		
Receipts	5,079,525	2,244,486
Payments	(498,896)	(1,472,656)
<b>Short term borrowings</b>		
Receipts	577,440	71,508

(Figures in ₹ Thousands)

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
Payments	(2,305,355)	(79,415)
Proceeds from Cash Credits (net)	2,553,724	411,659
Finance Lease Rent (interest part only)	(39,419)	-
Interest Paid	(567,779)	(496,119)
Dividend Paid	(676,821)	(478,851)
Dividend Tax Paid	(112,641)	(81,576)
<b>Net cash used in financing activities</b>	<b>4,009,778</b>	<b>311,680</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	147,865	637,005
<b>Cash and cash equivalents - Opening</b>	<b>3,430,545</b>	<b>2,766,232</b>
- Proportionate Cash and Cash Equivalents of the venturer transferred consequent to change in accounting treatment	-	28,958
<b>Total Cash and Cash Equivalents as per cash flow statement</b>	<b>3,578,410</b>	<b>3,432,195</b>
<b>Cash and cash equivalents comprise</b>		
Cash In Hand	17,849	14,014
Cheques In Hand	79,160	231,628
Deposit Account	363,169	417,011
Balance with Banks	3,104,657	2,767,892
<b>Total Cash and cash equivalents</b>	<b>3,564,835</b>	<b>3,430,545</b>
Cash and Cash Equivalents include :		
Cash & bank balances as per Balance Sheet (restated)	3,564,835	3,430,545
<b>Net Unrealised Loss on Foreign Currency Cash &amp; Equivalents</b>	<b>13,575</b>	<b>1,650</b>
<b>Total</b>	<b>3,578,410</b>	<b>3,432,195</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.
- Cash and Cash equivalents include restricted balances for ₹19,480 thousand (Previous Year: ₹24,661 thousand) in relation to dividend accounts, deposits pledged with Excise & Sales Tax authorities and Margin money (Refer Schedule VII)
- 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 and on behalf of the Board

For **Price Waterhouse**

Firm Registration Number: FRN 012754N

Chartered Accountants

**ANUPAM DHAWAN**

Partner

M.No.: F084451

Place: Noida

Date : May 25, 2011

**V.C. SEHGAL**

Vice Chairman

**G.N. GAUBA**

Co. Secretary & V.P. Finance

**HIDEAKI UESHIMA**

Director

**PANKAJ MITAL**

Chief Operating Officer

# Schedules forming part of the Consolidated Balance Sheet

(Figures in ₹ Thousands)

	As At March 31, 2011	As At March 31, 2010
<b>SCHEDULE I - SHARE CAPITAL</b>		
<b>Authorised</b>		
1,923,000,000 Equity Shares of ₹1/- each (Previous Year 803,000,000 Equity Shares of ₹1/- each)	1,923,000	803,000
<b>Issued<sup>1</sup></b>		
387,547,000 Equity Shares of ₹1/- each (Previous Year 374,597,000 Equity Shares of ₹1/- each)	387,547	374,597
<b>Subscribed and Paid up<sup>1</sup></b>		
387,543,800 Equity Shares of ₹1/- each (Previous Year 374,593,800 Equity Shares of ₹1/- each)	387,544	374,594
<b>TOTAL</b>	<b>387,544</b>	<b>374,594</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 and general reserve)

(Of the above shares 35,210,000 (Previous Year 22,260,000) 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 12,950,000 equity shares of Re. 1/- each pursuant to conversion of Zero Coupon Foreign Currency Convertible Bonds (Refer B(4) of Schedule XIII).

(Figures in ₹ Thousands)

	As At March 31, 2011	As At March 31, 2010
<b>SCHEDULE II - RESERVES &amp; SURPLUS</b>		
<b>Revaluation Reserve</b>		
As per Last Balance Sheet	20,031	20,031
Additions during the year <sup>1</sup>	75,995	96,026
		-
		20,031
<b>Reserve on Amalgamation</b>		
As per Last Balance Sheet	572,346	572,346
Additions during the year <sup>2</sup>	669,600	1,241,946
		-
		572,346
<b>Securities Premium Account</b>		
As per Last Balance Sheet	2,291,141	291,143
Additions during the year <sup>3</sup>	1,362,137	1,999,998
Deductions during the year	-	3,653,278
		-
		2,291,141
<b>General Reserve</b>		
As per Last Balance Sheet	1,581,009	1,349,842
Transferred from Profit & Loss Account	323,500	231,167
Deductions during the year	-	1,904,509
		-
		1,581,009
<b>Exchange Reserve on Consolidation</b> (Refer A (10) of Schedule XIII)		
As per Last Balance Sheet	153,307	219,736
Additions during the year	304,509	-
Deductions during the year	-	457,816
		66,429
		153,307
<b>Capital Reserve on Consolidation</b> (Refer A (2) of Schedule XIII)		
As per Last Balance Sheet	1,329,294	1,089,849
Additions during the year	-	239,445
Deductions during the year <sup>2</sup>	14,532	1,314,762
		-
		1,329,294
<b>Profit and Loss Account</b>		
As per Last Balance Sheet	5,327,481	3,932,601
Additions during the year	2,631,368	1,626,047
Transfer to General Reserve	323,500	231,167
Deductions during the year <sup>2</sup>	603,810	7,031,539
		-
		5,327,481
<b>TOTAL</b>	<b>15,699,876</b>	<b>11,274,609</b>

<sup>1</sup> Consequent to acquisition of India Nails Manufacturing Limited by the Company (Refer B(5) of Schedule XIII).

<sup>2</sup> Consequent to amalgamation of erstwhile Motherson Tradings Limited and Balda Motherson Solution India Limited with the Company. Refer B(5) of Schedule XIII.

<sup>3</sup> On conversion of Zero Coupon Foreign Currency Convertible Bonds (Refer B(4) of Schedule XIII) and includes ₹76,885 thousand on dilution of stake in Samvardhana Motherson Reflectec Group Holdings Limited.

# Schedules forming part of the Consolidated Balance Sheet

(Figures in ₹ Thousands)

	As At March 31, 2011	As At March 31, 2010
<b>SCHEDULE III - SECURED LOANS</b>		
<b>(i) Working Capital Facilities</b>		
From Banks <sup>1</sup>		
- Rupee Loan	2,811,735	1,016,140
- Foreign Currency Loan	1,303,422	743,829
<b>(ii) Long Term Loans</b>		
From Banks <sup>2</sup>		
- Rupee Loan <sup>3</sup>	-	40,165
- Foreign Currency Loan <sup>4</sup>	6,532,092	4,507,517
From Others		
- Rupee Loan <sup>5</sup>	56,652	64,776
- Finance Lease Liabilities <sup>6</sup>	113,196	136,969
- Vehicle Loan <sup>7</sup>	635	9,488
<b>TOTAL</b>	<b>10,817,732</b>	<b>6,518,884</b>

Secured Loans referred above are :

<sup>1</sup> Includes:

- ₹36,805 thousand (previous year ₹19,626 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 Motherson Limited,
- ₹8,992 thousand (Previous Year ₹38,645 thousand) secured by first pari passu charge on all present and future stocks and books debts 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,
- ₹48,029 thousand (previous year ₹ Nil) secured by first charge by way of hypothecation of entire current assets and fixed assets both present and future of MSSL Global Wiring Limited,
- ₹7,322 thousand (previous year ₹6,683 thousand) secured over machinery of Samvardhana Motherson Invest Deutschland GmbH (formerly Mothersonsumi Reiner GmbH),
- ₹43,684 thousand (previous year ₹18,527 thousand) secured over assets (like Land & Building & sets of tangible fixed assets) of MSSL Advanced Polymers s.r.o.,
- ₹ Nil (Previous Year ₹13,611 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 erstwhile Balda Motherson Solution India Limited,
- ₹600 thousand (previous year ₹ Nil) secured on primary mortgage over plant and machinery and additional security over stocks and debtors of Motherson Electrical Wires Lanka Private Limited,
- ₹407,598 thousand (Previous Year ₹425,529 thousand), under factoring arrangements, secured against underlying receivables of SMR Automotive Systems France S.A.,
- ₹91,745 thousand (Previous Year ₹ Nil) secured against tooling purchase orders from customers of SMR Automotive Systems Spain S.A.U
- ₹36,838 thousand (Previous Year ₹ Nil) secured by fixed and floating charge over all of the present and future rights, property and undertaking of MSSL Australia Pty Ltd, Motherson Elastomers Pty Limited & Motherson Investments Pty Limited and registered mortgage over property situated at 48-86 Powell Street Bendigo VIC and Unit-5, 18-22 Lexia Place Mulgrave VIC.
- 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 immovable property other than the assets procured and to be procured from unsecured loan on which a bank holds negative lien.

<sup>2</sup> Due within a year are ₹1,136,132 thousand (Previous Year ₹306,357 thousand).

<sup>3</sup> - ₹ Nil (Previous Year ₹29,215 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.

- ₹ Nil (Previous Year ₹10,950 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.

<sup>4</sup> Includes:

- ₹25,656 thousand (previous year ₹30,852 thousand) secured over machinery of Samvardhana Motherson Invest Deutschland GmbH (formerly Mothersonsumi Reiner GmbH),
- ₹ Nil (previous year ₹2,734 thousand) secured over assets (like Land & Building & sets of tangible fixed assets) of MSSL Advanced Polymers s.r.o.,



## Schedules forming part of the Consolidated Balance Sheet

- ₹110,515 thousand (Previous Year ₹ Nil) secured by fixed and floating charge over all of the present and future rights, property and undertaking of MSSL Australia Pty Ltd, Motherson Elastomers Pty Limited & Motherson Investments Pty Limited and registered mortgage over property situated at 48-86 Powell Street Bendigo VIC and Unit-5, 18-22 Lexia Place Mulgrave VIC.
  - ₹1,263,234 thousand (Previous Year ₹1,819,380 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) and its subsidiaries. Further secured by pledge of shares of SMR and Samvardhana Motherson Global Holdings (Cyprus) Limited (SMGHL) held by the Company and corporate guarantee of Samvardhana Motherson Finance Limited (joint venturer) and the Company.
  - ₹1,273,939 thousand (Previous Year ₹1,238,395 thousand) secured by first pari passu charge/assignment of all receivable. 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,
  - ₹891,800 thousand (Previous Year Nil) secured by pari passu charge on all moveable assets of various entities of Samvardhana Motherson Reflectec Group Holdings Limited (SMRGHL) and pari passu charge on all immovable assets of the SMRGHL,
  - Balance secured by first pari-passu charge on entire fixed assets both movable and immovable 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.
- 5 i) Secured against land acquired from Noida Authority under the instalment plan.  
 ii) Long term loan due within a year ₹9,042 thousand (Previous Year ₹8,124 thousand).
- 6 i) Due within a year ₹25,711 thousand (Previous Year ₹35,945 thousand).  
 ii) Secured by specified property, plant and machinery acquired under lease and hire purchase arrangements.
- 7 i) Due within a year ₹635 thousand (Previous Year ₹8,548 thousand).  
 ii) Secured by hypothecation of specific vehicles purchased against such loans.

(Figures in ₹ Thousands)

	As At March 31, 2011	As At March 31, 2010
<b>SCHEDULE IV - UNSECURED LOANS</b>		
<b>Short term loans<sup>1</sup></b>		
- From Banks	381,850	-
- Privately Placed Debentures	-	150,000
- Other than Banks <sup>2</sup>	186,755	92,954
- Foreign Currency Loan	236,574	105,960
<b>Long term loans<sup>3</sup></b>		
From Banks		
- Foreign Currency Loan <sup>4</sup>	902,800	-
From Other than Banks		
- Rupee Loan <sup>5</sup>	31,365	97,512
- Foreign Currency Loan	77,426	91,812
- Zero Coupon Foreign Currency Convertible Bonds (Refer B (4) of Schedule XIII)	-	1,121,958
<b>TOTAL</b>	<b>1,816,770</b>	<b>1,660,196</b>

1 Repayable on demand

2 Includes due to an associate company ₹35,000 thousand

3 Long terms loans due within a year are ₹ Nil (previous year ₹1,121,958 thousand).

4 Company has given an undertaking not to create any lien on the assets purchased / to be purchased out of the said loan.

5 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 Consolidated Balance Sheet

SCHEDULE V - FIXED ASSETS (REFER A (3) & A (4) OF SCHEDULE XIII)										
Particulars	GROSS BLOCK					DEPRECIATION / AMORTIZATION				
	As at March 31, 2010	Additions consequent to acquisitions <sup>1</sup>	Additions during the year	Deletions / Sale/ Adjustments	Exchange Translation Adjustment	Total as at March 31, 2011	Upto March 31, 2010	Additions consequent to acquisitions <sup>1</sup>	Depreciation / Amortization for the year	Depreciation / Amortization on Deletions / Sale/ Adjustments
(Figures in ₹ Thousands)										
NET BLOCK										
	As at March 31, 2010	As at March 31, 2011	Upto March 31, 2011	Exchange Translation Adjustment	As at March 31, 2011	As at March 31, 2010	Upto March 31, 2011	Exchange Translation Adjustment	As at March 31, 2011	As at March 31, 2010
<b>Tangible</b>										
Leasehold Land	802,509	94,583	292,283	-	1,189,375	32,701	-	-	1,156,674	769,808
Freehold Land	829,592	109,466	207,920	-	1,166,195	23,114	-	241	1,131,713	806,478
Leasehold improvements	142,389	-	10,600	-	158,759	80,690	-	3,207	56,792	61,699
Building	6,573,790	91,057	1,476,843	49,723	8,252,390	1,317,550	45,672	294,087	6,582,026	5,256,240
Plant & Machinery	20,497,198	309,468	2,655,056	373,514	23,812,732	13,597,882	275,337	1,815,305	16,127,475	7,685,257
Furniture, fixtures & Office equipments	1,122,102	7,567	124,136	(36,955)	1,338,429	887,368	4,735	97,951	1,023,325	315,104
Computers	782,423	9,175	163,481	(339,115)	1,335,021	683,821	9,173	139,354	184,528	98,602
Vehicles	379,635	4,797	126,322	54,321	459,602	216,687	4,388	85,212	194,523	162,948
<b>Intangible</b>										
Goodwill on consolidation	4,297	173,966	-	-	178,775	-	-	-	178,775	4,297
Technical Knowhow fees	6,069	-	1,397	(445)	7,474	2,529	-	2,102	2,842	3,540
Customer Lists & relationships	288,382	-	2,643	(4,762)	303,036	131,008	-	1,729	165,195	157,374
Intellectual property rights	8,688	-	-	-	8,688	4,792	-	-	3,896	3,896
Software	383,591	-	-	383,591	-	294,755	-	-	-	88,836
Previous Year	31,820,665	800,079	5,060,681	479,872	38,210,476	17,272,897	339,305	2,464,937	17,657,325	14,547,768
Capital Work in Progress <sup>2</sup>	29,473,825	359,605	4,225,396	1,556,398	31,820,665	15,987,172	20,467	2,600,956	14,547,768	13,486,653
<b>GRAND TOTAL</b>	<b>31,820,665</b>	<b>800,079</b>	<b>5,060,681</b>	<b>479,872</b>	<b>38,210,476</b>	<b>17,272,897</b>	<b>339,305</b>	<b>2,464,937</b>	<b>22,257,804</b>	<b>16,356,143</b>

1 Consequent to acquisition of Balda Motherson Solution India Limited and India Nails Manufacturing Limited with the Company (Refer B(5) of Schedule XIII).

2 Includes capital advances of ₹482,164 thousand (Previous Year ₹571,403 thousand)

# Schedules forming part of the Consolidated Balance Sheet

(Figures in ₹ Thousands)

	As At March 31, 2011	As At March 31, 2010
<b>SCHEDULE VI - INVESTMENTS</b>		
<b>Long-term Investments</b>		
<b>1. In Associate</b>		
Net Assets Value		
As at the beginning of the year	26,318	
Share of Profit in Associate	2,038	26,318
<b>2. In Investment Property<sup>1</sup></b>		397,645
<b>3. In Others</b>		43,616
Short Term Investments in Mutual Funds	-	2,839
Short Term Investments in Shares	417	458
<b>TOTAL</b>	<b>453,429</b>	<b>470,876</b>

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

(Figures in ₹ Thousands)

	As At March 31, 2011	As At March 31, 2010
<b>SCHEDULE VII - CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A Current Assets</b>		
<b>1 Stock in Trade (Refer A (6) of Schedule XIII)</b>		
(i) Finished Goods	2,395,861	1,852,920
(ii) Work-in-Progress	1,389,374	703,126
(iii) Raw Material & Components	4,841,138	2,923,133
(iv) Goods in Transit (Raw Material & Components)	716,581	553,909
(v) Store & Spares	1,032,767	718,705
(1)	<b>10,375,721</b>	<b>6,751,793</b>
<b>2 Sundry Debtors</b>		
<b>(Unsecured, unless otherwise stated)</b>		
(i) Outstanding for more than six months		
Considered Good	197,301	224,969
Considered Doubtful	148,936	213,664
	346,237	438,633
Less : Provision for doubtful debts	148,936	213,664
	197,301	224,969
(ii) Other Debts		
Considered good	9,359,204	7,462,678
Considered Doubtful	39,930	42,057
	9,399,134	7,504,735
Less : Provision for doubtful debts	39,930	42,057
	9,359,204	7,462,678
(2)	<b>9,556,505</b>	<b>7,687,647</b>
<b>3 Cash and Bank Balances</b>		
(i) Cash in hand	17,849	14,014
(ii) Funds in Transit including Cheques in hand	79,160	231,628

# Schedules forming part of the Consolidated Balance Sheet

(Figures in ₹ Thousands)

	As At March 31, 2011	As At March 31, 2010
(iii) Balance with Banks in		
(a) Current Accounts	3,096,476	2,761,091
(b) Deposit account <sup>1</sup>	363,169	417,011
(c) Dividend Account	8,181	6,801
(3)	3,564,835	3,430,545
<b>TOTAL A (1+2+3)</b>	<b>23,497,061</b>	<b>17,869,985</b>
<b>B. Loans and Advances</b>		
<b>(Unsecured, unless otherwise stated)</b>		
(i) Advances recoverable in cash or in kind or for value to be received		
Considered good	2,397,380	1,094,022
Considered doubtful	31,450	5,417
	2,428,830	1,099,439
Less : Provision for doubtful advances	2,501	5,417
	2,426,329	1,094,022
(ii) Assets Held for Sale (Refer B (6) of Schedule XIII)	-	181,774
(iii) Deposits with Excise, Customs & Govt Authorities	1,781,948	1,806,547
(iv) Advance Income tax	224,359	18,986
<b>TOTAL B</b>	<b>4,432,636</b>	<b>3,101,329</b>
<b>GRAND TOTAL (A+B)</b>	<b>27,929,697</b>	<b>20,971,314</b>

- <sup>1</sup> i) Deposits pledged with Excise & Sales Tax authorities ₹5,906 thousand (Previous Year ₹4,653 thousand)  
ii) Margin money ₹5,393 thousand (Previous Year ₹13,207 thousand)

(Figures in ₹ Thousands)

	As At March 31, 2011	As At March 31, 2010
<b>SCHEDULE VIII - CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A. Current Liabilities</b>		
(i) Sundry Creditors	14,093,616	10,925,287
(ii) Advance from Customers	1,057,975	995,387
(iii) Other Liabilities	1,103,256	1,109,843
(iv) Investor Education & Protection Fund shall be credited by the following amount		
- Unpaid Dividend	8,181	6,801
(v) Interest Accrued but not due	27,871	22,212
	16,290,899	13,059,530
<b>B. Provisions</b>		
(i) Premium on Redemption of Zero Coupon Foreign Currency Convertible Bonds	-	330,948
(ii) For Dividend (including tax thereon)	1,238,636	785,851
(iii) For Wealth Tax	2,010	2,008
(iv) For Income Tax (net)	1,133,420	467,408
(v) For Fringe Benefit Tax	4,371	6,121
(vi) For Employee benefit (Refer A (7) & B (17) of Schedule XIII)	339,268	235,688
(vii) For Warranty (Refer B (13) of Schedule XIII)	342,660	327,701
(viii) For Onerous Contracts (Refer B (13) of Schedule XIII)	63,404	99,439
(ix) For Others (Refer B (13) of Schedule XIII)	218,579	605,935
	3,342,348	2,861,099
<b>TOTAL</b>	<b>19,633,247</b>	<b>15,920,629</b>

## Schedules forming part of the Consolidated Balance Sheet

(Figures in ₹ Thousands)

	As At March 31, 2011	As At March 31, 2010
<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	17,852	265,262
Less: Deletion during the year <sup>1</sup>	14,870	105,944
Less: Written off during the year	2,982	141,466
<b>TOTAL</b>	<b>-</b>	<b>17,852</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 ₹ Thousands)

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
<b>SCHEDULE X - OTHER INCOME</b>		
Other Income		
(a) Dividend Received		
- From Others	2,702	1,116
(b) Rent	127,320	142,475
(c) Change in carrying amount of current investments	-	48
(d) Government Grants received	16,648	244,016
(e) Service Income	624,655	630,040
(f) Liabilities no longer required written back	356,429	299,644
(g) Exchange fluctuation (net)	337,166	649,273
(h) Profit on sale of other fixed assets	98,998	-
(i) Contribution received from business stakeholders on acquisition of subsidiaries of Visiocorp Plc (in administration)	-	730,511
(j) Miscellaneous Income (include prior period income of ₹ Nil (Previous Year 32,650))	777,557	633,494
<b>TOTAL</b>	<b>2,341,475</b>	<b>3,330,617</b>
<sup>1</sup> Includes dividend from Short term Non- Trade investments	352	241

(Figures in ₹ Thousands)

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
<b>SCHEDULE XI - COST OF MATERIALS AND MANUFACTURING AND OTHER EXPENSES</b>		
<b>Materials consumed</b>		
Opening Stock		
Raw materials	2,923,133	2,627,543
Work-in-progress	703,126	729,694
Finished goods	1,852,920	1,490,928
Increase in Opening Stock <sup>1,2</sup>		
Raw materials	1,859	49,384
Work-in-progress	484	10,716
Finished goods	2,058	109,532
	5,483,580	5,017,797
Add : Purchases of Raw materials	54,420,712	42,450,724
Less: Closing Stock		
Raw materials	4,841,138	2,923,133
Work-in-progress	1,389,374	703,126
Finished goods	2,395,861	1,852,920
	8,626,373	5,479,179
Translation adjustment on stocks taken to exchange reserve on consolidation	175,873	(330,576)
<b>Total consumption for goods sold</b>	<b>51,453,792</b>	<b>41,658,766</b>
Salary, Wages, Bonus etc	11,109,902	9,904,668
Contribution to Provident & Other Fund	1,027,496	1,009,064
Staff Welfare	450,586	1,090,634
Electricity, Water and Fuel	1,238,608	1,027,737
Repairs and Maintenance :		
Machinery	789,367	628,532
Building	310,140	220,111
Others	409,343	334,772



# Schedules forming part of the Consolidated Profit & Loss Account

(Figures in ₹ Thousands)

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
Consumption of Store and Spare parts	831,961	781,635
Conversion Charges	276,278	201,545
Lease Rent	623,605	683,171
Rent	157,818	141,239
Rates & Taxes	180,205	205,237
Insurance	161,924	165,487
Donation	14,164	5,797
Travelling	751,234	490,968
Freight & forwarding	1,357,409	1,159,783
Royalty	213,031	189,304
Cash Discount	108,654	54,242
Commission	7,000	24,660
Loss on sale of fixed assets (net)	-	76,647
Provision for diminution in value of Short Term Investments	41	-
Bad Debts/Advances written off	68,478	193,902
Provision for Doubtful Debts/Advances	-	6,049
Legal & Professional Expenses	1,462,246	1,396,202
Miscellaneous Expenses (Refer B (8) of Schedule XIII)	1,820,658	2,100,257
<b>TOTAL</b>	<b>74,823,940</b>	<b>63,750,409</b>

<sup>1</sup> Consequent to acquisition of Balda Motherson Solution India Limited with the Company (Refer B(5) of Schedule XIII).

<sup>2</sup> Previous year consequent to change in accounting treatment for reporting its interest in Joint Venture, Ningbo SMR Huaxiang Automotive Mirrors Company Limited from equity method to proportionate consolidation method.

(Figures in ₹ Thousands)

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
<b>SCHEDULE XII - FINANCE COST (NET)</b>		
<b>Interest and Finance Expense</b>		
- Privately Placed Debentures	13,913	18,091
- Fixed loans	238,137	296,540
- Amortisation of Premium / Issue expenditure on Redemption of Zero Coupon Foreign Currency Convertible Bonds	2,982	141,466
- Others	321,386	178,726
Less : Interest Income (Gross)		
- From Bank Deposits	49,282	52,613
- From Income Tax Refund	14,491	943
- From Others	16,120	8,036
<b>TOTAL</b>	<b>496,525</b>	<b>573,231</b>

# Schedules forming part of the Consolidated Accounts

## 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 its Subsidiary Companies, Joint Ventures and Associates ('the Group').

The consolidated financial statements have been prepared on the following basis:

- a) Subsidiaries
    - (i) The subsidiaries have been consolidated by applying Accounting Standard 21 "Consolidated Financial Statements".
    - (ii) 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.
    - (iii) 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.
    - (iv) 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 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 ₹1,295,877 thousand (Previous Year ₹1,218,373 thousand) as at March 31, 2011. Such inventories are 12% (Previous Year 18%) 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) and of India Nails

# Schedules forming part of the Consolidated Accounts

Manufacturing Limited (formerly India Nails Manufacturing Private Limited) have been stated at an amount inclusive of appreciation arising on revaluation of the assets.

- iii) The Group charges assets costing less than ₹5,000 to ₹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'
- iv) 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

- 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.
- iii) Leasehold Land is amortised over the balance period of lease.
- iv) Goodwill generated on consolidation in respect of subsidiaries is being carried at cost.
- v) Technical know-how fees paid to a foreign collaborator by one of the consolidating company is being depreciated on SLM basis @ 50%.
- vi) 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 of 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 or cost whichever is lower. 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.

## Schedules forming part of the Consolidated Accounts

### 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 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.

# Schedules forming part of the Consolidated Accounts

## 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.

## 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 rental 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.

# Schedules forming part of the Consolidated Accounts

## Deferred Taxes

In accordance with Accounting Standard 22 – Accounting for Taxes on Income 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 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 ₹Thousands)

	As at March 31, 2011	As at March 31, 2010
a) In respect of Excise <sup>1</sup>	36,348	10,508
b) In respect of Entry Tax	-	8,186
c) In respect of Sales Tax	23,957	33,049
d) In respect of Service Tax	14,421	11,393
e) In respect of Customs	32,304	-
f) In respect of Stamp Duty	4,754	4,754
g) In respect of Income Tax	1,317,177	9,388
h) In respect of Labour Cases	11,307	17,005
i) Bank Guarantees / Letters of Credit furnished by the Company	287,784	214,643

<sup>1</sup> Excludes interest

### 2. Outstanding Capital Commitments:

(Figures in ₹Thousands)

	As at March 31, 2011	As at March 31, 2010
Unexpired amount of the contracts on capital accounts and not provided for (net of advances)	2,421,400	697,280

### 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 controlled as at March 31, 2011	Reporting Dates used for Consolidation
MSSL Mauritius Holdings Limited	Mauritius	100%	December 31, 2010
MSSL Mideast (FZE)	UAE	100%	March 31, 2011
Motherson Electrical Wires Lanka Pvt. Limited	Sri Lanka	100%	March 31, 2011
MSSL Handels GmbH	Austria	100%	March 31, 2011
MSSL (S) Pte Ltd.	Singapore	100%	March 31, 2011
MSSL Global Wiring Limited	India	100%	March 31, 2011
MSSL GmbH (held by MSSL Mideast (FZE))	Germany	100%	December 31, 2010
MSSL (GB) Limited (held by MSSL Mideast (FZE))	UK	100%	December 31, 2010
Motherson Sumi Wiring System Limited (FZE) (held by MSSL Mideast (FZE))	UAE	100%	March 31, 2011
MSSL Tooling (FZE) (held by MSSL Mideast (FZE))	UAE	100%	March 31, 2011
MSSL Ireland Private Limited (held by MSSL Mauritius Holdings Limited)	Ireland	100%	December 31, 2010
Global Environment Management (FZC) (held by MSSL Mauritius Holdings Limited)	UAE	78.82%	December 31, 2010
MSSL Australia Pty Limited (held by MSSL (S) Pte. Ltd.)	Australia	80%	March 31, 2011 <sup>2</sup>
MSSL Polymers GmbH (held by MSSL GmbH)	Germany	100%	December 31, 2010

# Schedules forming part of the Consolidated Accounts

Name of the Company	Country of Incorporation	% voting power controlled as at March 31, 2011	Reporting Dates used for Consolidation
Samvardhana Motherson Invest Deutschland GmbH (formerly Mothersonsumi Reiner GmbH) (held by MSSL GmbH)	Germany	100%	December 31, 2010
MSSL Advanced Polymers s.r.o (held by MSSL GmbH)	Czech Republic	100%	December 31, 2010
Motherson Orca Precision Technology GmbH (held by MSSL GmbH)	Germany	51%	December 31, 2010
MSSL s.r.l. Unipersonale (held by MSSL GmbH)	Italy	100%	December 31, 2010
Global Environment Management Australia Pty Limited (held by Global Environment Management (FZC))	Australia	100%	December 31, 2010
Motherson Elastomers Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	March 31, 2011 <sup>2</sup>
Motherson Investments Pty Limited (held by MSSL Australia Pty Limited)	Australia	100%	March 31, 2011 <sup>2</sup>
MSSL Global RSA Module Engineering Limited (held by MSSL Mauritius Holdings Limited)	South Africa	100%	December 31, 2010
Samvardhana Motherson Global Holdings Ltd. (SMGHL) (held by MSSL Mauritius Holdings Limited)	Cyprus	51%	March 31, 2011
Samvardhana Motherson Reflectec Group Holdings Limited (SMR) (held by SMGHL)	Jersey	93.6%	March 31, 2011
SMR Automotive Holding Hong Kong Limited (held by SMR)	Hong Kong	100%	March 31, 2011
SMR Automotive Technology Holding Cyprus Ltd. (held by SMR)	Cyprus	100%	March 31, 2011
SMR Automotive Mirror Systems Holding Deutschland GmbH (held by SMR)	Germany	100%	March 31, 2011
SMR Automotive Parts GmbH (held by SMR)	Germany	100%	March 31, 2011
SMR Poong Jeong Automotive Mirrors Korea Ltd. (held by SMR)	South Korea	90%	March 31, 2011
SMR Hyosang Automotive Ltd. (held by SMR)	South Korea	90%	March 31, 2011
SMR Holding Australia Pty Limited (held by SMR)	Australia	100%	March 31, 2011
SMR Automotive Australia Pty Limited (held by SMR)	Australia	100%	March 31, 2011
SMR Automotive Taree Pty Limited (held by SMR)	Australia	100%	March 31, 2011
SMR Automotive Mirror Technology Hungary Bt (held by SMR)	Hungary	100%	March 31, 2011
SMR Grundbesitz GmbH & Co. KG (held by SMR)	Germany	94%	March 31, 2011
SMR Automotive Services GmbH (held by SMR)	Germany	100%	March 31, 2011
SMR Automotive Mirror Parts and Holdings UK Ltd. (held by SMR)	UK	100%	March 31, 2011
Portchester Ltd. (held by SMR)	UK	100%	March 31, 2011
SMR Automotive Mirrors UK Limited (held by SMR)	UK	100%	March 31, 2011

# Schedules forming part of the Consolidated Accounts

Name of the Company	Country of Incorporation	% voting power controlled as at March 31, 2011	Reporting Dates used for Consolidation
SMR Automotive Technology Valencia S.A.U. (formerly Visiocorp Automotive Valencia S.A.U.) (held by SMR)	Spain	100%	March 31, 2011
SMR Automotive Services UK Ltd. (held by SMR)	UK	100%	March 31, 2011
SMR Automotive Technology Holdings USA Partners (held by SMR)	USA	100%	March 31, 2011
SMR Automotive Mirror International USA Inc. (held by SMR)	USA	100%	March 31, 2011
SMR Automotive Systems USA Inc. (held by SMR)	USA	100%	March 31, 2011
SMR Automotive Systems France S. A (held by SMR)	France	100%	March 31, 2011
SMR Automotive Systems India Limited (held by SMR)	India	100%	March 31, 2011
SMR Automotive Yancheng Co. Limited (held by SMR)	China	100%	March 31, 2011
SMR Automotive Beijing Company Limited (held by SMR)	China	100%	March 31, 2011
SMR Automotive Mirror Technology Holding Hungary KFT (held by SMR)	Hungary	100%	March 31, 2011
SMR Automotive Systems Spain S.A.U. (held by SMR)	Spain	100%	March 31, 2011
SMR Automotive Vision Systems Mexico S.A. de C.V. (held by SMR)	Mexico	100%	March 31, 2011
SMR Automotive Servicios Mexico S.A. de C.V. (held by SMR)	Mexico	100%	March 31, 2011
SMR Automotive Mirrors Stuttgart GmbH (held by SMR)	Germany	100%	March 31, 2011
SMR Automotive Patents S.a.R.L. (held by SMR)	Luxembourg	100%	March 31, 2011
SMR Automotive Beteiligungen Deutschland GmbH (held by SMR)	Germany	100%	March 31, 2011
SMR Automotive Brasil Ltda. (held by SMR)	Brazil	100%	March 31, 2011
SMR Automotive System (Thailand) Limited	Thailand	100%	March 31, 2011
India Nails Manufacturing Limited (formerly India Nails Manufacturing Private Limited)	India	100%	March 31, 2011
MSSL Japan Limited	Japan	100%	March 31, 2011

<sup>2</sup> During the year there is a change in accounting period from December 31, 2010 to March 31, 2011. Consequently the Company has consolidated financials for fifteen months from January 1, 2010 to March 31, 2011. 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, 2011	Reporting Dates used for Consolidation
SAKS Ancillaries Limited	India	40.01%	March 31, 2011

## Schedules forming part of the Consolidated Accounts

### 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, 2011	Reporting Dates used for Consolidation
Kyungshin Industrial Motherson Limited	India	50%	March 31, 2011
Woco Motherson Limited (FZC) (through MSSL Mauritius Holdings Limited)	U.A.E	33.33%	December 31, 2010
Woco Motherson Elastomers Limited	India	33.33%	March 31, 2011
Woco Motherson Advanced Rubber Technologies Limited	India	33.33%	March 31, 2011
Calsonic Kansei Motherson Auto Products Limited	India	49%	March 31, 2011
Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	China	50%	March 31, 2011

### 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 were listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The bonds were convertible at the option of the holder at any time on or after August 24, 2005 (or such earlier date as was 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 ₹74.3<sup>2</sup> per share with a fixed rate of exchange on conversion of ₹52.01 = Euro 1.00. The Conversion Price was subject to adjustment in certain circumstances.

The bonds also otherwise could 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 ₹52.01 = Euro 1.00.

The bonds also could 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 was outstanding.

The bonds also could 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 were to be redeemed by the Issuer in Euros on July 16, 2010 at 126.77 per cent of its principal amount.

The issuer had to, at the option of any holder of any bonds, repurchase at the Early Redemption Amount such bonds at such time as the shares ceased 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 18.5 million, the Company has allotted 12,950,000 equity shares during the year. Accordingly, an amount of ₹1285.25 million, being the excess of the liabilities (including amortized premium/ issue expenditure on such bonds up to 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 said allotment, bonds have been fully converted as at June 30, 2010.

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

### 5. Acquisition of Interests in Subsidiaries

- During the year, on May 18, 2010, the Company had, pursuant to an agreement with Balda AG & Balda Investment Mauritius Limited, purchased the 60% shareholding held by it in Balda Motherson Solutions India Limited (BMSI) (erstwhile joint venture company), thereby making BMSI a 100% subsidiary of the Company. Further the Hon'ble High Court of Judicature at Delhi has approved on March 21, 2011 the arrangement as embodied in the Scheme of Amalgamation ("the Scheme") of the erstwhile Balda Motherson

## Schedules forming part of the Consolidated Accounts

Solutions India Limited (BMSI) & Motherson Tradings Limited (MTL), subsidiaries of the Company, the transferor Company with the Company (Motherson Sumi Systems Limited), the transferee Company. As per the Scheme, the aforesaid transaction is recorded in such a manner so that with effect from the appointed date, all assets and liabilities are vested in the Company. The amalgamation has been accounted for under the "pooling of interests" method as prescribed by Accounting Standard (AS-14) notified under Companies (Accounting Standards) Rules, and the specific provisions of the Scheme. Accordingly, all the assets, liabilities and reserves of the transferor company as on April 1, 2010 have been recorded by the Company at their respective amounts.

The impact of the reserves of the consolidated financial results is as below:

(Figures in ₹Thousands)

Increase / (Decrease)	BMSI	MTL	Total
Capital Reserve	-	(14,532)	(14,532)
Reserves on Amalgamation	671,656	(2,056)	669,600
Profit & Loss Account	(620,399)	16,589	(603,810)

- b. On March 31, 2011, the Company has acquired 100% shares of India Nails Manufacturing Limited (formerly India Nails Manufacturing Private Limited). The total consideration paid amounted to ₹153,608 thousand as against negative net worth of India Nails Manufacturing Limited of ₹20,358 thousand. Accordingly, goodwill on consolidation of ₹173,966 thousand has been recognised in the consolidated financial statements.

Subsequently, the Board of Directors of the Company, at their meeting held on April 28, 2011, have approved merger of its wholly owned subsidiary companies namely, India Nails Manufacturing Limited and MSSL Global Wiring Limited (MGWL) with the Company, subject to requisite approvals.

- c. The Board of Directors of the Company at the meeting held on April 28, 2011, approved the merger of Sumi Motherson Innovative Engineering Limited (SMIEL) with the company with effect from April 1, 2011, subject to necessary approvals. Further, the Board at their meeting held on May 25, 2011 has recommended an exchange ratio of 10 shares of Re. 1 each fully paid up for every 57 equity shares of ₹10 each held by shareholders of SMIEL. The Company will issue 4,420,360 new shares, thereby increasing its equity capital to ₹391,964 thousand.

### 6. Assets Held for Sale

During the previous year, pursuant to closure of SMR Hattorf plant, factory land and building, machinery, technical equipment and office equipment had been reclassified as asset held for sale. During the year, these land and buildings has been disposed off for ₹180,721 thousands and a gain of ₹70,662 thousands recognised. In respect of machinery amounting to ₹38,674 thousands, the group has written off the net realisable value.

### 7. 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 amounting to ₹384,841 thousand (Previous year ₹397,645 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 ₹Thousands)

	As at March, 2011	As at March, 2010
Gross Block		
Opening Balance	629,772	629,772
Add: Additions during the year	49,610	-
Less: Deletions during the year	15,300	-
Add: Exchange Translation Adjustment	14,530	-
Closing Balance	678,612	629,772
Less: Accumulated Depreciation	293,771	279,498
Net Block	384,841	350,274
Capital Work in Progress	-	47,371
Net Investment Properties	384,841	397,645

## Schedules forming part of the Consolidated Accounts

8. a. Miscellaneous expense under Schedule XI of the consolidated financial statements include an amount of ₹Nil (Previous Year ₹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. Samvardhana Motherson Reflectec Group Holdings Limited (SMR) has incurred expenses amounting to ₹Nil (Previous Year ₹832,408 thousand (equivalent Euro 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 ₹Thousands)

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
Salary, Wages, Bonus etc	-	685,368
Lease Rent	-	8,787
Repairs & Maintenance	-	23,411
Other Expenses	-	114,842
<b>TOTAL</b>	<b>-</b>	<b>832,408</b>

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

(Figures in Thousands)

Currency	As at March 31, 2011 Payable/(Receivable)	As at March 31, 2010 Payable/(Receivable)
EUR	(11,139)	10,046
GBP	(1,869)	(640)
JPY	412,803	863,802
USD	134,032	45,052
SGD	259	(3,554)
CHF	(68)	(27)
AUD	277	(219)
KRW	(231,090)	(3,556)
CNY	120	-
MXN	14	(373)
THB	2,147	160
AED	2,395	(697)
LKR	(321)	(14,888)
INR	82,945	16,361
HKD	-	(1)

10. Payment to the Group's Auditors:

(Figures in ₹Thousands)

Currency	Year ended March 31, 2011	Year ended March 31, 2010
a) Statutory Audit Fees	31,225	10,743
b) Taxation Matters	265	47
c) Reimbursement of expenses	347	1,158
d) Others (certification charges and other services)	225	1,508
<b>TOTAL</b>	<b>32,062</b>	<b>13,456</b>



# Schedules forming part of the Consolidated Accounts

## 11. Earnings per share

	Year ended March 31, 2011	Year ended <sup>4</sup> March 31, 2010
<b>a) Basic</b>		
Weighted Average number of Equity Shares of ₹1/- each (Previous Year ₹1/- each ) outstanding at the end of the year	386,056,540	374,593,800
Net profit after tax available for equity Shareholders (₹ in thousands)	3,908,119	2,427,707
Basic Earnings (in Rupees) Per Share of ₹1/- each. (Previous Year ₹1/- each )	10.12	6.48
<b>b) Diluted</b>		
Number of Zero Coupon Convertible Bonds	-	18,500
Net Premium & Exchange Loss / (Gain) on Zero Coupon Convertible Bonds (net of Taxes) (₹ in thousands)	(30,691)	(76,972)
Adjusted Net Profit (₹ in thousands)	3,877,428	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	387,543,800
Diluted Earnings (in Rupees) Per Share of ₹1/- each. (Previous Year ₹1/- each )	10.01	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.

## 12. Deferred Tax

(i) The break up of net deferred tax liability as at March 31, 2011 is as under:

(Figures in ₹Thousands)

Timing differences on account of:	As at March 31, 2010	Exchange fluctuation	Credit/ (Charge) for the year	As at March 31, 2011
Expenses charged in the financial statements but allowable as deductions in future years under the Income Tax Act (to the extent considered realisable)	(343,459)	(25,833)	(63,740)	(433,032)
Difference between depreciation as per financial statement and depreciation as per Income Tax Return	383,822	9,214	49,912	442,949
Net Deferred Tax Liability/ (Asset)	40,363	(16,619)	(13,828)	9,917

ii) In view of the Group's past financial performance and future profit projections, the Group expects to fully recover the deferred tax assets.

## 13. The group has the following provisions in the books of account as on March 31, 2011

(Figures in ₹Thousands)

	Warranty	Onerous Contracts	Other	Total
Opening Balance	327,701	99,439	605,935	1,033,075
Additions during the year	247,478	-	21,932	269,410
Utilised / Reversed during the year	(245,805)	(38,303)	(415,345)	(699,453)
Exchange translation adjustment	13,286	2,268	6,057	21,611
Closing Balance	342,660	63,404	218,579	624,643

## Schedules forming part of the Consolidated Accounts

### 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.

### 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) ₹Nil (Previous Year ₹240,027 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) ₹218,579 thousand (Previous Year ₹151,615 thousand).
- Provision for claim for infringement of patents/ breach of contracts ₹Nil (Previous Year ₹224,450 thousand).

## 14. Leases Obligation Disclosures

### Finance Leases:

Assets acquired on finance lease and hire purchase contract comprise property and plant & machinery. These leases 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 ₹ Thousands)

	As at March 31, 2011	As at March 31, 2010
Payable not later than one year	34,898	39,419
Payable later than 1 year and not later than 5 years	100,720	97,022
payable later than 5 years	-	29,139
<b>TOTAL</b>	<b>135,618</b>	<b>165,580</b>
Less: Future finance charges	19,618	27,650
<b>Present value in respect of above</b>	<b>116,000</b>	<b>137,930</b>

### Operating Leases:

The Company has taken various commercial premises, motor vehicles, plant and machinery under non-cancellable operating leases. The future minimum lease payments are as follows:

(Figures in ₹ Thousands)

Particulars	As at March 31, 2011	As at March 31, 2010
Payable not later than 1 year	419,457	91,678
Payable later than 1 year and not later than 5 years	451,276	182,753
Payable later than 5 years	399,175	-

Lease rental expenses in respect of operating lease is ₹ 781,423 thousand (Previous Year ₹824,411 thousand).

# Schedules forming part of the Consolidated Accounts

## 15. Related Party Disclosures

I. Related party disclosures, as required by Accounting Standard 18, "Related Party Disclosures", are given below:

**a. Joint Ventures:**

Kyungshin Industrial Motherson Limited  
Woco Motherson Elastomer Limited  
Woco Motherson Advanced Rubber Technologies Limited  
Woco Motherson Limited (FZC)  
Calsonic Kansei Motherson Auto Products Limited  
Ningbo SMR Huaxiang Automotive Mirrors Co. Limited

**b. Associate Companies:**

Saks Ancillaries Limited

**c. Key Management Personnel:**

**i) Board of Directors:**

Mr. M S Gujral  
Mr. V C Sehgal  
Mr. Laksh Vaaman Sehgal  
Mr. Toshimi Shirakawa  
Mr. Toshihiro Watanabe  
Mr. Bimal Dhar  
Mr. Hiroto Murai  
Maj. Gen Amarjit Singh (Retd)  
Mr. Pankaj Mital  
Mr. Arjun Puri  
Mr. Futoshi Urai

**ii) Other Key Management Personnel:**

Mr. Vivek Avasthi  
Mr. Ravindra Mathur  
Mr. G.N. Gauba  
Mr. N Ramanathan  
Mr. Sanjay Mehta  
Mr. Ramesh Dhar

**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 Solutions 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 (up to February 1, 2011)  
 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  
 Motherson Auto Eng. Service Ltd (formerly Miyazu Motherson Eng. Design Ltd.)  
 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 Time Tooth 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  
 Systematic Conscom Limited  
 MAS Middle East Ltd. (FZE)  
 Motherson Bergstrom HVAC Solution Pvt. Ltd.  
 NACHI Motherson Precision Ltd.

**e. Joint Venturer:**

Sumitomo Wiring Systems Limited, Japan  
 Kyungshin Industrial Co., Korea  
 Woco Franz Josef Wolf Holding GmbH, Germany  
 Balda AG, Germany(up to May 17, 2010)  
 Calsonic Kansei Corporation, Japan  
 E-Compost Pty. Limited, Australia  
 Dremotec GmbH & Co. KG, 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 15 (I) above:

(Figures in ₹ Thousands)

S. No	Particulars	Parties mentioned in 15 (I) (a) above		Parties mentioned in 15 (I) (b) & (d) above		Parties mentioned in 15 (I) (e) above		Parties mentioned in 15 (I) (c) above	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Sale of Goods	1,760,514	1,398,308	2,878,335	113,185	1,394,553	1,939,097	884,174	-
2	Rendering of Services	335,130	348,992	39,665	55,013	-	7,731	-	-
3	Sale of Fixed Assets	8,730	683	344	2,709	-	-	-	-
4	Purchase of Goods	34,747	41,519	1,136,879	715,744	1,465,621	1,566,608	-	177,303
5	Purchase of Fixed Assets	-	3,060	1,903,826	341,069	9,159	3,444	-	-
6	Purchase of Services	1,922	2,746	864,927	663,320	61,790	12,742	46,764	2,016 <sup>5</sup>
7	Reimbursement (Net)	1,059	809	279,400	26,361	6,983	314	-	-
8	Investments made during the year	70,070	-	-	-	-	-	-	-
9	Purchase of Shares	-	-	-	-	149,001	18,012	-	-
10	Investments Redeemed	17,562	26,667	-	-	-	-	-	-
11	Royalty	-	8,813	1,936	185	188,403	138,718	1,442	1,324
12	Remuneration/Sitting Fees of Directors and Key Management Personnel	-	-	-	-	-	-	32,420	24,770
13	Interest Income	3,669	961	15,630	16,092	-	181	-	-
14	Interest Expense	-	-	2,296	14	-	-	-	-
15	Dividend Paid	-	-	246,467	190,131	281,634	192,248	27,006	20,830 <sup>6</sup>
16	Dividend Received	214,517	113,136	2,350	875	-	-	-	-
17	Loans Received during the year	-	-	29,000	100,000	-	-	-	-
18	Loans Given during the year	35,658	-	50,000	140,501	-	-	-	-
19	Loans Repaid during the year	60,240	-	35,000	41,609	-	-	-	-
20	Loans Received back during the year	-	-	50,000	-	-	-	-	-
21	Security Deposits Received	7	5,623	1,470	1,033	-	-	-	-
22	Security Deposits Repaid	702	-	74,464	25,564	-	-	-	-
23	<b>Balances as at year end</b>								
24	Investments	224,164	585,389	38,230	38,230	-	-	-	-
25	Loans Payable	24,210	-	191,403	53,433	-	-	-	-
26	Loans Receivable	-	-	-	718	-	7,347	-	-
27	Advances and other Receivable	1,211	75,718	140,882	191,837	-	-	-	-
28	Security Deposit Received	39,860	48,550	12,540	2,162	-	-	-	-
29	Security Deposits Given	-	-	40,857	2,706	-	-	542	542
30	Trade Payable	1,789	3,998	425,683	227,339	218,390	129,596	-	-
31	Trade Receivable	262,453	137,732	231,457	124,382	47,788	37,640	-	-

<sup>5</sup> Rent of ₹2,445 thousand (Previous Year ₹2,014 thousand) paid to Mr. V. C. Sehgal, Mr. Laksh Vaaman Sehgal, Ms. Renu Sehgal, Ms. Vidhi Sehgal.

<sup>6</sup> Dividend of ₹27,006 thousand (Previous Year ₹20,830 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, 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 ₹ Thousands)

S. No.	Particulars	2010-11		2009-10	
		Name of Related Party	Amount	Name of Related Party	Amount
1	Sale of Goods	Kyungshin Industrial Motherson Ltd.	1,655,990	Kyungshin Industrial Motherson Ltd.	1,350,214
		Sumitomo Wiring Systems Limited, Japan	412,296		-
2	Rendering of Services	Kyungshin Industrial Motherson Ltd.	306,515	Sumitomo Wiring Systems Ltd., Japan	1,856,718
			-	Kyungshin Industrial Motherson Ltd.	304,885
3	Sale of Fixed Assets	Calsonic Kansei Motherson Auto Products Ltd.	8,730	Calsonic Kansei Motherson Auto Products Ltd.	683
			-	Motherson	1,416
4	Purchase of Goods	Sumi Motherson Innovative Engineering Limited	681,217	Motherson Techno Tools Ltd.	1,196
		CTM India Limited	269,680	Sumi Motherson Innovative Engineering Ltd.	471,249
		Sumitomo Wiring Systems Limited, Japan	298,107	Sumitomo Wiring Systems Ltd., Japan	604,855
		Kyungshin Corporation, Korea	965,522	Kyungshin Industrial Company Ltd., Korea	939,633
5	Purchase of Fixed Assets	Systematic Conscom Limited	1,726,709	Motherson Sumi Infotech & Designs Ltd.	90,364
			-	AES (India) Engineering Ltd.	46,039
			-	CTM India Ltd.	123,593
6	Purchase of Services	Saks Ancillaries Ltd	142,224	Saks Ancillaries Ltd	107,877
		Motherson Auto Limited	127,250	Motherson Auto Ltd.	91,047
		Motherson Air Travel Agencies Ltd.	142,958	Motherson Air Travel Agencies Ltd.	205,712
		Motherson Sumi Infotech & Designs Ltd.	310,376	Motherson Sumi Infotech & Designs Ltd.	169,961
7	Reimbursement (Net)	Motherson Air Travel Agencies Ltd.	-	Motherson Air Travel Agencies Ltd.	28,515
		Systematic Conscom Limited	159,496		-
		A Basic Concepts Design Pty Ltd.	64,615		-
8	Investments made during the year	Calsonic Kansei Motherson Auto Products Limited	70,070		-
9	Purchase of Shares	Balda AG, Germany	149,001	Wilhelm Pudenz Gmbh, Germany	18,012
10	Investments redeemed	Woco Motherson Advanced Rubber & Tech Limited	17,562	Woco Motherson Advanced Rubber & Tech Limited	26,667
11	Royalty	Sumitomo Wiring Systems Limited, Japan	138,089	Sumitomo Wiring Systems Ltd., Japan	88,455
		Kyungshin Corporation, Korea	38,553	Kyungshin Industrial Company Ltd., Korea	42,671
12	Remuneration/Sitting Fees of Directors and Key Management Personnel	Mr. Pankaj Mital	6,051	Mr. Pankaj Mital	4,660
		Mr. Toshihiro Watanabe	3,816	Mr. Toshihiro Watanabe	3,622
		Mr. N. Ramanathan	4,703	Mr. N Ramanathan	4,401
		Mr. G. N. Gauba	5,641	Mr. G. N. Gauba	4,031
		Mr. Vivek Avasthi	4,374	Mr. Vivek Avasthi	3,252



## Schedules forming part of the Consolidated Accounts

S. No.	Particulars	2010-11		2009-10	
		Name of Related Party	Amount	Name of Related Party	Amount
13	Interest Income	Motherson Auto Limited	15,744	Motherson Auto Ltd.	12,578
			-	Samvardhana Motherson Finance Ltd	3,763
				Magnetti Marelli Motherson Holding India B.V.	2,336
		Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	3,669		-
14	Interest Expense	Saks Ancillaries Ltd	2,296	Saks Ancillaries Ltd	14
15	Dividend Paid	Samvardhana Motherson Finance Ltd	246,467	Samvardhana Motherson Finance Ltd	190,131
		Sumitomo Wiring Systems Limited, Japan	169,561	Sumitomo Wiring Systems Ltd., Japan	130,804
		Kyungshin Corporation, Korea	86,088	Kyungshin Industrial Company Ltd., Korea	43,002
16	Dividend Received	Kyungshin Industrial Motherson Limited	172,000	Kyungshin Industrial Motherson Ltd.	86,000
		WOCO Motherson Advanced Rubber & Tech. Ltd.	27,457	WOCO Motherson Ltd.(FZC)	20,113
17	Advance Given	Calsonic Kansei Motherson Auto Products Limited	70,070	Motherson Auto Ltd.	100,000
18	Loans Received during the year	Saks Ancillaries Ltd.	29,000	Samvardhana Motherson Finance Ltd	65,105
			-	Motherson Auto Solutions Ltd.	13,333
19	Loans Given during the year	Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	35,658	Motherson Auto Ltd.	115,501
		Sumi Motherson Innovative Engineering Limited	50,000	Motherson Auto Solutions Ltd.	25,000
20	Loans Repaid during the year	Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	60,240	Motherson Techno Tools Ltd.	16,609
		Saks Ancillaries Ltd.	35,000	Motherson Auto Solutions Ltd.	25,000
21	Loans Received back during the year	Sumi Motherson Innovative Engineering Limited	50,000		-
22	Security Deposits Received	CTM India Limited	1,470	WOCO Motherson Elastomer Ltd.	1,164
			-	Calsonic Kansei Motherson Auto Products Ltd.	4,459
			-	Motherson Moulds and Diecasting Ltd.	986
23	Security Deposits Repaid	Motherson Auto Limited	15,788	Motherson Auto Ltd.	25,000
		Samvardhana Motherson Finance Ltd	58,843		-
	<b>Balances as at year end</b>				
24	Loans Payable	Ningbo SMR Huaxiang Automotive Mirrors Co. Ltd.	24,096	Saks Ancillaries Ltd.	6,013
		Motherson Moulds and Diecasting Ltd.	143,138	Samvardhana Motherson Finance Ltd.	108,393
		CTM India Limited	25,626	A Basic Concepts Design India Pvt Ltd.	18,153
25	Loans Receivable (after reinstatement)		-	WOCO Franz Josef Wolf Holding GmbH, Germany	7,347
			-	Samvardhana Motherson Finance Ltd.	49,500
26	Advances and other Receivable	Motherson Auto Limited	102,917	Kyungshin Industrial Motherson Ltd.	70,703
		Systematic Conscom Limited	36,992	Motherson Moulds and Diecasting Ltd.	21,988
			-	CTM India Ltd.	51,330
			-	Motherson Auto Ltd.	101,442

# Schedules forming part of the Consolidated Accounts

S. No.	Particulars	2010-11		2009-10	
		Name of Related Party	Amount	Name of Related Party	Amount
27	Security Deposit Received	Kyungshin Industrial Motherson Ltd.	30,000	Kyungshin Industrial Motherson Ltd.	30,000
			-	Balda Motherson Solution India Ltd.	9,535
28	Security Deposits Given	Motherson Auto Ltd.	40,777	Motherson Auto Ltd.	2,626
			-	Mr. Laksh Vaaman Sehgal	542
29	Trade Payable	Sumi Motherson Innovative Engineering Limited	83,240	Sumi Motherson Innovative Engineering Ltd.	102,937
		Motherson Sumi Infotech & Designs Ltd.	71,702	Motherson Sumi Infotech & Designs Ltd.	38,348
		Systematic Conscom Limited	346,181	Sumitomo Wiring Systems Ltd., Japan	84,707
		Kyungshin Corporation, Korea	115,050		-
30	Trade Receivable	Kyungshin Industrial Motherson Limited	229,901	Kyungshin Industrial Motherson Ltd.	133,087
		Motherson Moulds and Diecasting Ltd.	143,305	Sumitomo Wiring Systems Ltd., Japan	37,600

## 16. Segment Information

### a) Information about Primary Business Segments

(Figures in ₹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	79,270,886	67,063,703	4,749,279	3,346,377	566,146	116,450	84,586,311	70,526,530
Intersegment	488,515	174,025	-	-	-	-	488,515	174,025
Total revenue	78,782,371	66,889,678	4,749,279	3,346,377	566,146	116,450	84,097,796	70,352,505
<b>Results</b>								
<b>Segment result</b>	5,886,746	3,812,304	359,781	73,594	-	-	6,246,527	3,885,898
Interest expense (net of Interest income)	-	-	-	-	496,526	573,231	496,526	573,231
Other Unallocable (net of Income)	-	-	-	-	(562,394)	(115,242)	(562,394)	(115,242)
Profit of Associate	-	-	-	-	2,038	2,122	2,038	2,122
Profit before taxation	-	-	-	-	-	-	6,314,433	3,430,031
Provision for taxation	-	-	-	-	1,883,144	1,093,752	1,883,144	1,093,752
Net profit after tax	-	-	-	-	-	-	4,431,288	2,336,279
- Concern Share	-	-	-	-	-	-	3,908,120	2,427,707
- Minority Share	-	-	-	-	-	-	523,169	(91,428)
<b>Other items</b>								
Segment assets	46,680,201	33,846,636	3,002,522	2,895,652	862,181	1,053,854	50,544,903	37,796,142
Segment liabilities	16,029,043	14,477,793	1,225,762	967,281	15,022,856	8,694,981	32,277,662	24,140,056
Capital expenditure	7,635,417	4,080,820	215,765	144,576	1,604	-	7,852,786	4,225,396
Depreciation & Impairment	2,338,563	2,478,670	126,374	122,286	-	-	2,464,937	2,600,956
Amortization of Premium on Redemption of FCCB	-	-	-	-	2,982	141,466	2,982	141,466

# Schedules forming part of the Consolidated Accounts

## b) Information about Secondary Business Segments

(Figures in ₹Thousands)

	India		Outside India		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	31,839,495	20,540,273	51,692,231	49,695,782	566,070	116,450	84,097,796	70,352,505
Inter segment	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>31,839,495</b>	<b>20,540,273</b>	<b>51,692,231</b>	<b>49,695,782</b>	<b>566,070</b>	<b>116,450</b>	<b>84,097,796</b>	<b>70,352,505</b>
Carrying amount of segment assets	20,211,089	12,880,576	29,547,629	23,861,712	862,181	1,053,854	50,620,899	37,796,142
Addition to fixed assets	3,737,882	2,720,386	4,114,904	1,505,010	-	-	7,852,786	4,225,396

## c) Composition of Business Segments

The Group is organised into two main business segments, namely:

<u>Segments</u>	<u>Products categories in respective segments</u>
Automotive	Wiring Harness, High Tension Cords, Wire, Mirrors, 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 optimization objective for the Group.

## 17. 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 ₹ Thousands)

GRATUITY	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009
Obligations at year beginning	1,114,231	778,621	750,677
Obligations at year beginning consequent to acquisition	689	-	-
Service Cost - Current	170,529	109,501	24,488
Interest Cost	55,520	227,685	11,272
Actuarial (gain) / loss	46,144	174,538	16,358
Benefit Paid	(100,205)	(51,927)	(10,046)
Effect of exchange rates changes	52,743	(124,187)	(17,481)
<b>Obligations at year end</b>	<b>1,339,651</b>	<b>1,114,231</b>	<b>775,268</b>
<b>Change in plan assets</b>			
Plan assets at year beginning, at fair value	965,819	912,784	906,155
Plan assets at year beginning consequent to Acquisition	412	-	-
Expected return on plan assets	44,383	28,750	10,534
Actuarial gain / (loss)	9,084	22,801	1,096
Contributions	73,335	106,843	24,907
Benefits paid	(39,348)	(52,433)	(6,370)
Effect of exchange rates changes	46,248	(52,926)	(23,538)

# Schedules forming part of the Consolidated Accounts

(Figures in ₹ Thousands)

GRATUITY	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009
Plan assets at year end, at fair value	1,099,933	965,819	912,784
<b>Reconciliation of present value of the obligation and the fair value of the plan assets:</b>			
Present value of the defined benefit obligations at the end of the year	1,339,651	1,114,230	775,268
Fair value of the plan assets at the end of the year	1,099,933	965,819	912,784
<b>Liability recognised in the Balance Sheet</b>	<b>239,718</b>	<b>148,411</b>	<b>(137,516)</b>
Defined benefit obligations cost for the year			
Service Cost - Current	170,529	109,501	24,488
Interest Cost	55,520	227,685	11,272
Expected return on plan assets	(44,383)	(28,750)	(10,534)
Actuarial (gain) / loss	37,060	151,736	15,262
<b>Net defined benefit obligations cost</b>	<b>218,726</b>	<b>460,172</b>	<b>40,488</b>

(Figures in ₹ Thousands)

LEAVE ENCASHMENT/COMPENSATED ABSENCES	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009
Obligations at year beginning	47,534	39,489	27,619
Obligations at year beginning consequent to acquisition	823	-	-
Service Cost - Current	12,759	10,031	7,726
Interest Cost	3,938	2,914	1,941
Actuarial (gain) / loss	6,706	(560)	5,115
Benefit Paid	(6,645)	(4,340)	(3,045)
Effect of exchange rates changes	40	-	-
Obligations at year end	65,155	47,534	39,356
<b>Reconciliation of present value of the obligation and the fair value of the plan assets:</b>			
Present value of the defined benefit obligations at the end of the year	65,155	47,534	39,356
Fair value of the plan assets at the end of the year	-	-	-
<b>Liability recognised in the Balance Sheet</b>	<b>65,155</b>	<b>47,534</b>	<b>39,356</b>
<b>Defined benefit obligations cost for the year</b>			
Service Cost - Current	12,759	10,031	7,726
Interest Cost	3,938	2,914	1,941
Expected return on plan assets	-	-	-
Actuarial (gain) / loss	6,706	(560)	5,115
<b>Net defined benefit obligations cost</b>	<b>23,403</b>	<b>12,385</b>	<b>14,782</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:

# Schedules forming part of the Consolidated Accounts

	2011		2010		2009
	Indian	Foreign	Indian	Foreign	Indian
Discount Rate	7.0% - 8.30%	5.1% - 10.0%	7.0% - 8.0%	4.7% - 10.0%	7.0% - 8.0%
Future salary increases	4.5% - 7.50%	5.0% - 14.0%	4.5% - 7.0%	5.0% - 14.0%	4.5% - 7.0%
Expected return on plan assets	8.0% - 9.50%	3.5% - 7.0%	8.0% - 9.25%	3.0%	8.0% - 9.25%

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 ₹972,624 thousand (Previous Year ₹979,885 thousand).

## 18. Interest in Joint Ventures

The Group's interests, as a venture, in jointly controlled entities as at March 31, 2011 are:

Name of the Company	Country of Incorporation	% voting power held as at March 31, 2011	% voting power held as at March 31, 2010
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 (Refer B(5) above).	India	-	40%
Calsonic Kansei Motherson Auto Products Limited	India	49%	49%
Ningbo SMR 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 ₹ Thousands)

Particulars	March 31, 2011	March 31, 2010
<b>Assets</b>		
Fixed Assets	645,953	784,585
Capital Work in Progress	4,185	5,434
Current Assets	1,951,498	1,441,912
<b>Liabilities</b>		
Secured Loans	36,805	75,604
Unsecured Loans	209,448	148,282
Current Liabilities & Provisions	1,015,647	726,919
Deferred Tax (Net)	(8,015)	2,255
<b>Reserves &amp; Surplus</b>	<b>783,212</b>	<b>367,581</b>
<b>Revenue</b>		
Sales	4,995,305	4,306,939
Other Income	50,310	64,018
Expenditure	4,544,479	3,813,277

(Figures in ₹ Thousands)

Particulars	March 31, 2011	March 31, 2010
Profit before Tax	501,137	557,679
Provision for Tax	113,503	182,863
Profit after Tax	387,634	374,815
<b>Contingent Liabilities</b>		
- In respect of Excise, Sales tax & Service tax matters	8,946	7,650
- Bank Guarantees	-	14,928
<b>Capital Commitment</b>	5,334	13,313

19. 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 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.
20. 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 012754N**  
Chartered Accountants

**V.C. SEHGAL**  
Vice Chairman

**HIDEAKI UESHIMA**  
Director

**PANKAJ MITAL**  
Chief Operating Officer

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

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

Place: Noida  
Date : May 25, 2011



## 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 our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, 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.



**Motherson Sumi  
Systems Limited**

Motherson Sumi Systems Limited  
2nd Floor, F-7, Block B-1,  
Mohan Cooperative Industrial Estate,  
Mathura Road, New Delhi - 110 044